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+55 21 3721-3030
ri.eneva.com.br

Earnings Release 2Q19




2Q19 Earnings Call
(Simultaneous translation)

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ENEVA Announces Second Quarter 2019 Results

Gains in operating efficiency through an active cost management ensure continued fixed margin boom across all segments and ENEVA reports EBITDA of R$ 299 million

Rio de Janeiro, August 14, 2019 - *ENEVA S.A. (BM&FBOVESPA: ENEV3, GDR I: ENEVY) discloses today its earnings for the second quarter closed on June 30, 2019 (2Q19) The following information is presented on a consolidated basis in accordance with the accounting practices used in Brazil, except where otherwise stated.*

2Q19 Highlights

- Company reports adjusted EBITDA of R$ 299.3 million, with reduction of 2.6% comparing to the fall of 52% in the amount of generated power and 65% at gas production in the period;
- In Parnaíba Complex, adjusted EBITDA/gas production reaches 2.7 R$/$m^3$ vs 1,1 R$/$m^3$ on 2Q18;
- EBITDA coal generation grows 19.8% and reaches R$ 132.7 million, with highlight to the variable margin boom in Pecém II, due to the generation for RRO;
- Operational Cash Flow increases 29.7% and reaches R$ 306.8 million;
- ENEVA closes 2Q19 with R$ 1.6 billion cash and net debt/EBITDA of 2.7x;
- It won the Auction for Supply to Boa Vista and Connected Locations, ensuring annual fixed revenue of R$ 429 million and enables Azulão-Jaguatirica integrated project;
- Company raises R$ 2.0 billion through issuance of simple debentures, with average cost of CDI + 1.2% p.a. Funds for the implementation of Parnaíba V and early settlement of the judicial recovery plan debt, whose cost was CDI + 2.8% per year;
- Secured loan for 100% of the estimated investment in the implementation of TPP Parnaíba V with execution of a loan agreement of R$ 843 million with BNB.

Main Indicators *(R$ million)*	2Q19	2Q18	%	1H19	1H18	%
Net Operating Revenues	555.8	756.6	-26.5%	1,167.2	1,438.4	-18.9%
EBITDA	295.7	351.9	-16.0%	617.0	654.0	-5.7%
Adjusted EBITDA	299.3	307.5	-2.6%	621.5	611.2	1.7%
Adjusted EBITDA margin[1]	53.9%	40.6%	13.2 p.p.	53.2%	42.5%	0.3 p.p.
Adjusted Net Income	19.5	20.3	-3.9%	150.0	56.9	163.5%
Investments	189.6	58.8	222.3%	279.8	125.7	122.7%
Operating Cash Flow	306.8	236.6	29.7%	690.3	591.5	16.7%
Net Debt (R$ Bi)	3.9	4.4	-12.1%	3.9	4.4	-12.1%
Net Debt/EBITDA LTM	2.7	2.9	-5.9%	2.7	2.9	-5.9%

1 Adjusted EBITDA margin = Adjusted EBITDA/Net Operating Revenue excluding non-recurring items

Summary

1. 2Q19 and Subsequent Events

Completion of secondary offering of shares with restricted efforts

On March 27, a secondary public offering with restricted distribution efforts of up to 60.646.269 Company's common shares, held by Itaú Unibanco S.A., Uniper *Holding* GmbH, Banco Pine S.A., Dommo Eletricidade S.A. and BTG Pactual S.A., was held. On April 4, the Bookbuilding procedure was completed and the share price of R$ 18.25, equivalent to a total financial amount of R$ 1.106.794.409,25, was established.

S&P and Fitch Rating Assignment

On April 22, 2019, the credit rating agencies Standard & Poor Global Ratings and Fitch Ratings assigned the Company long-term national ratings AAA and AA +, respectively. Both agencies rated the outlook for the ratings as stable.

2nd Issuance of debentures

On May 29, the Company held the 2nd issuance of simple, non-convertible and unsecured debentures in three series for a total of R$ 2 billion. The table below summarizes the final conditions obtained and the allocation of debentures between the issuance series:

Series	**1st Serie**	**2nd Serie**	**3rd Serie**
Type	Regular	Regular	Infrastructure
Maturity	May 15, 2024	May 15, 2027	May 15, 2029
Principal Amortization	1 (one) installment in May 15, 2024	3 (three) annual and consecutive installments in May 15, 2025, May 15, 2026 and May 17, 2027	3 (three) annual and consecutive installments in May 17, 2027, May 15, 2028 and May 15, 2029
Final Rate (after Bookbuilding)	CDI + 0.95% a.a.	CDI + 1.45% a.a.	IPCA + 5.05% a.a.
Allocated Volume (R$)	750,000,000.00	750,000,000.00	500,000,000.00

The general conditions for issuance can be found in the minutes of the Board of Directors' Meeting available on the Company's website. (https://ir.eneva.com.br/).

S&P Rating Allocation to 2nd issuance of debentures

The credit rating agency Standard & Poors Global Ratings has assigned to the 2nd issuance of simple, non-convertible and unsecured debentures of the Company, in up three series, the amount of R$ 2.000.000.000,00, the rating equivalent to 'brAAA'.

Winner of Auction for Supply of Boa Vista and Connected Locations, from 2019

The Company won the Auction for Supply of Boa Vista and Connected Locations of 2019 held on May 31, 2018, with TPP Jaguatirica II thermoelectric generation project, with 132.3 MW installed capacity, which is committed to delivering 117 MW power, fully flexible, for a period of 15 years from June 28, 2021, ensuring an annual fixed revenue of R$ 429 million (base date: November/2018), annually restated by the IPCA.

Beginning of TPP Jaguatirica II Implementation

On July 06, 2019, the Company gave Techint notice to proceed with TPP Jaguatirica II. The turn-key agreement (EPC) provides for commercial operations to commence within 24 months.

Full advance payment of remaining balance of unsecured credits under judicial recovery plan

On June 21, 2019, the Company informed the market that it made the full payment of the remaining balance of judicial recovery plan unsecured credits of ENEVA S.A. and ENEVA PARTICIPAÇÕES S.A., ratified in the case file No. 0474961-48.2014.8.19.0001 (Judicial Recovery Plan), by the 4th Business District Court of the Capital of the State of Rio de Janeiro.

Execution of loan agreement for TPP Parnaíba V implementation with BNB

On June 28, 2019, the Company entered into a Loan Agreement between Parnaíba Geração e Comercialização de Eletricidade S.A, and Banco do Nordeste do Brasil S.A. (BNB), in the amount of R$ 842.567.004,00, with a 17-year maturity, 5-year interest and principal grace period and IPCA + 1.938% p.a. cost, considering the contractual default bonus. The Loan Agreement was approved by the Company's Board of Directors on June 26, 2019.

The Loan Agreement aims to finance the development, construction and operation of TPP Parnaíba 5A and 5B (UTE Parnaíba V).

Establishment of the Statutory Audit Committee

On July 2, 2019, the Company announced that, in compliance with the Securities Commission Instruction No. 480/09, as amended, the Company's Board of Directors approved, at a meeting held on June 26, 2019, the establishment of the Statutory Audit Committee (CAE). With the CAE establishment, the Company's non-statutory audit committee ceased to exist.

Change in the Investor Relations Officer

On August 14, 2019 the Board of Directors named Mr. Marcelo Campos Habibe as Investor Relations Officer of the Company. Mr. Habibe will continue to lead the Company's financial board, also becoming the position of Investor Relations Officer.

2. Operating Performance

Operating Data	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Itaqui						
Availability (%)	100%	100%	100%	81%	85%	100%
Dispatch (%)	0%	4%	35%	99%	24%	8%
Net generation (GWh)	0	27	247	559	170	52
Gross Generation (GWh)	0	31	279	632	193	59
Pecém II						
Availability (%)	96%	99%	92%	94%	99%	100%
Dispatch (%)	43%	51%	45%	98%	48%	77%
Net generation (GWh)	289	350	278	658	338	522
Gross Generation (GWh)	324	393	311	739	381	583
Parnaíba I						
Availability (%)	99%	100%	99%	98%	89%	99%
Dispatch (%)	0%	0%	28%	99%	22%	29%
Net generation (GWh)	5	0	373	1364	287	392
Gross Generation (GWh)	7	0	387	1417	300	407
Parnaíba II						
Availability (%)	99%	100%	98%	97%	79%	100%
Dispatch (%)	32%	23%	66%	100%	41%	36%
Net generation (GWh)	332	234	672	1033	411	378
Gross Generation (GWh)	349	247	707	1088	436	397
Parnaíba III						
Availability (%)	100%	100%	100%	98%	92%	100%
Dispatch (%)	0%	0%	28%	99%	20%	0%
Net generation (GWh)	1	0	102	359	73	1
Gross Generation (GWh)	1	0	106	372	77	1
Parnaíba IV						
Availability (%)	100%	100%	97%	92%	83%	97%
Dispatch (%)	0%	0%	66%	99%	25%	29%
Net generation (GWh)	0	0	74	91	17	30
Gross Generation (GWh)	0	0	77	96	18	31
Parnaíba Gás Natural - E&P						
Dispatch UTG (%)	9%	6%	38%	94%	26%	26%
Production (Bi m^3)	0.07	0.05	0.29	0.72	0.20	0.20
Remaining reserves (Bi m^3)	21.3	21.3	21.4	17.7	18.4	18.6

2.1 Parnaíba Complex

2.1.1 Natural Gas Thermal Generation

In 2Q19, the Company recorded 338 GWh net generation in Parnaíba Complex, with a weighted average dispatch of 12%, compared to 788 GWh net generation and average dispatch of 29% in 1Q18.

TPP Parnaíba I was not dispatched in the quarter. The generation in period resulted from tests after plant maintenance. During the maintenance, the plant was unavailable for dispatching by ONS, which led to average availability in the quarter at 99%.

TPP Parnaíba II recorded 332 GWh net generation and average dispatch of 32% in 2Q19, compared to 411 GWh net generation and average dispatch of 41% in 2Q18. In 2Q19, dispatch was mainly concentrated in June, when the plant started operating in compliance with its contractual inflexibility. Average availability was 99% in the quarter.

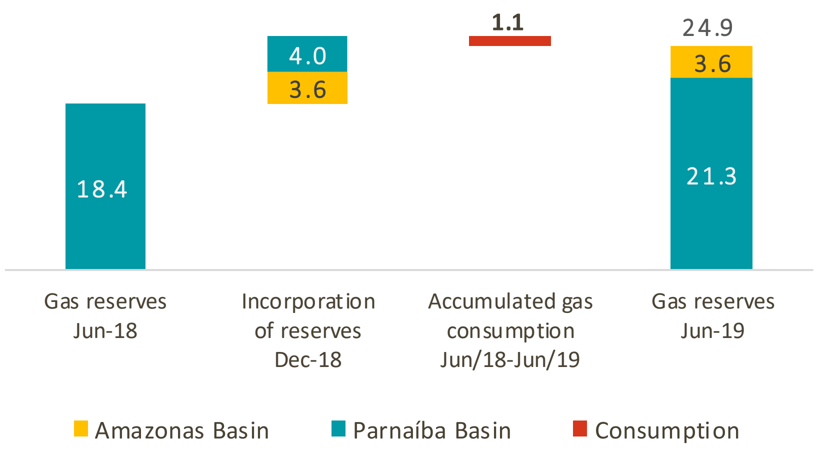
TPP Parnaíba III was not dispatched in the quarter but generated only 1 GWh for performance testing. The average availability was 100%.

TPP Parnaíba IV was not dispatched in the quarter and average availability was 100%. On 12/31/2018, it won the plant's energy trading agreement with Kinross. Since then, Parnaíba IV has become available to the system in merchant mode.

2.1.2 Upstream (E&P)

In 2Q19, the Company produced 0.07 billion m³ of natural gas. The Gas Treatment Unit (UTG) dispatch in the quarter was 9%, compared to 26% in 2Q18.

Remaining reserves in Parnaíba Basin at the end of 2Q19 totaled 21.3 billion m³ (bcm). Including the Amazon Basin, the Company's remaining reserves totaled 24.9 billion m³ (bcm) at the end of 2Q19.



The Company still has two Discovery Assessment Plans (PADs) open in the R9 blocks, as shown in the following table.

PAD	Block	PAD Maturity
Fazenda Tianguar	PN-T-49	11/04/2019
Araguaína	PN-T-102	11/29/2019

In response to the Company’s request to change the boundaries of Gavião Preto Field (GVP) concession area to incorporate the Angical PAD area (block PN-T-67), ANP requested a review of the GVP Development Plan, so as to consider the resulting final area. This review is under progress.

2.2 Coal Thermal Generation

In 2Q19, TPP Itaqui was not dispatched. The average availability was 100%.

TPP Pecém II recorded 289 GWh net generation in 2Q19, with 43% average dispatch compared to 338 GWh net generation and 48% average dispatch in 2Q18. From the total net generation of the plant, 279 GWh was intended for the Operational Reserve Reconstitution (RRO). The plant generated for RRO during 49.7 days, with average unit variable revenue equivalent to 130% of the plant’s CVU. The average availability was 96%, above the 95% contractual commitment.

3. Financial and Economic Performance

As of April 2018, the Company now holds 100% of the shares of Pecém II Participações S.A., the sole shareholder of Pecém II Geração de Energia S.A. As a result, Pecém II earnings, which were previously accounted for pursuant to the Equity Method of Accounting, are now consolidated. The following historical financial statements are presented pro forma.

Consolidated Income Statement	2Q19	2Q18	%	1H19	1H18	%
Net Operating Revenues	**555.8**	**756.6**	**-26.5%**	**1,167.2**	**1,438.4**	**-18.9%**
Operating Costs	(293.4)	(431.1)	-32.0%	(624.0)	(856.6)	-27.2%
Depreciation and amortization	(89.0)	(92.0)	-3.3%	(171.9)	(195.2)	-11.9%
Operating Expenses	(99.7)	(83.4)	19.6%	(165.6)	(153.4)	8.0%
Dry Wells	(26.1)	(4.9)	435.7%	(26.6)	(4.9)	445.7%
Depreciation and amortization	(17.9)	(13.0)	38.2%	(41.0)	(25.5)	60.9%
EBITDA (excluding dry wells)	**295.7**	**351.9**	**-16.0%**	**617.0**	**654.0**	**-5.7%**
Other revenue/expenses	(10.7)	190.5	N/A	13.4	194.7	-93.1%
Net Financial Result	(110.6)	(128.4)	-13.9%	(195.2)	(261.1)	-25.2%
Equity Income	0.0	(4.1)	N/A	0.2	(4.7)	N/A
EBT	**41.5**	**300.1**	**-86.2%**	**196.0**	**357.4**	**-45.2%**
Current taxes	(7.7)	(17.0)	-54.9%	(17.0)	(24.4)	-30.6%
Deferred taxes	(18.1)	(77.5)	-76.6%	(34.0)	(92.7)	-63.3%
Minority Interest	(0.1)	(0.5)	-76.1%	(0.5)	(0.8)	-36.5%
Net Income	**15.8**	**206.1**	**-92.3%**	**145.6**	**241.1**	**-39.6%**

Adjusted EBITDA	2Q19	2Q18	%	1H19	1H18	%
EBITDA (excluding dry wells)	**295.7**	**351.9**	**-16.0%**	**617.0**	**654.0**	**-5.7%**
Non-recurring Items	**3.7**	**(44.4)**	**N/A**	**4.5**	**(42.8)**	**N/A**
Labor termination costs	-	1.9	N/A	-	2.8	N/A
Bonus	-	-	N/A	-	(0.9)	N/A
Restructuring Consulting	-	1.5	N/A	0.8	1.8	-56.9%
Stock Options	3.7	-	N/A	3.7	1.4	167.2%
14th Round - Upstream (signature bonus and project costs)	-	-	N/A	-	(2.7)	N/A
Financial Advisory	-	4.6	N/A	-	7.3	N/A
2013 Fixed Revenues Review - Pecém II	-	(39.9)	N/A	-	(39.9)	N/A
Recoveries of Electrical Sector (Teif/Teip) - Pecém II	-	(0.7)	N/A	-	(0.7)	N/A
Recoveries of Electrical Sector (Teif/Teip) - Itaqui	-	(6.5)	N/A	-	(6.5)	N/A
PIS/COFINS Credits (2013 to 2017) - Pecém II	-	(5.4)	N/A	-	(5.4)	N/A
Adjusted EBITDA	**299.3**	**307.5**	**-2.6%**	**621.5**	**611.2**	**1.7%**
Adjusted EBITDA margin	**53.9%**	**40.6%**	**13.2 p.p.**	**53.2%**	**42.5%**	**10.8 p.p.**

Adjusted Net Income	2T19	2T18	%	1H19	1H18	%
Net Income	**15.8**	**206.1**	**-92.3%**	**145.6**	**241.1**	**-39.6%**
Non-recurring Items	**3.7**	**(185.8)**	**N/A**	**4.5**	**(184.2)**	**N/A**
EBITDA adjustments	3.7	(44.4)	N/A	4.5	(42.8)	N/A
Fair value update - acquisition of Pecém II	-	(126.7)	N/A	-	(126.7)	N/A
Indexation - 2013 Fixed Revenues Review - Pecém II	-	(14.7)	N/A	-	(14.7)	N/A
Adjusted Net Income	**19.5**	**20.3**	**-3.9%**	**150.0**	**56.9**	**163.5%**

[1] As of 1Q18, following IFRS18 guideline, unavailability penalties (ADOMP) are accounted for as revenue deductions
[2] Adjusted EBITDA margin = Adjusted Ebitda/ Net Operating Revenue excluding non-recurring items

Consolidated EBITDA adjusted to exclude non-recurring events totaled R$ 299.3 million in 2Q19, a reduction of 2.6% or R$ 8.1 million compared to 2Q18. Adjusted EBITDA margin was 53.9% in the quarter, an increase of 13.2 p.p. compared to the same quarter last year.

The effectiveness of the operational costs management program continued for another quarter, reflecting in the boom of fixed margins in the generation segments. EBITDA from the gas generation segment was practically in line with 2Q18 even with the lower dispatch. In the coal generation, adjusted EBITDA was further driven by the generation for operating reserve reconstitution (RRO) in Pecém II. The variable margin of the plant in 2Q19 was 44 R$/MWh versus 14 R$/MWh in 2Q18. The RRO model is established according to ANEEL Normative Resolution No. 822/2018, published on 07/19/2018.

In Parnaíba Complex, although adjusted EBITDA decreased by 10.9%, the Adjusted EBITDA/gas production ratio in the quarter stood at 2.7 R$/$m^3$, demonstrating a clear and significant gain in the Company's efficiency in gas sales in 2Q18, when the adjusted EBITDA/Gas production ratio was 1.1 R$/$m^3$.

In 2Q19, the Company's adjusted net income was R$ 19.5 million, in line with the same period last year. The improvement in financial results, mainly due to the increase in revenues from financial investments resulting from the Company's higher cash position, partially offset the reduction in EBITDA.

3.1. Consolidated Cash Flow

Free Cash Flow *(R$ million)*	2Q19	2Q18	%	1H19	1H18	%
EBITDA	**295.7**	**351.9**	**-16.0%**	**617.0**	**654.0**	**-5.7%**
(+) Changes in Working Capital	(12.0)	(107.1)	-88.8%	51.6	1.3	3761.7%
(+) Income Tax	(7.7)	(7.4)	5.2%	(16.0)	(23.5)	-31.8%
(+) Other Assets & Liabilities	30.9	(0.8)	N/A	37.7	(40.5)	N/A
Cash Flow from Operating Activities	**306.8**	**236.6**	**29.7%**	**690.3**	**591.5**	**16.7%**
Cash Flow from Investing Activities	(190.0)	(289.5)	-34.4%	(279.8)	(364.0)	-23.1%
Cash Flow from Financing Activities	108.6	114.6	-5.2%	(22.0)	(594.1)	-96.3%
New Debt and Others	2,000.0	250.0	700.0%	2,000.0	410.0	387.8%
Debt amortization	(1,718.4)	(70.7)	2331.7%	(1,758.4)	(851.1)	106.6%
Interest	(112.4)	(71.7)	56.8%	(151.6)	(168.2)	-9.8%
Other	(60.6)	6.9	N/A	(112.0)	15.2	N/A
Total Cash Position	**1,622.0**	**679.2**	**138.8%**	**1,622.0**	**679.2**	**138.8%**

In 2Q19, Company reported EBITDA of R$ 295.7 million, with operating cash flow of R$ 306.8 million. Operating cash flow increased by 29.7% when compared to 2Q18.

Operating cash flow was positively impacted by the receipt of R$ 44.1 million, related to the CCC-ISOL fuel cost reimbursement of the subsidiary Amapari Eletricidade S.A. In compliance with a court ruling in favor of the Company, ANEEL held, in the quarter, the claimed refund payment. The amount did not impact the quarter's result, as the regulator filed a special appeal, still pending trial. The Company has made the accrual posting of the amount received in advance.

Cash flow from investing activities was negative by R$ 190.0 million, mainly due to projects under construction, Parnaíba V and Azulão-Jaguatirica, whose quarter disbursements totaled R$ 75.5 million and R$ 53.7 million, respectively.

Cash flow from loan activities includes the raising of R$ 2.0 billion (through debentures issuance) and the full prepayment of the remaining balance of unsecured credits from the Company's judicial recovery plan.

ENEVA ended 2Q19 with a consolidated cash position of R$ 1,622.0 million, excluding the balance of deposits linked to the Company's loan agreements, in the amount of R$ 178.7 million.

3.2 Economic-Financial Performance per Segment

In the segment-adjusted EBITDA calculation, only the non-recurring effects with impact on the Company's consolidated results are excluded.

3.2.1 Parnaíba Complex

3.2.1.1 Natural Gas Thermal Generation

This segment is composed of subsidiaries Parnaíba I Geração de Energia S.A., Parnaíba II Geração de Energia S.A. and Parnaíba Geração e Comercialização de Eletricidade S.A..

According to Material Fact disclosed on October 1, 2018, the Company concluded its corporate restructuring and capital structure plan for its gas generation and Upstream subsidiaries, which included the merger of subsidiaries Parnaíba III Geração de Energia S.A. and Parnaíba IV Geração de Energia S.A. with Parnaíba II Geração de Energia S.A.

TPP Parnaíba V project is being developed by Parnaíba Geração e Comercialização de Eletricidade S.A.

Income Statement - Gas-Thermal Generation *(R$ million)*	**2Q19**	**2Q18**	**%**	**1H19**	**1H18**	**%**
Gross Operating Revenues	**321.3**	**443.0**	**-27.5%**	**659.2**	**855.9**	**-23.0%**
Fixed Revenues	**310.6**	**297.1**	**4.6%**	**621.3**	**594.2**	**4.6%**
Variable Revenues	**10.6**	**145.9**	**-92.7%**	**37.9**	**261.7**	**-85.5%**
CCEAR[1]	6.2	74.3	-91.6%	24.9	142.4	-82.5%
Short Term market	4.4	71.5	-93.8%	13.0	79.6	-83.7%
Reestablishment of commercial backing (FID)	2.9	12.1	-75.8%	44.1	111.6	-60.4%
Hedge ADOMP	-	26.1	N/A	110.4	26.6	314.5%
Others	1.5	33.3	-95.5%	(141.6)	(58.6)	141.7%
Deductions from Gross Revenues	**(32.6)**	**(52.7)**	**-38.1%**	**(66.9)**	**(95.6)**	**-30.1%**
Unavailability (ADOMP)	0.0	(6.8)	N/A	0.0	(7.2)	N/A
Net Operating Revenues	**288.7**	**390.3**	**-26.0%**	**592.3**	**760.3**	**-22.1%**
Operating Costs	**(163.2)**	**(261.3)**	**-37.6%**	**(310.9)**	**(510.8)**	**-39.1%**
Fixed Costs	**(100.7)**	**(79.8)**	**26.3%**	**(198.0)**	**(174.4)**	**13.5%**
Transmission and regulatory charges	(19.9)	(20.3)	-2.2%	(39.8)	(40.6)	-2.0%
O&M	(25.7)	(19.8)	29.4%	(48.1)	(43.4)	10.7%
GTU fixed lease	(55.2)	(55.2)	0.0%	(110.2)	(123.1)	-10.5%
Others	-	15.6	N/A	-	32.7	N/A
Variable Costs	**(32.5)**	**(152.8)**	**-78.7%**	**(54.1)**	**(278.8)**	**-80.6%**
Fuel (natural gas)	(20.5)	(56.9)	-64.0%	(416.5)	(466.2)	-10.7%
Gasmar - Gas distribution tariff	(1.9)	(4.6)	-58.8%	(30.9)	(36.0)	-14.1%
GTU variable lease	-	(6.9)	N/A	0.0	(13.9)	N/A
Reestablishment of commercial backing (FID)	(2.8)	(10.2)	-72.9%	(38.2)	(93.3)	-59.0%
Hedge ADOMP	-	(22.6)	N/A	(94.0)	(10.6)	790.1%
Trading (P.IV)	(0.0)	(36.5)	-100.0%	(120.6)	(138.9)	-13.2%
Others	(7.4)	(15.1)	-51.0%	646.0	480.1	34.6%
Depreciation and Amortization	(29.9)	(28.8)	**3.8%**	(58.8)	(57.6)	**2.0%**
Operating Expenses	**(4.7)**	**(6.4)**	**-26.1%**	**(10.3)**	**(13.6)**	**-24.2%**
SG&A	(5.4)	(5.8)	-8.3%	(10.6)	(12.5)	-15.5%
Depreciation and Amortization	0.6	(0.5)	N/A	0.3	(1.1)	N/A
EBITDA	**150.1**	**151.9**	**-1.2%**	**329.7**	**294.6**	**11.9%**
Non-recurring Adjustments	-	-	N/A	-	-	N/A
Adjusted EBITDA	**150.1**	**151.9**	**-1.2%**	**329.7**	**294.6**	**11.9%**
Adjusted EBITDA Margin (%)	**52.0%**	**38.9%**	**13.1 p.p.**	**55.7%**	**38.7%**	**16.9 p.p.**

[1] CCEAR = Regulated Market Power Purchase Agreement

It is worth mentioning that Parnaíba IV lease agreement by mining company Kinross ended on December 2018. Given the particularities of this agreement, in analyzing the performance of the gas generation segment in 2Q19, it is important to take into account the manner for accounting the revenues and expenses listed in 2Q18, as explained below.

Net operating revenue from the natural gas thermal generation segment totaled R$ 288.7 million in 2Q19, a reduction of 26.0% compared to 2Q18, comprising:

(i) Gross Revenue established in accordance with the Energy Trading Agreements in the Regulated Environment (CCEARs) in the amount of R$ 310.6 million, an increase of 4.6% compared to 2Q18, resulting from the annual contractual restatement by the IPCA on November 2018;

(ii) Variable gross contractual revenue (CVU, as defined in CCEAR) of R$ 6.2 million, related to the net generation of plants contracted in the regulated environment (vs. R$ 74.3 million in 2Q18). The contractual variable revenue in 2Q19 refers only to the generation of Parnaíba II in April and May (3.4 GWh), before the beginning of the inflexibility period in June, when the generation of the plant is not entitled to receive CVU. The other plants of Parnaíba Complex were not dispatched in the quarter;

Net generation (GWh)	2Q19	2Q18
Parnaíba I	5	287
Parnaíba II	332	411
Parnaíba III	1	73
TOTAL	337	771

(iii) Gross revenue related to the reconstitution of the FID in the amount of R$ 2.9 million compared to R$ 12.1 million in 2Q18);

(iv) Other revenues, totaling R$ 1.5 million, related to the short term market settlement of electricity generated in testing period by Parnaíba I and III. In 2Q18, the Other Revenues item also considered the revenue from the short term market settlement of electricity purchased from the SE submarket to hedge Parnaíba IV energy trading agreement submarket mismatch risk, which ended on December 2018. Since then, TPP Parnaíba IV became available to the system in merchant mode, being centrally dispatched by ONS, settling electricity generated by PLD. In 2Q19, Parnaíba IV was not dispatched;

(v) Deductions from gross revenue (taxes, charges and costs related to the penalties for unavailability (ADOMP), in the amount of R$ 32,6 million, comparing to R$ 52,7 million in 2Q18.

In this quarter, the Company chose not to perform hedge operations of costs related to penalties for unavailability (ADOMP).

The **operational costs** segment, excluding depreciation and amortization, totaled R$ 133.3 million, with reduction of 42.7% relative to 2Q18.

Fixed cost: the segment fixed cost increased 26.3% in comparison to 2Q18, basically due to:

(i) Increase of R$ 5.8 million at Operation and Maintenance fixed costs;

(ii) Termination of Parnaíba IV lease agreement by the mining company Kinross, on December 2018. Revenue from this agreement, which in 2Q18 was R$ 15.6 million, was accounted for as a fixed cost reduction.

Variable cost: decrease of 78.7% or R$ 120.2 million, mainly explained by:

(i) Reduction of R$ 36.5 million in natural gas costs in 2Q18, totaling R$ 20.5 million in the quarter, due to reduced dispatch;

(ii) Decrease of R$ 2.7 million in costs paid to Gasmar – Companhia Maranhense de Gás for the gas distribution service, totaling R$ 1.9 million in 2Q19, given the lower volume of gas consumed;

(iii) Reduction of R$ 6.9 million in the variable leasing costs of UTG (Gas Treatment Unit), related to fuel supply agreements, due to the low amount of electricity generated in 2Q19;

(iv) Decrease of R$ 7.5 million in costs with electricity purchased for backing coverage – FID, which in 2Q19 totaled R$ 2.8 million, with an equivalent counterpart in revenue;

(v) In this quarter, the Company chose not to perform hedge operations of costs related to penalties for unavailability (ADOMP). In 2Q18, such operations resulted in costs of R$ 22.6 million;

(vi) With the expiration, on December 2018 of Parnaíba IV energy trading agreement, the variable cost was no longer impacted by:

- Costs of acquisition in the short term market of electricity in SE submarket, to hedge the risk of submarket mismatch, which in 2Q18 totaled R$ 15.6 million; and
- Costs related to the repayment of the amount of electricity generated below the contractual commitment, which in 2Q18 totaled R$ 30.6 million.

(vii) Reduction in line with other variable costs, which includes electricity generated costs below the contractual commitment in Parnaíba II, in the specific period in which the plant was dispatched on an order of merit, but disconnected by electrical restriction as determined by ONS (*constrained-off*), totaling R$ 6.2 million (vs R$ 13.7 million in 2Q18). In the specific case of Parnaíba II, when the plant is constrained-off by ONS, it receives the revenue that would be due as if dispatched as determined by the order of merit, but incurs in parallel at an approximately equivalent cost.

The **operating expenses (SG&A)** totaled R$ 5.4 million in 2Q19, in line with 2Q18.

In the quarter, the **adjusted EBITDA** of the natural gas generation segment totaled R$ 150.1 million, with a slight reduction in comparison with 2Q18. It should be highlighted the continued boom in the segment's fixed margin, with an increase in fixed cost lower than the fixed revenue variation.

3.2.1.2 Upstream (E&P)

This segment is comprised of the subsidiary Parnaíba Gás Natural S.A. (PGN) and Parnaíba B.V., Although PGN was incorporated into Eneva S.A. in the last quarter of 2018, Upstream results are presented separately in order to facilitate analysis of the performance of the segment.

Income Statement - Upstream *(R$ million)*	2Q19	2Q18	%	1H19	1H18	%
Gross Operating Revenues	**85.4**	**134.0**	**-36.3%**	**163.7**	**281.2**	**-41.8%**
Fixed Revenues	**63.3**	**63.5**	**-0.4%**	**126.6**	**140.4**	**-9.9%**
Variable Revenues	**22.1**	**70.5**	**-68.6%**	**37.2**	**140.8**	**-73.6%**
Gas Contract Sales	21.7	62.6	-65.3%	36.4	125.1	-70.9%
Variable leasing Contract	0.0	7.6	N/A	0.0	15.4	N/A
Condensate Sales and Others	0.4	0.3	29.3%	0.8	0.3	145.9%
Deductions from Gross Revenues	**(7.5)**	**(15.0)**	**-49.6%**	**(16.3)**	**(34.3)**	**-52.4%**
Net Operating Revenues	**77.9**	**119.1**	**-34.6%**	**147.4**	**246.9**	**-40.3%**
Operating Costs	**(31.6)**	**(47.6)**	**-33.5%**	**(59.7)**	**(103.5)**	**-42.3%**
Fixed Costs	**(13.9)**	**(18.3)**	**-23.9%**	**(25.5)**	**(33.1)**	**-22.8%**
O&M Cost (OPEX)	(13.9)	(18.3)	-23.9%	(25.5)	(33.1)	-22.8%
Variable Costs	**(4.7)**	**(12.6)**	**-62.9%**	**(10.6)**	**(25.6)**	**-58.5%**
Government Contribution	(3.3)	(9.8)	-66.7%	(5.8)	(19.3)	-70.1%
Lifting Cost/Compression	(1.4)	(2.8)	-49.8%	(4.8)	(6.2)	-22.6%
Depreciation and Amortization	**(13.0)**	**(16.7)**	**-22.0%**	**(23.6)**	**(44.8)**	**-47.4%**
Operating Expenses	**(51.7)**	**(37.0)**	**39.7%**	**(68.2)**	**(66.2)**	**3.0%**
Exploration Expenses_Geology and geophysics (G&G)	(38.5)	(26.7)	44.1%	(46.9)	(46.9)	0.0%
Dry Wells	(26.1)	(4.9)	435.7%	(26.6)	(4.9)	445.7%
SG&A	(5.2)	(5.7)	-8.8%	(9.2)	(10.5)	-12.7%
Depreciation and Amortization	(8.0)	(4.6)	74.7%	(12.1)	(8.7)	38.2%
EBITDA (excluding dry wells)	**41.7**	**60.6**	**-31.3%**	**81.7**	**135.7**	**-39.8%**
Non-recurring items	**-**	**-**	**N/A**	**-**	**(2.7)**	**N/A**
14th Round - Upstream (signature bonus and project cos	-	-	N/A	**-**	**(2.7)**	**N/A**
Adjusted EBITDA	**41.7**	**60.6**	**-31.3%**	**81.7**	**133.0**	**-38.6%**
Adjusted EBITDA Margin	**53.5%**	**50.9%**	**2.6 p.p.**	**55.4%**	**53.9%**	**1.6 p.p.**

Upstream segment **net operating revenue** totaled R$ 77.9 million in 2Q19, a reduction of 34.6% in comparison with 2Q18, mainly explained by the lower dispatch level of Parnaíba Complex plants, which impacted segment variable revenue. In 2Q19, UTG's average dispatch was 9%, with natural gas production of 0.07 billion m^3, compared to an average dispatch of 26% and natural gas production of 0.20 billion m^3 in 2Q18.

The segment **operating costs**, excluding depreciation and amortization, totaled R$ 18.6 million in 2Q19, compared to R$ 30.9 million in 2Q18. This fall was mainly impacted by:

(i) Reduction on Operation & Maintenance fixed costs in the amount of R$ 4.4 million, mainly due to the review of the operating lease agreement accounting of equipment purchased from UTG, in accordance with the new IFRS 16 rule, whose counterpart is in the depreciation and amortization and financial expense accounts;

(ii) Decrease of cost with government participation, in the amount of R$ 6.5 million, resulting from lower gas production in the period;

(iii) Reduction of R$ 1.4 million in cost with compressors, due to review of lease agreement accounting under new IFRS 16 rule.

Upstream's **operating expenses**, excluding depreciation and amortization, totaled R$ 43.7 million in 2Q19, an increase of 34.7%, basically impacted by: (i) R$ 11.8 million decrease in exploration expenses, as a result of the seismic campaign that was underway in 2Q18; (ii) accounting of R$ 26.1 million in dry well expenses in 2Q19; and (iii) reduction of R$ 0.5 million in SG&A, mainly due to the lower allocation of technical staff relating to 2Q18.

The **adjusted EBITDA** reached R$ 41.7 million in 2Q19, a reduction of 31.3% compared to 2Q18, due primarily to the lower dispatch of Parnaíba Complex thermoelectrical plants.

Depreciation and amortization expenses in 2Q19 totaled R$ 8.0 million, compared to R$ 4.6 million in 2Q18, mainly due to the amortization of lease agreement entitlements under the new IFRS 16 rule, in the amount of R$ 2.6 million.

3.2.2 Coal Thermal Generation

This segment is composed of subsidiaries Itaqui Geração de Energia S.A. and Pecém II Geração de Energia S.A. As of April 2018, the Company now holds 100% of the shares of Pecém II Participações S.A., the sole shareholder of Pecém II Geração de Energia S.A. As a result, Pecém II earnings, which were previously accounted for pursuant to the Equity Method of Accounting, are now consolidated. The following historical financial statements are presented on a pro forma basis, including Pecém II.

Income Statement - Coal-Thermal Generation *(R$ million)*	**2Q19**	**2Q18**	**%**	**1H19**	**1H18**	**%**
Gross Operating Revenues	**272.3**	**372.5**	**-26.9%**	**598.4**	**691.3**	**-13.4%**
Fixed Revenues	**203.8**	**239.8**	**-15.0%**	**407.7**	**433.3**	**-5.9%**
Variable Revenues	**68.4**	**132.7**	**-48.4%**	**190.7**	**258.0**	**-26.1%**
CCEAR[1]	5.6	99.3	-94.3%	27.4	207.0	-86.8%
Short Term market	62.8	33.4	88.1%	163.3	51.0	220.3%
Reestablishment of commercial backing (FID)	5.6	12.0	-53.3%	-	-	N/A
Hedge ADOMP	-	21.6	N/A	-	-	N/A
Other	57.2	(0.3)	N/A	163.3	51.0	220.3%
Deductions from Gross Revenues	**(28.1)**	**(39.6)**	**-29.0%**	**(61.7)**	**(73.0)**	**-15.5%**
Unavailability (ADOMP)	-	(0.7)	N/A	0.1	(0.8)	N/A
Net Operating Revenues	**244.1**	**332.8**	**-26.6%**	**536.8**	**618.3**	**-13.2%**
Operating Costs	**(153.5)**	**(210.3)**	**-27.0%**	**(361.7)**	**(427.9)**	**-15.5%**
Fixed Costs	**(56.3)**	**(49.1)**	**14.7%**	**(112.1)**	**(105.0)**	**6.8%**
Transmission and regulatory charges	(12.7)	(12.5)	1.2%	(25.4)	(24.9)	1.9%
O&M	(43.6)	(36.6)	19.3%	(86.8)	(80.1)	8.3%
Variable Costs	**(49.3)**	**(114.8)**	**-57.1%**	**(156.4)**	**(230.1)**	**-32.0%**
Fuel (natural gas)	(39.4)	(89.5)	-56.0%	(110.1)	(183.7)	-40.1%
Reestablishment of commercial backing (FID)	(5.1)	(11.7)	-56.9%	-	-	N/A
Hedge ADOMP	-	(10.1)	N/A	-	-	N/A
Other	(4.8)	(3.4)	41.2%	(46.4)	(46.5)	-0.2%
Depreciation and Amortization	**(47.8)**	**(46.5)**	**2.9%**	**(93.1)**	**(92.8)**	**0.4%**
Operating Expenses	**(6.0)**	**(5.9)**	**2.1%**	**(11.1)**	**(13.2)**	**-15.8%**
SG&A	(5.8)	(5.7)	1.9%	(10.4)	(12.9)	-18.8%
Depreciation and Amortization	(0.2)	(0.2)	8.9%	(0.7)	(0.4)	92.8%
EBITDA	**132.7**	**163.2**	**-18.7%**	**257.7**	**270.3**	**-4.6%**
Non-recurring items	**-**	**(52.5)**	N/A	**-**	**(52.5)**	N/A
2013 Fixed Revenues Review - Pecém II	-	(39.9)	N/A	-	(39.9)	N/A
Recoveries of Electrical Sector (Teif/Teip) - Pecém I	-	(0.7)	N/A	-	(0.7)	N/A
Recoveries of Electrical Sector (Teif/Teip) - Itaqui	-	(6.5)	N/A	-	(6.5)	N/A
PIS/COFINS Credits (2013 to 2017) - Pecém II	-	(5.4)	N/A	-	(5.4)	N/A
Adjusted EBITDA	**132.7**	**110.8**	**19.8%**	**257.7**	**217.8**	**18.4%**
Adjusted EBITDA Margin (%)	**54.3%**	**33.3%**	**21.1 p.p.**	**48.0%**	**35.2%**	**12.8 p.p.**

[1] CCEAR = Regulated Market Power Purchase Agreement

Net operating revenue in 2Q19 totaled R$ 244.1 million, reduced at 26.6% in relation to 2Q18, consisting of:

(i) Gross Revenue fixed in accordance with the CCEAR in the amount of R$ 203.8 million, compared to R$ 239.8 million in 2Q18. The fall is basically due to the receipt, in 2Q18, of R$ 44.6 million by Pecém II, related to the gross fixed revenue of July and August 2013. Pecém II completed all electrical tests required by ONS for commercial start-up on July 29, 2013. However, a delay in the completion of construction of the new Pecém II substation, under the responsibility of Chesf/TDG S.A., led ANEEL to postpone the start of CCEAR from July 1st, 2013 until the commercial start-up of the substation, which occurred in October of the same year. The federal court upheld the claim of exclusion of liability filed by the Company and determined the payment of fixed revenue considering the beginning of CCEAR on July 1st, 2013. Disregarding this effect, the fixed revenue of the segment would have increased by 4.4%, resulting from the annual contractual restatement for inflation (IPCA);

(ii) Contractual variable gross revenue (CVU, as defined at CCEAR of R$ 5.6 million compared to R$ 99.3 million in 2Q18) In 2Q19, only Pecém II was dispatched by ONS and 97% of its net generation was intended for the Operational Reserve Reconstitution (RRO), whose impact is accounted for as variable revenue in the short term market (under Other Revenues).

(iii) Variable revenue on short term market, totaling R$ 57.2 million. Pecém II generated for RRO for 49.7 days, with average unit variable revenue equivalent to 130% of the plant CVU;

(iv) Deductions from gross revenue (taxes, charges and costs related to the penalties for unavailability – ADOMP) in the amount of R$ 28.1 million.

The **operating costs**, excluding depreciation and amortization, totaled R$ 105.6 million in 2Q19, a reduction of 35.6% compared to 2Q18, basically impacted by:

Fixed cost:

Increase of 19.3%, or R$ 7.1 million, in Operation & Maintenance fixed costs. In 2Q18, O&M fixed costs were reduced by accounting for a PIS/COFINS credit) (R$ 3,7 million[1]) on amounts incorrectly paid by Pecém II to Pecém I, from September 2013 to May 2018, due to agreement on shared use of assets between the plants. Excluding this impact, O&M fixed costs would have increased by R$ 3.4 million, mainly due to maintenance services in the Itaqui ship unloading system and higher personnel costs in Pecém II.

Variable cost:

(i) Reduction of 56.0% or R$ 50.1 million in fuel costs mainly due to lower dispatch compared to 2Q18;

(ii) Decrease of R$ 6.7 million in electricity costs purchased for backing coverage – FID (based on the moving average of the last 60 months, reference August 2018), which totaled R$ 5.1 million in 2Q19, with counterpart in the income as mentioned above;

(iii) On this quarter, the Company chose by not perform hedge operations of costs related to penalties for unavailability (ADOMP).

The **operating expenses**, excluding depreciation and amortization, totaled R$ 5.8 million in 2Q19, in line with the same period of the previous year.

Adjusted EBITDA, excluding non-recurring impacts, totaled R$ 132.7 million in 2Q19, an increase of 19.8% in relation to 2Q18, mainly impacted by the fixed margin boom in both plants and the variable margin increase of Pecém II (44 R$/MWh in 2Q19 versus 14 R$/MWh in 2Q18), due to the higher dispatch for RRO.

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[1] From the R$ 5.4 million of PIS/COFINS credit from services that affected Pecém II costs in 2Q18 (presented in Non-recurring Adjustments of the above spreadsheet), R$ 3.7 million are in fixed operating costs and R$ 1.7 million in variable costs, specifically water consumption and disposal.

3.2.3 Trading

This segment is composed of the indirect subsidiary ENEVA Comercializadora de Energia Ltda.

Income Statement – Energy Trading *(R$ million)*	**2Q19**	**2Q18**	**%**	**1H19**	**1H18**	**%**
Net Operating Revenues	**27.3**	**120.9**	**-77.4%**	**81.0**	**213.9**	**-62.1%**
Operating Costs	**(26.7)**	**(118.4)**	**-77.4%**	**(80.7)**	**(215.3)**	**-62.5%**
Power acquired for resale	(26.6)	(118.3)	-77.5%	(80.5)	(215.1)	-62.6%
Other	(0.1)	(0.1)	21.3%	(0.2)	(0.2)	-30.8%
Operating Expenses	**(1.3)**	**(0.9)**	**42.3%**	**(2.1)**	**(1.5)**	**47.3%**
SG&A	(1.3)	(0.9)	41.9%	(2.1)	(1.4)	46.8%
Depreciation and Amortization	(0.0)	(0.0)	106.2%	(0.0)	(0.0)	108.7%
EBITDA	**(0.7)**	**1.6**	**N/A**	**(1.8)**	**(2.9)**	**-37.8%**
Non-recurring items	-	-	N/A	-	-	N/A
Adjusted EBITDA	**(0.7)**	**1.6**	**N/A**	**(1.8)**	**(2.9)**	**-37.8%**
% Adjusted EBITDA Margin	**-2.7%**	**1.3%**	**-4.0 p.p.**	**-2.2%**	**-1.3%**	**-0.9 p.p.**

Net operating revenue of the trading segment totaled R$ 27.3 million in 2Q19, with a reduction of 77.4% in relation to 2Q18, basically due to the reduction in the amount of electricity traded, by 370 GWh in 2Q19 versus 1.501 GWh in 2Q18, together with the average PLD fall of the SE/CO submarket in the period (R$ 131.41/MWh in 2Q19 vs. R$ 302.93/MWh in 2Q18).

Operating costs followed the downward trend in revenue, closing the quarter at R$ 26.7 million. In the same period, **adjusted EBITDA** was negative by R$ 0.7 million.

3.2.4 Holding & Other

This segment is comprised of the holding companies ENEVA S.A. and ENEVA Participações S.A., as well as subsidiaries created for the development of projects. In 4Q18, Eneva S.A. incorporated Parnaíba Gás Natural S.A. (PGN). However, in order to allow for a better analysis of the performance of the Company's business segments, we decided to continue to present the earnings of the Upstream segment separately.

Income Statement – Holding & Other *(R$ million)*	**2Q19**	**2Q18**	**%**	**1H19**	**1H18**	**%**
Net Operating Revenues	**0.02**	**0.08**	**-74.6%**	**0.06**	**0.11**	**-42.7%**
Operating Costs	**-**	**- 0.05**	**N/A**	**- 0.11**	**- 0.05**	**141.1%**
Operating Expenses	**(32.5)**	**(26.4)**	**23.3%**	**(61.2)**	**(45.4)**	**34.7%**
SG&A	(25.6)	(25.5)	0.4%	(45.3)	(43.6)	3.9%
Depreciation and Amortization	(6.9)	(0.9)	669.1%	(15.8)	(1.8)	783.9%
EBITDA	**(25.6)**	**(25.5)**	**0.4%**	**(45.4)**	**(43.6)**	**4.2%**
Non-recurring items	**3.7**	**8.1**	**-54.5%**	**4.5**	**12.4**	**-63.9%**
Labor termination costs	-	1.9	N/A	-	2.8	N/A
Bonus	-	-	N/A	-	(0.9)	N/A
Restructuring Consulting	-	1.5	N/A	0.8	1.8	-56.9%
Stock Options	3.7	-	N/A	3.7	1.4	167.2%
Financial advisory	-	4.6	N/A	-	7.3	N/A
Adjusted EBITDA	**(21.9)**	**(17.4)**	**25.9%**	**(40.9)**	**(31.2)**	**31.2%**

The **operating expenses** of the segment, excluding depreciation and amortization, totaled R$ 25.6 million in the quarter, in line with 2Q18. In 2Q19, operating expenses were impacted by expense with stock options, in the amount of R$ 3.7 million. In 2Q18, non-recurring impacts totaled R$ 8.1 million, including costs related to contract terminations (R$ 1.9 million), restructuring consulting (R$ 1.9 million) and financial advisory (R$ 4.6 million). Excluding the non-recurring effects of the periods presented, there was an increase of R$ 4.5 million in operating expenses (SG&A), mainly due to the increase in staff compared to the increase in Company's contracted capacity over the past year.

3.2.5 Consolidated Financial Results

Net Financial Result *(R$ million)*	**2Q19**	**2Q18**	**%**	**1H19**	**1H18**	**%**
Financial Revenues	**27.0**	**22.2**	**21.7%**	**68.7**	**49.8**	**37.9%**
Income from financial investments	28.1	13.2	113.1%	51.2	31.6	62.0%
Fines and interest earned	(4.6)	4.3	N/A	2.4	7.7	-69.2%
Interest from related parties	0.4	0.4	5.2%	0.8	0.7	3.2%
Interest on debentures	-	-	N/A	-	-	N/A
Other	3.1	4.3	-26.6%	14.4	9.8	46.7%
Financial Expenses	**(137.6)**	**(150.6)**	**-8.6%**	**(263.9)**	**(310.9)**	**-15.1%**
Fines interest	4.7	(5.3)	N/A	(0.8)	(9.8)	-91.5%
Debt charges	(72.5)	(103.1)	-29.7%	(151.5)	(208.1)	-27.2%
Interest from related parties	(0.1)	-	N/A	(0.3)	-	N/A
Interest on provisions for abandonment	(1.6)	(2.7)	-41.3%	(3.5)	(4.0)	-13.0%
Fees and emoluments	(1.2)	(4.1)	-71.5%	(1.3)	(25.2)	-95.0%
IOF/IOC	(1.9)	(0.9)	103.6%	(2.2)	(1.7)	27.4%
Debentures Cost	(47.2)	(16.0)	195.6%	(85.1)	(29.8)	185.8%
Other	(12.3)	(9.6)	27.9%	(21.1)	(16.2)	29.9%
Exchange and monetary variation	(7.9)	(7.4)	7.5%	(15.8)	(14.6)	8.1%
Losses/gains on derivatives	2.4	(1.5)	N/A	17.6	(1.5)	N/A
Net Financial Income (Expense)	**(110.6)**	**(128.4)**	**-13.9%**	**(195.2)**	**(261.1)**	**-25.2%**

In 2Q19, ENEVA recorded a negative net financial result in the amount of R$ 110.6 million, compared to a negative result of R$ 128.4 million in 2Q18.

The larger consolidated cash position led to an increase in revenues from financial investments. On the financial expenses side, the reduction in debt charges and the increase in expenses with interest on debentures is due to the restructuring of the capital structure of the gas subsidiaries and holding, completed in 4Q18, according to the Material Fact disclosed to the market on December 20. 2018.

In addition, the "Other" account in financial expenses increased, mainly due to interest incurred on leasing, which was recorded as from January 2019, in accordance with IFRS 16.

4. Investments

Consolidated investment in 2Q19 totaled R$ 189.6 million, compared to R$ 58.8 million reported in 2Q18. The significant increase in investments is related to the ongoing construction of TPP Parnaíba V and Azulão-Jaguatirica integrated project, which together accounted for 68% of the quarter's total capex.

From this quarter onwards, the capex for dry wells is also considered in the capex of the Upstream segment. Figures for previous quarters have been reviewed to reflect this change.

From the total investments in 2Q19, the following stands out:

- **Coal Thermoelectric Plants:** Itaqui: (i) retrofit of conveyor belts; (ii) revitalization of seawater pretreatment; and (iii) improvement of the bag filter cleaning system and bag change. Pecém II: receipt of miscellaneous materials for the major overhaul scheduled for 3Q19.

- **Gas Thermoelectric Plants:** (i) cleaning of Parnaíba II boilers; (ii) acquisition of valves and execution of installation services in Parnaíba II steam circuits; and (iii) revitalization of Parnaíba IV and UG10.

- **Upstream:** (i) acquisition of materials and services performed at the scheduled shutdown for maintenance of Parnaíba gas treatment system (STGP); and (ii) completion of the drilling of wells 1-ENV-1-MA (PN-T-103), 1-ENV-2-MA (Block PN-T-103), 1-ENV-3-MA (PN-T-87), 1-ENV-4-MA (PN-T-69) and 1-ENV-5-MA (PN-T-84).

- Parnaíba V: (i) first downpayment to Techint/Siemens and it was ordered to start manufacturing critical plant equipment; (ii) installation of Techint and Eneva administrative sites completed; (iii) independent access to the plant and the enclosure of the work areas completed; (vi) soil survey and topography of existing facilities was completed; and (v) start of civil works.

- Azulão-Jaguatirica: (i) first downpayment to Galileo and it was ordered to start manufacturing cryogenic equipment; (ii) notice-to-proceed to Techint in June; (iii) mobilization of the internal engineering team; and (vi) hiring of companies responsible for rig services and integrated well services, special profiling and well testing.

Capex *(R$ million)*	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19
Coal Generation	**16.0**	**27.6**	**5.9**	**30.6**	**80.0**	**4.5**	**11.2**
Pecém II	9.0	7.1	4.7	23.2	43.9	0.5	1.8
Itaqui	7.0	20.5	1.3	7.4	36.2	4.0	9.3
Gas Generation	**28.8**	**14.4**	**1.4**	**6.2**	**50.6**	**11.8**	**7.4**
Parnaíba I	27.7	8.2	0.0	3.2	39.1	10.4	- 1.4
Parnaíba II[1]	1.0	6.2	1.3	3.0	11.5	1.3	8.8
Parnaíba V	**-**	**-**	**-**	**-**	**-**	**42.1**	**75.5**
Azulão-Jaguatirica	**-**	**-**	**-**	**-**	**-**	**0.5**	**53.7**
Upstream [2]	**21.9**	**16.9**	**37.9**	**55.0**	**131.8**	**28.4**	**37.1**
Dry well	-	4.9	14.4	18.9	38.2	0.5	26.1
Holding	**0.2**	**0.0**	**0.8**	**3.1**	**4.1**	**2.9**	**4.8**
Total	**66.8**	**58.8**	**46.0**	**94.9**	**266.5**	**90.2**	**189.6**

[1] Parnaíba II capex includes the capex of Parnaíba III and Parnaíba IV TPPs, according to the corporate restructuring announced in 4Q18.

[2] As of this quarter, the Company started to present the capex of the Upstream segment including dry well capex. The figures for previous quarters have been restated.

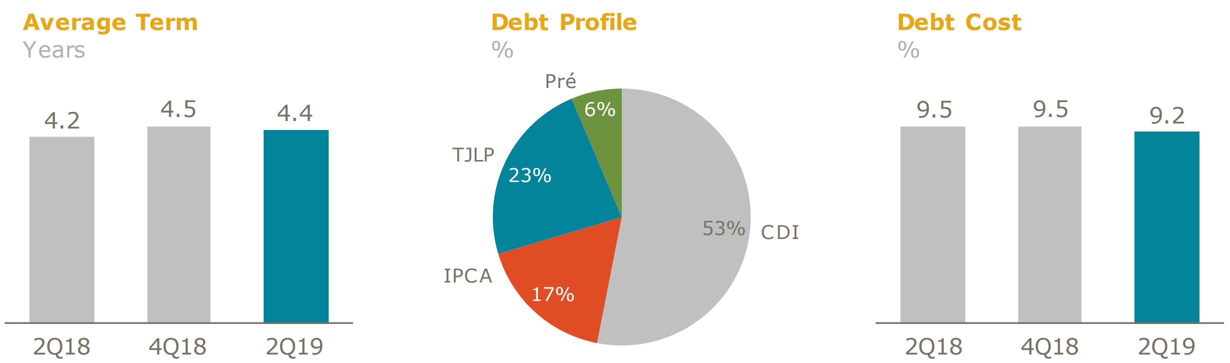
5. Indebtedness

On June 30, 2019, consolidated gross debt (net of deposits linked to loan agreements and transaction costs) totaled R$ 5.485 million, an increase of 6.2% related to the end of 4Q18[2]. The average effective cost of debt on the quarter was 9.2% and the average maturity was 4.4 years.[3]

In 2Q19, Company completed the 2nd issuance of simple, non-convertible unsecured debentures in three series for a total of R$ 2 billion. The proceeds from the first and second series debentures (R$ 1.5 billion) were used to prepay all remaining balance of unsecured credits from the judicial recovery plan of Eneva S.A. and Eneva Participações S.A. With this, the Company paid all debt expressed in foreign currency.

Additionally, on June 28, 2019, the Company entered into a loan agreement with Banco do Nordeste do Brasil S.A. (BNB), in the amount of R$ 842.6 million, for Parnaíba V implementation loan. The loan has a term of 17 years, 5-year interest and principal grace period and IPCA cost + 1.938% p.a., considering the contractual default bonus.

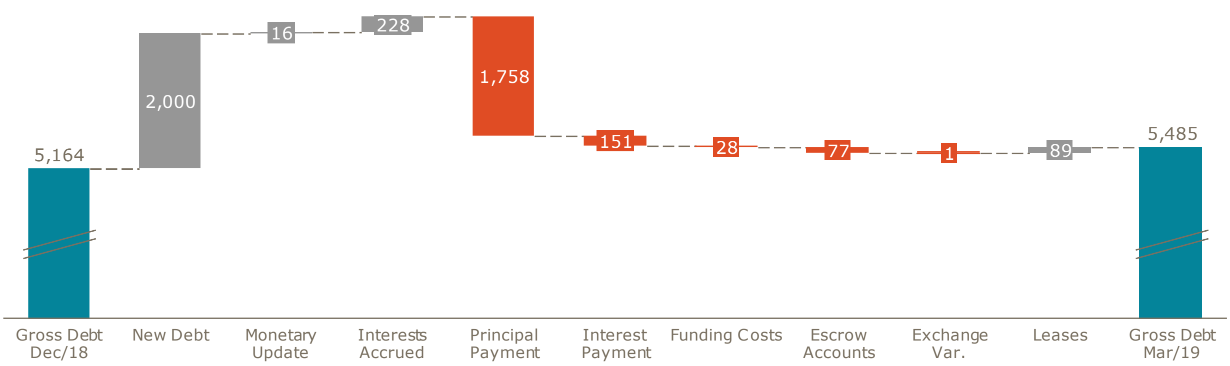
Consolidated gross debt profile



[2] Currently, gross debt is presented net of transaction costs and deposits linked to the Company's loan agreements, plus the lease balance, which was classified by IFRS16 as finance lease. Up to 4Q18, gross debt presented did not consider transaction costs and linked deposits. If it considered such accounts, the amount in 4Q18 would have been R$ 5.164 million, instead of the R$ 5.323 million previously reported.

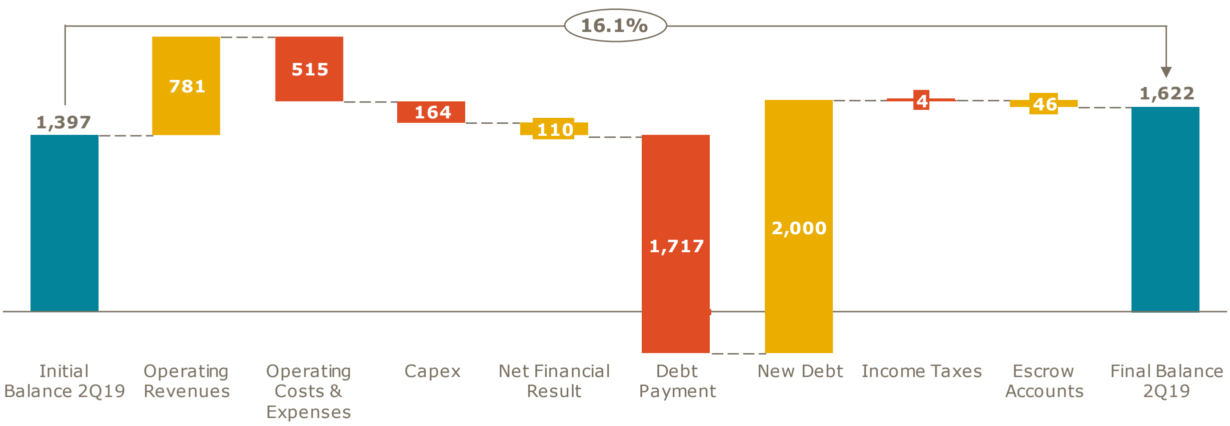
[3] Effective cost of debt = (accrued interest paid in the quarter)/average principal

Gross debt evolution (R$ million)

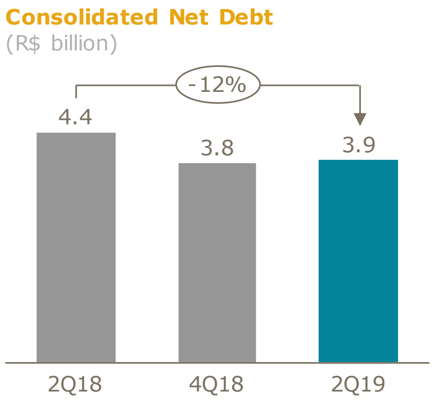


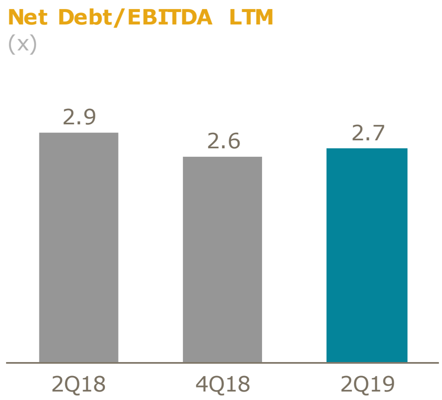
Company's consolidated cash position at the end of 2Q19 was R$ 1.622 million, not considering the balance of deposits linked to the Company's loan agreements, in the amount of R$ 179 million. The consolidated net debt at the end of the quarter totaled R$ 3.863 million, equivalent to a net debt/adjusted EBITDA ratio of 2.7x of the last 12 months.

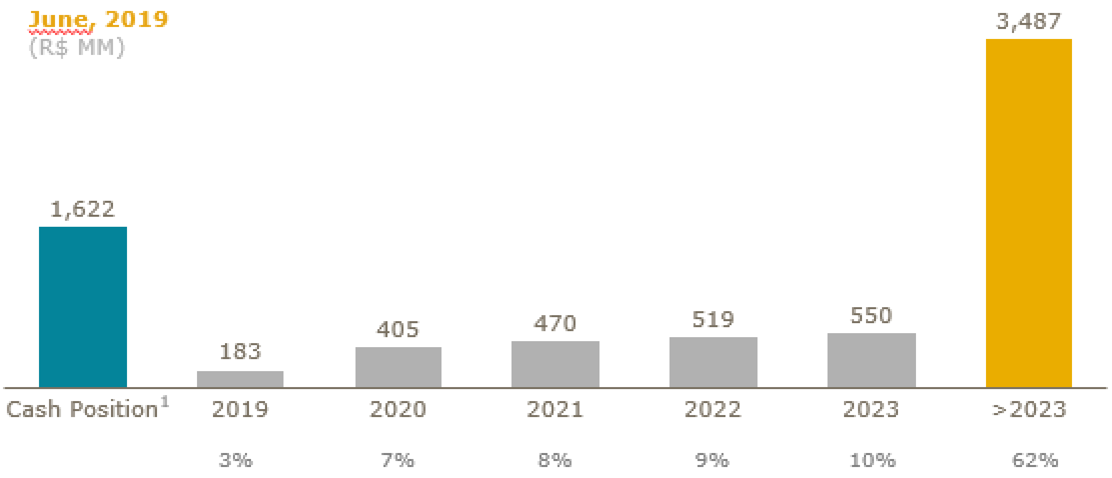
Change in cash and securities balance in 2Q19 (R$ milhões)



Maturity schedule of the consolidated debt (Principal)







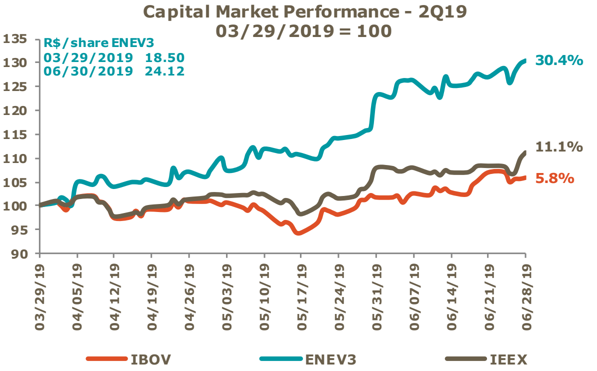
(1) Consolidated cash position includes availabilities and marketable securities. Until 4Q18 the Company had cash position including availabilities + securities + deposits linked to financing

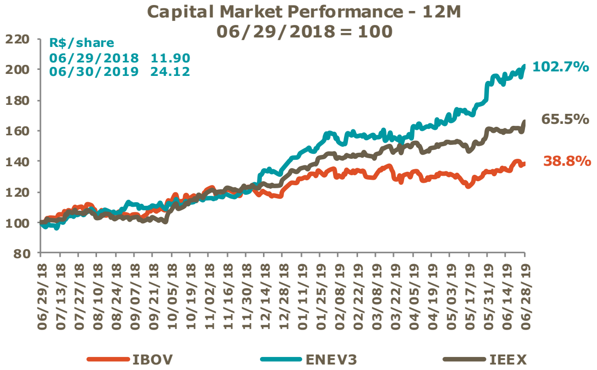
6. Capital Markets

ENEVA's Capital Stock on June 30, 2019, was comprised by 315.276.037 common shares, 100.0% of which were outstanding. Price per ENEVA's share at the end of the second quarter of 2019 was of R$ 24.12, which corresponds to an appreciation of 30.4% compared to March 30, 2018. Within the same time, the Bovespa Index (Ibovespa) was appreciated by 5.8%, and the Electric Energy Index (IEE) appreciated 11.1%. In the last 12 months, ENEVA's shares devalued by 102.7%, while Ibovespa increased 38.8% and IEE had a fall of 65.5%.

The market value of the Company at the end of 2Q19 was of R$ 7.604 million. The average financial volume traded in 2Q19 was R$ 31.9 million.

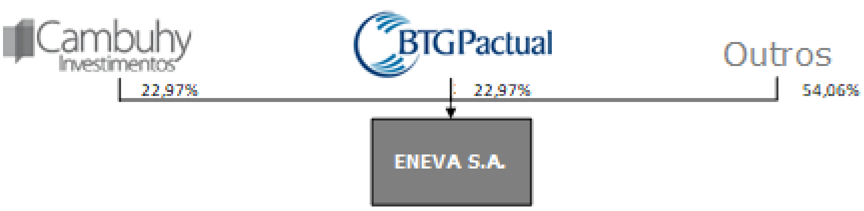
	2Q19	1Q19	2Q18	12 months
ENEV3				
Num. of Shares	315,276,037	314,990,499	314,990,499	-
Market Cap (R$ MM)	7,604	5,827	3,748	-
Quotation per Share (Closing) (R$)	24.12	18.50	11.90	-
Traded Shares (MM) - daily avg.	1.5	0.6	0.3	0.7
Turnover (R$ MM) - daily avg.	31.9	11.1	3.3	13.6
ENEV3 e Indexes (% preço em um trimestre)				
ENEV3	30.4%	15.0%	-9.8%	102.7%
IEE	11.1%	16.6%	-7.0%	65.5%
IBOV	5.8%	8.6%	-14.8%	38.8%





Shareholding

ENEVA is a company listed in the New Market Segment since its IPO in 2007. Currently, it has no shareholders' agreement in effect. The current shareholding, upon completion of the secondary bid with restricted efforts, is as follows:



Outstanding shares profile
June 30, 2019

7. Exhibits

SPEs' financial statements are available on the Company's Investor Relations website. The figures are presented pro-forma, considering Pecém II consolidation and ADOMP unavailability in gross revenue deductions.

Income Statement - 2Q19 *(R$ million)*	**Parnaíba Complex**								
	Gas Generation	**Upstream**	**Elimination Adjustments**	**Total**	**Coal Generation**	**Energy Trading**	**Holding & Other**	**Elimination Adjustments**	**Total**
Gross Operating Revenues	**321.3**	**85.4**	**(85.0)**	**321.7**	**272.3**	**30.0**	**0.02**	**(9.7)**	**614.4**
Deductions from Gross Revenues	(32.6)	(7.5)	11.5	(28.6)	(28.1)	(2.8)	(0.00)	0.9	(58.6)
Net Operating Revenues	**288.7**	**77.9**	**(73.5)**	**293.1**	**244.1**	**27.3**	**0.02**	**(8.8)**	**555.8**
Operating Costs	**(163.2)**	**(31.6)**	**72.8**	**(122.0)**	**(153.5)**	**(26.7)**	**-**	**8.8**	**(293.4)**
Depreciation & amortization	(29.9)	(13.0)	1.8	(41.1)	(47.8)	-	-	-	(89.0)
Operating Expenses	**(4.7)**	**(51.7)**	**-**	**(56.4)**	**(6.0)**	**(1.3)**	**(32.5)**	**(3.4)**	**(99.7)**
Depreciation & amortization	0.6	(8.0)	-	(7.4)	(0.2)	(0.0)	(6.9)	(3.4)	(17.9)
EBITDA (w/o PCLD and Dry Wells)	**150.1**	**41.7**	**(2.5)**	**189.3**	**132.7**	**(0.7)**	**(25.6)**	**0.0**	**295.7**
Non-recurring items	-	-	-	-	-	-	3.7	-	3.7
Adjusted EBITDA	**150.1**	**41.7**	**(2.5)**	**189.3**	**132.7**	**(0.7)**	**(21.9)**	**0.0**	**299.3**
Other revenues/expenses	(0.6)	-	-	(0.6)	(3.5)	0.0	(10.5)	3.9	(10.7)
Net Financial Result	(42.8)	(0.5)	0.6	(42.7)	(45.1)	3.2	(26.1)	-	(110.6)
Equity Income	-	-	-	-	-	-	89.5	(89.4)	0.0
EBT	**77.3**	**(5.9)**	**0.0**	**71.4**	**36.1**	**2.5**	**20.4**	**(88.9)**	**41.5**
Current Taxes	(6.2)	-	-	(6.2)	(1.5)	-	-	-	(7.7)
Deferred Taxes	(8.4)	-	-	(8.4)	(9.4)	-	(0.4)	-	(18.1)
Minority Interest	-	-	-	-	-	-	-	(0.1)	(0.1)
Net Income	**62.8**	**(5.9)**	**0.0**	**56.8**	**25.2**	**2.5**	**20.0**	**(88.8)**	**15.8**

Income Statement - 2Q18 *(R$ million)*	Parnaíba Complex								
	Gas Generation	**Upstream**	**Elimination Adjustments**	**Total**	**Coal Generation**	**Energy Trading**	**Holding & Other**	**Elimination Adjustments**	**Total**
Gross Operating Revenues	**443.0**	**134.0**	**(133.7)**	**443.3**	**372.5**	**133.2**	**0.09**	**(104.9)**	**844.2**
Deductions from Gross Revenues	(52.7)	(15.0)	22.3	(45.3)	(39.6)	(12.3)	(0.01)	9.7	(87.6)
Net Operating Revenues	**390.3**	**119.1**	**(111.4)**	**398.0**	**332.8**	**120.9**	**0.08**	**(95.2)**	**756.6**
Operating Costs	**(261.3)**	**(47.6)**	**111.4**	**(197.5)**	**(210.3)**	**(118.4)**	**(0.05)**	**95.2**	**(431.1)**
Depreciation & amortization	(28.8)	(16.7)	-	(45.5)	(46.5)	-	-	-	(92.0)
Operating Expenses	**(6.4)**	**(37.0)**	**-**	**(43.4)**	**(5.9)**	**(0.9)**	**(26.4)**	**(6.8)**	**(83.4)**
Depreciation & amortization	(0.5)	(4.6)	-	(5.1)	(0.2)	(0.0)	(0.9)	(6.8)	(13.0)
EBITDA (w/o PCLD and Dry Wells)	**151.9**	**60.6**	**0.0**	**212.5**	**163.2**	**1.6**	**(25.5)**	**0.0**	**351.9**
Non-recurring items	-	-	-	-	(52.5)	-	8.1	-	(44.4)
Adjusted EBITDA	**151.9**	**60.6**	**0.0**	**212.5**	**110.8**	**1.6**	**(17.4)**	**0.0**	**307.5**
Other revenues/expenses	(19.1)	(0.2)	19.0	(0.3)	(0.2)	(0.0)	183.8	7.2	190.5
Net Financial Result	(34.8)	(22.1)	0.0	(56.9)	(38.4)	(4.7)	(28.5)	-	(128.4)
Equity Income	-	-	-	-	-	-	138.9	(142.9)	(4.1)
EBT	**68.7**	**12.1**	**19.0**	**99.8**	**78.0**	**(3.1)**	**267.9**	**(142.5)**	**300.1**
Current Taxes	(10.3)	(2.6)	-	(12.9)	(4.1)	-	(0.0)	-	(17.0)
Deferred Taxes	(7.9)	(0.7)	-	(8.7)	(3.6)	-	(65.3)	-	(77.5)
Minority Interest	-	-	-	-	-	-	-	(0.5)	(0.5)
Net Income	**50.5**	**8.8**	**19.0**	**78.3**	**70.4**	**(3.1)**	**202.6**	**(142.0)**	**206.1**

Income Statement - 1H19 *(R$ million)*	Parnaíba Complex								
	Gas Generation	**Upstream**	**Elimination Adjustments**	**Total**	**Coal Generation**	**Energy Trading**	**Holding & Other**	**Elimination Adjustments**	**Total**
Gross Operating Revenues	**659.2**	**163.7**	**(163.0)**	**660.0**	**598.4**	**89.3**	**0.07**	**(53.6)**	**1,294.1**
Deductions from Gross Revenues	(66.9)	(16.3)	21.2	(62.0)	(61.7)	(8.3)	(0.01)	5.0	(127.0)
Net Operating Revenues	**592.3**	**147.4**	**(141.8)**	**598.0**	**536.8**	**81.0**	**0.06**	**(48.6)**	**1,167.2**
Operating Costs	**(310.9)**	**(59.7)**	**140.5**	**(230.1)**	**(361.7)**	**(80.7)**	**(0.11)**	**48.6**	**(624.0)**
Depreciation & amortization	(58.8)	(23.6)	3.6	(78.8)	(93.1)	-	-	-	(171.9)
Operating Expenses	**(10.3)**	**(68.2)**	**-**	**(78.5)**	**(11.1)**	**(2.1)**	**(61.2)**	**(12.6)**	**(165.6)**
Depreciation & amortization	0.3	(12.1)	-	(11.8)	(0.7)	(0.0)	(15.8)	(12.7)	(41.0)
EBITDA (w/o PCLD and Dry Wells)	**329.7**	**81.7**	**(4.9)**	**406.5**	**257.7**	**(1.8)**	**(45.4)**	**0.0**	**617.0**
Non-recurring items	-	-	-	-	-	-	4.5	-	4.5
Adjusted EBITDA	**329.7**	**81.7**	**(4.9)**	**406.5**	**257.7**	**(1.8)**	**(40.9)**	**0.0**	**621.5**
Other revenues/expenses	(1.4)	30.9	-	29.5	(8.7)	(0.0)	(16.2)	8.8	13.4
Net Financial Result	(87.1)	7.6	1.3	(78.2)	(87.4)	17.8	(47.4)	-	(195.2)
Equity Income	-	-	-	-	-	-	224.8	(224.6)	0.2
EBT	**182.7**	**58.0**	**0.0**	**240.7**	**67.8**	**16.0**	**99.9**	**(228.4)**	**196.0**
Current Taxes	(15.0)	-	-	(15.0)	(2.0)	-	-	-	(17.0)
Deferred Taxes	(21.1)	-	-	(21.1)	(17.5)	-	4.6	-	(34.0)
Minority Interest	-	-	-	-	-	-	-	(0.5)	(0.5)
Net Income	**146.5**	**58.0**	**0.0**	**204.6**	**48.4**	**16.0**	**104.5**	**(227.9)**	**145.6**

Income Statement - 1H18 - Pro-forma basis *(R$ million)*	Parnaíba Complex								
	Gas Generation	Upstream	Elimination Adjustments	Total	Coal Generation	Energy Trading	Holding & Other	Elimination Adjustments	Total
Gross Operating Revenues	**855.9**	**281.2**	**(280.2)**	**856.9**	**691.3**	**235.8**	**0.12**	**(185.9)**	**1,598.3**
Deductions from Gross Revenues	(95.6)	(34.3)	47.9	(82.0)	(73.0)	(22.0)	(0.01)	17.2	(159.8)
Net Operating Revenues	**760.3**	**246.9**	**(232.3)**	**774.9**	**618.3**	**213.9**	**0.11**	**(168.7)**	**1,438.4**
Operating Costs	**(510.8)**	**(103.5)**	**232.3**	**(382.0)**	**(427.9)**	**(215.3)**	**(0.05)**	**168.7**	**(856.6)**
Depreciation & amortization	(57.6)	(44.8)	-	(102.4)	(92.8)	-	-	-	(195.2)
Operating Expenses	**(13.6)**	**(66.2)**	**-**	**(79.8)**	**(13.2)**	**(1.5)**	**(45.4)**	**(13.5)**	**(153.4)**
Depreciation & amortization	(1.1)	(8.7)	-	(9.8)	(0.4)	(0.0)	(1.8)	(13.5)	(25.5)
EBITDA (w/o PCLD and Dry Wells)	**294.6**	**135.7**	**0.0**	**430.3**	**270.3**	**(2.9)**	**(43.6)**	**-**	**654.0**
Non-recurring items	-	(2.7)	-	(2.7)	(52.5)	-	12.4	-	(42.8)
Adjusted EBITDA	**294.6**	**133.0**	**0.0**	**427.6**	**217.8**	**(2.9)**	**(31.2)**	**-**	**611.2**
Other revenues/expenses	(19.9)	(0.5)	19.0	(1.5)	2.0	0.0	182.3	11.8	194.7
Net Financial Result	(78.0)	(45.4)	0.0	(123.3)	(100.9)	(5.3)	(31.5)	-	(261.1)
Equity Income	-	-	-	-	-	-	189.2	(193.9)	(4.7)
EBT	**138.0**	**31.4**	**19.0**	**188.3**	**78.2**	**(8.2)**	**294.7**	**(195.5)**	**357.4**
Current Taxes	(16.6)	(3.6)	-	(20.3)	(4.1)	-	(0.1)	-	(24.4)
Deferred Taxes	(18.6)	(5.2)	-	(23.8)	(3.6)	-	(65.3)	-	(92.7)
Minority Interest	-	-	-	-	-	-	-	(0.8)	(0.8)
Net Income	**102.7**	**22.6**	**19.0**	**144.2**	**70.5**	**(8.2)**	**229.4**	**(194.7)**	**241.1**