Equatorial Energia S.A.

Quarterly Financial Information
June, 30, 2020
(A free translation of the original report in Portuguese, prepared in accordance with the accounting practices adopted in Brazil)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY INFORMATION

To the shareholders of
Equatorial Energia S.A.
São Luis - MA

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Equatorial Energia S.A. ("Company"), for the quarter ended June 30, 2020, comprising the statement of financial position as of June 30, 2020 and the related statements of profit or loss and of comprehensive income for the three and six month periods then ended, and of changes in equity and of cash flows for the six month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information 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 auditing standards 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 on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

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Other matters

Statements of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the six month periods ended June 30, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Audit and review of prior year/period corresponding figures

The amounts corresponding to the statement of financial position as at December 31, 2019, and the statements of profit or loss and of comprehensive income, for the three and six month periods ended June 30, 2019, and of changes in equity, cash flows and value added for the six-month period then ended, presented for comparison purposes, were previously audited and reviewed, respectively, by other independent auditors, who issued an unmodified independent auditor's report on the financial statements dated May 22, 2020, and an unmodified review report on the interim financial information dated August 14, 2019.

Fortaleza, August 13, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP015199/O-6



Carlos Santos Mota Filho
Accountant CRC PE020728/O-7-T-CE

Equatorial Energia S.A. and Consolidated

Statement of financial position as of June 30, 2020 and December 31, 2019

(In thousands of Reais)

	Note	Parent company		Consolidated	
		06/30/2020	12/31/2019	06/30/2020	12/31/2019
Asset					
Current					
Cash and cash equivalents	4	**133.811**	536.313	**619.121**	1.785.203
Short-term investments	5	**676.231**	871.556	**5.362.258**	4.043.717
Trade accounts receivable	6	**-**	-	**3.327.841**	3.503.757
Accounts receivable - rate tiers		**-**	-	**2.674**	1.291
Fuel purchased - CCC account		**-**	-	**20.403**	36.376
Services in progress		**-**	-	**410.166**	365.462
A "Component" revenue returnable and other financial items	7	**-**	-	**141.484**	231.463
Judicial deposits	21	**-**	-	**2.941**	3.052
Derivative financial instruments	30.4	**-**	-	**21.682**	17.554
Inventories		**-**	-	**43.361**	31.895
Dividends receivable	9	**63.745**	98.381	**2.879**	5.175
Recoverable taxes and contributions	8	**34**	862	**1.170.253**	256.066
Recoverable income tax and social contribution		**5.823**	1.428	**185.887**	143.132
Other receivables		**5.703**	4.574	**576.533**	295.192
Contractual assets	13	**-**	-	**708.906**	699.692
Total current assets		**885.347**	1.513.114	**12.596.389**	11.419.027
Noncurrent					
Securities	5	**18.364**	18.129	**135.504**	126.756
A "Component" revenue returnable and other financial items	6	**-**	-	**898.807**	882.598
Fuel purchased - CCC account	7	**-**	-	**835.297**	865.227
Judicial deposits	21	**133**	124	**271.177**	299.175
Services in progress		**-**	-	**6.591**	6.591
Derivative financial instruments	30.4	**-**	-	**492.346**	43.001
Recoverable taxes and contributions	8	**12**	12	**1.641.102**	1.633.437
Recoverable income tax and social contribution		**32.960**	35.017	**83.222**	90.340
CCC subrogation - amounts allocated		**-**	-	**85.120**	85.120
Retirement and pension plan		**-**	-	**22.065**	22.065
Other receivables		**20.310**	9.569	**55.987**	389.340
Concession's	11	**-**	-	**5.035.815**	4.945.545
Investment	10	**9.469.124**	8.664.022	**133.438**	122.217
Property, plant and equipment		**2.781**	2.782	**15.187**	14.557
Intangible assets	12	**1.438**	1.437	**8.915.586**	9.007.974
Right-of-use		**933**	992	**30.510**	32.573
Contractual assets	13	**-**	-	**9.248.893**	7.544.552
Total noncurrent assets		**9.546.055**	8.732.084	**27.906.647**	26.111.068
Total assets		**10.431.402**	10.245.198	**40.503.036**	37.530.095

	Note	Parent company		Consolidated	
		06/30/2020	12/31/2019	06/30/2020	12/31/2019
Liabilities					
Current					
Trade payables	14	**1.479**	2.081	**1.621.729**	1.969.016
Payroll charges and obligations		**906**	722	**80.441**	60.940
Loans and borrowings	15	**516.991**	507.358	**2.675.864**	1.742.280
Debentures	16	**7.385**	11.622	**87.773**	144.283
A "Component" revenue returnable and other financial items	7	**-**	-	**64.361**	10.077
Taxes and contributions payable	17	**3.168**	2.761	**551.186**	564.352
Income taxes and social contribution payable		**19**	41	**112.491**	100.793
Dividends		**322.469**	322.581	**316.626**	341.119
Public lighting fee		**-**	-	**67.863**	79.326
Energy efficiency research and development		**-**	-	**294.525**	272.806
Profit sharing		**20.451**	17.466	**109.989**	132.664
Payable under the judicial reorganization plan - Equatorial Pará	19	**-**	-	**19.078**	22.275
Lease liability		**144**	150	**11.729**	10.569
Provision for civil, tax, labor and regulatory claims	21	**-**	-	**242.648**	254.775
PIS/COFINS to be reimbursed to consumers	22	**-**	-	**983.133**	75.999
Other accounts payable		**14**	15	**417.769**	373.148
Total current liabilities		**873.026**	864.797	**7.657.205**	6.154.422
Noncurrent					
Trade payables	14	**-**	-	**6.731**	7.094
Loans and borrowings	15	**-**	-	**9.916.061**	9.362.674
Debentures	16	**557.999**	1.252.232	**4.865.379**	5.559.184
Retirement and pension plan		**-**	-	**139.562**	139.562
Taxes and contributions payable	17	**-**	-	**220.046**	235.339
Deferred income and social contribution taxes	18	**50**	50	**1.659.849**	1.307.386
Deferred PIS and COFINS	18.1	**-**	-	**1.010.780**	860.503
Provision for civil, tax, labor and regulatory claims	21	**-**	-	**1.025.010**	1.037.472
A "Component" revenue returnable and other financial items	7	**-**	-	**196.923**	132.374
Energy efficiency research and development		**-**	-	**198.148**	186.483
Payable under the judicial reorganization plan - Equatorial Pará	19	**-**	-	**872.327**	849.624
PIS/COFINS to be reimbursed to consumers	22	**-**	-	**1.321.944**	1.263.422
CCC Sector charges - Equatorial Pará	20	**-**	-	**257.885**	254.672
Lease liability		**722**	792	**22.294**	19.344
Other accounts payable		**16.450**	16.450	**374.454**	387.168
Total non-current liabilities		**575.221**	1.269.524	**22.087.393**	21.602.301
Equity					
Share capital	23.1	**2.742.270**	2.741.931	**2.742.270**	2.741.931
Capital reserves	23.2	**555.626**	529.934	**555.626**	529.934
Revenue reserves		**4.993.923**	4.993.923	**4.993.923**	4.993.923
Asset and liability valuation adjustments		**(154.352)**	(154.911)	**(154.352)**	(154.911)
P&L for the period		**845.688**	-	**845.688**	-
Shareholders' equity attributable to Company shareholders		**8.983.155**	8.110.877	**8.983.155**	8.110.877
Non-Controlling Interest (NCI)		**-**	-	**1.775.283**	1.662.495
Total equity		**8.983.155**	8.110.877	**10.758.438**	9.773.372
Total liabilities and equity		**10.431.402**	10.245.198	**40.503.036**	37.530.095

See accompanying notes.

Equatorial Energia S.A. and Consolidated

Statement of profit and loss

Periods ended June 30, 2020 and 2019

(In thousands of Reais)

	Note	Parent company				Consolidated			
		01/01/2020 to 06/30/2020	04/01/2020 to 06/30/2020	01/01/2019 to 06/30/2019	04/01/2019 to 06/30/2019	01/01/2020 to 06/30/2020	04/01/2020 to 06/30/2020	01/01/2019 to 06/30/2019	04/01/2019 to 06/30/2019
Net operating revenue	24	-	-	-	-	**7.688.712**	**3.482.210**	7.735.679	4.375.800
Electricity purchased for resale and transmission costs	26	-	-	-	-	**(3.035.841)**	**(1.363.416)**	(3.152.492)	(1.644.474)
Construction cost		-	-	-	-	**(1.559.078)**	**(662.205)**	(2.170.060)	(1.374.279)
Operating cost		-	-	-	-	**(631.292)**	**(312.617)**	(357.411)	(115.923)
Costs of electricity, construction and operation	25	-	-	-	-	**(5.226.211)**	**(2.338.238)**	(5.679.963)	(3.134.676)
Gross profit		-	-	-	-	**2.462.501**	**1.143.972**	2.055.716	1.241.124
Operating expenses									
Sales expenses	25	-	-	-	-	**(125.941)**	**(48.871)**	(239.179)	(147.888)
General and administrative expenses	25	**(89.835)**	**(70.150)**	(15.668)	(8.149)	**(414.780)**	**(255.581)**	(354.291)	(222.144)
Impairment	25	-	-	-	-	**(252.389)**	**(173.303)**	(35.905)	13.295
Concession right amortization		-	-	(50.615)	(45.535)	-	-	(50.615)	(45.535)
Share of profit (loss) of equity-accounted investees	10	**956.552**	**481.044**	683.731	429.373	**15.539**	**36.133**	14.966	7.548
Other net operating income (expenses)	27	**72**	**86**	506	(12)	**(24.816)**	**(10.873)**	(170.359)	(86.539)
Total operating revenue (expense)		**866.789**	**410.980**	617.954	375.677	**(802.387)**	**(452.495)**	(835.383)	(481.263)
Income before net financial items, income tax and social contributions		**866.789**	**410.980**	617.954	375.677	**1.660.114**	**691.477**	1.220.333	759.861
Financial revenue		**17.283**	**5.453**	14.772	5.658	**792.395**	**248.646**	451.993	181.922
Finance costs		**(38.384)**	**(10.702)**	(77.870)	(39.259)	**(1.010.239)**	**(313.197)**	(683.310)	(323.443)
Financial income, net	28	**(21.101)**	**(5.249)**	(63.098)	(33.601)	**(217.844)**	**(64.551)**	(231.317)	(141.521)
Net income before income and social contribution taxes		**845.688**	**405.731**	554.856	342.076	**1.442.270**	**626.926**	989.016	618.340
Current income and social contribution taxes	18	-	-	-	-	**(104.433)**	**(75.262)**	(48.709)	(25.116)
Deferred income and social contribution taxes	18	-	-	-	-	**(348.946)**	**(77.462)**	(273.117)	(183.776)
Income taxes		-	-	-	-	**(453.379)**	**(152.724)**	(321.826)	(208.892)
Net income for the period		**845.688**	**405.731**	554.856	342.076	**988.891**	**474.202**	667.190	409.448
Income attributable to:									
Shareholders of parent entity		**845.688**	**405.731**	554.856	342.076	**845.688**	**405.731**	554.856	342.076
Non-controlling interests		-	-	-	-	**143.203**	**68.471**	112.334	67.372
Net income for the period		**845.688**	**405.731**	554.856	342.076	**988.891**	**474.202**	667.190	409.448
Basic earnings per share - R$		**0,83708**	**0,40156**	2,75025	1,69557				
Diluted earnings per share - R$		**0,83689**	**0,40151**	2,75025	1,69557				
Number of common shares at period-end (in thousands of shares)		**1.010.286**	**1.010.186**	201.747	201.747				

See accompanying notes.

Equatorial Energia S.A. and Consolidated

Statement of comprehensive income

Periods ended June 30, 2020 and 2019

(In thousands of Reais)

	Parent company				Consolidated			
	01/01/2020 to 06/30/2020	**04/01/2020 to 06/30/2020**	**01/01/2019 to 06/30/2019**	**04/01/2019 to 06/30/2019**	**01/01/2020 to 06/30/2020**	**04/01/2020 to 06/30/2020**	**01/01/2019 to 06/30/2019**	**04/01/2019 to 06/30/2019**
Net income for the period	**845.688**	**405.731**	554.856	342.076	**988.891**	**474.202**	667.190	409.448
Other comprehensive income								
Items that will be subsequently reclassified to profit or loss								
Loss on cash flow hedge	**559**	**(8.858)**	-	-	**633**	**(9.889)**	(4.214)	(4.214)
Other comprehensive income of the period, net of tax	**559**	**(8.858)**	-	-	**633**	**(9.889)**	(4.214)	(4.214)
Total comprehensive income	**846.247**	**396.873**	554.856	342.076	**989.524**	**464.313**	662.976	405.234
Shareholders of parent entity	**846.247**	**396.873**	554.856	342.076	**846.247**	**396.873**	550.874	338.094
Non-controlling interests	**-**	**-**	-	-	**143.277**	**67.440**	112.102	67.140
Total comprehensive income	**846.247**	**396.873**	554.856	342.076	**989.524**	**464.313**	662.976	405.234

See accompanying notes.

Equatorial Energia S.A. and Consolidated

Statement of changes in equity

Periods ended June 30, 2020 and 2019

(In thousands of Reais)

			Revenue reserves								
	Share capital	**Reserves capital**	**Legal**	**Investment and expansion reserve**	**Unrealized profit reserve**	**Additional dividends reserve**	**Adjustments to equity valuation**	**Retained earnings**	**Shareholders' equity of parent**	**Non-controlling interests**	**Consolidated equity**
Balances as of December 31, 2018	2.375.354	60.780	45.896	2.944.000	219.429	889	(50.316)	-	5.596.032	956.839	6.552.871
Capital increase	360.226	-	(45.896)	(262.613)	-	-	-	-	51.717	4.448	56.165
Net income for the period	-	-	-	-	-	-	-	554.856	554.856	112.334	667.190
Change in relative interest held in subsidiaries	-	(112.923)	-	-	-	-	-	-	(112.923)	112.923	-
NCI in equity of subsidiaries	-	-	-	-	-	-	-	-	-	(95.481)	(95.481)
Other comprehensive income	-	-	-	-	-	-	(3.982)	-	(3.982)	(232)	(4.214)
Dividends	-	-	-	-	-	-	-	-	-	(85.079)	(85.079)
Balances as of June 30, 2019	2.735.580	(52.143)	-	2.681.387	219.429	889	(54.298)	554.856	6.085.700	1.005.752	7.091.452
Balances as of December 31, 2019	2.741.931	529.934	120.781	3.648.222	1.224.184	736	(154.911)	-	8.110.877	1.662.495	9.773.372
Capital increase (Note 23.1)	339	-	-	-	-	-	-	-	339	-	339
Net income for the period	-	-	-	-	-	-	-	**845.688**	**845.688**	**143.203**	**988.891**
Awarded options recognized (Note 23.2)	-	**25.692**	-	-	-	-	-	-	**25.692**	-	**25.692**
Cash flow hedge accounting gains (losses)	-	-	-	-	-	-	**559**	-	**559**	**74**	**633**
NCI in equity of subsidiaries	-	-	-	-	-	-	-	-	-	**(2.341)**	**(2.341)**
Dividends (Note 23.4)	-	-	-	-	-	-	-	-	-	(28.148)	(28.148)
Balances as of June 30, 2020	**2.742.270**	**555.626**	**120.781**	**3.648.222**	**1.224.184**	**736**	**(154.352)**	**845.688**	**8.983.155**	**1.775.283**	**10.758.438**

See accompanying notes.

Equatorial Energia S.A. and Consolidated

Statement of cash flows - Indirect method

Periods ended June 30, 2020 and 2019

(In thousands of Reais)

	Parent company		Consolidated	
	06/30/2020	**06/30/2019**	**06/30/2020**	**06/30/2019**
Cash flows from operating activities				
Net income for the year	**845.688**	554.856	**988.891**	667.190
Adjustments for:				
Amortization and depreciation	**49.357**	4	**381.114**	287.024
Amortization of concession rights	-	50.615	-	50.615
Share of profit (loss) of equity-accounted investees	**(956.552)**	(683.731)	**(15.539)**	(14.966)
Write-off of intangible and financial assets	-	-	**3.757**	166.371
Contractual asset write-off	-	-	**(13.027)**	-
Indexation of contractual and financial assets	-	-	**(554.553)**	(148.561)
Construction margin	-	-	**(183.234)**	-
Debt charges, net interest and monetary and exchange variance	**32.533**	77.400	**1.001.365**	527.250
Share of profit (loss) of equity-accounted investees	-	-	**(446.254)**	12.044
Adjustment to present value	-	(241)	**10.090**	21.381
Reversal of securities written off	-	-	**252.389**	35.905
Allowance for doubtful accounts	-	-	**(158.842)**	-
Restatement and provision for energy efficiency research and development	-	-	**17.283**	-
Provision for civil, tax, labor and regulatory claims	-	-	**55.189**	52.307
A "Component" (receivable) returnable and other financial items	-	-	**13.053**	61.509
Earnings on investments	-	-	**238.742**	129.070
Deferred PIS/COFINS - Transmission firms	**(18.114)**	-	**(93.822)**	(20.265)
Deferred income and social contribution taxes	-	-	**148.400**	186.058
Current income and social contribution taxes	-	-	**348.946**	273.117
Share-based payments	-	-	**104.433**	48.709
Option to repurchase	**25.692**	-	**25.692**	-
PIS/COFINS to be reimbursed to consumers	-	-	**(3.003)**	(8.831)
Special obligations and provisions - Eletrobrás - CCEE	**3.198**	-	**3.198**	-
Other	-	-	-	(84.647)
	(18.198)	(1.097)	**2.124.268**	2.241.280
Changes in current and noncurrent assets and liabilities				
Trade accounts receivable	-	-	**52.715**	42.254
Accounts receivable - rate tiers	-	-	**(1.383)**	7.317
Fuel purchased - CCC account	-	-	**19.186**	29.046
Services in progress	-	-	**(42.630)**	(56.646)
Judicial deposits	**(10)**	(68)	**28.109**	(46.646)
Inventories	-	-	**(11.466)**	1.609
Recoverable taxes and contributions	**2.885**	(215)	**(33.688)**	(10.340)
Recoverable income tax and social contribution	**(4.395)**	(1.577)	**(35.637)**	16.821
CCC sub-rogation	-	-	-	(9.575)
Acquisitions of contractual assets	-	-	**(726.311)**	(1.900.525)
Other receivables	**(11.870)**	(418)	**52.012**	55.985
Trade payables	**(602)**	(381)	**(347.650)**	(366.052)
Payroll charges and obligations	**185**	82	**19.501**	46
Taxes and contributions payable	**385**	(415)	**(5.732)**	(34.919)
Taxes and contributions payable on net income	-	(13)	**23.638**	(83.157)
Consumer charges	-	-	-	(16.944)
Public lighting fee	-	-	**(11.463)**	3.624
Energy efficiency research and development	-	-	**(21.805)**	(49.154)
Profit sharing	**(213)**	(1.440)	**(25.873)**	(24.102)
Related-party transactions	-	-	-	198
Retirement and pension plan	-	-	-	(2.539)
Provision for civil, tax, labor and regulatory claims	-	(10.957)	**(37.642)**	(104.694)
Other accounts payable	**(2)**	-	**31.906**	62.848
PIS/COFINS to be reimbursed to consumers	-	-	**17.603**	-
Dividends received	**161.919**	541.316	**3.796**	5.917
	148.282	525.914	**(1.052.814)**	(2.479.628)
Income and social contribution taxes paid	-	-	**(74.652)**	(34.767)
Interest paid	**(25.861)**	(43.026)	**(291.544)**	(487.189)
	(25.861)	(43.026)	**(366.196)**	(521.956)
Cash flows (used in) produced by operating activities	**104.223**	481.791	**705.258**	(760.304)
Cash flows from investing activities				
Acquisitions of intangible assets and property, plant and equipment	-	(126)	**(2.579)**	(1.272)
Special obligations additions	-	-	**229.309**	11.464
Acquisitions of contractual assets	-	-	**(832.693)**	(780.241)
Net cash acquired on the acquisition of investments	-	(46)	-	72.128
Acquisition of investment	**(24.571)**	(808.797)	-	-
Redemptions/ short-term investments	**213.204**	-	**(1.233.467)**	(1.126.204)
Cash flow (used in) provided by investment activities	**188.633**	(808.969)	**(1.839.430)**	(1.824.125)
Cash flows from financing activities				
Amortization of loans and borrowings	**(695.500)**	-	**(240.900)**	(1.094.839)
Loans and borrowing obtained	-	-	**1.085.149**	2.070.589
Amortization of debentures	-	-	**(786.398)**	(242.076)
Debenture issue	-	-	-	1.595.000
Amortization of lease liability	**(85)**	-	**(10.212)**	-
Amounts paid under the judicial reorganization plan	-	-	**(27.247)**	(6.560)
Funds allocated to advance for future capital increase	-	(8.270)	-	-
Capital increase	**339**	51.717	**339**	56.165
Dividends paid	**(112)**	(211)	**(52.641)**	(134.856)
Cash flows from (used in) financing activities	**(695.358)**	43.236	**(31.910)**	2.243.423
Decrease in cash and cash equivalents	**(402.502)**	(283.942)	**(1.166.082)**	(341.006)
Cash and cash equivalents at beginning of period	**536.313**	718.146	**1.785.203**	4.743.990
Cash and cash equivalents at end of period	**133.811**	434.204	**619.121**	4.402.984
Decrease in cash and cash equivalents	**(402.502)**	(283.942)	**(1.166.082)**	(341.006)

See accompanying notes.

Equatorial Energia S.A. and Consolidated

Statement of value added

Periods ended June 30, 2020 and 2019

(In thousands of Reais)

	Parent company		Consolidated	
	06/30/2020	**06/30/2019**	**06/30/2020**	**06/30/2019**
Revenue				
Sales of products, services and construction revenue	**-**	-	**10.277.996**	10.485.838
Allowance for doubtful accounts	**-**	-	**(252.389)**	(35.905)
Reversal of civil, tax, labor and regulatory litigation	**(24)**	-	**-**	(68.109)
Provision (reversal) for civil, labor, tax and regulatory litigation	**-**	-	**(15.974)**	-
Other operating expenses/revenue	**72**	506	**(17.598)**	(18.091)
Other non-recurrent expenses / revenue	**-**	-	**(7.218)**	(152.268)
	48	506	**9.984.817**	10.211.465
Consumables acquired from third parties (including ICMS and IPI)				
Costs of goods sold and services rendered	**-**	-	**(4.594.919)**	(5.322.552)
Materials, energy, third-party services and others	**(6.316)**	(6.916)	**(453.593)**	(341.175)
CCC subsidy	**-**	-	**(62.933)**	(50.603)
	(6.316)	(6.916)	**(5.111.445)**	(5.714.330)
Gross added value used	**(6.268)**	(6.410)	**4.873.372**	4.497.135
Depreciation and amortization	**(49.357)**	(4)	**(377.961)**	(304.292)
Net added value (used in) produced by the Company	**(55.625)**	(6.414)	**4.495.411**	4.192.843
Transferred added value				
Finance income	**18.114**	14.772	**809.311**	451.993
Share of profit (loss) of equity-accounted investees	**956.552**	683.731	**15.539**	14.966
Amortization of concession rights	**-**	(50.615)	**-**	(50.615)
	974.666	647.888	**824.850**	416.344
Total value added to distribute	**919.041**	641.474	**5.320.261**	4.609.187
Distribution of value added				
Employees				
Direct compensation	**32.059**	4.422	**231.843**	51.735
Benefits	**467**	573	**67.549**	61.021
FGTS	**45**	40	**21.974**	70.313
Other	**1.443**	3.537	**(35.725)**	30.022
	34.014	8.572	**285.641**	213.091
Taxes				
Federal	**831**	-	**1.526.154**	1.550.495
State	**-**	-	**1.496.017**	1.474.772
Municipal	**-**	-	**6.093**	5.120
	831	-	**3.028.264**	3.030.387
Return on debt capital				
Interest	**32.524**	77.418	**866.131**	394.496
Rent	**124**	176	**7.226**	15.209
Other financial expenses	**5.860**	452	**144.108**	288.814
	38.508	78.046	**1.017.465**	698.519
Return on equity capital				
Retained earnings in the year	**845.688**	554.856	**845.688**	554.856
Noncontrolling interests in earnings for the year	**-**	-	**143.203**	112.334
	845.688	554.856	**988.891**	667.190
Value added	**919.041**	641.474	**5.320.261**	4.609.187

See accompanying notes.

1 Operations

Equatorial Energia S.A. ("Company" or "Equatorial" or "Parent Company" or in conjunction with its Subsidiaries, "Group"), headquartered in São Luís, Maranhão, Brazil, is a publicly traded holding corporation with interests primarily in electric power generation, distribution and transmission operations. The Company is listed on B3 under the ticker "EQTL3" and has been listed on Novo Mercado since 2008.

1.1 Subsidiaries and joint ventures

Equatorial has the following interests:

Direct interest	**Note**	**06/30/2020**	**12/31/2019**
55 Soluções S.A.	(a)	100.00%	100.00%
Geradora de Energia do Maranhão S.A.	(b)	25.00%	25.00%
Vila Velha Termoelétricas Ltda.	(c)	50.00%	50.00%
Equatorial Transmissão S.A.	(d)	100.00%	100.00%
Integração Transmissora de Energia S.A. – INTESA	(e)	100.00%	100.00%
Equatorial Piauí Distribuidora de Energia S.A.	(f)	94.47%	94.47%
Equatorial Alagoas Distribuidora de Energia S.A.	(g)	96.37%	96.37%
Equatorial Energia Distribuição S.A.	(h)	90.15%	90.15%
Indirect interest	**Note**	**06/30/2020**	**12/31/2019**
Equatorial Transmissora 1 SPE S.A.	(i)	100.00%	100.00%
Equatorial Transmissora 2 SPE S.A.	(j)	100.00%	100.00%
Equatorial Transmissora 3 SPE S.A.	(k)	100.00%	100.00%
Equatorial Transmissora 4 SPE S.A.	(l)	100.00%	100.00%
Equatorial Transmissora 5 SPE S.A.	(m)	100.00%	100.00%
Equatorial Transmissora 6 SPE S.A.	(n)	100.00%	100.00%
Equatorial Transmissora 7 SPE S.A.	(o)	100.00%	100.00%
Equatorial Transmissora 8 SPE S.A.	(p)	100.00%	100.00%
Solenergias Comercializadora de Energia S.A	(q)	51.00%	51.00%
Helios Energia Comercializadora e Serviços Ltda.	(r)	99.99%	99.99%
Equatorial Telecomunicações Ltda.	(s)	100.00%	100.00%
Equatorial Maranhão Distribuidora de Energia S.A.	(t)	58.69%	58.69%
Equatorial Pará Distribuidora de Energia S.A.	(u)	86.99%	86.99%

(a) 55 Soluções S.A. ("55 Soluções"): A privately held company held corporation headquartered in São Luís, Maranhão, Brazil, and primarily engaged in: a) services in the electric power, telecommunications and data transmission businesses; b) electricity bill collection services for third parties; and c) third-party facilities operation, maintenance and planning services under Equatorial's control;

(b) Geradora de Energia do Maranhão S.A. ("GERAMAR"):Company responsible for the development and operation of the Tocantinópolis and Nova Olinda thermal power stations in the municipality of Miranda do Norte, Maranhão, Brazil, with a combined installed capacity of 330 MW to be delivered to the National Interconnected System. On October 1, 2008, Equatorial acquired a 25% interest in the share capital of Geradora de Energia do Norte S.A.: The consortium that controls Geradora de Energia do Norte S.A. consists of Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. (50%). GNP S.A., in turn, is controlled by Servtec Investimentos e Participações Ltda. (50%) and Company Ligna de Investimentos (50%). The control of Geradora de Energia do Norte S.A. is shared and governed by a Shareholders' Agreement;

(c) Vila Velha Termoelétricas Ltda. ("Vila Velha"): Company responsible for the development and operation of thermal power stations in the state of Espírito Santo. Equatorial Energia S.A. has a 50% interest in the company. Control of Vila Velha Termoelétricas Ltda. is shared and governed by a Shareholders' Agreement;

(d) Equatorial Transmissão S.A ("Equatorial Transmissão"): A privately held company, having its registered office in Brasília, Distrito Federal. Equatorial Transmissão's core activities are the: a) transmit and sell energy and provide related services; b) study, plan, design, implement, operate and maintain energy transmission systems; c) provide consultancy and engineering services within their operating remit; d) participate in technical, scientific and entrepreneurial associations and organizations; and e) acquire interests in other Brazilian or foreign companies as partner or shareholder. Equatorial Transmissão is the holding company for the Group's transmission companies, and owns SPEs 01 to 08;

(e) Integração Transmissora de Energia S.A. (INTESA): having its registered office in Distrito Federal is a privately held corporation. Its registered business interests include the construction, development, operation and maintenance of electric utility facilities within the interconnected grid and specifically the Colinas/Serra da Mesa 2 500kV Transmission Line in the states of Tocantins and Goiás, which serves 25 municipalities between Colinas do Tocantins (TO) and Colinas do Sul (GO). The public power transmission concession contract (no. 002/2006) between the National Electricity Regulatory Agency - ANEEL and INTESA on April 27, 2006, has a term extending to April 2036 and is extendable for a further maximum term of 30 years;

1 Operations - (Continued)

1.1 Subsidiaries and joint ventures - (Continued)

(f) Equatorial Piauí Distribuidora de Energia S.A. ("Equatorial Piauí"): A privately held company primarily engaged in electric power distribution in its legal concession area which embraces the entire state of Piauí, serving more than 1.3 million customers in 224 municipalities and covering an area in excess of 252 thousand km² as of June 30, 2020. On July 26, 2018, Equatorial Energia SA was the winner in the bidding process in the auction mode ("Auction"), carried out in the form of bidding nº. 2/2018-PPI / PND ("Notice"), for the concession of public distribution service associated with the transfer of Equatorial Piauí's share control. On October 17, 2018, the purchase and sale agreement and other covenants were signed, in which Centrais Elétricas Brasileiras SA - ELETROBRAS sold shares accounting for 89.94% of Equatorial Piauí's total share capital to Equatorial Energia S.A. Under item 5.1. (i) of this notice, Equatorial Energia S.A. made a capital increase at Equatorial Piauí of R$ 720,916 on October 17, 2018. On January 02, 2019, Equatorial Energia S.A bought back 2,580,200 shares for R$ 294.88 (in reais). By way of the capital increases of Equatorial Energia S.A., the Board of Directors Meeting of Equatorial Piauí held March 13, 2019 acquired 604,881,182 shares, consisting of 577,684,454 registered common shares with no par value, and 27,196,728 registered preferred shares with no par value, which resulted in the interest in this distribution company's share capital rising from 89.94% to 94.47%. Distribution concession contract no. 01/2018 entered into by ANEEL and Equatorial Piauí on October 18, 2018 is valid until October 17, 2048. The minutes from the Board of Directors' meeting held March 29, 2019 approved the change to the company's name from "Companhia Energética do Piauí – CEPISA", to "Equatorial Piauí Distribuidora de Energia S.A";

(g) Equatorial Alagoas Distribuidora de Energia S.A ("Equatorial Alagoas"): A privately held company primarily engaged in electric power distribution in its legal concession area which embraces the entire state of Alagoas, serving more than 1.1 million customers in 102 municipalities and covering an area in excess of 27 thousand km² as of June 30, 2020. On December 28, 2018, Equatorial Energia SA was the winner in the bidding process in the auction mode ("Auction"), carried out in the form of bidding nº. 2/2018-PPI / PND ("Notice"), for the concession of public distribution service associated with the transfer of Equatorial Alagoas' share control. On February 27, 2019, the purchase and sale agreement and other covenants were signed, in which Centrais Elétricas Brasileiras SA - ELETROBRAS sold shares accounting for 89.94% of Equatorial Alagoas' total share capital to Equatorial Energia S.A. By way of the Board of Directors' meeting of Equatorial Alagoas held March 18, 2019, Equatorial Energia S.A. acquired 1,436,238,120 shares, consisting of 1,412,317,458 registered common shares with no par value, and 23,920,662 registered preferred shares with no par value, which resulted in the interest in this distribution company's share capital rising from 89.94% to 96.37%. Distribution concession contract no. 02/2019 entered into by ANEEL and Equatorial Alagoas on March 19, 2019 is valid until March 18, 2049. The minutes from the Board of Directors' meeting held May 02, 2019 approved the change to the company's name from "Companhia Energética de Alagoas – CEAL", to "Equatorial Alagoas Distribuidora de Energia S.A";

(h) Equatorial Energia Distribuição S.A ("Equatorial Distribuição"), headquartered in São Luís, Maranhão, Brazil, is a privately held company with the core activity of holding interests primarily in electric power distribution utilities. On November 05, 2019, the interests of 65.11% in Equatorial Maranhão and 96.50% in Equatorial Pará were transferred from Equatorial Energia to Equatorial Distribuição. In this process the Company has an interest of 90.15% and Itaú S.A. 9.9%.

(i) Equatorial Transmissora 1 SPE S.A ("SPE 01"): A privately held company, having its registered office in Brasília, Distrito Federal. SPE 01's core activity is to: a) explore and operate the public electricity transmission concession and build, assemble, operate and maintain transmission lines, in accordance with Procurement Notice 13/2015-ANEEL 2nd Republication Stage, consisting of the 251-km, 500 kV Rio das Águas - Barreiras II C2 Transmission Line, and was incorporated on November 17, 2016; On February 10, 2017, the federal government and SPE 01 signed the Concession Agreement for the Public Electricity Transmission Service for a term of 30 years, expiring on February 9, 2047. On May 1, 2020, 100% of the transmission projects that make up SPE 01 went into commercial operation, with a total RAP (Annual Permitted Compensation) of R$ 88,119 (amounts re. Jul/2020), and their operation start-up represents an anticipation of approximately 21 months in relation to the regulatory term (February/2022);

(j) Equatorial Transmissora 2 SPE S.A ("SPE 02"): A privately held company, having its registered office in Brasília, Distrito Federal. SPE 02's core activity is to: explore and operate the public electricity transmission concession and build, assemble, operate and maintain transmission lines, in accordance with Procurement Notice 13/2015-ANEEL 2nd Republication Stage, consisting of the (a) 213-km, 500 kV Barreiras II, Buritirama C1 Transmission Line, and (b) 500kV Buritirama Substation (new substation for line connections and compensation of reactive power), incorporated on November 17, 2016. On February 10, 2017, the federal government and SPE 02 signed the Concession Agreement for the Public Electricity Transmission Service for a term of 30 years, expiring on February 9, 2047. On February 9, 2020, 100% of the transmission projects that make up SPE 02 went into commercial operation, with a total RAP (Annual Permitted Compensation) of R$ 79,917 (amounts re. Jul/2019), and their operation start-up represents an anticipation of approximately 24 months in relation to the regulatory term (February/2022);

(k) Equatorial Transmissora 3 SPE S.A ("SPE 03"): A privately held company, having its registered office in Brasília, Distrito Federal. SPE 03's core activity is to: explore and operate the public electricity transmission concession and build, assemble, operate and maintain transmission lines, in accordance with Procurement Notice 13/2015-ANEEL 2nd Republication Stage, consisting of the 380-km, 500 kV Buritirama - Queimada Nova II, C2, Transmission Line, and was incorporated on November 17, 2016. On February 10, 2017, the federal government and SPE 03 signed the Concession Agreement for the Public Electricity Transmission Service for a term of 30 years, expiring on February 9, 2047. In accordance with the commitment made, SPE 03 is expected to invest R$ 543,000 and to begin operations by February 9, 2022;

(l) Equatorial Transmissora 4 SPE S.A ("SPE 04"): A privately held company, having its registered office in Brasília, Distrito Federal. SPE 04's core activity is to: explore and operate the public electricity transmission concession and build, assemble, operate and maintain transmission lines, in accordance with Procurement Notice 13/2015-ANEEL 2nd Republication Stage, consisting of the 257-km, 500 kV Igaporã III - Janaúba 3 C2 Transmission Line, incorporated on November 17, 2016. (b) 337-km, 500 kV Janaúba 3 - Presidente Juscelino C1 Transmission Line; and (c) 500 kV Janaúba 3 (new 500 kV yard - parte 1) substation, founded on November 17, 2016. On February 10, 2017, the federal government and SPE 04 signed the Concession Agreement for the Public Electricity Transmission Service for a term of 30 years, expiring on February 9, 2047. In accordance with the commitment made, SPE 04 is expected to invest R$ 1,020,000 and to begin operations by February 9, 2022;

(m) Equatorial Transmissora 5 SPE S.A ("SPE 05"): A privately held company, having its registered office in Brasília, Distrito Federal. SPE 05's core activity is to: explore and operate the public electricity transmission concession and build, assemble, operate and maintain transmission lines, in accordance with Procurement Notice 13/2015-ANEEL 2nd Republication Stage, consisting of the 257-km, 500 kV Igaporã III - Janaúba 3 C2 Transmission Line, incorporated on November 17, 2016. On February 10, 2017, the federal government and SPE 05 signed the Concession Agreement

1 Operations - (Continued)

1.1 Subsidiaries and joint ventures - (Continued)

for the Public Electricity Transmission Service for a term of 30 years, expiring on February 9, 2047. In accordance with the commitment made, SPE 05 is expected to invest R$ 423,000 and to begin operations by February 9, 2022;

(n) Equatorial Transmissora 6 SPE S.A. ("SPE 06"): A privately held company, having its registered office in Brasília, Distrito Federal. SPE 06's core activity is to: explore and operate the public electricity transmission concession and build, assemble, operate and maintain transmission lines, in accordance with Procurement Notice 13/2015-ANEEL 2nd Republication Stage, consisting of the 330-km, 500 kV Janaúba 3 - Presidente Juscelino C2 Transmission Line, incorporated on November 17, 2016. On February 10, 2017, the federal government and SPE 06 signed the Concession Agreement for the Public Electricity Transmission Service for a term of 30 years, expiring on February 9, 2047. In accordance with the commitment made, SPE 06 is expected to invest R$ 499,000 and to begin operations by February 9, 2022;

(o) Equatorial Transmissora 7 SPE S.A. ("SPE 07"): A privately held company, having its registered office in Brasília, Distrito Federal. SPE 07's core activity is to: explore and operate the public electricity transmission concession and build, assemble, operate and maintain transmission lines, in accordance with Procurement Notice 13/2015-ANEEL 2nd Republication Stage, consisting of the 56.1-km, 500 kV Vila do Conde - Marituba Transmission Line (b) 68.6-km, 230 kV Marituba - Castanhal - Transmission Line; (c) 500/230 kV Marituba - (3+1R)x300 MVA substation; and (d) 230/69 kV Marituba 2x200 MVA substation, founded on November 17, 2016. On February 10, 2017, the federal government and SPE 07 signed the Concession Agreement for the Public Electricity Transmission Service for a term of 30 years, expiring on February 9, 2047. In accordance with the commitment made, SPE 07 is expected to invest R$ 459,000 and to begin operations by February 9, 2022;

(p) Equatorial Transmissora 8 SPE S.A ("SPE 08"): A privately held company, having its registered office in São Luís, Maranhão State. SPE 08's core activity is to: operate a power transmission concession including the construction, erection, operation and maintenance of transmission systems in the state of Pará under Invitation for Auction No. 05/2016, comprising (a) the Xingu—Altamira 230 kV ~61 km Transmission Line; (b) the Altamira–Transamazônica 230 kV ~188 km Transmission Line; (c) the Transamazônica–Tapajós 230 kV ~187 km Transmission Line; (d) the 230/138-13.8 kV (2 x 150 MVA) Tapajós Substation; (e) the Tapajós Substation–Synchronous Compensator (-75/+150 MVAR); and (f) the Rurópolis Substation–Synchronous Compensator (-55/+110 MVAR), established on June 14, 2017. On February 10, 2017, the federal government and SPE 08 signed the Concession Agreement for the Public Electricity Transmission Service for a term of 30 years, expiring on February 9, 2047. The Rurópolis - Compensador Síncrono (-55/+110 MVAR) substation came into operation on June 3, 2019. SPE 08 expects the Transmission Lines and other Substations to begin operating by February 09, 2022. In accordance with the commitment assumed, the Company is expected to invest R$ 14,000;

(q) Solenergias Comercializadora de Energia S.A. ("Solenergias"): A privately held company having its registered offices in Rio de Janeiro (RJ), engaged in the trading of electric power, management of power supply contracts, organization of electric power auctions and trading in power generation equipment. It owns subsidiary 55 Soluções S.A.

(r) Hélios Energia Comercializadora e Serviços Ltda.("Hélios"): Limited Liability Business Company having registered offices in Rio de Janeiro (RJ), engaged in the trading of electric power, management of power supply contracts, organization of electric power auctions and trading in power generation equipment. It owns subsidiary Solenergias Comercializadora de Energia S.A.;

(s) Equatorial Telecomunicações Ltda. ("Equatorial |Telecomunicações"): A private entity headquartered in São Luís, Maranhão, Brazil, engaged in the provision of telecommunications service, land-line telephone service, multimedia communication services, voice over Internet protocol service and telecommunications information services. Its parent company is 55 Soluções S.A;

(t) Equatorial Maranhão Distribuidora de Energia S.A ("Equatorial Maranhão").: A publicly held corporation primarily engaged in electric power distribution in its legal concession area which embraces the entire state of Maranhão, serving more than 2.5 million customers in 217 municipalities and covering an area in excess of 332 thousand km^2 as of June 30, 2020. The public power distribution concession contract (no. 060/2000) between the National Electricity Regulatory Agency - ANEEL and distributor on 8/28/2000, has a term extending to August 2030 and is extendable for a further maximum term of 30 years at the concession authority's discretion. Under Resolution 4621, dated November 25, 2014, ANEEL approved a new standard utility concession addendum under which the residual balances of regulatory assets or liabilities relating to financial figures to be computed in accordance with ANEEL's pre-established rules, including those established after the most recent tariff review, will be included the indemnity to be received by the concession holder in the event of the termination of the concession for whatever reason. Equatorial Maranhão entered into the amendment on December 10, 2014 in accordance with the existing legislation.;

(u) Equatorial Pará Distribuidora de Energia S.A ("Equatorial Pará): A publicly traded corporation headquartered in Belém, Pará state, supplying electricity to its concession area embracing the whole of Pará state, serving more than 2.7 million consumers in 144 municipalities and covering an area in excess of 1,248 thousand km^2 as of June 30, 2020. Electricity distribution concession agreement no. 182/1998 entered into by between ANEEL and the distributor on 7/28/1998, has a term extending to July 2028 and is extendable for a further term of 30 years at the concession authority's discretion. Under Resolution 4621, dated November 25, 2014, ANEEL approved a new standard utility concession addendum under which the residual balances of regulatory assets or liabilities relating to financial figures to be computed in accordance with ANEEL's pre-established rules, including those established after the most recent tariff review, will be included the indemnity to be received by the concession holder in the event of the termination of the concession for whatever reason. Equatorial Pará made the amendment on December 10, 2014 in accordance with the existing legislation;

1 Operations - (Continued)

1.1 Subsidiaries and joint ventures - (Continued)

The subsidiaries 55 Soluções, Equatorial Transmissão, INTESA, Equatorial Piauí, Equatorial Alagoas and Equatorial Distribuição are referred to in the note's hereafter simply as "Subsidiaries".

GERAMAR and Vila Velha are joint ventures controlled by Equatorial Energia and are recognized using the equity method of accounting. These investments are recognized initially at cost, which includes transaction costs, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The accounting policies have been applied consistently to the consolidated companies, including the joint subsidiaries, and are consistent with those used in the previous year.

All intercompany accounts and transactions have been eliminated in the consolidation.

1.2. COVID-19 Impacts

In March 2020, the Covid-19 pandemic was declared by WHO. Since then, the Company has followed the spread of the virus in Brazil and the world and its impacts on the economy.

On March 25, 2020, ANEEL published Normative Resolution No. 878/2020 in response to measures of social distancing and restriction of mobility, and authorized the softening of certain obligations of the concession contract until June 30, 2020, such as a prohibition to suspend energy supply due to default by consumer units, which include residential customers and essential services. The social distancing measures, combined with restrictions on suspension of energy supply have been causing a drop in consumption and in the collection of the electricity distribution concessionaires of Equatorial Group.

The Company and its subsidiaries presented below the main financial and economic effects of Covid-19 to date. The Company and its subsidiaries will continue monitoring the evolution of the situation and its impacts and, as a regulated company, its economic and financial balance is guaranteed in the concession contract.

The Company and its subsidiaries have taken several preventive measures for their employees, preventing them from exposure to risky situations, such as by canceling national and international trips, adopting home office and employees' rotation to avoid agglomerations, use of means of remote service, among others. The Company and its subsidiaries will continue to comply with the guidelines of competent bodies and may adopt new preventive measures, focusing on the safety of their employees.

Among the effects we can mention the following:

Focus on Group employees:

(i) Creation of a Crisis Committee intended to monitor the effects of the crisis while evaluating measures to be taken to minimize such impacts on the Company's business;

1 Operations - (Continued)

1.2 COVID-19 Impacts - (Continued)

(ii) Application of a home office system for all workers whose function enables this type of work;
(iii) For the areas that carried out their activities in operations centers, there was a reassessment of spacing and adjustment in positions, in order to guarantee the adequate distance and avoid agglomerations;
(iv) Suspension of meetings and face-to-face training, starting to adopt practices only by videoconference;
(v) Distribution of hygiene kit for vehicles and personal hygiene kit for employees working in the field;
(vi) Availability of masks for employees working in the units and in the field;
(vii) Employee body temperature check;
(viii) Suspension of international and national travel, except in cases of extreme need;
(ix) Reinforcement in the hygiene of work environments, observing the guidelines of WHO and the Brazilian Ministry of Health; and
(x) Implementation of occupational telemedicine in the Group's companies.

Focus on the Group's business:

(i) Revaluation of manageable expenses and investments in distribution for the current year in light of the new scenario;
(ii) Expansion of the services available through the Company's digital channels, with emphasis on the implementation of payment by credit card on the Company's website and the possibility of registering low-income consumers through our service channel. via WhatsApp;
(iii) Launching of a payment campaign for consumers, with a drawing of purchase vouchers, energy vouchers and a car within one year;
(iv) Energy supply and losses: There was a decrease in non-technical loss in the Company's subsidiaries when compared to the same prior-year period, largely caused by actions to curb losses, even with the impossibility of cutting power during the pandemic period. Additionally, there was a decreasein the supply of energy, which was very affected by determinations related to social distancing, since the first decrees were issued as of the second half of March;
(v) Over-contracting: Due to the reduction in energy consumption, the Company's subsidiaries were exposed to energy over-contracting which will be treated as an involuntary occurrence; and
(vi) Provision for expected losses on doubtful accounts (PECLD): the default on trade notes receivable in the short-term bands increased due to the COVID-19 scenario and the consequent postponement of invoice receipts, affecting subsidiaries of the Company on the provision for expected losses on doubtful debts in the amount of R$ 99,664. The collection actions were halted due to public health measures from the last week of March/2020.

As a first step to alleviate the financial impacts on distributors, ANEEL published Normative Resolution No. 885/2020 for the creation of the Covid Account, which is intended to anticipate funds to distributors via regulatory assets or "A Component" revenue, in addition to offsetting effects of over-contracting as a result of the pandemic.

1 Operations - (Continued)

1.2 COVID-19 Impacts - (Continued)

The first step towards a systemic solution in the sector to mitigate the impacts of concessionaires has already been taken, with further discussion on economic rebalancing ahead. Adicionalmente, similar situations have already been experienced (rationing from 2001 and 2002, and effects of Provisional Executive Order - MP No. 579/2012) in the past, and have given rise to the construction of systemic solutions, which have preserved the economic and financial balance of the sector as a whole. Thus, in addition to the individual rebalancing mechanism (extraordinary review), it is natural to have a systemic solution led by the Federal Government.

Worth highlighting that the Company and its subsidiaries work with a conservative cash policy, which seeks to maintain sound liquidity by investing in top-tier financial institutions and in low credit risk operations, such as, among others, fixed income securities, government bonds, repo operations, debentures and Bank Deposit Certificated (CDBs).

2 Basis of preparation and presentation of the quarterly information

2.1 Statement of Compliance

The individual and consolidated financial statements for the quarter ended June 30, 2020 have been prepared in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The accounting practices adopted in Brazil include those set out in Brazilian corporate law in a manner consistent with the standards set out in Accounting Pronouncements (CPC) approved by the Federal Accounting Council (CFC) and by the Brazilian Securities Commission (CVM).

The Company and its subsidiaries considered the guidance issued by Accounting Guidance OCPC 07, issued by the CPC in November 2014 in the preparation of its financial statements. Accordingly, the relevant information specific to the financial statements is evidenced and corresponds to that used by management in their activities.

They were authorized for issue by the Board of Directors on August 13, 2020.

2.2 Basis of measurement

The Company’s individual and consolidated interim information was prepared based on historical cost, except for certain financial instruments measured at their fair values through profit or loss, when required by the standards.

2.3 Functional currency and presentation currency

These financial statements are reported in Reais, which is the Group’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

3 Summary of significant accounting policies

This individual and consolidated interim information was prepared according to principles, practices and criteria consistent with those adopted in the preparation of the financial statements for the last year and should be analyzed together with Note 4 – Summary of significant accounting policies, of the individual and consolidated financial statements as at December 31, 2019, which were prepared in accordance with accounting practices adopted in Brazil and with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).

4 Cash and cash equivalents

	Parent Company		Consolidated	
	06/30/2020	**12/31/2019**	**06/30/2020**	**12/31/2019**
Cash and banks	1,038	1,103	128,515	184,082
Investments and investment funds (a)				
Bank Deposit Certificate - CDBs	1,305	251,292	96,469	497,570
Securities held under repurchase agreements	-	-	-	56,815
Open investment fund (b)	-	-	46,411	94,796
	1,305	251,292	142,880	649,181
(Exclusive) investment fund (a)				
Investment fund shares	113,856	-	301,143	-
Securities held under repurchase agreements	17,612	230,858	46,583	867,234
Bank Deposit Certificate – CDBs	-	47,447	-	75,707
Financial bills	-	5,601	-	8,937
Sovereign debt securities	-	12	-	62
	131,468	283,918	347,726	951,940
Total	133,811	536,313	619,121	1,785,203

The global portfolio earns interest pursuant to Interbank Deposit Certificate (CDI) variation, and hence the portfolio' average profitability for the period ended June 30, 2020 is equal to 88.04% of the variation of CDI (99.20% at December 31, 2019).

(a) Cash equivalents refer to Investment Funds, CDB - Bank Deposit Certificates and Repo Operations, which are highly liquid and have low credit risk. Such investments are available for use in the Company's operations, readily convertible into a known amount of cash and are subject to an insignificant risk of change in value, that is, they are financial assets with immediate liquidity. Additionally, exclusive funds are investments in fund shares (FIC) managed by the financial institution, which allocate their resources in shares of several low-risk, highly-liquid open-ended funds with negligible change in yields and no significant participation and management in the equity of the invested fund, that is, without exceeding 10% of equity. Therefore, these investments are classified as cash and cash equivalents, in accordance with CPC 03 (R2)/IAS 7- Cash Flow Statements; and

(b) Open-ended investment funds are composed of assets such as repurchase agreements and government securities. These funds are used in the Company's short-term financial flow and do not represent medium or long-term investments.

5 Short-term investments

	Parent Company		Consolidated	
	06/30/2020	**12/31/2019**	**06/30/2020**	**12/31/2019**
Current				
(Exclusive) investment funds				
Investment fund shares	578,625	532,421	5,101,081	2,835,803
Securities held under repurchase agreements	-	-	-	240,182
Sovereign debt securities	97,290	246,130	257,334	764,864
Financial bills	-	85,798	19	164,822
Debentures	-	6,892	-	11,007
Bank Deposit Certificate CDBs	-	-	4,344	4,219
Checks not cleared	-	-	(1,128)	(1,644)
	675,915	871,241	5,361,650	4,019,253
Open funds	316	315	608	24,464
Total current	676,231	871,556	5,362,258	4,043,717
Noncurrent				
Securities (a)	18,364	18,129	135,504	126,756
Total Noncurrent	18,364	18,129	135,504	126,756
Total	694,595	889,685	5,497,762	4,170,473

The Investment Funds represent low-risk operations in top-tier financial institutions and are composed of several assets aiming at better profitability with the lowest level of risk, such as: fixed income securities, government bonds, repo operations, debentures, CDBs, among others, in accordance with the Company's investment policy. Additionally, exclusive funds are investments in fund shares (FIC) managed by the financial institution, which allocate their resources in shares of several open-end funds, subject to change in yields with no significant participation and management in the equity of the invested fund, that is, without exceeding 10% of equity. Therefore, the Company and its subsidiaries do not have direct management and control over exposure, rights, variable returns arising from their involvement and the ability to use their power to affect the amount of the returns on these investments, in accordance with CPC 36 (R3) / IFRS 10 - Consolidated Statements.

The global portfolio earns interest pursuant to Interbank Deposit Certificate (CDI) variation, and hence the portfolio' average profitability for the period ended June 30, 2019 is equal to 98.04% of CDI (99.45% on December 31, 2019).

(a) Denotes restricted investments securing loans and financing invested in government securities and funds denominated in government securities.

6 Trade accounts receivable (Consolidated)

6.1 Composition of balances

	06/30/2020	12/31/2019
Residential	1,927,618	1,794,008
Industrial	259,325	234,839
Commercial	538,562	561,702
Rural	189,358	181,158
Government	168,650	199,868
Public lighting	91,031	91,004
Public utility	117,571	106,836
Trade accounts receivable, billed	3,292,115	3,169,415
Trade accounts receivable, unbilled (a)	419,588	452,958
Residential	1,495,942	1,456,351
Industrial	135,391	116,712
Commercial	398,324	377,708
Rural	78,773	76,481
Government	328,100	332,774
Public lighting	87,145	94,210
Public utility	112,941	122,530
Installment payment (b)	2,636,616	2,576,766
Low-income and "viva luz" consumers (c)	124,417	88,764
Other	256,047	202,595
(-) AVP (adjustment to present value) - Accounts receivable – financing (d)	(53,449)	(56,747)
	327,015	234,612
Total	6,675,334	6,433,751
(-) Provision for impairment of accounts receivable	(2,448,686)	(2,047,396)
Total trade accounts receivable	4,226,648	4,386,355
Current	3,327,841	3,503,757
Noncurrent	898,807	882,598

(a) Refers to electricity that is distributed but not billed to consumers, with invoicing based on metering cycles, which in many cases exceed the bookkeeping closing period;

6 Trade accounts receivable (Consolidated) - (Continued)

6.1 Composition of balances - (Continued)

(b) The installment payment policy for electricity bills by subsidiaries may extend over 48 months and includes a 1% p.m. interest rte. Previously agreed on installment payments in recently acquired subsidiaries, with no interest or at low rates, adjustments were made to present value;

(c) By means of Laws nos.12,212 and 10,438, the Federal Government instituted a low-income social rate with a view to contributing to moderate electricity rates for end consumers in the residential low-income sub-class; and

(d) Adjustment to present value on the balance of long-term installment payments using a 9.1% p.a. interest rate.

6.2 Expected losses on impairment of accounts receivable

	12/31/2019	Provisions/ additions	Reversals (write-offs)	06/30/2020
Trade accounts receivable, billed	1,003,427	316,535	(59,624)	1,260,338
Installment payment	968,535	128,738	(19,949)	1,077,324
Trade accounts receivable, unbilled	23,605	26,005	(25,896)	23,714
Others	51,829	73,928	(38,447)	87,310
Total	2,047,396	545,206	(143,916)	2,448,686

	12/31/2018	Acquisition (a)	Provisions/ additions	Reversals (write-offs)	06/30/2019
Trade accounts receivable, billed	717,164	178,511	137,024	(114,830)	917,869
Installment payment	708,069	140,740	17,757	(78,829)	787,737
Others	49,505	12,400	25,758	(37,049)	50,614
Total	1,474,738	331,651	180,539	(230,708)	1,756,220

(a) Balances of Equatorial Alagoas as of March 31, 2019, when the Company acquired its share control.

6.3 Trade accounts receivable, billed

	06/30/2020			
	Outstanding balances	Up to 90 days overdue	More than 90 days overdue	Total
Residential	261,173	468,424	1,198,021	1,927,618
Industrial	67,047	25,246	167,032	259,325
Commercial	163,706	107,867	266,989	538,562
Rural	25,820	29,406	134,132	189,358
Government	70,465	49,245	48,940	168,650
Public lighting	27,048	9,242	54,741	91,031
Public utility	43,695	36,886	36,990	117,571
Total	658,954	726,316	1,906,845	3,292,115

6 Trade accounts receivable (Consolidated) - (Continued)

6.3 Trade accounts receivable, billed - (Continued)

	12/31/2019			
	Outstanding balances	**Up to 90 days overdue**	**More than 90 days overdue**	**Total**
Residential	395,779	433,383	964,846	1,794,008
Industrial	85,679	19,413	129,747	234,839
Commercial	252,819	80,921	227,962	561,702
Rural	38,751	29,939	112,468	181,158
Government	102,151	59,509	38,208	199,868
Public lighting	58,234	7,195	25,575	91,004
Public utility	50,966	31,872	23,998	106,836
Total	984,379	662,232	1,522,804	3,169,415

6.4 Installments payment

	06/30/2020			
	Outstanding balances	**Up to 90 days overdue**	**More than 90 days overdue**	**Total**
Residential	920,718	83,408	491,816	1,495,942
Industrial	80,128	3,444	51,819	135,391
Commercial	299,313	12,129	86,882	398,324
Rural	41,470	4,591	32,712	78,773
Government	292,517	8,070	27,513	328,100
Public lighting	83,698	1,387	2,060	87,145
Public utility	103,950	2,942	6,049	112,941
Total	1,821,794	115,971	698,851	2,636,616

	12/31/2019			
	Outstanding balances	**Up to 90 days overdue**	**More than 90 days overdue**	**Total**
Residential	1,025,455	75,937	354,959	1,456,351
Industrial	80,666	2,484	33,562	116,712
Commercial	303,027	10,808	63,873	377,708
Rural	46,973	4,365	25,143	76,481
Government	292,136	7,202	33,436	332,774
Public lighting	91,178	1,580	1,452	94,210
Public utility	112,597	2,892	7,041	122,530
Total	1,952,032	105,268	519,466	2,576,766

6 Trade accounts receivable (Consolidated) - (Continued)

6.4 Installments payment - (Continued)

Aging list of installments payment

	06/30/2020				
	2020	**2021**	**2022**	**2022 onwards**	**Total**
Residential	83,424	463,988	189,184	184,122	920,718
Industrial	2,558	61,678	6,525	9,367	80,128
Commercial	18,633	87,742	37,288	155,650	299,313
Rural	3,680	24,492	7,228	6,070	41,470
Government	17,847	57,172	30,352	187,146	292,517
Public lighting	6,873	19,831	8,257	48,737	83,698
Public utility	1,614	40,397	19,074	42,865	103,950
Total	134,629	755,300	297,908	633,957	1,821,794

Aging list of financing payments more than 90 days overdue as of June 30, 2020

	06/30/2020					
	91 to 360 days overdue	**361 to 720 days overdue**	**721 to 1080 days overdue**	**1081 to 1530 days overdue**	**More than 1530 days overdue**	**Total**
Residential	165,455	136,988	68,588	78,550	42,235	491,816
Industrial	6,030	5,999	8,646	21,296	9,848	51,819
Commercial	22,815	17,941	12,862	20,343	12,921	86,882
Rural	10,102	9,629	4,690	5,761	2,530	32,712
Government	8,515	3,766	2,490	12,411	331	27,513
Public lighting	902	449	368	74	267	2,060
Public utility	3,420	1,378	658	584	9	6,049
Total	217,239	176,150	98,302	139,019	68,141	698,851

7 "A Component" revenue receivable (returnable) and other financial items (Consolidated)

	12/31/2019	Setup	Write-offs	Adjustment	Amortization	06/30/2020
A Component						
CDE - Energy Development Account (a)	(27,155)	19,437	(9,925)	(585)	3,445	(14,783)
PROINFA - Alternative Source Incentive Program	13,539	(17,351)	(507)	(70)	(7,382)	(11,771)
National Grid (b)	76,875	10,892	(27,530)	1,314	(17,828)	43,723
Acquisition of energy CVA (c)	948,868	31,017	(66,720)	14,030	(449,260)	477,935
ESS - System service charges (d)	(198,435)	(119,739)	(4,500)	(3,656)	121,709	(204,621)
	813,692	(75,744)	(109,182)	11,033	(349,316)	290,483
Financial items						
Over-purchased electricity	(42,835)	67,617	(1,235)	(1,702)	1,668	23,513
Neutrality	12,411	30,781	(50,900)	174	776	(6,758)
Equatorial Maranhão violation of continuity limit	88	(86)	-	(1)	22	23
Excess demand and surplus reactive energy (e)	(312,860)	(43,320)	(630)	(4,557)	32,277	(329,090)
Sectorial financial asset (Global Reversion Reserve – RGR)	-	-	-	3,413	-	3,413
Creation of RGR (f)	583,809	10,848	-	30,266	-	624,923
Other (g)	(100,066)	8,378	162,179	(660)	39,159	108,990
	140,547	74,218	109,414	26,933	73,902	425,014
Total	954,239	(1,526)	232	37,966	(275,414)	715,497
Net effect between asset (liability) balances						
Net current	221,386					77,123
Net noncurrent	732,853					638,374

(a) The balance of the CVA (Account to Control Recoverable Variations in Tranche A) of the CDE was affected by the setup of CVA - R$ 19,437, the amount of which was positive due to the increase in cost tariffs being higher than current coverage, generating an asset setup;

(b) The balance of CVA (compensation for changes in the amount of items in “A Component”) of the Basic Grid was affected by the establishment of CVA of R$ 10,892, the amount of which was positive due to the increase in cost rates being higher than the current coverage rates , generating a positive (asset) setup; another factor that contributed to the reduction of the balance was the amortization of the amount received referring to the adjustment that occurred in August 2019, which totaled R$ 17,828 in the period ended June 30, 2020;

(c) The balance of the energy CVA (compensation for changes in “A Component” items) was impacted by the increase in operating costs from the effect of availability and financial exposure, resulting from the costs passed on to the distributors to serve the market, generating a positive CVA in the period. Regarding energy contracts, the CVA established in 2020 was negative (liability), which reflects a lower average payment price in relation to tariff coverage. Another factor that contributed to the reduction of the balance was the amortization of the amount received referring to the adjustment occurred in August 2019 at Equatorial Maranhão, Equatorial Pará, Equatorial Piauí and Equatorial Alagoas distributors, which in the period ended June 30, 2020, corresponded to R$ 125,284, R$ 200,108, R$ 50,001 and R$ 73,867, respectively, totaling R$ 449,260.

(d) System Service Charge (ESS) is related to the payment of dispatched thermal plants that operate with the purchase price above the Settlement Price for Differences (PLD). The measure to dispatch these thermal plants is taken by National System Operator (ONS) to ensure the energy security of the system. In the tariff readjustment, which took place in May 2019, the ESS forecast value granted by ANEEL was higher than the costs actually paid, which in the tariff moderation procedure results in the recomposition via regulatory liability;

(e) Normative Resolution No. 414/2010 establishes the obligation to collect demands that exceed by more than 5% the amounts previously contracted per connection point, this being called “Demand Overcoming”. In addition, it also determines that a charge be applied to the amounts of reactive energy and reactive power demand that violate the limit that results in a power factor equal to 0.92, being known as “Reactive Surplus”. The treatment of these additional revenues earned by the distributors is calculated according to sub-module 2.1 of the Tariff Regulation Procedure - PRORET, where it also defines: The amounts billed for exceeding demand and excess reactive power, from the Base Date of the Valuation Report of the 4th Periodic Tariff Review - 4th RTP, up to the Reference Date of Contractual Amendment - DRAC must be recorded in a specific sub-account. , not subject to amortization, when, at the 5th RTP, the balance accounted for will be subtracted from “B Component”. In this case, the Company's distributors:

Equatorial Maranhão: This process will take place over fiscal year 2021;
Equatorial Piauí: The tariff process to be approved in December/20 will be considered the revenue invoiced of UD and ER from December/2019 to November/2020;
Equatorial Alagoas: The tariff process approved in May/20 considered the revenue invoiced of UD and ER from May/2019 to April/2020; and

7 "A Component" revenue receivable (returnable) and other financial items (Consolidated) - (Continued)

Equatorial Pará: This process took place during fiscal year 2019 and will occur again in 2023, when the next tariff review will take place.

(f) This CVA balance mostly stems from subsidiary Equatorial Alagoas, and refers to the loan approved by ANEEL as RGR (Global Reversion Reserve), transferred through CCEE. The loan was approved due to the need for extraordinary resources during the period in which the subsidiary was considered by ANEEL to be a Designated Distributor, acting as a service provider until its privatization. The transfer was approved on February 12, 2019, complying with the provisions of MME Administrative Ruling No. 510 of December 20, 2018. In the period ended June 2020, an amount of de R$ 623,834 corresponding to the adjustment to present value of the balances was recorded due to the change in the contractual conditions defined in the new concession contract for the debt corresponding to the sectorial financial asset; and

(g) The amount of R$ 162,179 is due to the deferral of financial items from the May 2020 tariff review at the subsidiary Equatorial Alagoas, so as to reduce the impact on tariffs. Deferrals were considered for the following financial items: (i) CVA in processing - transport; (ii) forecasting the hydrological risk; (iii) neutrality; (iv) ESS and EER charges; (v) CVA in processing - Charges; and (vi) CVA in energy processing.

With respect to the amount of recognition of write-offs of regulatory assets and liabilities in the referred to period, these amounts correspond to the differences between the costs ratified by ANEEL in the RTA - Annual Tariff Adjustment process, regarding Tranche A amounts and other financial components, which are included in the tariffs at the beginning of the tariff period and those actually incurred during the tariff's effective period. The respective amounts are realized at the end of the tariff period, that is, on the date of the tariff readjustment, with the remaining balances being amortized, as well as the elimination of the balances determined and not recovered.

On an annual basis, in August, ANEEL calculates a new rate adjustment index for the indirect subsidiaries Equatorial Maranhão and Equatorial Pará, as well as for direct subsidiaries Equatorial Alagoas and Equatorial Piauí, adjusting their Tranche A expenses (non-manageable costs, such as energy purchases, sector charges and transmission charges).

ANEEL determined Equatorial Maranhão's rate review through Resolution 2,594 of August 20, 2019, with an effect on consumers of -3.82% (minus three point eight two percent), where new rates that will be effective from August 28, 2019 to August 27, 2020.

At subsidiary Equatorial Pará, through Approval Resolution No. 2558 of August 6, 2019, ANEEL ratified the result of the fifth Periodic Tariff Review - RTP with the effect on the consumer at 0.69% (zero point sixty-nine percent), where the new tariffs came into force on August 7, 2019, effective through August 6, 2020.

For subsidiary Equatorial Piauí, in December 2019 ANEEL calculated the Company's tariff adjustment index, adjusting its Tranche A expenses (non-manageable costs, such as energy purchase, sector charges, transmission charges) and updating Tranche B (manageable costs), with the average effect of adjustments of -7.16% (seven point sixteen percent). Approval Resolution No. 2644 of November 26, 2019 ratified the new tariffs that would come into force on December 2, 2019, effective through December 1, 2020, but were suspended due to the decision handed down on December 3 of 2019, by the Federal Regional Court of the 1st Region, in the records of Interlocutory Appeal No. 0002459-43.2019.4.01.0000. As such, in the concession area of Equatorial Piauí, ANEEL published decision 3405/2019 extending the tariffs set by Approval Resolution No 2490 of November 27, 2018, while the judicial decision is in force.

7 "A Component" revenue receivable (returnable) and other financial items (Consolidated) - (Continued)

By way of Approval Resolution No. 2684 of April 28, 2020, ANEEL approves the result of the Extraordinary Tariff Review - RTE of Subsidiary Equatorial Alagoas, the Energy Tariffs - TE and the Distribution Grid Tariffs - TUSD. This corresponds to the average tariff effect to be perceived by consumers of 9.85% (nine point eighty-five percent), where the new tariffs will be in effect in the period from May 3, 2020 to May 2, 2021.

However, according to article 11 of Approval Resolution No 2684 of April 28, 2020, the application of the provisions and tables in the Annexes to this Resolution, resulting from the Extraordinary Tariff Review process of CEAL 2020, was suspended until June 39, 2020. Paragraph 1 - As of May 3, 2020, the concessionaire will continue to apply the current rates set out in Tables 1 and 2 of Approval Resolution No. 2540 of April 30, 2019.

8 Recoverable taxes and contributions

	Parent Company		Consolidated	
	06/30/2020	**12/31/2019**	**06/30/2020**	**12/31/2019**
Current				
ICMS recoverable (CIAP) (a)	-	-	103,333	95,559
INSS	-	-	11,136	10,806
PIS and COFINS	6	2	65,553	67,696
PIS and COFINS recoverable (ICMS) (b)	-	-	983,133	75,999
Other	28	860	7,098	6,006
Total current	34	862	1,170,253	256,066

	Parent Company		Consolidated	
	06/30/2020	**12/31/2019**	**06/30/2020**	**12/31/2019**
Noncurrent				
ICMS recoverable (CIAP) (a)	12	12	154,801	139,080
PIS and COFINS recoverable (ICMS) (b)	-	-	1,455,282	1,467,367
Other	-	-	31,019	26,990
Total noncurrent	12	12	1,641,102	1,633,437
Total recoverable taxes and contributions	46	874	2,811,355	1,889,503

(a) The Company and its subsidiaries have taxes to be recovered referring to ICMS credits on the acquisition of materials destined to property, plant and equipment, appropriated at a ratio of 1/48; and

(b) As detailed in Note 22, direct subsidiaries Equatorial Piauí and Equatorial Alagoas, as well as indirect subsidiaries Equatorial Maranhão and Equatorial Pará, recognized an asset referring to PIS/COFINS recoverable of, respectively, R$ 463,354, R$ 297,118, R$ 736,473 and R$ 941,470. This was based on the opinion of its legal advisors, after publication of the Decision on the Appeal to the Federal Supreme Court - STF, and supported by the final and unappealable favorable decision awarded in the individual lawsuit of these Companies.

9 Related parties

As of June 30, 2020, the Company has changes in related-party transactions, primarily for sharing agreements, dividends and other items, with the companies below:

Parent Company

		06/30/2020	12/31/2019
Other receivables		**Assets**	**Assets**
Equatorial Transmissão S.A.	(a)	2,265	2,278
Total		2,265	2,278

		06/30/2020		12/31/2019	06/30/2019
In-court reorganization		**Assets**	**Effect on income**	**Assets**	**Effect on income**
Equatorial Pará Distribuidora de Energia S.A.	(b)	9,810	(275)	9,569	(273)
Total		9,810	(275)	9,569	(273)

	06/30/2020	12/31/2019
Dividends receivable	**Assets**	**Assets**
Equatorial Transmissão S.A.	7,090	7,090
Equatorial Soluções	10,532	-
Equatorial Distribuição	9,571	-
Equatorial Maranhão	390	-
Equatorial Pará	262	-
Intesa	33,021	-
Geradora de Energia do Maranhão S.A.	2,879	5,176
Total	63,745	12,266

Consolidated

		06/30/2020		12/31/2019	
Loans		**Liabilities**	**Effect on income**	**Liabilities**	**Effect on income**
Centrais Elétricas Brasileiras S.A.- Eletrobras	(c)	(84,842)	(3,096)	(122,888)	(17,549)
Total		(84,842)	(3,096)	(122,888)	(17,549)

		06/30/2020		12/31/2019	
Trade payables		**Liabilities**	**Effect on income**	**Liabilities**	**Effect on income**
55 Soluções S.A.		-	-	(12,398)	55,132
Equatorial Telecomunicações S.A.		-	-	(725)	(8,124)
Equatorial Transmissora 8 SPE S.A.	(d)	-	-	(41)	(102)
Other		-	-	(100)	(934)
Total		-	-	(13,264)	45,972

9 Related parties - (Continued)

(a) This refers to expenses incurred in the pre-operational phase of the transmission companies;

(b) Transactions with Equatorial Pará are related to the direct or indirect acquisition and negotiation of financing as part of the in-court reorganization of the indirect subsidiary, with payments owed to the following creditors: BNDES, Banco Bradesco, Banco Itaú BBA/ Unibanco, BIC Banco, Banco Merrill Lynch and Banco Société Générale. The balance will be amortized in 10 annual, fixed and equal installments, the first maturing on September 30, 2034 and the last on September 30, 2043 and amounts derived from the human resources, administrative, and proportional sharing of the expenses incurred without the incidence of financial charges on these transactions, with an indeterminate term; as per Technical Note 15/2018-SFF/ANEEL case number 48500.000377/2018-91, see Note 19; and

(c) Transactions with Eletrobras are related to loan agreements with Equatorial Maranhão. The loan agreements with Eletrobras relate to power sector credit facilities, the terms and conditions of which are equivalent to those applicable to other power distribution utilities in Brazil.

Key management personnel compensation

The key management personnel include the Board of Directors and Chief Officers. Their compensation was set at up to R$ 26,600, as per the Annual and Special General Meeting held on May 22, 2020.

The Company's chief officers do not carry out any loan, advances or other transactions with the Company other than their services regularly provided.

As at June 30, 2020 and December 31, 2019, the Company does not provide any compensation for its key management personnel in the categories of: a) other long-term benefits; and b) benefits from termination of employment.

Post-employment benefits are described in Note 29 and refer to retirement and pension benefit plans in order to complement and supplement the benefits paid by the official social security system.

Proportion of each constituent of overall compensation, related to the six-month period ended June 30, 2020, paid by the Company:

	Board of Directors	%	Statutory Executive Board	%	Total
Number of members	8		6		14
Annual Fixed Compensation	2,673	100%	4,482	35%	7,155
Salaries or management fees	2,237	84%	1,022	8%	3,259
Direct and indirect benefits	-	-	2,616	20%	2,616
Other (Employer's INSS)	436	16%	844	7%	1,280
Variable compensation	-	-	3,198	25%	3,198
Bonuses	-	-	2,558	20%	2,558
Other (Employer's INSS)	-	-	640	5%	640
Share-based payments	-	-	5,257	40%	5,257
Total compensation by board	2,673	100%	12,937	100%	15,610

Guarantees

The Company has provided avals and guarantees to the subsidiaries, without related charges, in the loans and financing agreements.

10 Investments

The main information about investments in subsidiaries and joint ventures is as follows:

		Parent Company		Consolidated	
		06/30/2020	12/31/2019	06/30/2020	12/31/2019
Appraised by equity accounting:					
Equatorial Distribuição	90.14%	4,629,793	4,423,190	-	-
Equatorial Piauí	94.47%	701,722	679,917	-	-
Equatorial Alagoas	96.37%	860,361	809,472	-	-
Geradora de Energia do Maranhão	25.00%	117,791	103,751	117,791	103,751
55 Soluções	100.00%	102,082	82,572	-	-
Equatorial Transmissão	100.00%	2,543,047	2,072,159	-	-
INTESA	100.00%	514,328	492,961	-	-
Subtotal		9,469,124	8,664,022	117,791	103,751
Other investments		-	-	15,647	18,466
Total		9,469,124	8,664,022	133,438	122,217

10.1 Changes in the capital expenditure in subsidiaries and joint subsidiaries - Parent company

	12/31/2019	Capital increase	Minimum dividends	Additional dividends	Share of profit (loss) of equity-accounted investees	Concession right amortization	Other comprehensive income	06/30/2020
Subsidiaries								
Equatorial Distribuição	4,423,190	-	(13)	(125,771)	331,936	-	451	4,629,793
Equatorial Piauí	679,917	-	-	-	49,097	(27,400)	108	701,722
Equatorial Alagoas	809,472	-	-	-	70,467	(19,578)	-	860,361
Geradora de Energia do Maranhão	103,751	-	(1,499)	-	15,539	-	-	117,791
55 Soluções	82,572	-	-		19,510	-	-	102,082
Equatorial Transmissão	2,072,159	24,571	-	-	446,317	-	-	2,543,047
INTESA	492,961	-	-	-	23,686	(2,319)	-	514,328
Total	8,664,022	24,571	(1,512)	(125,771)	956,552	(49,297)	559	9,469,124

10 Investments - (Continued)

10.2 Information about the subsidiaries and joint ventures - Consolidated

The Company presents the table below to show the individual position of its subsidiaries.

		Statement of financial position					Results in 06/30/2020					
		Current		Noncurrent								
Balances in 06/30/2020	**Interest Corporate**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Equity**	**Revenue net**	**Net income Gross**	**Revenue/ expenses operational**	**Net income Financial Net**	**Tax Contribution capital**	**Net income Net price**
Equatorial Piauí	94.4737%	1,388,036	1.164,924	2,495,753	3,547,602	(828,737)	1,013,192	242,427	(132,494)	(64,438)	-	45,495
Equatorial Alagoas	96.3666%	1,377,776	733,045	2,300,427	3,165,390	(220,232)	878,193	212,916	(117,020)	(26,925)	2,266	71,237
Geradora de Energia do Maranhão	25.0000%	160,907	92,383	554,994	198,896	424,622	126,188	88,826	(8,142)	(7,347)	(11,182)	62,155
55 Soluções	100.0000%	87,298	43,046	59,680	1,849	102,083	77,290	29,730	(2,490)	481	(8,210)	19,511
Equatorial Transmissão	100.0000%	3,768	16,470	2,555,749	-	2,543,047	-	-	446,294	23	-	446,317
Equatorial Distribuição	90.1400%	19,512	274	5,116,698	-	5,135,936	-	-	368,243	(17)	-	368,226
INTESA	100.0000%	433,341	92,809	868,718	768,345	440,905	77,754	31,658	(652)	(8,261)	939	23,684
		3,470,638	2,142,951	13,952,019	7,682,082	7,597,624	2,172,617	605,557	553,739	(106,484)	(16,187)	1,036,625

		Statement of financial position					Results in 12/31/2019					
		Circulante		Não Circulante								
Balances in 12/31/2019	**Interest Corporate**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Equity**	**Revenue net**	**Net income Gross**	**Revenue/ expenses operational**	**Net income Financial Net**	**Tax Contribuition Capital**	**Net income Net price**
Equatorial Maranhão	65.1087%	2,794,304	928,193	4,633,382	3,365,258	3,134,235	3,046,007	1,043,750	(416,689)	(15,555)	(101,742)	509,764
Equatorial Pará	96.4992%	3,848,379	1,720,881	6,263,872	5,299,688	3,091,682	4,434,319	1,089,494	(524,755)	(106,314)	(102,671)	355,754
Equatorial Piauí	94.4737%	1,252,985	1,160,306	2,386,935	3,353,958	(874,344)	2,429,658	450,710	(190,622)	(156,532)	(10,277)	93,279
Equatorial Alagoas	96.3666%	988,625	606,078	2,422,169	3,096,184	(291,468)	1,443,939	450,368	(183,198)	(181,068)	178,596	264,698
Geradora de energia do norte	25.0000%	101,995	97,490	560,156	194,982	369,679	253,836	170,912	(15,034)	(17,620)	(21,488)	116,770
Vila Velha	50.0000%	-	-	6,600	-	6,600	-	-	-	-	-	-
55 Soluções	100.0000%	60,271	30,551	54,571	1,719	82,572	153,726	54,277	3,317	1,897	(15,145)	44,346
Equatorial Transmissão	100.0000%	6,709	14,387	2,079,836	-	2,072,158	-	-	1,026,019	217	-	1,026,236
Equatorial Distribuição	90.1400%	626	46,495	4,952,613	-	4,906,744	-	-	197,175	(1,356)	-	195,819
INTESA	100.0000%	372,358	89,661	899,488	764,964	417,221	488,397	440,351	(2,516)	(20,277)	(118,242)	299,316
		9,426,252	**4,694,042**	**24,259,622**	**16,076,753**	12,915,079	**12,249,882**	**3,699,862**	**(106,303)**	**(496,608)**	**(190,969)**	**2,905,982**

10 Investments - (Continued)

10.3 Reconciliation of capital expenditure

		06/30/2020					
Subsidiaries	**Interest**	**Equity of subsidiary**	**Net income**	**Equity income**	**Investment value**	**Intangible concession assets (a)**	**Total investment**
Equatorial Alagoas	96.3666%	(220,232)	71,237	50,889	(212,229)	1,072,590	860,361
Equatorial Piauí	94.4737%	(828,737)	45,495	21,697	(782,938)	1,484,660	701,722
Geradora de Energia do Maranhão	25.0000%	424,622	62,155	15,539	106,460	11,331	117,791
55 Soluções	100.0000%	102,083	19,511	19,510	102,082	-	102,082
Equatorial Transmissão	100.0000%	2,543,047	446,317	446,317	2,543,047	-	2,543,047
Equatorial Distribuição	90.1451%	5,135,936	368,226	331,936	4,629,793	-	4,629,793
INTESA	100.0000%	440,905	23,684	21,367	440,905	73,423	514,328
		7,597,624	1,036,625	907,255	6,827,120	2,642,004	9,469,124

		12/31/2019						
Subsidiaries	**Interest**	**Equity of subsidiary**	**Net income**	**Equity income**	**Investment value**	**Intangible concession assets (a)**	**Provision for loss investment devaluation**	**Total investment**
Equatorial Maranhão	65.1087%	3,134,235	509,764	323,496	-	-	-	-
Equatorial Pará	96.4992%	3,091,682	355,754	342,498	-	-	-	-
Equatorial Piauí	94.4737%	(874,344)	93,279	128,558	(826,026)	1,505,943	-	679,917
Equatorial Alagoas	96.3666%	(291,468)	264,698	347,565	(280,877)	1,090,349	-	809,472
Geradora de Energia do Norte	25.0000%	369,679	116,770	29,295	92,420	11,331	-	103,751
Vila Velha	50.0000%	6,600	-	-	3,300	-	(3,300)	-
55 Soluções	100.0000%	82,572	44,346	44,346	82,572	-	-	82,572
Equatorial Transmissão	100.0000%	2,072,158	1,026,236	1,026,237	2,072,159	-	-	2,072,159
Equatorial Distribuição	90.1451%	4,906,744	195,819	176,522	4,423,190	-	-	4,423,190
INTESA	100.0000%	417,221	299,316	294,678	417,220	75,741	-	492,961
		12,915,079	2,905,982	2,713,195	5,983,958	2,683,364	(3,300)	8,664,022

(a) Refers to the Purchase Price Allocation (PPA) balance in the acquisition of its subsidiaries.

11 Concession's (Consolidated)

Denotes the portion of the investments made and not amortized by the end of the concession classified as a financial asset, because it is an unconditional right to receive cash or another financial asset directly. The portion of infrastructure classified as a financial asset is remunerated through the so-called regulatory Weighted Average Cost of Capital - WACC, which is the return on investment collected monthly on customers' electricity bills.

The changes in concession financial asset balances are as follows:

	12/31/2019	Indexation of financial assets (b)	Transfers (a) Contract assets	Transfers (a) Intangible asstes	Write-offs	06/30/2020
Financial assets – Distribution	6,514,499	8,134	99,498	(105)	(136)	6,621,890
Special obligations Distribution (c)	(1,568,954)	(6,440)	(10,681)	-	-	(1,586,075)
Total	4,945,545	1,694	88,817	(105)	(136)	5,035,815

The concessions held by the subsidiaries Equatorial Piauí and Equatorial Alagoas and the companies Equatorial Maranhão and Equatorial Pará have no counterpart, and therefore, there are no fixed financial obligations or payments to be made to the concession authority.

(a) Denotes the transfers of contract assets to concession financial assets ans intangible assets;

(b) For a better estimate of the indemnity upon the termination of the concession of the subsidiaries Equatorial Piauí and Equatorial Alagoas and the companies Equatorial Maranhão and Equatorial Pará , the fair value of financial assets is indexed on a monthly basis to the IPCA index, which is one of the primary indexes used for annual indexation by the regulator in tariff adjustment processes; and

(c) Special obligations substantially refer to funds from the Federal, State and Municipal Governments and consumer shares linked to utility concession investments.

12 Intangible assets (Consolidated)

Intangible assets are comprised as follows:

		06/30/2020			
	Annual rates	Cost	Amortization	(-) Obligations linked to the concession	Net
Distribution					
In service - Distribution	3.66%	15,255,838	(7,234,314)	(2,173,936)	5,847,588
Concession right					
Concession right – Equatorial Maranhão (a)	3.66%	299,514	(132,728)	-	166,786
Concession right – Equatorial Pará (a)		1,218,957	(50,790)	-	1,168,167
Concession right -Equatorial Alagoas (a)	3.66%	172,905	(163,709)	-	9,196
Concession right – Equatorial Piauí (a)	3.66%	1,740,149	(101,508)	-	1,638,641
Subtotal		3,431,525	(448,735)		2,982,790
Other		10,169	(423)	-	9,746
Subtotal		18,697,532	(7,683,472)	(2,173,936)	8,840,124
Transmission					
In service – Transmission (Grant right)	4.34%	1,287	(39)	-	1,248
In course – Transmission		791	-	-	791
Concession right					
Concession right - INTESA (a)	3.33%	80,378	(6,955)	-	73,423
Subtotal		82,456	(6,994)	-	75,462
Total		18,779,988	(7,690,466)	(2,173,936)	8,915,586

		12/31/2019			
	Annual rates	Cost	Amortization	(-) Obligations linked to the concession	Net
Distribution					
In service - Distribution	4.24%	15,005,268	(6,828,676)	(2,295,525)	5,881,067
Concession right					
Concession right – Equatorial Maranhão (a)	3.33%	291,810	(124,838)	-	166,972
Concession right -Equatorial Alagoas (a)	3.33%	1,218,957	(30,474)	-	1,188,483
Concession right – Equatorial Piauí (a)	3.33%	1,740,149	(72,506)	-	1,667,643
Subtotal		3,250,916	(227,818)	-	3,023,098
Other		19,449	(359)	-	19,090
Subtotal		18,275,633	(7,056,853)	(2,295,525)	8,923,255
Transmission					
In service – Transmission (Grant right)	4.34%	9,027	(798)	-	8,229
In course - Transmission		749	-	-	749
Concession right					
Concession right – INTESA (a)	3.33%	80,378	(4,637)	-	75,741
Subtotal		90,154	(5,435)	-	84,719
Total		18,365,787	(7,062,288)	(2,295,525)	9,007,974

* Weighted average annual depreciation rates (%)

(a) Refers to the adjustment to fair value of the contract asset in a business combination through the Allocation of the Price Paid - PPA, being classified in the Consolidated as intangible assets, since they are contractual rights and other legal rights, in accordance with o CPC 04/IAS 38 - Intangible assets.

12 Intangible assets (Consolidated) - (Continued)

Change in intangible assets

	Distribution					
		Transfers (a)			Transfers (a)	
	12/31/2019	Financial assets	Adidtions	Write-offs	Contract assets	06/30/2020
In service	15,005,268	104	-	(7,271)	257,737	15,255,838
(-) Amortization	(6,828,676)	-	(409,280)	3,642	-	(7,234,314)
Total in service	8,176,592	104	(409,280)	(3,629)	257,737	8,021,524
Special obligations **(b)**	(3,963,368)	-	-	8	18,706	(3,944,654)
(-) Amortization	1,667,843	-	102,875	-	-	1,770,718
Total special obligations	(2,295,525)	-	102,875	8	18,706	(2,173,936)
Other	3,042,188	7,022	(56,673)	-	-	2,992,537
Total Distribuition	**8,923,255**	**7,126**	**(363,078)**	**(3,621)**	**276,443**	**8,840,125**

	Transmission					
		Transfers (a)			Transfers (a)	
	12/31/2019	Financial assets	Adidtions	Write-offs	Contract assets	06/30/2020
In service	9,027	(7,781)	41	-	-	1,287
(-) Amortization	(798)	759	-	-	-	(39)
Total in service	8,229	(7,022)	41	-	-	1,248
In progress	749	1	41	-	-	791
Concession right	80,378	-	-	-	-	80,378
(-)Amortization	(4,637)	-	(2,319)	-	-	(6,956)
Total concession right	75,741	-	(2,319)	-	-	73,422
Total Transmission	**84,719**	**(7,021)**	**(2,237)**	**-**	**-**	**75,461**
Total intangible	**9,007,974**	**105**	**(365,315)**	**(3,621)**	**276,443**	**8,915,586**

(a) Denotes the transfers (bifurcation) of contract assets to intangible assets in service and concession financial assets; and

(b) Special obligations substantially refer to funds from the Federal, State and Municipal Governments and consumer shares linked to utility concession investments.

13 Contractual assets (Consolidated)

The Group's contract assets are constituted as follows:

	06/30/2020					
	Cost	Write-off of RAP	(-) Obligations related to the concession	Contract asset adjustment	Construction contract	Net
Distribution	1,933,400	-	(837,372)	-	-	1,096,028
Transmission	8,125,680	(189,292)	-	552,858	372,525	8,861,771
Total	10,059,080	(189,292)	(837,372)	552,858	372,525	9,957,799
Current						708,906
Noncurrent						9,248,893

	12/31/2019			
	Cost	Write-off of RAP	(-) Obligations related to the concession	Net
Distribution	1,464,994	-	(620,117)	844,877
Transmission	7,591,069	(191,702)	-	7,399,367
Total	9,056,063	(191,702)	(620,117)	8,244,244
Current				699,692
Noncurrent				7,544,552

13 Contractual assets (Consolidated) – (Continued)

Change in contractual assets

				Transfers (a)			
	12/31/2019	Additions (b)	Write-offs	Intangible Assets	Financial Assets	Reclassification	06/30/2020
In progress	1,464,994	832,693	-	(257,737)	(99,498)	(7,052)	1,933,400
Special obligation (b)	(620,117)	(229,309)	13,027	(18,706)	10,681	7,052	(837,372)
Total distribuition	844,877	603,384	13,027	(276,443)	(88,817)	-	1,096,028

	12/31/2019	Additions	Construction margin	Contract asset adjustment	RAP realization	06/30/2020
In progress	7,437,274	685,757	415,886	162,682	(8,789)	8,692,810
In service	(37,907)	40,554	47,021	390,177	(270,884)	168,961
Total transmission	7,399,367	726,311	462,907	552,859	(279,673)	8,861,771
Total contratual assets	8,244,244					9,957,799
Current	699,692					708,906
Noncurrent	7,544,552					9,248,893

(a) Denotes the transfers (bifurcation) of contract assets to intangible assets in service and concession financial assets; and

(b) Special obligations substantially refer to funds from the Federal, State and Municipal Governments and consumer shares linked to utility concession investments.

The Company and its distributor subsidiaries assessed the impact and concluded as low the risk of non-receipt and associated loss, since they will be remunerated, as from service's start, (i) by increasing the tariff charged by customers, through cycles (ii) for the unconditional right to receive cash or other financial assets from the Granting Authority, as compensation for the reversal of the public service infrastructure.

The Company and its transmission subsidiaries assessed the concession infrastructure corresponding to the right established in the public electricity transmission service concession arrangement entered into by the Government and the company, to receive cash through two flows (a) part to be received directly from users delegated by the concession authority (generation and distribution utilities, free consumers, exporters and importers) through monthly sales secured by the annual permitted compensation (RAP), during the concession term; and (b) partly through indemnification of the returnable assets at the end of the concession arrangement, to be received directly from the concession authority or to whom it delegates this task.

13 Contractual assets (Consolidated) – (Continued)

We did not therefore identify any sign of impairment and consequently no provision was made in the period ended June 30, 2020 and financial year ended December 31, 2019. The assets' values under construction are subject to ANEEL's supervision.

The concession contracts for SPE 07 and 08 transmission companies do not have an indemnity clause for the unamortized regulatory asset at the end of the contract. As such, the cash flow from recovery of investments considers the RAP determined by the regulator, without payment at the end and without any asset receivable amount. This method does not cause losses on the concessionaire. The assets are used and realized throughout the concession.

14 Trade payables

	Parent Company		Consolidated	
	06/30/2020	**12/31/2019**	**06/30/2020**	**12/31/2019**
Current				
Electricity sales to distributors (a)	-	-	657,959	889,825
Electricity network usage charge	-	-	86,713	72,659
Materials and services (b)	1,479	2,081	779,004	920,819
Free electricity pass-through	-	-	19,369	19,174
Guarantees	-	-	32,848	30,390
Related-party transactions	-	-	-	1,037
Provision for trade payables	-	-	45,836	35,112
Total	1,479	2,081	1,621,729	1,969,016
Noncurrent				
Materials and services	-	-	6,731	7,094
Total	-	-	6,731	7,094
Total	1,479	2,081	1,628,460	1,976,110

(a) The variation in the period presented is due to the reduction in the costs of operations with CCEE - Effect of Availability, Effect of Contracting Guarantee Quotas and Financial Exposure that are valued at PLD, which had a reduction of R$ 227.30 to R$ 69.12 to distributors to serve the market, which led to a reduction in expenses. Expenses with Energy contracts were reduced since the average payment price at June 30, 2020 had a reduction, due to a lower expense with the variable portion of thermal power plants; and

(b) This composition is largely due to suppliers of materials and services, related to investments in the infrastructure of the concession that the Company's subsidiaries make throughout the period.

15 Loans and borrowings

15.1 Balance breakdown

	Guarantees	Average cost of the debt (% p.a.)	Parent Company 06/30/2020 Principal and interest Current	Noncurrent	Total	Average cost of the debt (% p.a.)	Parent Company 12/31/2019 Principal and interest Current	Noncurrent	Total
Domestic currency									
Promissory note (a)	-	4.95%	516,991	-	516,991	6.41%	507,358	-	507,358

	Guarantees	Average cost of the debt (% p.a.)	Parent Company 06/30/2020 Principal and interest Current	Noncurrent	Total	Average cost of the debt (% p.a.)	Parent Company 12/31/2019 Principal and interest Current	Noncurrent	Total
Foreign currency (USD)									
CCBI Citibank	-	5.21%	116,274	1,625,021	1,741,295	6.74%	7,602	1,284,299	1,291,901
Total exchange currency			116,274	1,625,021	1,741,295		7,602	1,284,299	1,291,901
Domestic currency									
Eletrobras	Receivables	5.71%	441,350	1,829,323	2,270,673	7.11%	278,260	2,124,748	2,403,008
IBM	-	4.60%	1,010	-	1,010	5.96%	2,975	-	2,975
BNDES	Parent company aval + Receivables + Investment + Share Pledge	7.63%	230,754	3,088,580	3,319,334	8.74%	170,350	2,713,636	2,883,986
Banco do Brasil	Parent company aval + Statutory Lien	6.00%	8,309	330,670	338,979	5.99%	734	273,663	274,397
BNB	Parent company aval + Investment + Share Pledge	6.23%	6,896	1,354,579	1,361,475	6.23%	16,247	1,165,411	1,181,658
Caixa Econômica Federal	Parent company aval+Receivables+ Investment	6.00%	10,588	62,441	73,029	6.00%	10,379	67,601	77,980
Finep	-	-	-	-	-	4.00%	161		161
CCEE/RGR/ANEEL	Receivables	5.00%	-	2,325,778	2,325,778	5.00%	-	2,269,112	2,269,112
Santander	Parent company aval	5.77%	158,465	580,000	738,465	6.83%	151,323	200,000	351,323
Votorantim	-	-	-	-	-	4.50%	125	-	125
Promissory note	-	5.67%	1,708,283	-	1,708,283	6.60%	1,105,414	569,013	1,674,427
Subtotal		5.96%	2,565,655	9,571,371	12,137,026		1,735,968	9,383,184	11,119,152
(-) Arrangement costs		9.91%	(6,065)	(20,829)	(26,894)		(1,290)	(23,239)	(24,529)
(-) Adjustment to present value			-	(1,259,502)	(1,259,502)	10.58%	-	(1,281,570)	(1,281,570)
Subtotal			(6,065)	(1,280,331)	(1,286,396)		(1,290)	(1,304,809)	(1,306,099)
Total local currency		7.18%	2,559,590	8,291,040	10,850,630	8.47%	1,734,678	8,078,375	9,813,053
Total		6.91%	2,675,864	9,916,061	12,591,925	8.27%	1,742,280	9,362,674	11,104,954

(a) Funds raised in the amount of R$ 500,000 in one series, intended for the ordinary management of the Company to settle part of the outstanding balance of the 2nd issue of promissory notes from said Company. Promissory note contracted with a 107.5% CDI rate and bullet amortization, maturing on September 20, 2020.

As of June 30, 2020, the amounts in consolidated loans and financing have an average cost of 6.91% pa, equivalent to 107.5% of the CDI (8.27% p.a., equivalent to 138.75% of the CDI rate at December 31, 2019).

15 Loans and borrowings – (Continued)

15.2 Debt amortization schedule

At June 30, 2020 the installment payments under the primary loans and financing agreements were as follows:

Parent Company

The Parent company's entire debt is recorded under current due to short-term maturities.

Consolidated

	06/30/2020	
Due date	Amount	%
Current	2,675,864	21%
2021	954,512	8%
2022	1,877,715	15%
2023	1,605,391	13%
2024	907,175	7%
2024 onwards	5,851,599	46%
Subtotal	11,196,392	89%
Arrangement costs/AVP (Noncurrent)	(1,280,331)	(10%)
Noncurrent	9,916,061	79%
Total	12,591,925	100%

The Company's indirect subsidiaries (SPE 01, SPE 02, SPE 03 and SPE 05) have a loan with Banco do Nordeste do Brasil amounting to R$ 1,347,790. In accordance with Resolution No. 4798 of April 6, 2020, referring to funds of the Constitutional Financing Fund of the Center-West of Brazil (FCO), their installments overdue and falling due were suspended until the year ending December 31, 2020, since they were impacted by the state public calamity arising from Covid-19.

The direct subsidiaries (Equatorial Piaui and Equatorial Alagoas) have loans with BNDES in the amount of R$ 282,397 and joined the standstill proposed by the Bank, with signatures of the related contractual amendments on May 8, 2020, for temporary suspension of payment of interest and principal for six months, between April and September 2020, with the capitalization of the unpaid amount and without changing the final term.

15.3 Change in debt

Changes in balances of loans and financing are as follows:

Parent Company

	Domestic currency		
	Current liabilities	**Noncurrent liabilities**	**Total**
Balances as of December 31, 2019	507,358	-	507,358
Charges	9,633	-	9,633
Balances as of June 30, 2020	516,991	-	516,991

15 Loans and borrowings – (Continued)

15.3 Change in debt - (Continued)

Consolidated

	Domestic currency		Foreign currency (USD)		
	Current liabilities	**Noncurrent liabilities**	**Current liabilities**	**Noncurrent liabilities**	**Total**
Balances as of December 31, 2019	1,734,678	8,078,375	7,602	1,284,299	11,104,954
Inflows	-	1,085,149	-	-	1,085,149
Charges	290,436	28,515	32,660	-	351,611
Monetary and exchange variance	694	25,898	(10,045)	449,554	466,101
Transfers	914,777	(914,777)	108,832	(108,832)	-
Amortization of principal	(240,900)	-	-	-	(240,900)
Interest payments	(158,475)	-	(22,775)	-	(181,250)
Arrangement costs (a)	18,380	(12,120)	-	-	6,260
Balances as of June 30, 2020	2,559,590	8,291,040	116,274	1,625,021	12,591,925

(a) Refers to changes in transaction/funding costs or AVP, when positive means amortization and when negative, addition.

15.4 Covenants and guarantees for loans and financing

Loans and financing contracted by the Company and subsidiaries Equatorial Piauí, Equatorial Alagoas and indirect subsidiaries Equatorial Maranhão, Equatorial Pará, Transmission Companies 7 and 8 have financial covenants, the noncompliance of which in the calculation period may result in the early maturity of the contracts. In the period ended June 30, 2020, the Company and its subsidiaries remained within the limits established in the contracts, as shown below:

Parent Company

Covenants Promissory Notes (NP)	**3rd NP**
1º Net Debt/Adjusted EBITDA :<=4.5	1.84

Indirect subsidiaries

Equatorial Maranhão

Covenants Promissory Notes (NP)	**1ª NP**
1st Net debt/EBITDA :<=3.25	1.05
2nd EBITDA/Net financial expens :>=1.5	111.53

Loan Covenants	**BNDES I**
1st Net debt/EBITDA :<=3.0	1.06
3rd Net Debt/(Net Debt + SE) :<=0.7	0.25

Loan Covenants	**BNDES II**
1st Net debt/EBITDA :<=3.75	1.19
3rd Net Debt/(Net Debt + SE) :<=0.7	0.25

Equatorial Pará

Loan Covenants	**Santander**
1st Net debt/EBITDA :< 3.5	1.92

Loan Covenants	**BNDES I**
1st Net debt/EBITDA :<=3.75	2.51
3rd Net Debt/(Net Debt + SE) :<=0.7	0.47

15 Loans and borrowings – (Continued)

15.4 Covenants and guarantees for loans and financing - (Continued)

Loan Covenants	**Citibank I**	**Citibank II**
1st Net debt/EBITDA :<= 4	1.97	1.97
2nd EBITDA/ Finance income (costs)	N/A	7.66

The Company is the guarantor of the following issues, in which the covenants are calculated on a consolidated basis, as under:

Equatorial Piauí

Loan Covenants	**BNDES**
1st Net debt/EBITDA :<=3.75	1.94

Loan Covenants	**Citibank**	**Santander**
1st Net debt/EBITDA :<=4.5	2.01	1.84

Equatorial Alagoas

Loan Covenants	**BNDES**
1st Net debt/EBITDA :<=3.75	1.94

Loan Covenants	**Santander**
1st Net debt/EBITDA :<=4.5	1.84

SPE 08

Covenants Promissory Notes (NP)	**1ªNP**
1st Net Debt/Adjusted EBITDA : <=4.0	1.84

Covenants Promissory Notes (NP)	**2ªNP**
1st Net Debt/Adjusted EBITDA : <=4.5	1.84

16 Debentures

16.1 Change in debt

The change in debentures in the year can be seen below:

Parent Company

	Parent Company		
	Current liabilities	**Non-current liabilities**	**Total**
Balances as of December 31, 2019	11,622	1,252,232	1,263,854
Charges	21,621	-	21,621
Interest payments	(25,861)	-	(25,861)
Amortization of principal	(695,500)	-	(695,500)
Monetary variance	-	673	673
Arrangement costs (a)	597	-	597
Transfers	694,906	(694,906)	-
Balances as of June 30, 2020	7,385	557,999	565,384

(a) Refers to changes in transaction/funding costs, when positive means amortization and when negative, addition.

Parent Company							**At June 30, 2020**	
Issuance	**Feature**	**Series**	**Issuance Value**	**Custo Nominal**	**Date of Issue**	**Final Maturity**	**SBalance net of borrowing cost**	**Effective cost**
2ª	(1)/(2)/(3)	2ª	104,500	IPCA + 5.77% a.a.	Oct/18	Nov/24	113,592	8.03%
3ª	(1)/(2)/(3)	Single	448,400	CDI + 1.3% a.a.	Oct/18	Oct/24	451,793	5.96%

(1) Public simple debenture issuance

(2) Nonconvertible into shares

(3) Ordinary

	Consolidated		
	Current liabilities	**Non-current liabilities**	**Total**
Balances as of December 31, 2019	144,283	5,559,184	5,703,467
Charges	201,574	(16,978)	184,596
Transfers	688,740	(688,740)	-
Amortization of principal	(786,398)	-	(786,398)
Interest payments	(103,706)	-	(103,706)
Monetary variance	(61,346)	11,913	(49,433)
Arrangement costs (a)	4,626	-	4,626
Balances as of June 30, 2020	87,773	4,865,379	4,953,152

(a) Refers to changes in transaction/funding costs, when positive means amortization and when negative, addition.

16 Debentures - (Continued)

16.1 Change in debt - (Continued)

On June 30, 2020 Group companies, including the parent company, accounted for eighteen issues in force.

								At June 30, 2020	
Company	Issuance	Feature	Series	Issuance Value	Nominal Cost	Date of Issue	Final Maturity	Balance net of borrowing cost	Effective cost
EQTL PA	2ª	(2)/(3)/(4)	1ª	60,000	IPCA + 8.04% a.a.	Dec/16	Jan/24	68,960	10.34%
EQTL PA	2ª	(2)/(3)/(4)	2ª	23,000	IPCA + 7.00% a.a.	Dec/16	Jan/24	25,963	9.28%
EQTL PA	3ª	(1)/(3)/(4)/(5)	1ª	199,069	IPCA + 6.70% a.a.	Dec/16	Dec/21	227,285	8.98%
EQTL PA	3ª	(1)/(3)/(4)/(5)	2ª	100,931	IPCA + 6.87% a.a.	Dec/16	Dec/23	115,303	9.15%
EQTL PA	5ª	(1)/(3)/(4)	1ª	543,033	CDI + 1.1% a.a.	May/18	Apr/23	541,622	5.75%
EQTL PA	5ª	(1)/(3)/(4)/(5)	2ª	456,967	CDI + 1.30% a.a.	May/18	Apr/23	460,277	5.96%
EQTL MA	7ª	(1)/(3)/(4)(5)	1ª	155,000	IPCA + 5.48% a.a.	Nov/16	Oct/21	174,749	7.73%
EQTL MA	7ª	(1)/(3)/(4)(5)	2ª	115,000	IPCA + 5.54% a.a.	Nov/16	Oct/23	133,356	7.79%
EQTL MA	8ª	(1)/(3)/(4)	1ª	500,000	107% do CDI	Sept/17	Sept/22	504,372	4.93%
EQTL PI	1ª	(1)/(3)/(4)	Single	400,000	109.8% do CDI	Dec/18	Dec/21	409,006	5.05%
EQTL PI	2ª	(1)/(3)/(4)	Single	620,000	CDI + 1.10% a.a.	May/19	May/23	621,311	5.75%
SPE 1	1ª	(1)/(3)/(4)/(5)	Single	55,000	IPCA + 4.85% a.a.	Feb/19	Jan/33	58,008	7.09%
SPE 2	1ª	(1)/(3)/(4)/(5)	Single	45,000	IPCA + 4.85% a.a.	Feb/19	Jan/33	47,444	7.09%
SPE 3	1ª	(1)/(3)/(4)/(5)	1ª	45,000	IPCA + 4.80% a.a.	Feb/19	Jan/33	49,841	7.03%
SPE 3	1ª	(1)/(3)/(4)/(5)	2ª	45,000	IPCA + 4.65% a.a.	Feb/19	Jan/34	44,753	6.88%
SPE 5	1ª	(1)/(3)/(4)/(5)	Single	66,000	IPCA + 4.85% a.a.	May/19	Apr/39	70,779	7.09%
SPE 7	2ª	(1)/(3)/(4)/(5)	2ª	130,000	IPCA + 4.85% a.a.	May/19	Apr/39	138,218	7.09%
SPE 8	1ª	(1)/(3)/(4)/(5)	1ª	102,000	IPCA + 4.85% a.a.	Apr/19	Apr/39	99,433	7.09%
SPE 8	1ª	(1)/(3)/(4)/(5)	2ª	87,000	IPCA + 4.85% a.a.	Apr/19	Apr/39	93,300	7.09%
INTESA	1ª	(1)/(3)/(4)/(5)	1ª	100,000	IPCA + 5.42% a.a.	Nov/18	Oct/25	105,446	7.67%
INTESA	2ª	(1)/(3)/(4)	1ª	250,000	109% do CDI	Mar/19	Mar/24	250,528	5.02%
INTESA	2ª	(1)/(3)/(4)	2ª	150,000	CDI + 1.10% a.a.	Mar/19	Mar/26	151,540	5.75%

(1) Public simple debenture issuance

(2) Private simple debenture issuance

(3) Nonconvertible into shares

(4) Ordinary

(5) Incentivized debentures

Issuers of incentivized debentures, pursuant to article 2 of Law No. 12,431 dated June 24, 2011, amended by Decree No. 8,874 dated October 11, 2016, under the National Monetary Council's Resolution no. 3,947 dated January 27, 2011 January 2011, mandatorily require applying all the funds raised through the Debenture Issues in covering expenses already incurred and/or to be incurred in connection with Projects Qualified by the MME- Ministry of Mines and Energy, in which there are no defined deadlines for investing such funds.

16 Debentures - (Continued)

16.2 Debt amortization schedule

Parent Company

	06/30/2020	
Maturity	**Amount**	**%**
Current	7,385	1%
2023	56,805	10%
2024	505,205	90%
Noncurrent	562,010	100%
Arrangement costs (Noncurrent)	(4,011)	(1%)
Total noncurrent	557,999	99%
Total	565,384	100%

Consolidated

	06/30/2020	
Maturity	**Amount**	**%**
Current	87,773	2%
2021	797,596	16%
2022	840,744	17%
2023	1,684,377	34%
2024	842,609	17%
2024 onwards	740,099	15%
Noncurrent	4,905,425	99%
Arrangement costs (Noncurrent)	(40,046)	(1%)
Total noncurrent	4,865,379	98%
Total	4,953,152	100%

16.3 *Covenants*

The debentures are subject to covenants that, in general, require the maintenance of certain financial ratios at certain levels, in the period ended June 30, 2020, as listed in the tables below:

Equatorial Pará

***Covenants* debentures**	**2nd debentures**
1st Net Debt/ EBITDA: <3.5	2.24
2nd EBITDA/Net financial expense: >2	6.73

16 Debentures - (Continued)

16.3 Covenants - (Continued)

***Covenants* debentures**	**3rd debentures**
1st Net Debt/ EBITDA: <3.5	1.91
2nd EBITDA/Net financial expense: >=1.5	7.66

***Covenants* debentures**	**5th debentures**
1st Net Debt/ EBITDA : <=4.0	1.92

Equatorial Maranhão

***Covenants* debentures**	**7th debentures**	**8th debentures**
1st Net Debt/ EBITDA : <=3.25	1.05	1.05
2nd EBITDA/Net financial expense: >=1.5	111.53	111.53

Equatorial Energia

***Covenants* debentures**	**2 nd debentures**
1st Net Debt/ EBITDA : <=4.0	1.84

***Covenants* debentures**	**3rd debentures**
1st Net Debt/ EBITDA : <=4.5	1.84

INTESA

***Covenants* debentures**	**1 st debentures**	**2 nd debentures**
1st Net Debt/ EBITDA : <=4.5	3.30	3.30

The Company is the guarantor of the following issues, in which the covenants are calculated on a consolidated basis, as under:

***Covenants* debentures**	**SPE 01**	**SPE 02**	**SPE 03**	**SPE 05**	**SPE 07**	**SPE 08**	**EQTL PI**
1st Net Debt/ EBITDA : <=4.5	1.84	1.84	1.84	1.84	1.84	1.84	1.84

17 Taxes and contributions payable

	Parent Company		Consolidated	
	06/30/2020	**12/31/2019**	**06/30/2020**	**12/31/2019**
Current				
ICMS	7	-	259,091	384,563
ICMS financing	-	-	16,440	16,008
Federal PRT financing PRT	2,338	2,338	2,338	2,338
PIS and COFINS	254	227	191,861	88,027
PIS and COFINS financing	-	-	23,618	19,911
INSS on services	-	-	441	331
FGTS financing	-	-	401	-
Social charges and other	557	188	36,427	27,712
ISS	12	2	19,898	25,462
Other	-	6	671	-
Total	3,168	2,761	551,186	564,352
Noncurrent				
ICMS	-	-	122,956	122,956
FGTS financing	-	-	2,304	2,268
PIS and COFINS financing	-	-	29,915	39,349
ICMS financing	-	-	60,675	67,670
ISS	-	-	4,196	3,096
Total	-	-	220,046	235,339
	3,168	2,761	771,232	799,691

18 Deferred income and social contribution taxes

Breakdown of deferred income and social contribution tax

	06/30/2020	12/31/2019
Assets of:		
Tax loss	101,735	123,694
Negative basis	23,505	26,529
	125,240	150,223
Temporary differences		
Provision for contingencies	85,793	159,494
Provision for impairment in Trade accounts receivable	211,088	205,688
Provision for pension fund	13,705	12,367
Provision for profit-sharing	10,719	15,728
Construction cost – CPC 47/IFRS 15	1,646,473	1,362,466
Leases – CPC 06 (R2) /IFRS 16	341	-
New Replacement Value – VNR	-	1,552
Intangible assets - Concession- Equatorial Pará Acquisition	48,286	-
Nontechnical losses	-	24,357
Write-off of property, plant and equipment - Acquisition Equatorial Pará	-	24,866
Contingencies and debt charges - Acquisition Equatorial Pará, Equatorial Alagoas and Equatorial Piauí	62,988	107,934
Other accounts payable - PLPT - acquisition Equatorial Pará	102	9,150
Other temporary differences	9,795	16,468
	2,089,290	1,940,070
Total	2,214,530	2,090,293
Credit liabilities on:		
Temporary differences		
Accelerated depreciation	(607,009)	(624,932)
Financial asset adjustment – AVP	(153,039)	-
Restatement of Financial Assets	-	(223,577)
SWAP	(127,549)	(11,412)
Construction Revenue – CPC 47/IFRS 15	(2,757,894)	(2,187,705)
Lease - CPC 06(R2)/IFRS 16	-	(1,130)
Art. 69 of Law 12.973/2014 - Balance of fixed quota	-	(16,512)
Adjustment to Present Value - AVP	(164,639)	(98,154)
Deferral public agencies	-	(9,382)
Revaluation reserve	(44,529)	-
Revaluation of fixed assets	-	(48,564)
Actuarial provision	(3,675)	(3,675)
Reversal of provisions	-	(129,044)
Intangible assets - concession - Acquisition Equatorial Pará	-	(26,368)
Other	(16,045)	(17,224)
Total	(3,874,379)	(3,397,679)
Total deferred tax liabilities recorded	(1,659,849)	(1,307,386)

18 Deferred income tax and social contributions - (Continued)

Change in deferred taxes

	12/31/2019	Net income	06/30/2020	Deferred tax assets	Deferred tax liabilities
IRPJ tax losses	123,694	(21,959)	101,735	101,735	-
Negative Base – CSLL	26,529	(3,024)	23,505	23,505	-
Provision for contingencies	159,494	(73,701)	85,793	85,793	-
Allowance for doubtful accounts	205,688	5,400	211,088	211,088	-
Provision for pension fund	12,367	1,338	13,705	13,705	-
Provision for profit-sharing	15,728	(5,009)	10,719	10,719	-
Construction cost – CPC 47/IFRS 15	1,362,466	284,007	1,646,473	1,646,473	-
Construction cost – CPC 47/IFRS 15	(2,187,705)	(570,189)	(2,757,894)	-	(2,757,894)
Leases – CPC 06 (R02) /IFRS 16	(1,130)	1,471	341	341	-
Technical losses	24,357	(24,357)	-	-	-
Write-off of fixed assets - Acquisition of EQTL Pará	24,866	(24,866)	-	-	-
Debt contingencies and charges - EQTL Acquisition	107,934	(44,946)	62,988	62,988	-
Other accounts payable - PLTT - Pará acquisition	9,150	(9,048)	102	102	-
SWAP	(11,412)	(116,137)	(127,549)	-	(127,549)
Actuarial provision	(3,675)	-	(3,675)	-	(3,675)
Other temporarily nondeductible expenses	(17,224)	4,696	(16,045)	-	(16,045)
Deferral public agencies	(9,382)	9,382	-	-	-
Article 69 of Law No. 12973/2014 – Fixed quota balance	(16,512)	16,512	-	-	-
Write-off of deferred assets	(129,044)	129,044	-	-	-
Financial asset adjustment	(223,577)	223,577	-	-	-
Accelerated depreciation	(624,932)	17,923	(607,009)	-	(607,009)
New replacement value - VNR	1,552	(1,552)	-	-	-
Other temporary differences	16,468	(6,673)	9,795	9,795	-
AVP – adjustment to present value	(98,154)	(66,485)	(164,639)	-	(164,639)
Intangible assets – surplus value - concession - acquisition of EQTL Pará	(26,368)	74,654	48,286	48,286	-
Funding cost	-	(153,039)	(153,039)	-	(153,039)
Revaluation of concession assets	(48,564)	4,035	(44,529)	-	(44,529)
Total	(1,307,386)	(348,946)	(1,659,849)	2,214,530	(3,874,379)

Expected recovery - Carryforward of tax loss and negative base

Based on technical feasibility studies, subsidiary Management estimates that these tax credits of the indirect subsidiary Equatorial Pará scan be realized by 2022, as shown below:

Prospect of realization	**2020**
Deferred taxes to be realized in 2020	33,213
Deferred taxes to be realized in 2021	77,172
Deferred taxes to be realized in 2022	27,193
Annual technical study examined by the Supervisory Board	137,578
(-) Deferred taxes realized in the 2nd quarter of 2020	(12,338)
Balance of deferred taxes to be realized at June 30, 2020	125,240

On June 30, 2020 indirect subsidiary Equatorial Pará had a realizable sum of R$ 125,240 in deferred taxes on tax losses and negative base. Realization projections for deferred income tax assets considered SUDAM tax benefits of a 75% reduction in IRPJ rate, effective until 2027.

18 Deferred income tax and social contributions - (Continued)

A technical feasibility study, which includes the recovery of deferred taxes was prepared by the Company and reviewed by the Audit Committee and approved by the Company's Board of Directors annualy.

Reconciliation between the income and social contribution tax expense

The reconciliation of expenses, calculated by applying the relevant tax rates and the Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) expense charged to consolidated profit or loss during the periods ended June 30, 2020 and 2019, is shown below:

Parent Company	**06/30/2020**		**06/30/2019**	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Profit before income (IRPJ) and social contribution (CSLL) taxes	845,688	845,688	554,856	554,856
Statutory rate	25%	9%	25%	9%
Calculated at the tax rate	211,422	76,112	138,714	49,937
Additions:				
Provision for profit-sharing	-	-	82	-
Equity income	28,789	10,364	66,141	23,811
Other provisions	7,177	2,583	962	47
Total additions	35,966	12,947	67,185	23,858
Exclusions:				
Equity income	(257,668)	(92,760)	(248,306)	(89,390)
Adjustment to present value	(60)	(22)	-	-
Other provisions	-	-	(60)	(22)
Total exclusions	(257,728)	(92,782)	(248,366)	(89,412)
Tax deductibility (limit mandated by law)	(10,340)	(3,723)	(42,467)	(15,617)
Total IRPJ and CSLL in period	-	-	-	-

Consolidated	**06/30/2020**		**06/30/2019**	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Profit before income (IRPJ) and social contribution (CSLL) taxes	1,442,270	1,442,270	989,016	989,016
Statutory rate	25%	9%	25%	9%
Calculated at the tax rate	360,568	129,804	247,254	89,011
Additions:				
Provision for contingencies	3,608	1,298	120,648	43,433
Provision for impairment of accounts receivable	265,829	95,700	-	-
Adjustment to present value	8,569	3,086	5,417	1,951
SWAP variance	-	-	76,660	27,597
IRPJ and CSLL on revaluation reserves	2,967	1,068	3,296	1,186
Provision for profit-sharing	611	219	14,551	5,209
Provision for asset recovery	-	-	8,507	3,063
Fines and penalties for violations	744	268	130	47
Equity income	28,789	10,364	66,169	23,821
Leases - CPC 06 (R2)/IFRS 16	3,115	1,121	-	-
Deferred CVA	25,617	9,222	21,870	7,873
Construction cost– CPC 47/IFRS 15	205,096	73,833	314,901	113,362
Funding cost and restatement of financial asset	-	-	5,467	1,967
Accelerated depreciation	17,925	-	11,635	-
Profit sharing, fees and paid bonus leave	-	-	8,754	3,152
Expected provision for doubtful accounts	-	-	405,702	146,051
Other provisions	38,247	13,713	46,806	10,428
Total additions (B)	601,117	209,892	1,110,513	389,140

18 Deferred income tax and social contributions - (Continued)

Exclusions:				
Provision for contingencies	(2,104)	(757)	(139,250)	(50,129)
Provision for impairment of accounts receivable	-	-	(67,594)	(24,334)
Expected allowance for doubtful accounts	(256,350)	(92,285)	(367,812)	(132,412)
Profit sharing, fees and license premium	(1,271)	(458)	(9,138)	(3,289)
Adjustment to present value	(3,597)	(1,295)	(5)	(2)
Construction revenue– CPC 47/IFRS 15	(407,147)	(146,573)	(428,946)	(154,421)
Deferred CVA	-	-	(21,870)	(7,873)
Provision for profit-sharing	-	-	(17,535)	(6,312)
Provision for asset recovery	-	-	(8,507)	(3,063)
Funding cost and restatement of financial asset	-	-	(25,624)	(9,225)
Equity income	(22,414)	(8,069)	(77,343)	(29,332)
Accelerated depreciation	-	-	(12,586)	-
SWAP variation	(113,210)	(40,755)	(80,704)	(29,054)
Other provisions	10,976	3,954	26,063	10,197
Total Exclusions (C)	(795,117)	(286,238)	(1,230,851)	(439,249)
Offsetting negative basis	(21,676)	(1,799)	(34,130)	(1,378)
PAT Incentive	(2,217)	-	(1,568)	-
Incentive for extended maternity leave	(81)	-	(43)	-
Total offsetting (D)	(23,974)	(1,799)	(35,741)	(1,378)
IRPJ - government grants	(89,820)	-	(79,990)	-
Total other deductions (E)	(89,820)	-	(79,990)	-
Current IRPJ and CSLL in P&L for the period (A+B+C+D+E)	52,774	51,659	11,185	37,524
Deferred IRPJ and CSLL in P&L for the period	256,535	92,411	207,715	65,402
Total current and deferred IRPJ and CSLL for the period	309,309	144,070	218,900	102,926
Effective rate with deferred tax assets	21%	10%	22%	10%

18.1 Breakdown of PIS and COFINS deferred

	06/30/2020	12/31/2019
Liabilities		
Deferred PIS on construction revenue (a)	(149,761)	(122,909)
Deferred COFINS on construction revenue (a)	(689,350)	(563,050)
PIS on CVA (b)	(28,449)	(28,449)
COFINS on CVA (b)	(131,038)	(131,038)
Other deferred taxes	(12,182)	(15,057)
Total deferred tax liabilities	(1,010,780)	(860,503)

(a) The deferral of PIS and COFINS is related to 9.25% of construction revenue. The settlement of this deferred obligation will occur as the subsidiaries Equatorial Transmissão and INTESA receive the counterpart determined in the concession agreement.

(b) The deferred PIS and COFINS calculation of the subsidiary Equatorial Alagoas calculated on asset and liability provisions (cash effect).

19 Payable under the judicial reorganization plan - Equatorial Pará

On December 01, 2014, the Belém 13th Civil Court Judge decreed, based on Articles 61 and 63 of Law 11,102/05, after a decision by the Court Administrator and the Public Prosecutor, the end of the Company's in-court reorganization plan. This sentence puts an end to the court's follow-up stage of compliance with the plan and removes legal restrictions on the recovery. The recovery plan negotiated and approved by the creditors during the proceedings remains fully valid and enforceable, which means that the special conditions agreed on for liabilities will remain in effect. These liabilities will only end on their full compliance.

The decision to terminate is taking effect normally, but has not been definitely judged yet as it has been the subject of two appeals, filed by creditors Petróleo Brasileiro S/A and Pine S/A. In November 2017 the company undersigned an agreement with Banco Pine, which ended up in the withdrawal of its appeal and the closing sentence. The other appeal relates solely to payment of interest and inflation updating in compliance with the plan's liabilities.

Pursuant to the matter, we believe that this appeal's likelihood of success of is remote, as supported by a Legal Opinion from the legal counsel in charge of the suit. The Company estimates that the matter will be considered within a period of 24 to 36 months, when conclusion of the court recovery will be definitely judged.

19.1 Debt breakdown

	06/30/2020	12/31/2019
Current		
Sector charges	2,492	1,428
Financial creditors (a)	16,586	20,847
Total	19,078	22,275
Noncurrent		
Inter-company	83,853	83,669
Financial creditors (a)	1,063,011	1,050,581
(-)Adjustment to present value (b)	(274,537)	(284,626)
Total	872,327	849,624
Total	891,405	871,899

(a) This is the group of creditors which include: (i) public or private financial institutions; (ii) holders of credits deriving from financial or bank transactions, including but not limited to Bonds and derivatives credits, which may or may not underlie receivables; e

(b) As of June 30, 2020, the balance consists of: R$ 252,981 of loans and financing, R$ 21,556 inter-company (R$ 262,391 of loans and financing and R$ 22,235 inter-company as of December 31, 2019).

19. Payable under the judicial reorganization plan - Equatorial Pará - (Continued)

19.1 Debt breakdown (Continued)

The schedule of long-term payments under in-court reorganization relief is as follows:

	06/30/2020	
Maturity	**Amount**	**%**
Current	19,078	2%
2021	81,039	9%
2022	8,843	1%
2023	8,106	1%
2023 onwards	1,048,876	118%
Subtotal	1,146,864	129%
(-) Adjustment to present value (Noncurrent)	(274,537)	(31%)
Noncurrent	872,327	98%
Total	891,405	100%

19.2 Changes in payables under in-court reorganization relief

	12/31/2019	Interest and charges	Monetary and exchange variance	Amortization	Adjustment to present value	06/30/2020
Intercompany	62,861	2,693	-	(1,445)	680	64,789
Financial creditors	809,038	21,540	12,430	(25,802)	9,410	826,616
Total	871,899	24,233	12,430	(27,247)	10,090	891,405

20 Sector charges CCC – Equatorial Pará

The Fossil Fuel Consumption Account was created by Decree 73102 on November 7, 1973 for the purpose of consolidating the apportionment of the fuel consumption costs of thermal power generation in islanded systems, especially in the North of Brazil. Act 12111 was promulgated on December 9, 2009 to provide reimbursement for electric power generation costs in Islanded Systems, including the cost of contract power supply and contract power related to own generation for servicing power distribution utilities, power sector charges and taxes and capital expenditure, which reimbursement is made through the "CCC" account. Among the sums refunded by the Fossil Fuel Consumption Account - CCC are taxes (ICMS, PIS and COFINS) not offset on fuel and electricity purchases.

As of June 30, 2020, Equatorial Pará has a credit at CCC of R$ 105,582 (R$ 105,467 on December 31, 2019). The credits above are registered at their historical amount. No records of charges for late pass-throughs of costs to customers were recorded.

Among the sums refunded by the Fossil Fuel Consumer Account - CCC are taxes (ICMS, PIS and COFINS) not offset on fuel and electricity purchases, but as provided for in §§10 and 11 of Art. 36:

> *"Beneficiaries of CCC and the Coal Sub-account will be entitled to a cost refund arising from non-offset ICMS and PIS/PASEP and COFINS credits related to the monthly expenditures with fuels and contracts calculated based on energy actually generated and measured in the SCD, pursuant to the terms and conditions defined in this Resolution.*
>
> *§ 10. The monthly differences in refunds of non-recovered tax credits from one fiscal year will be calculated by May 15 of the year following the accrual year, considering that each monthly installment should be updated using the respective IPCA index.*
>
> *§ 11. CCEE shall establish in the Sectoral Accounts Procedure the appropriate procedures for refunding to CCC or to the beneficiary of the differences found in the use of ICMS and of PIS/PASEP and COFINS credits for the preceding fiscal year". (ANEEL REN 801/2017).*

The Company recorded a liability related to these reimbursable taxes. At June 30, 2020, the Company restated R$ 3,328 relating to the refund of these taxes credited on the purchase of fuel to generate electricity in isolated systems. As of June 30, 2020, the Company stated an amount of R$ 363,467 (R$ 360,139 as of December 31, 2019).

Nonetheless, Eletrobras has not defined a specific procedure for the refund of such taxes, even when notified by Equatorial Pará. Hence on September 29, 2016, by means of Correspondence no. 530/2016 - SFF (Superintendence of Economic and Financial Inspection), ANEEL started an inspection procedure on funds managed by Eletrobras, and therefore these sums are awaiting this inspection's conclusion.

20 Sector charges CCC – Equatorial Pará - (Continued)

Although ANEEL has not determined the terms for the end of the inspection, Equatorial Pará estimates that the inspection proceedings will be finalized between 2021 and 2022, and concluded that there is no expectation of loss above the recorded amounts.

	06/30/2020	12/31/2019
Noncurrent		
CCC Sector charges	363,467	360,139
(-) Acquisition of CCC fuel	(105,582)	(105,467)
Net effect on statement of financial position	257,885	254,672

21 Provision for civil, tax, labor and regulatory claims (Consolidated)

The Company and its subsidiaries figure as defendants in legal and administrative proceedings in various courts and government agencies, involving tax, labor, civil and other matters arising from their ordinary course of business.
Based on the information provided by their legal advisors, on the review of unsettled litigation, and on past experience in case of labor disputes, the subsidiaries' management set up a provision at an amount considered sufficient to cover estimated probable losses on existing proceedings, as follows:

	06/30/2020		12/31/2019	
	Provision	Judicial deposits	Provision	Judicial deposits
Civil	723,267	123,981	755,197	154,900
Tax	243,866	81,877	236,299	56,790
Labor	294,295	68,260	294,629	90,537
Regulatory	6,230	-	6,122	-
Total	1,267,658	274,118	1,292,247	302,227
Current	242,648	2,941	254,775	3,052
Noncurrent	1,025,010	271,177	1,037,472	299,175

Changes in proceedings in the year (Consolidated)

	12/31/2019	Additions (1)	Usage (2)	Reversal of provision (3)	Indexation (4)	06/30/2020
Civil	755,197	33,270	(35,758)	(26,327)	(3,115)	723,267
Tax	236,299	4,079	(1)	(127)	3,616	243,866
Labor	294,629	7,454	(1,883)	(10,415)	4,510	294,295
Regulatory	6,122	-	-	-	108	6,230
Total	1,292,247	44,803	(37,642)	(36,869)	5,119	1,267,658

(1) Contingencies provisioned for in the period;
(2) Effective expense (payments) on judicial contingencies;
(3) Reversals made in the period; and
(4) Monetary restatement.

21 Provision for civil, tax, labor and regulatory claims (Consolidated) - (Continued)

Civil

The Company and its subsidiaries are defendants in 42,703 civil proceedings as of June 30, 2020 (45,001 claims as of December 31, 2019), including 15,887 cases being heard by special courts (16,099 as of December 31, 2019) and largely relating to claims for property and moral damages as well as reimbursement of amounts paid by consumers.

The most significant civil proceedings involve claims for damages relating to injuries involving the distribution system, power outages, deaths from electric shock or damages arising from the termination of contracts with suppliers.

In addition to the processes provisioned for, other civil contingencies amounting to R$ 710,775 as of June 30, 2020 (R$ 4,589,040 at December 31, 2019) have been rated by Management as having a possible likelihood of defeat, based on an assessment made by the Legal Departments and legal advisors of the subsidiaries, for which provisions haven't been recognized.

Civil contingencies (probable chance of defeat)	**06/30/2020**	**12/31/2019**
Failure in supply	104,943	100,350
Incorporation of grid	3,225	4,227
Reimbursement of works	19,062	21,827
Death by electrocution	109,644	109,720
Incorrect collection	119,342	133,766
Contractual adjustment	6,414	6,058
Questioned fraud	42,749	44,531
Collection	1,305	1,270
Undue cut-off	11,704	12,491
Accident involving a third party	40,949	44,463
Lack of service	13,750	18,466
Breach of contract	117,217	121,851
SPC/SERASA	2,142	2,775
Fire	6,109	5,872
DNAEE Ordinance	2,367	2,308
Accidents with animals	1,472	1,621
Electrical damage	337	738
Nonelectrical damage	990	1,030
Easement	1,082	1,027
Regulatory	88,089	88,083
Other	30,375	32,723
Total	723,267	755,197

21 Provision for civil, tax, labor and regulatory claims (Consolidated) - (Continued)

Civil contingencies (possible chance of defeat)	06/30/2020	12/31/2019
Indemnity for material damage	4	3,932,397
Failure in supply	49,519	570
Death by electrocution	13,229	13,258
Adjusting grid	30,005	30,000
Accident involving a third party	5,381	5,209
Tenders	2,626	2,631
Breach of contract	256,726	253,534
Relisting of public lighting	9,007	7,633
Collection	285	317
Accidents with animals	199	237
Fire	27,962	27,922
DNAEE Ordinance	12,330	12,330
Incorrect collection	186,154	178,725
Burnt out equipment	1,256	1,256
Questioned fraud	2,251	1,681
Undue cut-off	2,318	2,045
Lack of service	3,642	6,455
Regulatory	92,097	92,097
Electrical damage	5	5
Other	15,779	20,738
Total	710,775	4,589,040

Tax

The Company and its subsidiaries are defendants in 601 tax claims as of June 30, 2020 (571 as of December 31, 2019) amounting to R$ 243,866 (R$ 236,299 as of December 31, 2018).

In addition to the proceedings provisioned for, as mentioned earlier, other tax contingencies amounting to R$ 215,647 (R$ 211,090 at December 31, 2019) have been rated by Management as having a possible likelihood of defeat, based on an assessment made by the Legal Departments and legal advisors of the subsidiaries, for which provisions haven't been recognized.

Tax contingencies (probable chance of defeat)	06/30/2020	12/31/2019
ISS	298	277
ICMS	35,555	31,236
CIP	127	203
Tax debit	1,807	1,749
PIS/COFINS	56,658	53,102
Economic plans	146,745	146,745
Other	2,676	2,987
Total	243,866	236,299

Tax contingencies (probable chance of defeat)	06/30/2020	12/31/2019
PIS/COFINS	7,227	7,227
ISS	2,721	2,720
ICMS	176,202	176,199
ICMS, PIS and COFINS	1,424	1,424
IPTU	19	19
ICMS, TUSD and TUST	377	350
CSLL, PIS and COFINS	350	377
Fine for infraction	7,783	7,833
PIS/COFINS pass-through on invoice	-	178
Tax debit	158	158
CIP	-	60
Other	19,386	14,545
Total	215,647	211,090

21 Provision for civil, tax, labor and regulatory claims (Consolidated) - (Continued)

Labor

The labor liabilities as of June 30, 2020 of the Company and its subsidiaries currently consist of 4,255 claims (4,110 claims at December 31, 2019) or R$ 294,295 (R$ 294,629 at December 31, 2019) brought by former employees against the Company and its subsidiaries, with claims ranging from overtime, hazardous work bonuses, salary equality and/or reclassification, occupational diseases/reintegration, CIPA stability and other claims, as well as claims brought by the former employees of service providers (subsidiary liability) largely seeking severance pay.

In addition to the proceedings provisioned for, as mentioned earlier, other labor contingencies amounting to R$ 96,184 (R$ 78,138 at December 31, 2019) have been rated by Management as having a possible likelihood of defeat, based on an assessment made by the Legal Departments and legal advisors of the subsidiaries, for which provisions haven't been recognized.

Labor contingencies (probable chance of defeat)	**06/30/2020**	**12/31/2019**
Overtime	25,829	28,452
Implementation positions, career and salaries plan	17,837	17,814
Joint liability	14,596	16,047
Occupational accidents	18,392	17,922
Occupational Illnesses	3,758	3,680
Bonus	1,466	1,340
Returning to employment	8,778	7,668
Pay rise	4,695	4,528
Working hours	645	1,716
Meal allowance	170	167
Sourcing	80	78
Heavy work allowance	118,230	117,084
Public procurements	3,147	3,722
FGTS	19,836	18,650
Health care plan	1,955	2,081
Voluntary severance	4,128	4,112
Severance pay	11,053	7,887
Life insurance	948	1,277
Provisional stability	193	235
Health hazard allowance	3,255	4,546
Moral harassment	207	70
Pain and suffering	5,207	5,120
Salary parity	2,097	1,848
PDI – Encouraged Redundancy Program	5,060	5,817
Disciplinary administrative proceeding	733	705
Other	22,000	22,063
Total	294,295	294,629

21 Provision for civil, tax, labor and regulatory claims (Consolidated) - (Continued)

Labor contingencies (possible chance of defeat)	06/30/2020	12/31/2019
Difference Bresser's Plan	9,040	-
Overtime	3,953	2,067
Joint liability	44,501	44,633
Occupational accidents	4,921	4,751
Occupational Illnesses	5,346	872
Implementation positions, career and salaries plan	69	69
Returning to employment	565	566
Meal allowance	637	637
FGTS	695	399
Health care plan	71	101
Salary parity	4,577	4,494
Severance pay	1,234	1,164
Bonus	400	400
Illegal outsourcing	10,300	10,300
Health hazard allowance	240	182
Pain and suffering	4,587	4,205
Strikes	358	358
Other	4,690	2,940
Total	96,184	78,138

Regulatory

The amount to be provision for this item relates to the penalties likely to be imposed on the subsidiaries Equatorial Maranhão and Equatorial Pará in connection with:

Violation Notices (AI) issued by the power sector regulator, ANEEL;

Notices (TN) issued by the Electric Power Trading Chamber (CEEE) for power trading irregularities;

Penalties applied by the National System Operator (NOS) for violations related to power system operations; and

Administrative penalties imposed by consumer protection authorities.

The amounts of R$ 6,230 (R$ 6,122 at December 31, 2019) and R$ 0.00 (R$ 0.00 at December 31, 2019) correspond to the probable penalties to be applied against the subsidiaries Equatorial Maranhão and Equatorial Pará , respectively, referring to ANEEL's Notification and Notice of Infringement Terms, as well as the Border Measurement penalty in the CCEE.

22 PIS/COFINS to be reimbursed to consumers

On March 2017, the "*Supremo Tribunal Federal (STF)"* published the Judgment of the Extraordinary Appeal, in a general repercussion, in a manner favorable to the Company's position, which also obtained a favorable court decision with final and unappealable decision in October 2018.

Equatorial Maranhão

Based on its legal counsel's opinion, on December 31, 2018 the Company stated: (i) a recoverable assets regarding PIS/COFINS for R$ 756,499; (ii) a R$ 580,587 liability related to consumer refunds; (iii) R$ 77,177 as a deduction from gross revenues in connection with PIS/COFINS; and (iv) R$ 98,685 in financial income, also subject to R$ 4,589 in PIS/COFINS.

On June 30, 2020 the Company made an addition to this entry with regard to updating the SELIC interest rate, stating: (i) assets of R$ 9,454 (R$ 34,153 on December 31, 2019); (ii) a R$ 11,341 (R$ 23,005 on December 31, 2019) liability related to consumer refunds; (iii) R$ 4,758 (R$ 6,631 on December 31, 2019) as a deduction from gross revenues with regard to PIS/COFINS; and (iv) R$ 2,871 (R$ 4.517 on December 31, 2019) as financial income, which was subject to R$ 109 (R$ 210 on December 31, 2019) in PIS/COFINS.

Equatorial Pará

Based on the opinion of its legal advisors, at June 30, 2020, the Company set up: (i) assets related to PIS/COFINS recoverable of R$ 935,138; and (ii) liabilities of R$ 935,138 related to reimbursement to its consumers. At June 30, 2020, the Company made a supplement to this entry, referring to the adjustment by reference to the SELIC rate, establishing: (i) assets of R$ 6,332 and (ii) liabilities of R$ 6,332.

Equatorial Piauí

Based on its legal counsel's opinion, on December 31, 2018 the Company recorded: a PIS/COFINS asset for R$ 435,231, a R$ 418,741 liability related to consumer refunds, R$ 8,227 as a deduction from gross revenues in connection with PIS/COFINS and R$ 8,263 in financial income, also subject to R$ 384 in PIS/COFINS. On June 30, 2020 the Company made an addition to this entry with regard to updating the SELIC interest rate, stating assets of R$ 3,823 (R$ 27,300 on December 31, 2019), a R$ 5,961 (R$ 26,854 on December 31, 2019) liability related to consumer refunds, R$ 0 (R$ 8,227 on December 31, 2019) as a deduction from gross revenues with regard to PIS/COFINS, and R$ 132 (R$ 8,709 on December 31, 2019) as financial income, which was also subject to R$ 6 in PIS/COFINS.

22 PIS/COFINS to be reimbursed to consumers - (Continued)

Equatorial Alagoas

Based on the opinion of its legal advisors, at December 31, 2019, the Company set up: asset related to PIS/COFINS in connection with reimbursement to its consumers, both in the amount of R$ 290,234. This asset includes credits with the Brazilian IRS (RFB) from the beginning of the lawsuit, and the liability was established considering that the Company passes on to its consumers the tax effects on electricity bills.

The assets of the subsidiaries Equatorial Maranhão, Equatorial Pará, Equatorial Piauí and Equatorial Alagoas include credits against the federal tax authorities since the case was filed. The liability was constituted considering that the subsidiaries Equatorial Maranhão, Equatorial Pará, Equatorial Piauí and Equatorial Alagoas pass on to their consumers the tax effects on the electricity bills of the last 10 years. The refund to consumers will depend on the effective use of the credit and eventual definition of compensation mechanisms by ANEEL, in an expectation of approximately 33 months for the subsidiary Equatorial Maranhão, 36 months for the subsidiary Equatorial Pará, 30 months for the subsidiary Equatorial Piauí and 18 months for the subsidiary Equatorial Alagoas.

	06/30/2020				
	Equatorial Maranhão	**Equatorial Pará**	**Equatorial Piauí**	**Equatorial Alagoas**	**Consolidated**
Assets					
Current	292,821	325,523	155,269	209,520	983,133
Non Current	443,652	615,947	308,085	87,598	1,455,282
PIS and COFINS recoverable	736,473	941,470	463,354	297,118	2,438,415
Liabilities					
Current	292,821	325,523	155,269	209,520	983,133
Non Current	322,112	615,947	296,287	87,598	1,321,944
PIS/COFINS to be reimbursed to consumers	614,933	941,470	451,556	297,118	2,305,077
Net income					
(-) Deductions from revenue					
PIS/COFINS consumer reimbursable	(4,758)	-	-	-	(4,758)
(+) Financial revenue					
PIS/COFINS consumer reimbursable	2,871	-	132	-	3,003
(-) PIS/COFINS on financial revenue	(133)	-	(6)	-	(139)
Net effect on P&L before income and social contribution taxes	(2,020)	-	126	-	(1,894)

22 PIS/COFINS to be reimbursed to consumers - (Continued)

	2019			
	Equatorial Maranhão	**Equatorial Piauí**	**Equatorial Alagoas**	**Consolidated**
Assets				
Current	56,233	742	19,024	75,999
Non Current	734,368	461,789	271,210	1,467,367
PIS and COFINS recoverable	790,601	462,531	290,234	1,543,366
Liabilities				
Current	56,233	742	19,024	75,999
Non Current	547,359	444,853	271,210	1,263,422
PIS/COFINS to be reimbursed to consumers	603,592	445,595	290,234	1,339,421
Net income				
(-) Deductions from revenue				
PIS/COFINS consumer reimbursable	6,631	-	-	6,631
(+) Financial revenue				
PIS/COFINS consumer reimbursable	4,517	8,709	-	13,226
(-) PIS/COFINS on financial revenue	(210)	(405)	-	(615)
Net effect on P&L before income and social contribution taxes	10,938	8,304	-	19,242

PIS/COFINS expected to be reimbursed to consumers (Consolidated)

	06/30/2020	
	Amount	**%**
Current (a)	983,133	40%
2021	531,330	22%
2022	891,315	37%
2023	32,637	1%
Noncurrent	1,455,282	60%
Total	2,438,415	100%

(a) As at June 30, 2010, the Company's subsidiaries have credits validated by the RFB and the balance classified in current assets in the amount of R$ 983,133 (Equatorial Maranhão R$ 292,821, Equatorial Pará R$ 325,523, Equatorial Piauí R$ 155,269 and Equatorial Alagoas R$ 209,520) will be realized by offsetting the following federal taxes until the next year: IRPJ and CSLL taxes, PIS and COFINS and federal tax withholdings.

23 Equity

23.1 Capital

Capital at June 30, 2020 is R$ 2,742,270 (R$ 2,741,931 at December 31, 2019). The authorized capital corresponds to 1,500,000,000 shares and its composition by class of shares, with no par value, and major shareholders is as follows:

Shareholders	ON	%
Squadra Investimentos	99,380,285	9.84%
Opportunity	97,634,195	9.66%
BlackRock	57,299,125	5.67%
CPPIB	50,539,100	5.00%
Other Non-controlling interests (NCI)	705,433,380	69.83%
Total	1,010,286,085	100%

On May 22, 2020, by means of the Board of Directors' Meeting, a capital increase in the amount of R$ 339 was approved upon the issue of 100 thousand new shares.

23.2 Capital reserve

This reserve consists of options awarded and recognized by way of CVM resolution 562, issued December 17, 2008, which approved CPC 10/IFRS 2 Share-based Payment Transactions, and the change in the parent company's interest in a subsidiary that did not result in the loss of control, as determined by CPC 36 – Consolidated Statements.

As at June 30, 2020, options granted in the amount of R$ 25,692 were recognized. Thus, the capital reserve balance in that period is R$ 555,626 (R$ 529,934 at December 31, 2019).

23 Equity - (Continued)

23.3 Earnings pershare

As required by CPC 41 and IAS 33 (Earnings per Share), the table below reconciles the net income for the year against the amounts used to calculate the basic and diluted net income per share .

	06/30/2020	12/31/2019
Numerator		
Net income for the year	845,688	2,415,630
Denominador		
1. Average weighted shares in the basic EPS calculation	1,010,286	1,010,511
2. Average weighted shares in the diluted EPS calculation (a)	1,010,511	1,010,511
Basic earnings for the year per lot of one thousand shares - R$	0.83708	2.39050
Diluted earnings for the year per lot of one thousand shares - R$	0.83689	2.39050

	06/30/2020	12/31/2019
(i) Dilution factor (a)		
3. Number of options available	21,125	21,125
4. Number of shares exercised	20,900	19,975
5. Exercisable years	4	4
6. Current exercisable shares	1	4
Dilutive effect ((3/6)-(3-4)))	225	4,131

	06/30/2020	12/31/2019
(i) Dilution factor (a)		
3. Number of Stock Option shares (Plan 5)	2,120	2,120
5. Exercisable years	4	4
6. Current exercisable shares	1	1
Dilutive effect of Plan 5 ((3/6)-(3))	-	-
Average weighted shares in the diluted EPS calculation	1,010,511	1,010,511

(a) Derives from the Stock Options Plan (see note 23.4)

23 Equity - (Continued)

23.4 Dividends

At the indirect subsidiary Equatorial Maranhão, on May 29, 2020, pursuant to the Minutes of the Annual/Special General Meeting, the distribution of supplementary dividends to shareholders was approved in the amount of R$ 25,744.

At the indirect subsidiary Equatorial Pará, on May 29, 2020, pursuant to the Minutes of the Annual/Special General Meeting, the distribution of supplementary dividends to shareholders was approved in the amount of R$ 154,731.

At the direct subsidiary Equatorial Distribuição, on May 29, 2020, pursuant to the Minutes of the Executive Board Meeting, the distribution of supplementary dividends to shareholders was approved in the amount of R$ 139,521.

Set out below are the amounts of additional dividends established in 2019 and their distribution approved in 2020, by company, as well as their relationship with non-controlling interests:

	Additional dividends 2019	Equity interest (%) non-controlling interests	Additional dividends - non-controlling interests
Equatorial Maranhão	25,744	34.89%	8,982
Equatorial Pará	154,731	3.50%	5,417
Equatorial Distribuição	139,521	9.85%	13,749
Total	319,996		28,148

23 Equity - (Continued)

23.5 Stock option plan

The Company has two share-based plans in force as of June 30, 2020. (i) the Fourth Stock Option Plan and the (ii) Fifth Stock Option Plan. The plans entail the distribution of call options for Company shares to executives and employees.

The plans are administrated by the Company's Board of Directors, by way of a committee within the limits established in the Structuring and Preparation Guidelines for each Plan and the applicable legislation.

Fourth Stock Option Plan

In force since July 21, 2014, the Company's Fourth Stock Option Plan ("Plan Four") still has 626,250 outstanding options which will expire on July 21, 2020 if they are not subscribed.

Fifth Stock Option Plan

The Extraordinary General Meeting on July 22, 2019 approved the creation of Equatorial's Fifth Stock Option Plan ("Plan").
When stock options are exercised, the relevant shares are issued through a capital increase. Further details on the Plan can be obtained in the minutes of the relevant Extraordinary General Meeting, available on the Company's website and on the CVM website.

Beneficiaries

Plan beneficiaries may exercise their Options no later than 6 (six) months from the Granting Date. Options vest over a period of 4 (four) years, 25% each year. The plan was fully granted and the exercise term expires in July 2020.

There were no grants in the period ended June 30, 2020, and in December 2019, 17,947,500 options were granted to Plan beneficiaries at the price of R$ 20.42 (twenty reais and forty-two cents) per Option.

Fair value measurement

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

	06/30/2020
Fair value at grant date	**6.78**
Share price at grant date	**22.08**
Exercise price	**20.42**
Expected volatility (weighted-average)	**22.96%**
Expected life (weighted-average)	**4.25**
Risk-free interest rate (average based on government bonds)	**6.40%**

The Black & Scholes method was used to price the options on the date of the respective awards and end of year.

23 Equity - (Continued)

Reconciliation of the number of outstanding options (includes options of plans four and five)

	Number of options	Weighted average of exercise price	Number of options	Weighted average of exercise price
In options	**06/30/2020**	**06/30/2020**	**12/31/2019**	**12/31/2019**
Existing at 1 January	18,573,750	**19.85**	3,893,750	**3.58**
Exercised during the year	-	**-**	3,267,500	**3.55**
Granted during the year	-	**-**	17,947,500	**20.42**
Existing at end of period/year	**18,573,750**	**19.85**	**18,573,750**	**19.85**
Exercisable at end of period/year	626,250	**3.39**	626,250	**3.39**

The options existing at June 30, 2019 have an exercise price in the range of R$ 3.39 to R$ 20.42 (R$ 3,39 on December 31, 2019) and a weighted-average contractual life of 5,6 years (6 years on December 31, 2019).

No purchase option was exercised in the period from 01/01/2020 to 06/30/2020.

24 Net operating revenue (Consolidated)

The reconciliation between gross revenue and net revenue is as follows:

	06/30/2020	06/30/2019
Distribution		
Distribution revenue	7,000,507	6,380,573
WACC financial remuneration (a)	199,888	323,016
"A Component" revenue receivable (returnable) and other financial items (b)	(229,598)	(68,948)
CDE subsidy - Other (c)	242,433	207,164
Electricity supply	7,213,230	6,841,805
Electricity delivery	105,912	111,013
Availability revenue - Network usage (d)	232,614	376,370
Construction revenue	832,767	881,867
Indexation of financial assets (e)	1,694	82,460
Other	85,009	87,811
	1,257,996	1,539,521
Subtotal Distribution	8,471,226	8,381,326
Transmission		
Construction revenue (f)	1,207,400	1,832,089
Financial asset adjustment	-	50,354
Operation and maintenance revenue (g)	11,656	16,529
Restated in-service contract assets (h)	552,858	85,499
Contract assets - realization loss (i)	(102,040)	-
Other	7,700	1,675
Subtotal Transmission	1,677,574	1,986,146
Other		
Trading revenue	123,239	118,366
Other revenue	5,957	-
Subtotal Other	129,196	118,366
Gross operating revenue	10,277,996	10,485,838
Deductions from revenue		
ICMS on electricity sales	(1,496,017)	(1,474,772)
PIS and COFINS	(811,889)	(799,470)
Consumer charges	(57,882)	(56,609)
ISS	(6,093)	(5,120)
Energy Development Account – CDE (j)	(181,017)	(365,959)
DIF/FIC penalties and others	(27,106)	(37,780)
Other	(9,280)	(10,449)
Deductions from operating revenue	(2,589,284)	(2,750,159)
Net operating revenue	7,688,712	7,735,679

24 Net operating revenue (Consolidated) - (Continued)

(a) This change is related to the IPCA variation, compared to the same period in 2019;

(b) Amounts receivable/returnable from the "A component" and other financial items showed a negative variation, when compared to the same prio-year period, due to: 1) Decrease in the establishment of regulatory assets and liabilities caused by lower energy costs and charges and the tariff coverage granted in the 2019 adjustment, which became closer to the actual cost, generating a smaller CVA delta, when compared to the same period in 2019;

(c) Tariff discounts are discounts and subsidies levied on tariffs applicable to consumers in the classes of irrigation, public services and rural projects in accordance with the legislation in force governing the distribution of electricity. As a result, distributors are compensated for the loss of revenue resulting from this tariff benefit, as set forth by article 13 of Law No. 10438 2002. In the 2019 Tariff Review, new tariff values were approved for the concessionaire, therefore the monthly calculation of a new pass-through amount of the tariff subsidy, raising the amount found in 2020 under "CDE subsidy –other", when compared with the same period of 2019. This is so since the tariff used to calculate the subsidy was the one approved in the 2018 tariff process. Another relevant fact for the increase in the tariff subsidy in 2020 was the 67 migrations to the free environment of special customers, who purchase their energy from an incentive source and are entitled to a discount on the billing tariff;

(d) Direct and indirect electricity distribution subsidiaries recognize revenue due to the availability of the electricity distribution network infrastructure to their free and captive customers. Such revenue is calculated according to the Distribution Grid Tariff - TUSD defined by ANEEL. The variation between the periods is related to the increase in the migration of the number of customers from the captive environment to the free environment;

(e) The efficiency gains obtained by the ubsidiaries in the process of reviewing the tariff values changed the cost and market structure, impacting the recognition of revenue from financial asset adjustment when compared to the previous period;

(f) This reduction is due to the startup of SPE 01, SPE 02 and SPE 08 operations;

(g) Operation and maintenance revenue refers to the start-up of the transmission companies, whose purpose is not to interrupt the availability of the facilities, paying for the operation and maintenance services of the electricity transmission facilities;

(h) The increase is due to the increase in the asset base of contracts in the period, and, consequently, adjustment of the contract asset in service;

(i) Positive or negative variations in construction revenue and/or operating revenue, between the budgeted base vs. actual base. The amount shows that the Company subsidiaries were more efficient in the construction/operation, thus generating a loss. The result is exclusively financial in nature, thus recognizing the part of the composition of the contract asset adopted while keeping the project margin unchanged; and

(j) The reduction in the CDE charge expense (Decree No. 7891/2013, as amended by Decree No. 9642/2018) was motivated by the end of the CDE Energia collection in March /019 and the early settlement of the ACR Account loans, whose expense occurred until September/2019.

25 Service costs and operating expenses (Consolidated)

	06/30/2020				
	Cost of power supply service	**Sales expenses**	**Administrative expenses**	**Impairment losses**	**Total**
Personnel	(105,246)	(32,889)	(147,506)	-	(285,641)
Material	(11,464)	(2,459)	(1,027)	-	(14,950)
Outsourced services	(168,413)	(87,350)	(139,544)	-	(395,307)
Electricity purchased for resale (a)	(2,515,712)	-	-	-	(2,515,712)
Charge for using transmission and distribution system	(520,129)	-	-	-	(520,129)
Construction cost (b)	(1,559,078)	-	-	-	(1,559,078)
Allowance for doubtful accounts and losses on commercial clients	-	-	-	(252,389)	(252,389)
Provision for civil, tax, labor and regulatory claims	-	-	(15,974)	-	(15,974)
Amortization	(271,071)	-	(106,890)	-	(377,961)
CCC Subsidy	(62,933)	-	-	-	(62,933)
Other	(12,165)	(3,243)	(3,839)	-	(19,247)
	(5,226,211)	(125,941)	(414,780)	(252,389)	(6,019,321)

	06/30/2019				
	Cost of power supply service	**Sales expenses**	**Administrative expenses**	**Impairment losses**	**Total (a)**
Personnel	28,366	(79,269)	(162,188)	-	(213,091)
Material	(8,278)	(1,682)	(2,192)	-	(12,152)
Outsourced services	(100,628)	(159,441)	(80,030)	-	(340,099)
Electricity purchased for resale	(2,757,346)	-	-	-	(2,757,346)
Charge for using transmission and distribution system	(395,146)	-	-	-	(395,146)
Construction cost (b)	(2,170,060)	-	-	-	(2,170,060)
Allowance for doubtful accounts and losses on commercial clients	-	-	-	(35,905)	(35,905)
Provision for civil, tax, labor and regulatory claims	-	-	(68,109)	-	(68,109)
Amortization	(263,761)	-	(40,531)	-	(304,292)
CCC Subsidy	(10,539)	(2,854)	(1,816)	-	(15,209)
Other	(50,603)	-	-	-	(50,603)
Personnel	48,032	4,067	575	-	52,674
	(5,679,963)	(239,179)	(354,291)	(35,905)	(6,309,338)

(a) See the breakdown of the cost of electricity purchased for resale, as per note 28.

(b) The reduction is due to the startup of the Company's indirect subsidiaries SPE 01, SPE 02 and SPE 08 operations, in addition to the progress of the works in the other transmission companies.

26 Electricity purchased for resale (Consolidated)

	GWh		R$	
	06/30/2020	**06/30/2019**	**06/30/2020**	**06/30/2019**
Auction energy (a)	10,394	9,169	(1,853,803)	(2,112,571)
Eletronuclear Contracts	391	337	(109,953)	(78,457)
Guarantee contracts	3,073	2,934	(338,212)	(289,670)
System Service Charges - ESS/ Energy reserve (b)	-	-	55,628	(22,865)
Bilateral electricity	112	117	-	-
Short-Term Electricity - CCEE	-	-	(384,879)	(354,313)
Alternative source incentive program - PROINFA	215	214	(71,601)	(82,369)
(-) Recoverable portion of noncumulative PIS/COFINS	-	-	296,225	279,411
Other costs	-	-	(109,117)	(96,512)
Subtotal	14,185	12,771	(2,515,712)	(2,757,346)
Charge for using transmission and distribution system (c)	-	-	(520,129)	(395,146)
Total	14,185	12,771	(3,035,841)	(3,152,492)

(a) Considering only the expenses with the contracts (CCEAR-- Electricity Trading Contract in the regulated environment, MCSD - Leftovers and Deficits Compensation Mechanism, CCGF- Physical Guarantee Quotas and CCEN - Nuclear Energy Guarantee Quotas), contract volume increased by 11.07%, but the average price paid in 2020 decreased by 16.45% in relation to what was paid in the same period of 2019, due to the increase in the volume of CCEAR Energy contracts, and a smaller variable payment portion;

(b) The ESS (System Service Charges) is related to the payment of dispatched thermal plants that operate with a purchase price above the PLD (Settlement Price for Differences). The measure to dispatch these thermal plants is taken by ONS (National System Operator) to ensure the energy security of the system. The variation that occurred in the period from January to June 2020, when compared to 2019, is due to the release of the financial resources available in the reserve fund for future charges relief, as per the resolution provided for in Aneel Decision No. 986, published on April 8 2020, an action intended to strengthening the electricity sector's liquidity amid the COVID 19 pandemic scenario; and

(c) Includes the costs of charges for the use and connection of the transmission system, which have tariffs adjusted by the Annual Permitted Compensation– RAP resolution, therefore, in each year there is always the effect of two resolutions. The costs incurred in from January to June 2020 were higher than 2019 due to the tariffs approved in RAP resolution No. 2564 of June 19, 2019, which will remain in effect until July/2020 related to the Basic Grid and Connection, in relation to previous resolution, incorporated into the annual tariff readjustment. Another factor giving rise to Cost increase was higher contracting of MUST (Amount of Use of the Transmission System).

27 Other net operating income (Consolidated)

	06/30/2020	**06/30/2019**
Losses on the sale and retirement of assets and rights (a)	(6,789)	(154,837)
Indemnity for third-party damage	(3,998)	(11,135)
Provision for warehouse loss	(2,252)	-
Other operating income and expenses	(11,777)	(4,387)
Total other net operating income	(24,816)	(170,359)

(a) The variance is primarily due to the subsidiary Equatorial Pará which underwent its 5th rate review cycle in FY 2019. Other processes include the considerable number of items retired from the concession's intangible assets, write-offs which were duly audited and approved by the Economic and Financial Oversight Division – SFF (Technical Note 147/2019-SGT/SRM/ANEEL, issued 8/2/2019).

28 Finance income

		Parent Company		Consolidated	
		06/30/2020	06/30/2019	06/30/2020	06/30/2019
Finance income					
Fnance earnings		18,114	14,772	93,822	109,086
Amounts receivable/returnable – "A Component"		-	-	57,533	47,778
Transactions with derivative financial instruments	(a)	-	-	452,841	1,239
Additional amount for late payment of energy sold		-	-	173,357	180,387
PIS/COFINS on finance income		(831)	-	(16,887)	(20,157)
CCC subrogation adjustment		-	-	1,407	1,808
Discounts obtained		-	-	-	4,684
Other finance income		-	-	30,322	127,168
Total finance income		17,283	14,772	792,395	451,993
Finance income					
Finance expenses					
Debt charges	(b)	(31,852)	(74,439)	(368,474)	(438,006)
Regulatory fines		-	-	(5,532)	(12,416)
Transactions with derivative financial instruments	(a)	-	-	(6,587)	(11,598)
Amounts receivable/returnable - A Component		-	-	(19,737)	(26,472)
Monetary and exchange differences - debt	(c)	(673)	(2,515)	(496,355)	(69,228)
AVP finance costs		-	-	(32,498)	(21,564)
Adjustment on efficiency efforts and contingencies		-	-	(11,189)	(6,064)
Related-party charges		-	-	(275)	(273)
Interest, fines on energy operation		-	-	(1,512)	(6,866)
Interest payable		-	-	(16,352)	(36,041)
Discounts granted		-	-	(10,070)	(8,512)
Other finance costs		(5,859)	(916)	(41,658)	(46,270)
Total finance costs		(38,384)	(77,870)	(1,010,239)	(683,310)
Finance income (costs), net		(21,101)	(63,098)	(217,844)	(231,317)

(a) These refer primarily to contracting SWAP operations, which exchange: US dollar rate; variation of the dollar by percentage of the CDI and dollar plus the spread per CDI, where the main variation refers to the exchange rate on these transactions. In the period ended June 30, 2020, the main effect refers to exchange rate differences, generating a 28% increase in the dollar, from R$ 4.03 at December 31, 2019 to R$ 5.16 at June 30, 2020;

(b) In the period ended June 30, 2020, the main effect refers to exchange rate differences, generating expenses with a 28% increase in the US dollar, from R$ 4.03 on December 31, 2019 to R$ 5.16 at June 30, 2020, against an expense in 2019 with the dollar increase by 2.54%; and

(c) The main reason for the drop in net finance costs is the reduction in the CDI, SELIC and IPCA indexes in the period, which account for 79% of debt.

29 Post-employment benefit

29.1 Details of the retirement plan

(i) Equatorial BD Plan (Equatorial Maranhão)
The BD plan is structured as a "defined benefit", where there is a post-employment commitment with the participants that are still working and with those that are retired. Pursuant to the plan, the benefits offered to employees include the following:

- Invalidity retirement: The benefit to be granted is equivalent to the value of the positive difference between the real benefit wage (SRB) and the Social Security retirement due to disability.

- Retirement due to Age: The benefit to be granted is equivalent to the value of the positive difference between the real benefit wage (SRB) and the Social Security retirement due to age.

- Retirement due to Time of Contribution: The benefit to be granted is equivalent to the value of the positive difference between the real benefit wage (SRB) and the Social Security retirement due to age.

(ii) Equatorial CD Plan (Equatorial Maranhão)
The Equatorial CD is a defined contribution plan for the programmed benefits and a defined benefit plan for the risk benefits. Pursuant to the plan, the benefits offered to employees include the following:

- Normal Retirement: It is granted to participants who meet the following conditions:

(a) Have an employment relationship of 180 consecutive months with the sponsor;
(b) Have 60 months of effective contribution to the plan;
(c) Are 55 years old or more;
(d) Do not have an employment relationship with the sponsor.

The amount of the benefit is the result of the transformation of the balance of accounts in a certain income, of 12 payments per year, for n months.

- Retirement through inability to work: The benefit is granted to the participant that is receiving a Social Security pension for disability, provided that he is a participant in the plan for at least 12 months. The amount of the benefit is the result of the conversion of the balance of accounts into a monthly income.

- Pension for death of an active worker: The benefit is granted to the beneficiaries of an active participant who happens to die, provided that he has participated in the plan for at least 12 months. The amount of the benefit is the result of the conversion of the balance of accounts into a monthly income.

- Pension for Death of an Assisted Person: The benefit is granted to the beneficiaries of an active participant who happens to die, provided that he has participated in the plan for at least 12 months. The amount of the benefit consists of the continuation of the income paid to the assisted participant.

29 Post-employment benefit - (Continued)

29.1 Details of the retirement plan - (Continued)

(iii) Equatorial BD Plan (Equatorial Pará)

The BD plan is structured as a "defined benefit", where there is a post-employment commitment with the participants that are still working and with those that are retired. Pursuant to the plan, the benefits offered to employees include the following:

- Retirement (due to Disability, age, length of service and special reasons): Retirement benefit calculated based on the difference between Real benefit wage (SRB), which is the average of the last 36 Contribution Salaries and the retirement awarded in RGPS. Except for Invalidity retirement, the retirement schemes have a grace period of 120 months of monthly contributions to the plan.

- Surviving spouse pension: The benefit above is equivalent to 50% of the monthly pension received by the participant before their death or the amount they would have received in the event of invalidity. This will be awarded to qualified beneficiaries and pensioners applying for it; and

- Annual bonus: The benefit consists of an annual cash allowance of 1/12 (one twelfth) of the monthly income due in December per month of complementation received during the year.

(iv) Celpa OP Plan (Equatorial Pará)

The Celpa OP Plan is structured as "variable contribution", where there is a post-employment commitment during the inactive stage (retired and pensioners), for benefit structured in the form "Defined Benefit" (retirement benefit to be awarded in the form of monthly income for life and the respective investments in pensions). Pursuant to the plan, the benefits offered to employees include the following:

- Monthly income from investment in pension: It is granted to participants who meet the following conditions:

  (a) Have an employment relationship of 05 complete months with the sponsor;
  (b) Have 05 years of effective contribution to the plan;
  (c) Are 55 years old or more;
  (d) Be entitled to the benefit, except for Invalidity under RGPS; and
  (e) Do not have an employment relationship with the sponsor.

  According to the form selected in the application, the benefit value is equal to:

  ✓ Monthly income for life in the form "Variable Contribution"; or
  ✓ Financial monthly income in the form "Defined Contribution".

- Lump sum benefit on disability or death: The Lump sum benefit on death is awarded to beneficiaries when the active participant dies. The Lump sum benefit on disability is awarded to the participant who has Supplementary disability retirement in Plan R.

29 Post-employment benefit - (Continued)

29.1 Details of the retirement plan - (Continued)

(v) Celpa R Plan (Equatorial Pará)

Celpa R is structured as a "defined benefit", where there is a post-employment commitment entailing the payment of retirement for invalidity and pensions. Furthermore, the plan is not contributive, only offering risk benefits. Pursuant to the plan, the benefits offered include the following:

- Supplementary sickness benefit and retirement due to disability: The two benefits above constitute monthly income determined as the difference between the Real benefit wage (SRB) and the value of the benefit awarded by RGPS (General Social Security Scheme), which are awarded whilst concession of RGPS is guaranteed.

- Surviving spouse pension: The benefit above is equivalent to 50% of the monthly pension received by the participant before their death or the amount they would have received in the event of invalidity. This will be awarded to qualified beneficiaries and pensioners applying for it; and

- Annual bonus: The benefit consists of the largest monthly amount received in the year by the participant and will be paid by December 20. As this is a non-contributive plan, the plan is financed entirely by the normal contribution of the sponsor itself, where the percentage is determined in the plan's costing plan.

(vi) Equatorial CD Plan (Equatorial Pará)

Pension benefits plan administered by Fundação Equatorial de Previdência Complementar (EQTPREV) and sponsored by Equatorial Energia Pará, amongst others. The company began offering this plan to its employees in FY 2019, and that year received participants and assisted participants sponsored by the company from the Celpa OP and Celpa R plan, and therefore recognized the first obligations under this plan.

The Equatorial CD is a defined contribution plan for the programmed benefits and a defined benefit plan for the risk benefits. Pursuant to the plan, the benefits offered to employees include the following:

- Normal Retirement: It is granted to participants who meet the following conditions:

a) Have an employment relationship of 180 consecutive months with the sponsor;
b) Have 60 months of effective contribution to the plan;
c) Are 55 years old or more;
d) Do not have an employment relationship with the sponsor. The amount of the benefit is the result of the transformation of the balance of accounts in a certain income, of 12 payments per year, for n months.

29 Post-employment benefit - (Continued)

29.1 Details of the retirement plan - (Continued)

- Retirement through inability to work: The benefit is granted to the participant that is receiving a Social Security pension for disability, provided that he is a participant in the plan for at least 12 months. The amount of the benefit is the result of the conversion of the balance of accounts into a monthly income.

- Pension for death of an active worker: The benefit is granted to the beneficiaries of an active participant who happens to die, provided that he has participated in the plan for at least 12 months. The amount of the benefit is the result of the conversion of the balance of accounts into a monthly income; and

- Pension for Death of an Assisted Person: The benefit is granted to the beneficiaries of an active participant who happens to die, provided that he has participated in the plan for at least 12 months. The amount of the benefit consists of the continuation of the income paid to the assisted participant.

(vii) Resolution 10/1989 (Equatorial Pará)

The Company has an uncovered actuarial liability originating from an agreement between the company and former employees and pensioners. The agreement was resolved by Resolution 10 issued August 4, 1989 by company management and came into force on June 11, 1996.

Because the resolution is in force, former employees and pensioners are entitled to pension benefits, which comprise the uncovered actuarial liability. The value of the liability determined is provisioned for in its entirety by the Company.

(viii) Medical assistance plan (Equatorial Pará)

CNU health care plan

The Company offers employees and former employees (whether retired or terminated) health insurance administered by Central Nacional Unimed - Cooperativa Central (CNU), including both outpatient and inpatient coverage and obstetrics, with national coverage. Health insurance is offered to all employees and their dependents, with the exception of directors and managers.

Unimed Health Insurance (Equatorial Pará)

The Company offers employees and former employees (whether retired or terminated) health insurance administered by Unimed Seguro Saúde S/A, including both outpatient and inpatient coverage and obstetrics, with national coverage. This plan is offered to all Company directors and managers and their dependents.

UNIODONTO Dental Plan (Equatorial Pará)

Dental insurance operated by Uniodonto Belém to all employees and former employees (whether retired or terminated) and their dependents.
Unlike health insurance plans, dental insurance expenses will not increase with age. There is therefore no post-employment commitment (cross subsidy).

29 Post-employment benefit - (Continued)

29.1 Details of the retirement plan - (Continued)

(i) Settled Plan (Equatorial Piauí)
Pension benefit plan organized and administered by Fundação Cepisa de Seguridade Social (FACEPI) and sponsored by Equatorial Energia Piauí, which is offered to its employees and their dependents.

The Settled Plan is structured as a "defined benefit", where there is a post-employment commitment with the participants that are still working and with those that are retired. Pursuant to the plan, the benefits offered to employees include the following:

- Retirement due to Time of Service/Contribution: Supplementary retirement due to length of service/contribution time is owed to the participant during the period they receive retirement for length of service/contribution time from social security and will only be suspended in the event of death of the participant or suspension or cancellation of their retirement.

- Invalidity retirement: The benefit is awarded to participants during the period they receive retirement from social security.

- Retirement due to Age: The benefit is awarded to the participant's beneficiaries as long as the retirement due to age is maintained by social security and canceled upon their death. It consists of a monthly income equivalent to the value of the positive difference between the real benefit wage and the pension awarded by the INSS.

- Surviving spouse pension: The benefit is granted to the beneficiaries of an active participant who happens to die, during the period they receive a pension from social security. The amount of the benefit consists of the continuation of the 60% to 100% of the retirement paid to the assisted participant.

- Sickness Benefit: The benefit is awarded to the participant's beneficiaries receiving sickness allowance from social security. It consists of a monthly income equivalent to the value of the positive difference between the real benefit wage and the sickness allowance awarded by the INSS.

Burial Assistance: The benefit is awarded in the event of the participant's death after having contributed at least 60 (sixty) monthly contributions to the Plan, as from the participant's latest enrollment in this Foundation, the beneficiaries or, in the absence thereof, the person demonstrating they are the successor. The expanded burial allowance consists of a lump-sum payment equal to 1/5 (one fifth) of the social security benefit ceiling.

29 Post-employment benefit - (Continued)

29.1 Details of the retirement plan - (Continued)

(ii) CV Plan (Equatorial Piauí)

Pension benefit plan administered by Fundação Cepisa de Seguridade Social (FACEPI) and sponsored by Equatorial Energia Piauí, which is offered to its employees and their dependents.

The CV Plan is structured as a variable contribution, there being a commitment in the participants post-employment period. Pursuant to the plan, the benefits offered to employees include the following:

- Scheduled retirement: The benefit will be calculated actuarially based on the participant's individual balance, amongst other parameters, where this benefit is split into two stages: fixed term income of scheduled retirement and lifetime income of scheduled retirement.

- Invalidity retirement: The benefit to be awarded will be calculated actuarially based on the participant's individual balance at the disability date, plus funds from the disability lump sum, where this benefit is split into two stages: fixed term income of disability retirement and lifetime income of disability retirement.

- Surviving spouse pension: The benefit to be awarded will be calculated actuarially based on the active participant's individual balance at the date of death, plus funds from the lump sum for death, where this benefit is split into two stages: fixed term income of active retirement and lifetime income of active retirement.

- Sickness Benefit: The benefit is equal to twenty percent (20%) of the portion of the current participation salary below the FACEPI ceiling, plus one hundred percent (100%) of the portion of this participation salary above this ceiling.

- Funeral allowance: The benefit is equal to forty percent (40%) of the FACEPI ceiling in force in the month of death, regardless of the social security stage in which the participant was at, their salary level and the accumulated level of employment and employer savings recorded in their name.

29 Post-employment benefit - (Continued)

29.1 Details of the retirement plan - (Continued)

(i) BD Plan (Equatorial Alagoas)
Pension benefit plan administered by Fundação CEAL de Assistência Social e Previdência (FACEAL) and sponsored by Equatorial Energia Alagoas, which is offered to its employees and their dependents.

The BD plan is structured as a "defined benefit", where there is a post-employment commitment with the participants that are still working and with those that are retired. Pursuant to the plan, the benefits offered to employees include the following:

- Invalidity retirement: The benefit to be granted is equivalent to the value of the positive difference between 80% of the real benefit wage (SRB) and the lowest ceiling of the supplementary benefit calculation determined at the date the supplement retirement is awarded. Retirement due to Disability has a grace period of 12 months of contributing to the Plan.

- Retirement due to Time of Service/Contribution: The benefit to be granted is equivalent to the value of the positive difference between 80% of the real benefit wage (SRB) and the lowest ceiling of the supplementary benefit calculation determined at the date the supplement retirement is awarded. The grace period for these benefits is 120 months of contributing to the Plan.

- Retirement due to Age: The benefit to be granted is equivalent to the value of 1/20 (one twentieth) of the positive difference between 80% of the real benefit wage (SRB) and the lowest ceiling of the supplementary benefit calculation determined at the date the supplement retirement is awarded, for each year of contribution to the Plan (limited to 20/20).

- Special Retirement: The benefit to be granted is equivalent to the value of 1/20 (one twentieth) of the positive difference between 80% of the real benefit wage (SRB) and the lowest ceiling of the supplementary benefit calculation determined at the date the supplement retirement is awarded, for each year of contribution to the Plan (limited to 20/20). Special Retirement has a grace period of 180 months of contributing to the Plan.

- Surviving spouse pension: The benefit to be granted consists of a monthly income equivalent to 50% (plus 10% per beneficiary) of the income received by the assisted participant or of the income that the active participant would have been entitled to if he were to retire on the grounds of disability on the date of death.

- Annual bonus: The benefit is granted at the same time that the annual bonus of the Social Security is granted and consists of an annual cash allowance of 1/12 (one twelfth) of the monthly income due in December per month of complementation received during the year.

29 Post-employment benefit - (Continued)

29.1 Details of the retirement plan - (Continued)

(ii) CD Plan (Equatorial Alagoas)

Pension benefit plan administered by Fundação CEAL de Assistência Social e Previdência (FACEAL) and sponsored by Equatorial Energia Alagoas, amongst others. The CD Plan is a defined contribution plan for the programmed benefits and a defined benefit plan for the risk benefits.

The risk benefits are:

- Entry into disability benefit

  Awarded in the event of an active participant's disability at the rate of 13/12 (thirteen twelfths) of the double of the Real Average Monthly Contribution (CRMM), multiplied by the number of months which remained at the time of full and permanent disability for the participant to become exactly 55 (fifty-five) years of age.

- Lump sum benefit on death of active participant

  Awarded to beneficiaries of the active participant in the event of their death at the rate of 13/12 (thirteen twelfths) of the double of the Real Average Monthly Contribution (CRMM), multiplied by the number of months which remained at the time of the active participant's death for the participant to become exactly 55 (fifty-five) years of age.

(iii) Health care plan (Equatorial Alagoas)

Equatorial Energia Alagoas offers its employees and former employees health insurance administered by Qualicorp Administradora de Benefícios S/A, including both outpatient and inpatient coverage and obstetrics, with statewide coverage. Equatorial Energia Alagoas offers a dental care plan to its employees.

The health care plans (UNIMED) and dental plans (UNIODONTO) have fixed monthly payments, adjusted annually, with monthly payment of the employee's part and the employer' part resulting in 12 payments a year.

The health and dental plans contain three different groups, called G1, G3 and G8. The group definitions are presented below:

- G1: consisting of employees, employees on leave and future former employees of Equatorial, pursuant to item 11.4 of the 2019/2021 Collective Labor Agreement. Equatorial's participation for this group varies according to salary ranges for the health plan and equal to 60% for the dental plan. If a company employee becomes permanently disabled, they and their dependents are entitled to remain in the plan for life until the holder dies (except able-bodied children, who remain temporarily, pursuant to the bargaining agreement, until the age of 24). For disabled children, Equatorial keeps paying the employer's part to the holder and their dependents, similarly to what would happen if they were still active. This group is open to new active and inactive participants, depending on changes to the Company's staff structure.

29 Post-employment benefit - (Continued)

29.1 Details of the retirement plan - (Continued)

- G3: consists of disabled former employees who remain in the health and dental plans without contributing to them, meaning that Equatorial's participation for this group is 100% of the monthly fees. Equatorial contributes for holders and their dependents. The holders and their dependents in this group remain in the plan for life until the holder dies (except able-bodied children, who remain temporarily, pursuant to the bargaining agreement, until the age of 24). This is a closed group, with no new additions possible.

- G8: consists of former employees (able-bodied and disabled) who remain in the health and dental plans by court order. Equatorial's participation for this group is established individually depending on each court decision. Equatorial contributes for holders and their dependents. The holders and their dependents in this group remain in the plan for life until the holder dies (except able-bodied children, who remain temporarily, pursuant to the bargaining agreement, until the age of 24). New members can only be added to this group by court order.

  The Company subsidiaries perform annually and will disclose in the financial statements for the year ending December 31, 2020, the actuarial valuations by independent appraisers, considering an active market quotation, sensitivity analysis, the expected global rate of return on assets based on market expectations and applicable during the period in which the obligation is to be settled.

  As such, the main actuarial assumptions used are: (i) inflation rate; (ii) discount rate; (iii) future salary increases; and (iv) future pension increases.

30 Financial instruments

30.1 General considerations

The Company and its subsidiaries have performed an analysis of their financial instruments including: cash and cash equivalents, securities, trade accounts receivable, CCC sub-rogation, concession financial assets, contractual assets, trade accounts payable, loans and financing, amounts payable under the in-court reorganization plan debentures and derivatives, and have not made any required adjustments to their accounting records.

The management of these instruments is done through operating strategies and internal controls aimed at liquidity, profitability and security. The control policy consists of permanent monitoring of contractual terms and conditions in comparison with existing market conditions.

Management uses financial instruments to obtain optimum returns on available cash, to maintain the liquidity of assets, to hedge against foreign exchange or interest rate variation and to ensure compliance with applicable covenants, namely net debt over adjusted EBITDA[i] (ND/Adjusted EBITDA) and net debt over net debt plus shareholders' equity (ND/ND+SE).

30.2 Derivatives policy

The Company and its subsidiaries use swap derivative transactions to hedge against changes in macroeconomic indexes and against fluctuations in foreign currency quotes. These operations are not carried out on a speculative basis. As at June 30, 2020 and December 31, 2019, the Company, through its subsidiaries, had derivative financial instrument operations contracted as a hedge for its foreign currency debts.

30.3 Category and fair value of financial instruments

The fair values of the Company’s and its subsidiaries’ financial assets and liabilities were estimated through information available in the market and appropriate valuation methodologies. However, considerable judgment was required in the interpretation of market data to estimate the most adequate realization value. As a result, the estimates below do not necessarily indicate the values that could be realized in the current exchange market. The use of different market methodologies may have a material effect on the estimated realizable values.

30 Financial instruments - (Continued)

30.3 Category and fair value of financial instruments - (Continued)

(i) Fair value measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

The carrying amounts and market values of the financial instruments included in the statement of financial position as of June 30, 2020 and December 31, 2019 are identified below:

Parent Company	**Level**		**06/30/2020**		**12/31/2019**	
Assets		**Category of financial instruments**	**amount**	**Market**	**amount**	**Market**
Cash and cash equivalents	-	Amortized cost	1,038	1,038	1,103	1,103
Cash and cash equivalents (Investment fund)	2	Fair value through profit or loss	132,773	132,773	535,210	535,210
Short-term investments	2	Fair value through profit or loss	676,231	676,231	871,556	871,556
Securities	2	Fair value through profit or loss	18,364	18,364	18,129	18,129
Total assets			828,406	828,406	1,425,998	1,425,998

			06/30/2020		**12/31/2019**	
Liabilities	**Level**	**Category of financial instruments**	**amount**	**Market**	**amount**	**Mercado**
Supplier		Amortized cost	1,479	1,479	2,081	2,081
Loans and borrowings	-	Amortized cost	516,991	507,147	507,358	507,147
Debentures	-	Amortized cost	565,384	1,298,762	1,263,854	1,298,762
Total liabilities			1,083,854	1,807,388	1,773,293	1,807,990

Consolidated			**06/30/2020**		**12/31/2019**	
Assets	**Level**	**Category of financial instruments**	**amount**	**Market**	**amount**	**Mercado**
Cash and cash equivalents	-	Amortized cost	128,515	128,515	184,082	184,082
Cash and cash equivalents (Investment fund)	2	Fair value through profit or loss	490,606	490,606	1,601,121	1,601,121
Short-term investments	2	Fair value through profit or loss	5,362,258	5,362,258	4,043,717	4,043,717
Trade accounts receivable	-	Amortized cost	4,226,648	4,226,648	4,386,355	4,386,355
"A Component" revenue receivable and other financial items	-	Amortized cost	976,781	976,781	1,096,690	1,096,690
CCC subrogation - amounts allocated	-	Amortized cost	85,120	85,120	85,120	85,120
Reimbursable AICs (a)	3	Fair value through other comprehensive income	154,093	154,093	154,093	154,093
Derivative financial instruments	2	Fair value through profit or loss	514,028	514,028	60,555	60,555
Concession financial assets - Distribution companies	2	Fair value through profit or loss	5,035,815	5,035,815	4,945,545	4,945,545
Contractual assets	2	Fair value through profit or loss	9,957,799	9,957,799	8,244,244	8,244,244
Securities	2	Fair value through profit or loss	135,504	135,504	126,756	126,756
Total assets			27,067,167	27,067,167	24,928,278	2,4928,278

30 Financial instruments - (Continued)

30.3 Category and fair value of financial instruments - (Continued)

		06/30/2020		12/31/2019	
Liabilities	**Category of financial instruments**	**amount**	**market**	**amount**	**market**
Supplier	Amortized cost	1,628,460	1,628,460	1,976,110	1,976,110
Loans and borrowings	Amortized cost	12,591,925	13,082,659	11,104,954	12,266,760
Payables from in-court reorganization	Amortized cost	891,405	891,405	871,899	1,147,856
"A Component" revenue receivable and other financial items	Amortized cost	261,284	261,284	142,451	142,451
Debentures	Amortized cost	4,953,152	5,352,572	5,703,467	5,830,267
Total Liabilities		20,326,226	21,216,380	19,798,881	21,363,444

(a) This denotes the reimbursement owed to Eletrobras as payment of the reimbursable AICs equal to 50% (fifty percent) of the contribution of each of the assets in the debt compensation base, as defined in the ANEEL Rate Regulation Procedures - PRORET, less any amounts recorded after the appraisal-based date of investments necessary to make these assets in progress property, plant and equipment. Equatorial Piauí accordingly provisioned for R$ 70,640 and Equatorial Alagoas R$ 83,453.

Following ANEEL ratification of the rate review result, the buyer undertakes to hire a technical consultant to determine the amount of reimbursement owed to Eletrobras.

Cash and cash equivalents - are classified as amortized cost and are recorded at their original values;

- **Short-term investments and Investments funds** - these are classified as fair value through profit or loss. The fair value hierarchy of short-term investments is level 2, since most of them are invested in exclusive funds where maturities are limited to twelve months. As such, management understands that their fair value is already reflected in the book value. The significant factors for valuation at fair value are publicly observable such as CDI;

- **Securities –**refer to financial investments not allocated in cash and cash equivalents, classified as fair value through profit or loss. The hierarchy of fair value of short-term investments is level 2, since most of them, applied in exclusive funds, are reflected in the value of the fund's shares;

- **Trade accounts receivable** - directly derived from the Company's and its subsidiaries' operations and are classified as amortized cost and are recorded at their original values, subject to the provision for losses and present value adjustment, when applicable.

- **Financial concession assets** - classified as fair value through profit or loss, financial assets that present an unconditional right to receive a certain amount at the end of the concession term. The relevant factors for determining fair value are publicly observable, such as the IPCA existing in an active market and the depreciation rate determined by the ANEEL resolution, classified in level 2 of the fair value hierarchy;

- **Subrogation of CCC** - amounts allocated: are classified as amortized cost and recorded at amortized Value, used to finance the subsidy for interconnecting islanded municipalities to the National Interconnected Grid – SIN;

- **Trade payables** - derive directly from the Company and its subsidiaries' operations and are classified as liabilities at amortized cost.

30 Financial instruments - (Continued)

30.3 Category and fair value of financial instruments - (Continued)

- **Loans and financing -** provide funding for the Company's and its subsidiaries' investment programs and may be used to manage short-term requirements. Classified as liabilities at amortized cost and recorded at their amortized amounts.

- **Payables from in-court reorganization plan-** derives from the in-court reorganization plan of the subsidiary Equatorial Pará, classified as liabilities at amortized cost.

- **Debentures** - classified as liabilities at amortized cost and recorded at their amortized amounts. For reporting purposes, the debentures' market values are calculated based on market rates disclosed by the Brazilian Association of Financial and Capital Market Entities - ANBIMA and B3 S.A.;

- **"A Component" mount receivable/payable** - derive from non-manageable costs to be passed through in their entirety to the consumer or shouldered by the concession authority. Classified as amortized cost, and

- **Derivative financial Instruments -** are measured at fair value through profit or loss and other comprehensive income are used as a hedge against foreign exchange and interest rate fluctuations. For swap transactions, market value has been determined using information from active markets. Tier 2 of the fair value hierarchy.

- **Reimbursable AICs -** are classified at fair value through profit and loss and other comprehensive income, as the sensitivity of fair value is in assets in progress in the net compensation base, depending on full or partial ratification by Eletrobras, as the data of 50% (fifty percent) of the contribution of each of the assets in progress in the debt compensation base, as defined in the ANEEL Rate Regulation Procedures - PRORET, less any amounts recorded after the appraisal-based date of investments necessary to make these assets in progress property, plant and equipment used for measurement are not observable in the market. Level 3 in the fair value hierarchy through profit and loss and other comprehensive income.

  Call Option
  Since November 2019 the Company holds a repurchase right of the entire preferred shares issued by Equatorial Distribuição, exercisable between November 11, 2022 and November 11, 2026. The purchase price, should the option be exercised, will be R$ 1,000,000 (one billion Brazilian reais) updated by 100% of the CDI interest rate as of 11/11/2019, the option's exercise date less dividends received by the minority shareholder, updated by 100% of the CDI interest rate from the date of payment to the purchase option's exercise date. The noncontrolling shareholder does not hold the shares' sale option, with the exercising of this right being under the Company's control.

  This call option is in fair value hierarchy Level 3, in which the inputs to measure fair value are not observable, because Equatorial Distribuição does not have shares traded on stock exchanges and its preferred shares have specific features different to those of preferred shares traditionally traded on stock exchanges, as they are entitled to special dividends disproportionate to the percentage interest of this type of share in Equatorial Distribuição's share capital.

  The disproportionate nature of dividends in relation to their participation in the share capital would lead the Company to exercise the option even in situations where the share price fell, i.e. in

30 Financial instruments - (Continued)

30.3 Category and fair value of financial instruments - (Continued)

situations in which the company made a loss on exercising the call option. This effect is not usually captured in the call option calculation.

In other words, it should be taken into account that the Company would buy back shares even if the company's value devalued sharply, i.e. even when the value of these preferred shares were R$ 179,180, as in this situation the entitlement to the flow of dividends of 55% is equal to the contribution from the noncontrolling shareholder (R$ 1,000,000).

To calculate the fair value it is therefore necessary to sum these call exercising situations: (i) by obtaining profit in the derivative, those for which a call option is tradition calculated and (ii) by obtaining a loss in the derivative, in situations where the company exercises the buyback right so the noncontrolling shareholders are not entitled to the flow of 55% of the privileged dividends (loss in the derivative).

Fair value measurement
To measure fair value, we use Black & Scholes models and understand that the interest rate and dividend payout on this option until its exercise is irrelevant, since the exercise price is also corrected by the same interest rate and is also discounted by dividends paid.

30.4 Derivative financial instruments

The Company's risk management policy is to hedge its entire foreign currency exposure for loans and financing, taking out cash flow swaps where the long position lies in local currency indexed to CDI and the short position to foreign currency and the contract cost. These contracts are designated as cash flow hedges. .

The Companies determine the existence of an economic relationship between the hedge instrument and the hedged item based on the currency, value and timing of the respective cash flows, assessing whether changes in the cash flow from the hedged item can be offset by changes in the cash flow from the hedge derivative. The method used is the criteria of critical terms - prospective method. The effective test is conducted just once when accounting begins, ascertaining whether all derivative terms are aligned with the hedge terms as regards time frames, amortization, contracted notional value and payment of interest, thus guaranteeing 100% effectiveness of the cash flow.

30 Financial instruments - (Continued)

30.4 Derivative financial instruments - (Continued)

Equatorial Pará

As of June 30, 2020, Equatorial Pará has swap contracts with the bank Citibank for foreign-currency operations.

On June 11, 2018 Equatorial Pará borrowed funds amounting to USD 100,000, with quarterly interest and amortization and final maturity on June 12, 2023. The loan incurs the rate USD Libor + 0.84% p.a. + I.R (hedge item), and has a swap recorded at fair value through profit or loss (hedge instrument).

Another loan was taken out on July 05, 2019 for a total of USD 140,000 with quarterly interest and amortization and final maturity on July 05, 2022. This loan incurs the rate USD Libor + 0.79% p.a. + I.R (hedge item), and has a swap recorded at fair value through other comprehensive income (hedge instrument).

As of June 30, 2020, the balances of foreign currency loans and financing with the bank Citibank are R$ 1,315,908 (R$ 976,221 as of December 31, 2019).

The balances of Equatorial Pará's derivative instruments as of June 30, 2020 and December 31, 2019 are summarized below:

Payables		**Fair value**	
Market risk hedging purpose	**Indexes**	**06/30/2020**	**12/31/2019**
Citibank- US$542 MM			
Long position	US$ + Libor + 1.39% p.a.	771,616	576,286
Short position	117.25% of CDI	(550,092)	(557,040)
Total		221,524	19,246

Payables		**Fair value**	
Market risk hedging purpose	**Indexes**	**06/30/2020**	**12/31/2019**
Citibank- US$100 MM			
Long position	US$ + Libor + 0.84% p.a.	545,308	408,570
Short position	111.8% of CDI	(394,811)	(397,896)
Total		150,497	10,674
Current net		4,474	169
Noncurrent net		367,547	29,751
Total		372,021	29,920

Specific appraisal methods used for derivative financial instruments: Market prices of the financial institutions. The fair value of interest rate swaps is calculated based on the present value of the future cash flows estimated based on the yield curves adopted by the market.

We emphasize that, since the accounting rules that address this matter require the swap to be accounted for at market value, even if the hedge is perfect from a cash point of view, fluctuations in results may occur.

30 Financial instruments - (Continued)

30.4 Derivative financial instruments - (Continued)

Equatorial Piauí

The subsidiary Equatorial Piauí has swaps with Citibank relating to foreign currency transactions, maturing on April 05, 2022. As of June 30, 2020, the debit balance of foreign currency loans and financing with the bank Citibank is R$ 403,913 (R$ 315,681 as of December 31, 2019).

Payables		**Fair value**	
Market risk hedging purpose	**Indexes**	**06/30/2020**	**12/31/2019**
Citibank- US$300 MM			
Long position	US$ + Libor + 0.725% p.a.	424,983	317,526
Short position	113.5% do CDI	(304,547)	(308,463)
Total		120,436	9,063
Current net		-	72
Noncurrent net		120,436	8,991
Total		120,436	9,063

Specific appraisal methods used for derivative financial instruments: Market prices of the financial institutions. The fair value of interest rate swaps is calculated based on the present value of the future cash flows estimated based on the yield curves adopted by the market. We emphasize that, since the accounting rules that address this matter require the swap to be accounted for at market value, even if the hedge is perfect from a cash point of view, fluctuations in results may occur.

30.5 Financial risk management

The Company's and its subsidiaries' Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The risks described below are a compilation of the findings by the various departments, according to their respective specialties. Management defines the type of treatment and the owners for monitoring each of the risks ascertained, in order to prevent and control them.

The Group's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the Company's and its subsidiaries' market conditions and activities. The Company and its subsidiaries, through their training and management standards and procedures, aim to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

For the period ended June 30, 2020, there was no change in the Company's and its subsidiaries' risk management policies since the year ended December 31, 2019.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises principally from the Company's trade accounts receivable and financial instruments. Management monitors the performance of accounts receivable and bolsters strategy to enhance the management and operational performance of collection initiatives initiated to mitigate the risk of default. A collection workshop is therefore held annually to align accounts receivable recovery strategies.

30 Financial instruments - (Continued)

30.5 Financial risk management - (Continued)

The Company adopts a collection policy whose guidelines concur with the legislation and specific regulations.

Trade receivables

The accounts receivable of the subsidiaries Equatorial Piauí and Equatorial Alagoas, and the companies Equatorial Maranhão and Equatorial Pará consist of electricity bills and financed energy supply debits overdue for defaulting consumers, the proportionality of which is determined by the features of the concession area.

The Companies establish collection policies for customer classes, to reduce default levels and consequently recover receivables. All collection policies established comply with the legislation and specific regulations, which in the case of the electricity sector are Normative Resolution 414 issued by the National Electricity Regulatory Agency - ANEEL.

The participation of accounts receivable from subsidiary consumers is shown below:

	%	
Consumer class (Equatorial Maranhão, Equatorial Pará, Equatorial Piauí and Equatorial Alagoas)	**06/30/2020**	**12/31/2019**
Residential	58%	57%
Industrial	6%	6%
Commercial	17%	17%
Rural	4%	4%
Government	8%	9%
Public lighting	3%	3%
Public utility	4%	4%
Total	100%	100%

The Company's distribution subsidiaries recorded an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables, as presented in note 6.

For the financial year ended June 30, 2020, the maximum credit risk exposure for trade account receivables by consumer type was as follows:

30 Financial instruments - (Continued)

30.5 Financial risk management - (Continued)

Distribution

	06/30/2020				
Consumer type	**Billed consumers**	**Unbilled consumers**	**Installment payment**	**Low-income and "viva luz" consumers**	**Total**
Residential	1,927,617	285,802	1,495,942	124,417	3,833,778
Industrial	259,325	9,005	135,391	-	403,721
Commercial	538,562	59,576	398,324	-	996,462
Rural	189,358	19,334	78,773	-	287,465
Government	168,650	27,004	328,100	-	523,754
Public lighting	91,031	485	87,145	-	178,661
Public utility	117,572	18,382	112,941	-	248,895
Total	3,292,115	419,588	2,636,616	124,417	6,472,736

	12/31/2019				
Consumer type	**Billed consumers**	**Unbilled consumers**	**Installment payment**	**Low-income and "viva luz" consumers**	**Total**
Residential	1,794,009	282,974	1,456,351	88,764	3,622,098
Industrial	234,839	11,536	116,712	-	363,087
Commercial	561,702	80,155	377,708	-	1,019,565
Rural	181,157	18,862	76,481	-	276,500
Government	199,868	39,785	332,774	-	572,427
Public lighting	91,004	534	94,210	-	185,748
Public utility	106,836	19,112	122,530	-	248,478
Total	3,169,415	452,958	2,576,766	88,764	3,622,098

Evaluation of the expected loss on doubtful accounts (accounts receivable)

The companies Equatorial Maranhão, Equatorial Pará, Equatorial Piauí and Equatorial Alagoas adopt the expected losses on doubtful accounts (PECLD) model, which is found based on the aginglist of non-receipt of invoices and installment payments of invoiced liabilities arising from the supply of electricity by means of the provision matrix. A provision matrix defines by means of analysis the risk percentages of receivables in accordance with the aginglist of electricity bills and installments.

The provision matrix adopted is the outcome of a study on the behavior of bill and installment payments over a 5-year period subjected to analysis, reflecting the consumer experience credit loss background regarding electricity bills and installments, which signals efficiency of the collection policy adopted by the Company in 2019.

Provision for expected losses on doubtful accounts (PECLD) are calculated based on sums receivable from consumers, segregated by billing and installment payments according to consumer classes, in values considered sufficient by Management to cover likely losses when realizing credits.

30 Financial instruments - (Continued)

30.5 Financial risk management - (Continued)

As to the approach for loss recognition, the model employed to measure expected losses with use of the provision matrix, which is based on the default behavior background and related to Management's experience with collection practices adopted for realizing receivables, it was noted that in the period ended June 30, 2020 there was no need to recognize expected losses, but rather an expected provision for doubtful accounts, as detailed in explanatory note no. 6.

Estimated allowances for doubtful accounts (Consolidated)

RANGE	Gross carrying amount Financing	% Estimated weighted-average loss rate of financed portion	Balance	Gross carrying amount Invoiced	% Weighted-average loss rate of invoiced portion	Balance
Outstanding	1,910,217	26.70%	509,977	658,955	5.27%	34,712
1 to 30 overdue	45,172	29.10%	13,146	370,725	7.35%	27,236
31 to 60 overdue	42,522	43.73%	18,595	212,821	18.11%	38,551
61 to 90 overdue	28,190	50.42%	14,212	142,771	28.02%	40,001
91 to 120 overdue	34,844	55.87%	19,468	135,779	32.57%	44,218
121 to 150 overdue	27,467	61.50%	16,893	88,190	35.20%	31,045
151 to 180 overdue	28,108	62.54%	17,578	94,109	38.16%	35,910
181 to 210 overdue	21,633	62.51%	13,523	51,822	42.09%	21,811
211 to 240 overdue	21,969	63.78%	14,011	49,836	44.49%	22,171
241 to 270 overdue	22,498	64.12%	14,425	49,026	45.78%	22,443
271 to 300 overdue	21,121	65.64%	13,863	45,512	47.34%	21,547
301 to 330 overdue	20,519	66.40%	13,624	55,929	45.42%	25,403
331 to 360 overdue	19,076	66.82%	12,747	34,163	48.56%	16,588
361 to 390 overdue	17,555	67.05%	11,770	30,010	50.05%	15,019
391 to 420 overdue	17,224	67.01%	11,541	29,774	52.73%	15,700
421 to 450 overdue	15,087	68.36%	10,314	26,710	54.74%	14,620
451 to 630 overdue	89,357	68.29%	61,020	175,413	55.34%	97,073
631 to 720 overdue	36,928	69.21%	25,558	83,575	58.93%	49,248
721 to 810 overdue	29,398	72.72%	21,377	69,080	59.84%	41,337
811 to 990 overdue	51,080	75.95%	38,795	151,788	61.57%	93,461
991 to 1080 overdue	17,825	81.35%	14,501	53,088	61.71%	32,763
1081 to 1170 overdue	12,419	84.31%	10,470	45,280	62.78%	28,428
1171 to 1350 overdue	23,184	89.29%	20,701	109,783	71.93%	78,967
1351 to 1530 overdue	16,603	90.28%	14,990	87,865	81.54%	71,646
1531 to 1710 overdue	21,976	89.95%	19,767	83,831	82.90%	69,494
1711 to 1890 overdue	18,791	90.80%	17,062	57,626	82.93%	47,792
More than 1890 overdue	25,853	415.43%	107,396	298,654	87.18%	260,350
Total	**2,636,616**		**1,077,324**	**3,292,115**		**1,297,534**

30 Financial instruments - (Continued)

30.5 Financial risk management

PECLD Other (Consolidated)

Range	Gross carrying amount other	%Average weighted rate loss of Other	Balance
Outstanding	16,693	26.75%	4,466
1 to 30 overdue	(3,608)	-9.65%	348
31 to 60 overdue	(9,792)	-2.07%	203
61 to 90 overdue	3,822	50.60%	1,934
91 to 120 overdue	2,705	88.47%	2,393
121 to 150 overdue	3,172	62.11%	1,970
151 to 180 overdue	2,797	70.15%	1,962
181 to 210 overdue	1,030	123.79%	1,275
211 to 240 overdue	988	133.60%	1,320
241 to 270 overdue	597	220.77%	1,318
271 to 300 overdue	749	180.24%	1,350
301 to 330 overdue	1,312	112.65%	1,478
331 to 360 overdue	982	111.51%	1,095
361 to 390 overdue	793	136.95%	1,086
391 to 420 overdue	683	153.59%	1,049
421 to 450 overdue	502	198.01%	994
451 to 630 overdue	3,246	200.62%	6,512
631 to 720 overdue	1,138	296.84%	3,378
721 to 810 overdue	767	361.15%	2,770
811 to 990 overdue	2,516	176.79%	4,448
991 to 1080 overdue	580	266.03%	1,543
1081 to 1170 overdue	504	234.92%	1,184
1171 to 1350 overdue	806	318.11%	2,564
1351 to 1530 overdue	754	299.60%	2,259
1531 to 1710 overdue	524	644.85%	3,379
1711 to 1890 overdue	507	337.08%	1,709
More than 1890 days overdue	6,516	86.00%	5,604
Total	**41,283**		**59,591**

PECLD not invoiced (Consolidated)

Range	Gross carrying amount not invoiced	% Weighted-average loss rate of non-invoiced portion	Balance
Outstanding	419,588	5.8%	23,724
Total	**419,588**	**5.8%**	**23,724**

Cash and cash equivalents

The Company and its subsidiaries have individual and consolidated cash and cash equivalents of R$ 133,811 and R$ 3,619,121 respectively, as of June 30, 2020 (R$ 536,313 and R$ 1,785,203 as of December 31, 2019). Cash and cash equivalents are maintained with banks and financial institutions with ratings above AA-, assigned by the rating agencies Fitch Ratings and Standard & Poors.

The Company and its subsidiaries consider that its cash and cash equivalents have a low credit risk based on the counterparty's foreign credit ratings. Upon the initial application of CPC 48 / IFRS 9, the Company deemed that a provision is not necessary.

30 Financial instruments - (Continued)

30.5 Financial risk management

Sector financial assets, contractual assets (infrastructure under construction) and concession financial assets

The Company and its subsidiaries' management considers the risk of these credits to be reduced, since the agreements signed ensure the unconditional right to receive cash at the end of the concession to be paid by the Granting Authority: (i) related to costs not recovered through tariff (sector financial asset); and (ii) related to investments in progress and carried out in infrastructure and which were not amortized until the concession expired (contractual assets and concession's financial assets).

Derivatives

Derivatives are taken out from banks and financial institutions whose credit is rated above AA--, and by the rating agencies.

(i) Liquidity risk

Liquidity risk is that in which the Company and its subsidiaries may eventually encounter difficulties in honoring the obligations associated with their financial liabilities that are settled with cash payments or with another financial asset. The approach of the Company and its subsidiaries in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations upon maturity, both under normal and stress conditions, without causing unacceptable losses or risk of damaging the reputation of the Company and its subsidiaries. To determine the Company's financial capacity of adequately meeting the commitments assumed, the maturity schedule of funds raised and of other liabilities is part of the disclosures. More detailed information on loans taken out by the Company and its subsidiaries is presented in Notes 15 (Loans and financing), 16 (Debentures) and 19 (Amounts payable according to the in-court reorganization plan).

The Company and its subsidiaries have obtained funds through its commercial activities, the financial markets, mainly allocating them to its investment program and managing its cash for the purpose of working capital and honoring financial commitments.

For short-term financial investments priority is given to short-term investments, in order to obtain maximum liquidity and cover disbursements. The Company and its subsidiaries' cash generation and excellent stability in receipts and payment obligations in the course of the year enable the Company to obtain stable cash flows, thereby reducing its liquidity risk.

The Company and its subsidiaries aim to maintain the level of its 'Cash and cash equivalents' and other investments with an active market at an amount in excess of expected cash outflows to settle debts over the next 12 months. The availability ratio by short-term debt was 2.1 as of June 30, 2020 (3.1 as of December 31, 2019).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

30 Financial instruments - (Continued)

30.5 Financial risk management

Parent Company

	Gross amount	Total contractual cash flow	2 months or less	2-12 months	1-2 years	2-5 years
Non-derivative financial liabilities						
Unsecured bond issues	516,991	522,621	522,621	-	-	-
Subtotals - Loans and Financing	516,991	522,621	522,621	-	-	-
Unsecured bond issues	565,384	704,611	34,460	40,081	630,070	-
Subtotals - Debentures	565,384	704,611	34,460	40,081	630,070	-
Trade payables	1,479	1,479	1,479	-	-	-
Total	1,083,854	1,228,711	558,560	40,081	630,070	-

Consolidated

	Gross amount	Total contractual cash flow	2 months or less	2-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Secured bank loans	9,365,800	15,225,808	135,655	769,947	1,129,348	3,748,327	9,442,531
Unsecured bank loans	1,515,928	1,452,939	7,014	148,914	867,216	429,795	-
Unsecured bond issues	1,096,516	1,107,470	522,621	584,849	-	-	-
Unsecured bond issues	613,681	615,875	-	615,875	-	-	-
Subtotals - Loans and Financing	12,591,925	18,402,092	665,290	2,119,585	1,996,564	4,178,122	9,442,531
	2,887,248	3,469,019	34,460	125,874	926,221	2,175,006	207,458
Unsecured bond issues	2,065,904	3,284,124	-	143,668	1,204,516	610,987	1,324,953
Secured bond issues	4,953,152	6,753,143	34,460	269,542	2,130,737	2,785,993	1,532,411
Subtotal - Debentures	122,331	29,193	-	-	8,139	19,318	1,736
	769,074	1,776,395	117	41,907	43,010	130,149	1,561,212
Secured bank loans	868.519	891,405	1,805,588	117	41,907	51,149	149,467
Unsecured bank loans	1,628,460	1,628,460	1,070,463	545,857	12,140	-	-
Total	**20,064,942**	**28,589,283**	**1,770,330**	**2,976,891**	**4,190,590**	**7,113,582**	**12,537,890**
Derivative financial liabilities							
Interest rate swaps used for hedging	(127,536)	(190,905)	(932)	(17,582)	(118,838)	(53,553)	-
Total	**(127,536)**	**(190,905)**	**(932)**	**(17,582)**	**(118,838)**	**(53,553)**	-

The outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

As stated in notes 15 and 16, the Company and its subsidiaries also have loans subject to covenants. Future nonperformance of this covenant could result in the Company having to settle the debt early. The covenants are monitored regularly by the financial board and periodically reported to Management to ensure the contract is being performed. The Company and its subsidiaries are not expected to default on any of the covenants established.

30 Financial instruments - (Continued)

30.5 Financial risk management

(ii) Market risks

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and stock prices - will affect the Company and its subsidiaries' earnings or the value of its financial instruments, and also includes any covenants which, if breached, could result in accelerated maturity as described further in this note. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives to manage market risks. All these operations are conducted observing market behavior and in compliance with the Company's hedge policy. The Company generally seeks to use hedge accounting to manage volatility in earnings.

(iii) Exchange rate risk

This arises from the possibility of the Company and its subsidiaries incurring losses due to exchange rate fluctuations. Part of the subsidiaries' financial liabilities are subject to foreign exchange variations due to the volatility of the exchange rate on balances denominated in foreign currencies, especially the US dollar. Currently Equatorial Maranhão has no exposure to the foreign exchange rate in the debt, the exposure of the subsidiary Equatorial Pará is 27.3% (22.9% as of December 31, 2019), the subsidiary Equatorial Piauí is 13.9% (11.7% as of December 31, 2019), of its debt (related to loans and financing, in-court reorganization creditors and AVP of financial creditors in foreign currency), as shown below:

Consolidated

Index	R$	Average cost (p.a.)	Average final term (month/year)	Average term (years)	Interest (%)
Libor (w/ Swap CDI)	1,741,295	5.2%	Set/22	2.0	9.8%
Foreign currency	**1,741,295**	**5.2%**		**2.0**	**9.8%**
TJLP	193,872	6.7%	Set/23	1.7	1.1%
CDI	7,664,192	5.6%	Mar/23	2.3	43.0%
Pré-fixado	1,703,983	10.4%	Abr/42	15.7	9.6%
IGP-M	360,684	9.1%	Abr/32	11.3	2.0%
IPCA	5,785,854	7.4%	Dec/33	8.5	32.5%
SELIC	372,919	6.1%	Mar/23	1.5	2.1%
Domestic currency	**16,081,504**	**6.9%**	**Apr/29**	**6.1**	**90.2%**
Total	**17,822,799**	**6.7%**	**Aug/28**	**5.7**	**100%**

The Company and its subsidiaries continuously monitor market foreign exchange and interest rates in order to assess any requirement to use derivatives to hedge against the risk of variation in these rates.

30 Financial instruments - (Continued)

30.5 Financial risk management

The companies Equatorial Pará and Equatorial Piauí have two foreign currency debts, both of which have swaps for protection against exchange rate changes, pursuant to note 30.4.

The companies Equatorial Maranhão and Equatorial Alagoas do not have exposure to the exchange rate in the debt as of June 30, 2020 and December 31, 2019.

The sensitivity of the debt has been assessed in five scenarios in accordance with CVM Instruction 475; a scenario with the projected rates for 12 months (Probable Scenario) and another two scenarios with 25% (Scenario II) and 50% (Scenario III) appreciation of the relevant foreign currency.

We have also included two scenarios with the opposite effect to that required in the above Instruction to demonstrate the effects of a weakening of 25% (Scenario IV) and 50% (Scenario V).

The currency used in the sensitivity analysis and the respective scenarios is as follows:

			Consolidated				
			Cash flow risk or fair value associated with interest or foreign exchange rates				
			Impact on profit or loss				
Transaction	**Risk**	**Balance in R$ (exposure)**	**Probable Scenario**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV -25%**	**Scenario V -50%**
Financial liabilities							
Loans, financings and debentures	USD	(1,741,295)	(1,747,650)	(1,862,326)	(1,887,586)	(1,811,807)	(1,786,547)
Impact on profit or loss			(6,355)	(25,260)	(50,519)	25,260	50,519
Swap – Long Position	USD	1,741,905	1,782,317	1,765,856	1,789,807	1,717,954	1,694,003
Impact on income (swap)			40,412	23,951	47,902	(23,951)	(47,902)
Reference for financial liabilities		**Projected rate**	**Projected rate at 06/30/2020**	**+25%**	**+50%**	**-25%**	**-50%**
Dollar USD/R$ (12 months)		5.50	5.48	6.88	8.25	4.13	2.75

Source: B3

(i) Interest rate risk

This risk arises from the possibility of the Company and its subsidiaries incurring losses due to changes in interest rates in the economy, which affect loans and financing and financial investments. The Company continuously monitors the changes in indexes in order to assess any requirement to use derivatives to protect itself against the risk of variation to these rates. The impact of these changes on interest earned on financial investments and interest paid on debt are described below.

30 Financial instruments - (Continued)

30.5 Financial risk management

The sensitivity of the Company's and its subsidiaries' financial assets and liabilities has been assessed in five scenarios.

In accordance with CVM Instruction 475, we present a scenario with the rate projected for 12 months (Probable Scenario) and another two scenarios with 25% (Scenario II) and 50% (Scenario III) appreciation of the relevant indicators.

We have also included two scenarios with the opposite effect to that required in the above Instruction to demonstrate the effects of a decrease of 25% (Scenario IV) and 50% (Scenario V) in these indicators.

			Parent Company				
			Cash flow or fair value risk associated with interest rates				
Transaction	**Risk**	**Balance in R$ (exposure)**	**Probable Scenario**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV -25%**	**Scenario V -50%**
Financial assets							
Short-term investments	CDI	809,004	827,773	832,574	837,375	822,972	818,171
Impact on profit or loss			18,769	4,801	9,602	(4,801)	(9,602)
Financial liabilities							
Loans, financings and debentures	CDI	(970,039)	(992,544)	(998,301)	(1,004,057)	(986,787)	(981,030)
	IPCA	(117,545)	(120,825)	(121,667)	(122,510)	(119,982)	(119,139)
Total financial liabilities		(1,087,584)	(1,113,369)	(1,119,968)	(1,126,567)	(1,106,769)	(1,100,169)
Impact on profit or loss			(25,785)	(6,600)	(13,199)	6,600	13,199
Net effect on income			(7,016)	(1,798)	(3,597)	1,798	3,597

			Consolidated				
			Cash flow or fair value risk associated with interest rates				
Transaction	**Risk**	**Balance in R$ (exposure)**	**Probable Scenario**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV -25%**	**Scenario V -50%**
Financial assets							
Short-term investments	CDI	5,852,864	5,988,650	6,023,385	6,058,119	5,953,916	5,919,182
Impact on profit or loss			135,786	34,734	69,468	(34,734)	(69,468)
Financial liabilities							
Loans, financings and debentures	CDI	(7,687,754)	(7,866,110)	(7,910,699)	(7,955,288)	(7,821,521)	(7,776,932)
	SELIC	(372,918)	(381,719)	(383,919)	(386,119)	(379,519)	(377,319)
	TJLP	(193,872)	(203,023)	(205,330)	(207,618)	(200,735)	(198,448)
	IGP-M	(360,684)	(372,478)	(375,436)	(378,393)	(369,520)	(366,599)
	IPCA	(6,324,148)	(6,500,592)	(6,544,861)	(6,589,130)	(6,456,323)	(6,412,686)
Total financial liabilities		(14,939,376)	(15,323,922)	(15,422,579)	(15,521,237)	(15,225,264)	(15,126,606)
Impact on profit or loss			(384,546)	(98,658)	(197,316)	98,658	197,316
Net effect on income			(248,760)	(63,924)	(127,848)	63,924	127,848

30 Financial instruments - (Continued)

30.5 Financial risk management

Reference for financial assets and financial liabilities	Projected rate (BMF)	Rate at 06/30/2020	25%	50%	-25%	-50%
CDI (% 12 meses)	2.32	4.60	2.90	3.48	1.74	1.16
SELIC (% 12 meses)	2.36	4.60	2.95	3.54	1.77	1.18
TJLP (% 12 meses)	3.27	7.31	4.09	4.91	2.45	1.64
IGP-M (% 12 meses)	2.79	2.13	3.49	4.19	2.09	1.40
IPCA (%12 meses)	2.32	4.60	2.90	3.48	1.74	1.16

Fonte: B3

(ii) Risk of early maturity

The Company and its subsidiaries have loan, financing and debenture agreements containing covenants which in general require the maintenance of economic and financial indexes at certain levels. Failure to adhere to these covenants could result in early maturity of this debt. Management monitors its positions and projects future indebtedness in order to act preventively with respect to indebtedness limits mentioned in notes 15 (Loans and financing) and 16 (Debentures).

In consideration of the contracts subject to in-court reorganization of Equatorial Pará, renewal of the credits led to the suspension of early maturity clauses and financial and non-financial covenants, except where agreed by the parties.

(iii) Risk of energy shortages

The Brazilian Electric System is predominantly supplied by hydroelectric energy generation. A lengthy drought during the wet season will reduce water volumes in reservoirs, resulting in higher energy acquisition costs in the short term and higher system charges due to need to procure energy from thermoelectrical power plants. In the worst-case scenario a rationing program could be introduced, which would result in lower revenue. In order to encourage the rational use of energy, the government issued Decree 8401/2015 which created the Centralizing Account of Rate Flag Funds (flag account) in order to indicate the hydrological situation in the country, thus curbing non-rational energy consumption.

(iv) Risk of electricity rate adjustments

Rate review and adjustment processes are a requirement under concession contracts and use previously defined methodologies. Any changes to current methodologies are required to be extensively discussed with inputs provided by the Company, concession holders and other players in the industry. Where any unforeseeable event affects the economic and financial balance of the concession, the Company is entitled to request that the regulator initiate an Extraordinary Tariff Review to be conducted at the regulator's discretion. ANEEL may also conduct Extraordinary Tariff Reviews where any charges and/our taxes are created, modified or abolished to ensure they are properly reflected in electricity rates.

30 Financial instruments - (Continued)

30.5 Financial risk management

(v) Environmental risk

The Company and its subsidiaries guide their actions through their Sustainability Policy, which in our Concessions provides for compliance with legal environmental requirements in the 3 spheres of government (Federal, State and Municipal), aiming at environmental preservation and respect for society, in particular with traditional populations.

In order to control processes and activities subject to environmental impacts, we employ an Environmental Management System based on ISO 14001, which relates such processes and activities to their possible impacts, as well as correlating them with current legislation. For such processes, we have specific procedures intended for preventive control regarding environmental impacts and that involve our own employees and third parties, in addition to other Stakeholders.

Control of the Environmental Management System with chief macroprocesses:

- Environmental Permitting
- Track Cleaning, Pruning and Vegetation Control Activities;
- Waste Management
- Environmental Education and Awareness;
- Management of Legal Requisites;
- Water resource management and
- Standardizing and Control of the Environmental Management System (SGA).

Within such macroprocesses, we manage hundreds of environmental licensing and approval processes in order to implement, maintain and operate assets and processes, especially with regard to putting in place Substations, Lines and Power Distribution Networks. We also work with the competent environmental agencies to obtain approval for pruning, cleaning tracks and vegetation control, in compliance with legislation and preventing risks to the electrical system.

We include an Environmental Integration stage in our SGA for implementing civil works. This process consists of liaison with suppliers/civil works providers, with regard to licensing and approvals received from environmental agencies. During Environmental Integration meetings, all the processes that were environmentally licensed are passed on to civil works managers and providers, in addition to legal obligations related to compliance with conditions and current legislation, with the aim of minimizing environmental risks in connection with implementing civil works.

Also, with a view to reducing environmental impacts, we make use of protected or compact cables in our concession areas that minimize pruning actions and intensities, especially in urban areas with a high density of large trees.

30 Financial instruments - (Continued)

30.6 Capital management

Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. Management also monitors the capital return and level of dividends for shareholders.

Management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position and establishes and monitors indebtedness and liquidity levels as well as financing maturities and costs accordingly.

31 Statements of cash flows

Transactions not involving cash

The reviewed CPC 03 (R2) – Statements of Cash Flows states that investment and financing transactions not involving cash or cash equivalents should be excluded from the statements of cash flow and presented separately in a note.

All statements not involving the use of cash or cash equivalent, i.e. that are not stated in the statements of cash flow, are shown in the table below:

Parent Company

	Noncash effect
Investment activities	
Right-of-use (a)	6
Total	6

Consolidated

	Noncash effect
Investment activities	
Right-of-use (a)	13,381
Total	13,381

(a) Non-cash variance related to the right of use .

32 Segment reporting

The Company reviews the performance of its segments and allocates resources based on a range of factors, of which revenue and operating income are the primary financial factors.

The Company opted to organize the entity around the differences between products and services. The economic segments it operates in are therefore: Distribution, Transmission, Services [ii] and Other[iii] whose segment reporting information is shown below:

	06/30/2020					
	Distribution	Transmission	Services and Trading	Reconciliation		Total
				Management	Eliminations	
Net operating revenue	6,082,622	1,507,278	198,681	-	(99,869)	7,688,712
Operating Costs and Expenses	(5,136,711)	(735,120)	(171,116)	(114)	55,227	(5,987,834)
Operating income before financial income/expenses	945,911	772,158	27,565	(114)	(44,642)	1,700,878
Financial revenue	766,882	4,928	1,790	17,330	(621)	790,309
Finance cost	(951,164)	(19,129)	(56)	(38,425)	621	(1,008,153)
	(184,282)	(14,201)	1,734	(21,095)	-	(217,844)
Equity in the net income of subsidiaries and associated companies	-	-	-	1,726,081	(1,766,845)	(40,764)
Income tax and social contribution	(160,231)	(283,803)	(9,345)			(453,379)
Net income (loss) for the year	601,398	474,154	19,954	1,704,872	(1,811,487)	988,891

	06/30/2019					
	Distribution	Transmission	Services and Trading	Reconciliation		Total
				Management	Eliminations	
Net operating revenue	13,262,495	5,271,536	442,135	-	(179,820)	18,796,346
Operating Costs and Expenses	(10,892,533)	(3,173,388)	(383,814)	(135,418)	44,423	(14,405,333)
Operating income before financial income/expenses	2,369,962	2,098,148	58,321	(135,418)	(135,397)	4,391,013
Financial revenue	1,690,378	12,594	26,584	33,832	-	1,763,388
Finance cost	(2,124,943)	(67,533)	(164)	(198,408)	-	(2,391,048)
Finance Income/Cost	(434,565)	(54,939)	26,420	(164,576)	-	(627,660)
Equity in the net income of subsidiaries and associated companies	-	-	-	3,937,680	(4,020,974)	(83,294)
Income tax and social contribution	(219,463)	(716,605)	(28,359)	-	-	(964,427)
Net income (loss) for the year	1,715,934	1,326,604	56,382	3,637,686	(4,156,371)	2,715,632

[ii] Services relate to the services provided by 55 Soluções S/A, Equatorial Telecomunicações Ltda and Solenergias Comercializadora de Energia S/A. For further information see note 11.3 - Subsidiaries and joint ventures.

[iii] Other denotes central administration services from the holding operations and shared personnel and infrastructure provided by the companies Equatorial Energia Distribuição S/A, Equatorial Transmissão S/A and Equatorial Energia S/A. For further information see note 11.3 - Subsidiaries and joint ventures.

32 Segment reporting - (Continued)

	06/30/2020					
	Distribution	Transmission	Services and Trading	Reconciliation		Total
				Management	Eliminations	
Operating assets	29,029,609	10,085,524	262,192	18,126,858	(16,998,538)	40,505,645
Operating liabilities	21,269,916	7,018,115	86,676	1,464,719	(92,220)	29,747,206

	12/31/2019					
	Distribution	Transmission	Services and Trading	Reconciliation		Total
				Management	Eliminations	
Operating assets	26,920,295	8,696,385	234,373	17,284,982	(15,605,940)	37,530,095
Operating liabilities	19,532,836	6,126,191	82,297	2,195,202	(179,804)	27,756,722

32.1 Operating revenue by segment

	06/30/2020				
	Distribution	Transmission	Services	Eliminations	Total
Electric energy delivery (sale)	105,911	-	-	-	105,911
Electricity sales to distributors	7,442,829	-	123,239	-	7,566,068
CVA and other financial items	(229,598)	-	-	-	(229,598)
Construction revenue	832,766	1,207,400	-	-	2,040,166
Electricity transmission operations	-	(2,708)	-	-	(2,708)
Operation and maintenance revenue	-	11,656	-		11,656
Other income	319,318	461,226	105,826	(99,869)	786,501
Total gross revenue	8,471,226	1,677,574	229,065	(99,869)	10,277,996

	06/30/2019				
	Distribution	Transmission	Services	Eliminations	Total
Electricity sales to distributors	383,478	-	-	-	383,478
Electricity sales to consumers	15,993,707	-	303,090	-	16,296,797
CVA and other financial items	44,732	-	-	-	44,732
Construction revenue	1,878,597	4,714,857	-	-	6,593,454
Electricity transmission operations	-	6,990	-	-	6,990
Operation and maintenance revenue	-	17,436	-	-	17,436
Other income	552,295	1,093,018	206,165	(179,820)	1,671,658
Total gross revenue	18,852,809	5,832,301	509,255	(179,820)	25,014,545

32 Segment reporting - (Continued)

32.2 Geographic segment

The Company opted to disclose information by economic segment by state in which it operates in the energy distribution sector*:

(a) Distribution operating revenue

	06/30/2020				12/31/2019			
	Maranhão	**Pará**	**Piauí**	**Alagoas***	**Maranhão**	**Pará**	**Piauí**	**Alagoas***
Net operating revenue	1,742,443	2,448,794	1,013,192	878,193	3,793,558	5,595,340	2,429,658	1,443,939’

* The Distribution companies have operational and administrative head offices in the respective states they are operate in. The transmission companies, in turn, have their operations in locations away from the administrative head office, which are in Brasília/DF, are not therefore analyzed geographically by the Company.

When taking decisions Company executives only analyses distribution companies by geographical segment. Transmission companies are not analyzed in this segment because the transition lines cross through various regions.

33 Future commitments

The commitments under long-term power purchase agreements are as follows:

	Term	**2020**	**2021**	**2022**	**2023**	**2023 onwards ***
Contracted power (in R$)	2020 a 2032	2,657,539	6,284,982	6,429,052	6,824,063	82,462,633
Contracted power (in MWh)	2020 a 2032	15,036,786	29,416,669	29,343,766	30,251,801	305,535,902

(*) estimated 12 years after 2022.

The amounts referring to power purchase contracts lasting between 6 and 30 years relate to contract volume at the current price under the appropriate clause of the CCEAR contract and have been approved by ANEEL.

33 Future commitments - (Continued)

Parent Company (R$ Thousand)

	Term	2020	2021	2022	2022 onwards *
Leasing and rentals	2020 to 2028	993	393	268	247

(*) estimated after 2022.

Consolidated (R$ Thousand)

	Term	2020	2021	2022	2022 onwards *
Leasing and rentals	2020 a 2028	7,163	9,4836,647	7,163	6,647
Islanded system	2020 a 2032	446,202	418,927	316,590	684,212
Islanded system (MWh)	2020 to 2032	301,535	280,247	224,257	799,603

(*) estimated after 2022.

34 Insurance

The Company and its subsidiaries maintain insurance policies for amounts deemed sufficient to cover losses caused by possible claims in their equity, as well as for repairs in which they are civilly liable for involuntary, material and/or bodily damages caused to third parties arising from its operations, considering the nature of its activity. The Company's and its subsidiaries' insurance policies are signed in accordance with the risk management and insurance policies generally employed by electricity distribution companies. Given their nature, the risk assumptions adopted do not comprise the scope of a financial statements review and were not therefore examined by our independent auditors.

The specification by risk type and effectiveness date of the main insurance contracts according to the insurance policies taken out by the Company and its subsidiaries are denoted below:

Consolidated		
Risks	**Maturity**	**Amounts**
Operating risks	(b)	1,122,712
General civil liability – operations	(b)	170,000
All risks	(b)	1,095
Judicial surety bond	(c)/(d)/(e)	907,303
Power auction surety bond	(a)	878,434
Vehicle	(f)	-

(a) Policies in force through 2020
(b) Policies in force through 2021;
(a) Policies in force through 2023;
(c) Policies in force through 2024;
(d) Policies in force through 2025;
(e) Pursuant to the policy, this insurance only applies to third parties, i.e. there is no insured amount.

(*) 358 insured own vehicles.

The Company's policy is to take out insurance coverage for the assets subject to risks for amounts considered sufficient to cover losses, if any, considering the nature of its activity. The Company's insurance policies are contracted in accordance with the risk management and insurance principles generally adopted by electricity distribution companies. The risk assumptions adopted, given their nature, are not part of the scope of the review of the financial statements and, consequently, were not reviewed by the Company's independent auditors.

35 Subsequent events

Impact of the COVID-19 outbreak on the financial statements

Further to Normative Resolution No. 885/2020, on July 3, Equatorial Energia SA filed with the Regulatory Agency the Term of Acceptance of the COVID Account, which guarantees the distributors the financial resources required to offset the temporary revenue loss due to the pandemic and protects other players in the industry by allowing distributors to continue to honor their contracts.

Following this procedural rite, Equatorial filed with ANEEL, on July 6, the regulatory assets accounted for in June/2020, associated with the establishment of the Over-Contracting, Compensation Account for Variation in the Amounts of "A Component" - CVA Items and Sector Charges Neutrality. Worth highlighting that, monthly until the fifth day of the following month, Equatorial must inform ANEEL of the establishment (as assets) of those regulatory financial items.

At July 31, 2020, Equatorial Energia S.A. received the first installment of the Covid account in the amount of R$ 865,660. The remainder will be released monthly according to amounts to be approved by ANEEL.

The following table states the transfer by a Distributor controlled by the Company:

Distributor	Transfer (R$)
Equatorial PA	284,510
Equatorial MA	116,674
Equatorial AL	320,994
Equatorial PI	143,482
Total	**865,660**

In parallel, with respect to Commercial Regulation, ANEEL approved the revision of Normative Resolution No. 878/2020, which establishes a set of measures to guarantee the continuity of the energy distribution service and the protection of consumers and employees of the concessionaires in the midst of the Covid-19 pandemic scenario.

According to the new rules, several activities must be resumed by distributors as of August 1, 2020, such as face-to-face service to the public, delivery of the printed invoice and compliance with previously required deadlines and indicators. However, ANEEL clarifies that any restrictions should be discussed with the local health authority, which has legal competence to assess the feasibility of performing services in the context of restrictions in view of the pandemic.

ANEEL also decided to maintain the ban on power cuts due to non-payment for consumers classified as Low Income while the pandemic state of emergency lasts. According to Legislative Decree No 6/2020, this period currently runs until the end of 2020. As of August 1, 2020, however, the possibility of power cuts due to non-payment for residential consumers and those related to the supply of energy to services and activities considered essential is again permitted, provided that consumers are so informed once again.

35 Subsequent events - (Continued)

Loan agreement executed between the Company and SPE 8

On July 1, 2020, Equatorial Energia S.A entered into as "lender" in a financial loan agreement with Equatorial Transmissora 8 SPE S.A. ("borrower") as previously agreed by the National Electric Energy Agency - ANEEL, through Decision No. 3085 of December 18, 2018, in the amount of R$ 150,000 maturing in up to 2 years from the date of execution, which can be repaid in advance, bearing interest of 105.5% of the CDI. This agreement is justified to avoid lack of funds due to delays in the release of the long-term financing contracted.

Amortization of promissory notes– SP08

On August 3, 2020, Equatorial Transmissora 8 SPE S.A amortized the principal and interest of the 1st Issue of Promissory Notes in the total amount of R$ 459,399. These notes were issued on August 3, 2018, in the amount of R$ 405,000.

Financing releases for transmission projects

Within the scope of the financing contract no. 193.2018.1154.6749 of December 19, 2018 executed with Banco do Nordeste do Brasil S.A. (BNB) on July 28, 2020, Equatorial Transmissora 5 SPE S.A received the 5th disbursement of the contract with BNB, in the amount of R$ 14,529. This will be fully allocated to investments in the transmission project and has a maturity of 20 years bearing interest corresponding to IPCA index + 2.5707% p.a.

Within the scope of the financing contract through credit opening no. 19.2.0125.1 of April 2, 2019, executed with the National Bank for Economic and Social Development (BNDES) on July 21, 2020, Equatorial Transmissora 4 SPE S.A received the 5th disbursement of that contract in the amount of R$ 26,700. This will be fully allocated to investments in the project, the amount of R$ 2,042 maturing in December, bearing interest at IPCA rate + 4.87% p.a.

Tariff Adjustment - SP01

On July 14, 2020, through approval resolution No. 2725, the National Electric Energy Agency (ANEEL) established the adjustment of the Annual Permitted Compensation (as of July 1, 2020) for the provision of facilities under the responsibility of public power transmission service concessionaires. For the 2020-2021 cycle, the adjustment of the Company's revenue was R$ 1,624 (1.88%) compared to that provided for in the concession contract.

35 Subsequent events - (Continued)

Tariff Adjustment - SP02

On July 14, 2020, through approval resolution No. 2725, the National Electric Energy Agency (ANEEL) established the adjustment of the Annual Permitted Compensation (as of July 1, 2020) for the provision of facilities under the responsibility of public power transmission service concessionaires. For the 2020-2021 cycle, the adjustment of the Company's revenue was R$ 1,473 (1.88%) compared to that provided for in the concession contract.

Tariff Adjustment - SP08

On July 14, 2020, through approval resolution No. 2725, the National Electric Energy Agency (ANEEL) established the adjustment of the Annual Permitted Compensation (as of July 1, 2020) for the provision of facilities under the responsibility of public power transmission service concessionaires. For the 2020-2021 cycle, the adjustment of the Company's revenue was R$ 2,304 (1.90%) as compared with the previous cycle.

Tariff Adjustment - INTESA

On June 23, 2020 (effective from July 1, 2020), ANEEL approved the Result of the Annual Permitted Compensation - RAP Review of the Reinforcements and Improvements authorized for the concession contracts with review scheduled for 2018 and 2019, as per Sub-module 9.2 of PRORET, which governed INTESA's tariff review.

Thus, Approval Resolution No 2705/2020 presented a 61.5% reduction in the RAP of the reinforcements and improvements of INTESA revised at this time due to the overestimation of the budget in the authorization phase by the Regulator. The reduction resulted in a new RAP of R$ 10,214.

In addition to the RAP reduction, R$ 8,771 will be returned in the next four years due to the receipt of more than allowed since the start of commercial operation of these reinforcements and improvements until June/2020.

Capital increase - Equatorial Maranhão

On August 11, 2020, by means of the Board of Directors' Meeting, a capital increase in the amount of R$ 158,179 was approved with no issue of new shares.

Significant shareholding - Equatorial Energia

On August 13, 2020, in consonance with article 12 of CVM Instruction No. 358 of January 3, 2002, the Company received the significant shareholding statement from the shareholder Schroder Investment Management Brasil Ltda. ("Schroder Brazil"). With the acquisition of 449,656 shares, Schroder Brasil now holds 50,878,433 common shares, which represent 5.04% of Equatorial Energia S.A. capital.

35 Subsequent events - (Continued)

Annual Tariff Adjustment (RTA) - Equatorial Pará

On August 6, 2020, the National Electric Energy Agency (ANEEL) approved Equatorial Energia Pará's tariff adjustment. The subsidiary serves 2.7 (*) million consumer units located in 144 (*) municipalities in Pará.

The average Annual Tariff Adjustment (RTA) was set at 8.25% (economic level), however, considering the net effect of including the Financial Components in the tariff, the average effect to be perceived by the consumer will be 2.68%. Finally, we emphasize that the Covid-19 Account formulated by ANEEL helped to reduce the financial effects that the new coronavirus pandemic brought to companies in the electricity sector by -6.03%, allowing it to stay below inflation.

“B” Component increased by 9.66% when compared to B Component in force in the last tariff year, influenced by the IGP-M of the reference period, which was 9.27%, less Factor X of - 0.38 %, and the Q component of Factor X, in the amount of -0.74%, contributes positively to P&L.

The tariff adjustment will take effect as of August 7, 2020.

(*) not reviewed.

Board of Directors

Carlos Augusto Leone Piani

Firmino Ferreira Sampaio Neto

Guilherme Mexias Aché

Luís Henrique de Moura Gonçalves

Paulo Jerônimo Bandeira de Mello Pedrosa

Tania SztamfaterChocolat

Marcos Martins Pinheiro

Eduardo Haima

Oversight Board

Paulo Roberto Franceschi

Saulo de Tarso Alves de Lara

Vanderlei Dominguez da Rosa

Executive Board

Augusto Miranda da Paz Júnior
CEO

Carla Ferreira Medrado
Officer

Humberto Luis Queiroz Nogueira
Officer

Leonardo da Silva Lucas Tavares de Lima
CFO and Investor Relations Officer

Sérvio Túlio dos Santos
Officer

Tinn Freire Amado
Officer

Geovane Ximenes de Lira
Accounting and Tax Manager
Accountant
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