



Quarterly Information

Alupar Investimento S.A.

September 30, 2019

Alupar Investimento S.A.

Interim financial information

Summary

Comments on Alupar's performance	01
Independent Auditor's Review Report on Interim financial information	11
Balance Sheets	15
Statements of Profit and Loss	17
Statements of Comprehensive Income	18
Statements of Changes in Equity	19
Statements of Cash Flows.....	20
Statements of Value Added	21
Notes to the Interim financial information.....	22

Analysis of Consolidated Result

Net Operating Revenue - IFRS

Alupar and its subsidiaries recorded Net Revenue of R\$ 1,259.0 million in 3Q19, compared to R\$ 600.8 million in 3Q18.

Net Revenue (R\$ MM)							
	2Q19	3Q19	3Q18	Var.%	9M19	9M18	Var.%
Energy Transmission Revenue	169.6	61.0	47.3	29.1%	401.0	137.4	191.9%
Infrastructure Revenue	609.5	1,012.4	113.1	795.3%	2,323.1	197.2	1078.2%
Remuneration of Concession Assets	(2.3)	139.0	311.1	(55.3%)	270.2	816.6	-66.9%
Energy Supply	139.6	164.8	167.7	(1.7%)	535.0	436.6	22.5%
Gross Revenue - IFRS	916.3	1,377.3	639.2	115.5%	3,529.4	1,587.8	122.3%
Deductions	98.5	118.2	38.4	207.9%	306.7	108.0	184.0%
Net Revenue - IFRS	817.9	1,259.0	600.8	109.6%	3,222.7	1,479.8	117.8%

The R\$ 658.3 million growth in **Net Revenue** is mainly explained by:

(a) R\$ 899.3 million increase in **Infrastructure Revenue**, which totaled R\$ 1,012.4 million this quarter, compared to the R\$ 113.1 million recorded in 3Q18. This change is due to: (i) an increase of R\$ 478.5 million, as a result of investments made in transmission companies under implementation in Brazil (ELTE, ETAP, ETC, TPE, TCC, ESTE, EDTE and TSM) and; (ii) growth of R\$ 420.6 million in transmission projects under implementation in Brazil, considering the ETAP and ETC transmitters, which began operating in April/19 and Sep/19, respectively, due to the application of the CPC 47 (IFRS 15) - Revenue from Contracts with Customers, effective as of January 1, 2018;

(b) R\$ 13.8 million increase in **Energy Transmission Revenue**, which totaled R\$ 61.0 million in 3Q19, against R\$ 47.3 million in 3Q18, broken down as follows: (i) growth of R\$ 2.3 million in the ETAP transmitter, resulting from the start of its operations in Apr/19; (ii) increase of R\$ 0.2 million in the ETC transmitter, also arising from its start of operations Sep/19 and; (iii) increase of R\$ 4.7 million in the AETE transmitter, reflecting the beginning of its accountin (result of the interest acquired in the Eletrobras auction No. 01/2018, held in Sep/18);

(c) a reduction of R\$ 172.1 million in **Revenue from Concession Asset Remuneration**, exclusively due to the amortization of concession assets of the transmitters in operation;

(d) a reduction of R\$ 2.9 million in **Energy Supply Revenue**, driven by the: (a) decrease of R\$ 20.7 million in **combined revenues from the generation segment**, basically due to: (i) reduction of R\$ 13.3 million in Ferreira Gomes HPP, due to : (i.i) result of the R\$ 17.7 million drop in the CCEE account, which totaled R\$ 4.8 million (10.8 MW at the average price of R\$ 202.45/MWh) this quarter, compared to R\$ 22.5 million (20.6 MW at the average price of R\$ 494.95/MWh) in 3Q18 and; (i.ii) increase of R\$ 2.3 million (4.9 Average MW at the average price of R\$ 216.39); (ii) reduction of R\$ 8.3 million in gross revenues from Verde 8 SHPP, given that in this quarter revenues totaled R\$ 9.7 million (18.0 MW at the average price of R\$ 242.53/MWh), while in 3Q18 revenues totaled R\$ 18.0 million, of which: (ii.i) R\$ 7.2 million in the CCEE account (settlement of 6.6 MW at the average price of R\$ 494.65/MWh) and (ii.ii) R\$ 10.8 million related to the sale of 10.9 MW in the free market, of which: (ii.ii.a) R\$ 8.4 million referring to a SWAP operation (7.9 MW at the average price of R\$ 479.81/MWh) and; (ii.ii.b) R\$ 2.4 million referring to intercompany operations (3.0 MW at the average price of R\$ 368.39/MWh); (iii) reduction of R\$ 2.2 million in the Morro Azul SHPP because of unfavorable hydrology and; (iv) adjustment of energy sales contracts, which are indexed for inflation (IPCA/IGP-M); (b) increase of R\$ 14.1 million in **revenues from the trading company**, which registered R\$ 42.2 million in this quarter, compared to R\$ 28.1 million in 3Q18 and; (c) reduction of R\$ 3.7 million in **eliminations** related to intercompany operations.

(e) an increase of R\$ 79.8 million in **deductions**, exclusively due to the R\$ 72.9 million increase in deferred tax and charges deductions, as a result of the increase in infrastructure revenues, reflecting investments made in transmission projects.

Operating Costs - IFRS

In 3Q19, Cost of Services totaled R\$ 657.7 million, compared to R\$ 146.4 million in 3Q18.

This change is due to:

(a) R\$ 478.3 million increase in **Infrastructure Costs**, resulting from the R\$ 478.5 million increase in transmitters under implementation in Brazil (ELTE, ETAP, ETC, TPE, TCC, ESTE, EDTE and TSM). For more information on the changes in Infrastructure Costs (CAPEX), please see the "Investments" section below;

(b) increase of R\$ 24.6 million in **Energy Purchased for Resale**, driven by the: (i) reduction of R\$ 3.5 million in the **combined cost of the generators**, as follows: (ii) decrease of R\$ 6.6 million in Verde 08 SHPP, given that in 3Q18 a purchase of 7.9 MW of conventional energy was recorded, totaling R\$ 8.1 million due to a SWAP operation (on the other hand, was recorded a sale of the same amount of incentive energy, totaling R\$ 8.4 million), an operation that did not occur this quarter; (i.ii) increase of R\$ 1.7 million in Ferreira Gomes HPP and R\$ 1.1 million in Foz do Rio Claro HPP, due to adjustments in the CCEE account and; (ii) increase of R\$ 24.4 million within the scope of the **trading company** and reduction of R\$ 3.7 million in **eliminations**;

(c) increase of R\$ 6.9 million in **Costs of Services Rendered**, mostly driven by: (i) increase of R\$ 4.1 million in the AETE transmitter, reflecting the beginning of its accounting (interest acquired in the Eletrobras auction no. 01/2018, held in Sep/18); (ii) increase of R\$ 0.6 million in the ETAP transmitter, due to the start of its commercial operation (Apr/19) and; (iii) increase of R\$ 2.1 million in Energia dos Ventos wind farm complex, due to the start of operations (Dec/18);

(d) growth of R\$ 0.3 million in the **Electric Grid Charges - CUST**, mainly due to the R\$ 0.2 million increase in the Ferreira Gomes HPP, as a result of the TUST readjustment for the 2019-2020 cycle (Aneel's Ratifying Resolution No. 2,562 of June 25, 2019), and;

(e) R\$ 1.1 million increase in the **Depreciation/Amortization** account, basically due to the R\$ 0.9 million increase in the Ferreira Gomes HPP, resulting from the reclassification of assets that were accounted for as fixed assets in progress and have been reclassified to fixed assets in use and the consequent retroactive recognition of their respective depreciation; (ii) increase of R\$ 0.6 million in Energia dos Ventos wind farm complex, as a result of the start of its operations (Dec/2018) and (iii) R\$ 0.3 million reduction in SHPP Verde 8, given that in 3Q18 the accumulated depreciation of the asset since its startup was recognized (May/18).

Operating Costs R\$ (MM)							
Operating Costs	2Q19	3Q19	3Q18	Var.%	9M19	9M18	Var.%
Cost of Services Rendered	34.4	39.8	32.9	20.8%	107.9	119.2	(9.4%)
Energy Purchased for Resale	29.2	35.3	10.6	231.3%	188.3	53.8	249.7%
Charges of Electric Grid - CUST	7.5	7.9	7.5	4.6%	22.6	21.7	4.1%
Hydro Resources - CFURH	3.5	2.3	2.3	2.7%	9.3	8.6	7.6%
Infrastructure Cost	247.3	546.3	68.0	-	968.3	120.5	-
Depreciation / Amortization	25.4	26.1	25.0	4.5%	77.0	71.3	8.0%
Total	347.4	657.7	146.4	349.4%	1,373.5	395.2	247.6%

Operating Expenses - IFRS

In 3Q19, Operating Expenses totaled R\$ 8.1 million, compared to R\$ 10.3 million in 3Q18.

The reduction of R\$ 2.2 million or 21.2% in this account is due to:

(a) increase of R\$ 5.9 million in the **General and Administrative** account, as follows:

(a.i) Transmission Segment: (i) increase of R\$ 1.7 million in the AETE transmitter, due to the beginning of the accounting of the asset; (ii) an increase of R\$ 0.2 million in the ETVG transmitter, given that in 3Q18, this account recorded a positive amount of R\$ 0.1 million arising from the reimbursement related to the infrastructure adjustment (CCI) and; (iii) increase of R\$ 0.4 million in EATE, reflecting expenses with accounting and legal consultancy and external audit;

(a.ii) Generation Segment: increase of R\$ 2.4 million in La Virgen HPP, due to expenses with legal advice and;

(a.iii) Alupar - Holding: growth of R\$ 1.1 million, due to expenses with legal advice related to the payment of a "Success FEE" in lawsuits in which the Company was successful.

(b) increase of R\$ 2.0 million in the **Personnel and Management** account, which totaled R\$ 14.0 million this quarter compared to the R\$ 12.0 million recorded in 3Q18, as follows:

(a) Transmission Segment: (i) growth of R\$ 0.6 million in the AETE transmitter, due to the beginning of its accounting (Stake acquired in the Eletrobras auction nº 01/2018) and; (ii) increase of R\$ 0.8 million in the ENTE transmitter, given that in this quarter there was the payment related to employment terminations, in addition to the supplementary provision for the profit sharing distribution;

(b) Alupar - Holding: increase of R\$ 0.5 million due to: (i) payment related to employment terminations and; (ii) implementation of the internal audit department.

(c) increase of R\$ 11.2 million in the **Equity Pickup** account, which totaled R\$ 21.9 million this quarter compared to the R\$ 10.6 million recorded in 3Q18. The main change in this account is due to the increase in the result of the ETB transmitter, which amounted to R\$ 37.6 million this quarter against R\$ 1.9 million in 3Q18, reflecting investments made to implement the asset.

(d) increase of R\$ 1.2 million in **Others**, which totaled R\$ 0.6 million in 3Q19 compared to a positive R\$ (0.7) million in 3Q18, basically due to the raise of R\$ 1.4 million registered in Alupar - Holding, which recorded an expense of R\$ 1.0 million this quarter related to provisions for labor contingencies, compared to a positive R\$ 0.3 million in 3Q18, mainly due to the recognition of R\$ 1.0 million in the "Other Revenue" account, resulting from the recording of the gain obtained from the sale of Verde 8 SHPP shares.

Operating Expenses R\$ (MM)							
Operating Expenses	2Q19	3Q19	3Q18	Var.%	9M19	9M18	Var.%
General and Administrative	11.5	14.1	8.2	71.8%	34.3	22.2	54.4%
Personnel and Management	18.4	14.0	12.0	17.1%	43.9	40.9	7.5%
Equity Pickup	29.3	(21.9)	(10.6)	105.4%	(44.8)	(26.4)	70.0%
Others	(0.7)	0.6	(0.7)	-	-	(6.0)	-
Depreciation / Amortization	1.3	1.3	1.4	(11.5%)	3.8	4.2	(8.6%)
Total	59.8	8.1	10.3	(21.2%)	37.3	34.8	6.9%

EBITDA - IFRS

In 3Q19, EBITDA totaled R\$ 620.6 million, compared to R\$ 470.5 million in 3Q18.

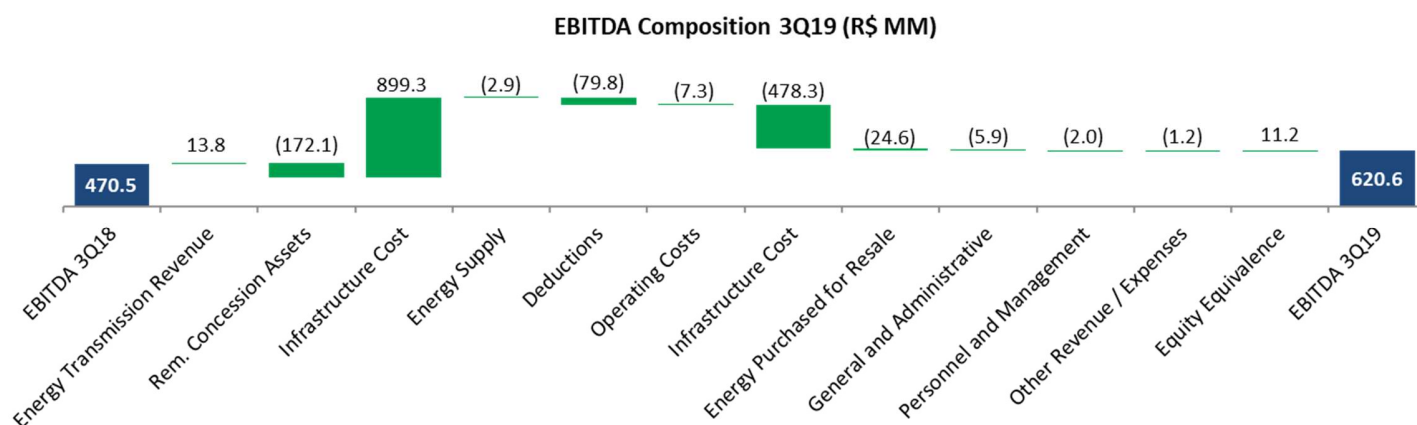
Adjusted EBITDA Margin reached 87.1%, compared to 88.3% in 3Q18.

The change in EBITDA is due to the: (a) increase of R\$ 658.3 million in **Net Revenue**, resulting from: (i) growth of R\$ 741.0 million in **Revenue from the Energy Transmission Segment**, mainly driven by the increase of R\$ 899.3 million in **Infrastructure Revenue**, reflecting investments made in the transmission companies under implementation in Brazil and the application of CPC 47 (IFRS 15) - Revenue from Contracts with Customers, effective as of January 1, 2018 and; (ii) decrease of R\$ 2.9 million in **Revenue from the Energy Generation Segment**, as detailed above in the section "Net Operating Revenue - IFRS"; (b) an increase of R\$ 79.8 million in **deductions**, exclusively due to the R\$ 72.9 million increase in deferred taxes and charges related to the increase in infrastructure revenues, as a result of investments made in transmission projects; (c) increase of R\$ 7.3 million in **Operating Costs**, of which: (i) R\$ 4.1 million in the AETE transmitter, as a result of the beginning of its accounting; (ii) increase of R\$ 0.6 million in ETAP transmitter, due to the start of its operations (Apr/19) and; (iii) an increase of R\$ 2.1 million in Energia dos Ventos wind farm complex related to the start of operations (Dec/18); (d) increase of R\$ 478.3 million in **Infrastructure Cost**, due to the investments made in the transmission companies under implementation in Brazil; (e) increase of R\$ 5.9 million in **General and Administrative** expenses, of which: R\$2.4 million in the generation segment, R\$ 2.4 million in the transmission segment and R\$ 1.1 million in Alupar – Holding. For more information, see the section "Operating Expenses - IFRS" and; (f) R\$ 11.2 million increase in **Equity Pickup**, basically due to the increase in the result of ETB transmitter, which totaled R\$ 37.6 million in this quarter compared to the R\$ 1.9 million registered in 3Q18, reflecting investments performed to implement the asset.

EBITDA - IFRS (R\$ MM)							
	2Q19	3Q19	3Q18	Var.%	9M19	9M18	Var.%
Net Revenue - IFRS	817.9	1,259.0	600.8	109.6%	3,222.7	1,479.8	117.8%
Operating Costs	(45.4)	(49.9)	(42.7)	17.0%	(139.8)	(149.5)	(6.5%)
Infrastructure Costs	(247.3)	(546.3)	(68.0)	-	(968.3)	(120.5)	-
Energy Purchase	(29.2)	(35.3)	(10.6)	231.3%	(188.3)	(53.8)	249.7%
Operating Expenses	(29.2)	(28.7)	(19.5)	47.1%	(78.3)	(57.0)	37.2%
Equity Pickup	(29.3)	21.9	10.6	105.4%	44.8	26.4	70.0%
EBITDA	437.4	620.6	470.5	31.9%	1,892.8	1,125.3	68.2%
EBITDA Margin	53.5%	49.3%	78.3%	(29.0 p.p)	58.7%	76.0%	(17.3 p.p)
Adjusted EBITDA Margin*	76.7%	87.1%	88.3%	(1.2 p.p)	84.0%	82.8%	1.2 p.p

*Subtracted from Net Revenue the Capex made (Infrastructure Cost)

Below is the EBITDA Composition:



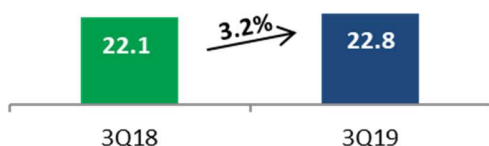
Financial Result

Totaled R\$ (71.0) million in 3Q19, against R\$ (75.3) million registered in the same period a year earlier.

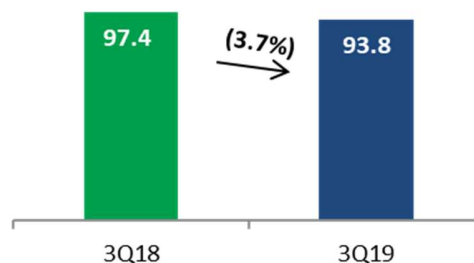
This change in the financial result is mainly explained by the R\$ 3.6 million reduction in **financial expenses**, driven by:

- (i) decrease of R\$ 7.1 million in Alupar - Holding, mainly due to the reduction of the Broad National Consumer Price Index ("IPCA"), which affects 100% of the Holding's debt, which stood at 0.26% in 3Q19, compared to 0.72% in the 3Q18;
- (ii) reduction of R\$ 2.4 million in the TCE transmitter, due to exchange rate variations;
- (iii) increase of R\$ 3.3 million in the ETAP transmitter, due to the start of its operations (Apr/19);
- (iv) reduction of R\$ 2.0 million in operating transmission companies, due to the R\$ 147.3 million decrease in the debt balance due to amortization over the last 12 months;
- (v) reduction of R\$ 6.1 million in the Ferreira Gomes HPP, due to the drop in the Broad National Consumer Price Index ("IPCA"), which affects the III Issuance of the plant's debentures, in addition to the reduction of R\$ 39.0 million in the debt balance, resulting from amortizations of the last 12 months;
- (vi) increase of R\$ 7.9 million in HPP La Virgen and R\$ 8.5 million in Alupar Inversiones Peru, basically due to the exchange variation between the periods;
- (vii) R\$ 2.0 million increase in Morro Azul SHPP, given that in 3Q18 there was a reversal of R\$ 2.0 million, due to the FEE paid for the extension of the bridge loan, which was fully launched in 2Q18 and reversed in 3Q18 to be realized over the term of the loan (7 years);
- (viii) R\$ 0.9 million increase in Verde 8 SHPP, as in 3Q18 part of the financial expenses were capitalized, as the plant was in partial operation in that quarter and;
- (ix) a reduction of R\$ 2.6 million in other plants, due to the decrease of R\$ 58.2 million in the debt balance, due to amortization over the last 12 months.

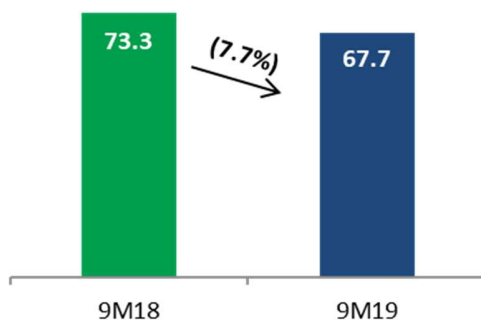
Financial Revenue (R\$ MM)



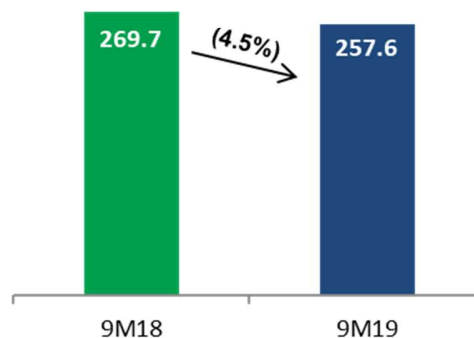
Financial Expenses (R\$ MM)



Financial Revenue (R\$ MM)



Financial Expenses (R\$ MM)



Net Income - IFRS

In 3Q19, Net Income totaled R\$ 212.5 million, compared to R\$ 169.5 million in 3Q18.

This change is a result of: (a) a R\$ 150.1 million increase in **EBITDA** and a R\$ 4.3 million decrease in **Financial Result**, as explained in the previous sections; (b) a R\$ 54.4 million growth in **Income Tax and Social Contribution**, basically due to the R\$ 53.3 million increment in deferred income tax and social contribution, being, R\$ 52.5 million in the transmission segment, related to the increase in the results of the transmission companies being implemented, as a result of the investments made and the application of CPC 47 (IFRS 15) and; (c) a growth of R\$ 56.1 million in **Minority %**, mainly due to the increase in the results of the transmission companies under implementation, reflecting investments made and the application of CPC 47 (IFRS 15).

Net Income Composition - 3Q19 (R\$ MM)



Investments

In 3Q19, total investments of R\$ 671.6 million were carried out in our companies, of which R\$ 578.7 million was allocated to the transmission segment, R\$ 74.1 million in the generation segment, and R\$ 0.2 million in the development of new businesses, against R\$ 164.3 million recorded in 3Q18, which had R\$ 74.9 million invested in the transmission segment, R\$ 87.6 million invested in the generation segment and R\$ 1.8 million in the development of new businesses.

The volume of investments in 3Q19 mainly reflects the implementation of transmission assets TPE, TCC, EDTE, TCE and TSM which together totaled R\$ 547.7 million in this quarter, against R\$ 33.0 million in 3Q18.

Investments (R\$ MM)				
	3Q19	3Q18	9M19	9M18
Transmission*	578.7	74.9	1,001.1	138.0
ELTE	1.1	0.0	3.9	0.5
ETAP	-	28.8	67.4	47.6
ETC	26.2	10.5	84.1	18.6
TCC	97.9	5.0	143.7	8.4
TPE	256.5	10.4	381.0	16.2
TCE	32.4	6.9	32.8	17.6
ESTE	3.6	2.4	6.4	5.2
TSM	11.4	4.3	23.0	8.6
EBTE	-	-	-	5.1
EDTE	149.5	6.3	258.5	9.7
Other	0.1	0.2	0.3	0.6
Generation	68.5	87.6	80.6	172.5
Energia dos Ventos	3.0	21.6	7.2	47.3
La Virgen	64.1	35.4	64.1	38.2
Verde 08	-	27.2	-	77.7
Other	1.3	3.4	9.6	9.4
Holding	0.2	1.8	1.0	3.0
Goodwill**	24.2	-	24.2	-
Total	671.6	164.3	1,107.2	313.5

* Except for TCE, the amount of the investment of the transmitters is exactly the amount accounted for as infrastructure cost.

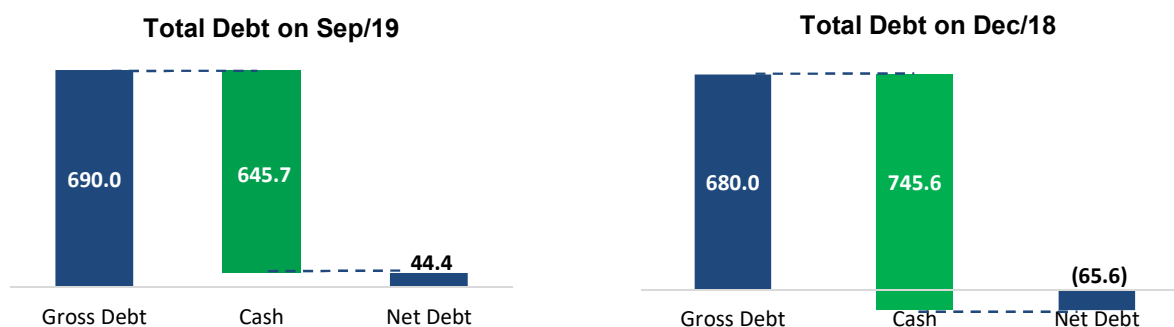
**Goodwill on APAETE's acquisition of AETE

Indebtedness

Alupar - Holding:

In 3Q19, Alupar - Holding's gross debt totaled R\$ 690.0 million, compared to R\$ 680.0 million in Dec/18. This change is explained by: (i) provision for charges totaling R\$ 34.2 million; (ii) provisions for monetary variation of R\$ 23.5 million; (iii) amortization of the principal on the fifth issue of debentures, totaling R\$ 22.5 million, and (iv) amortization of charges of R\$ 25.2 million.

Alupar - Holding's cash and cash equivalents and short-term investments totaled R\$ 645.7 million, R\$ 99.9 million lower than the R\$ 745.6 million recorded in Dec/18. This change is mainly explained by: (i) receipt of dividends from subsidiaries in the amount of R\$ 150.2 million; (ii) payment, on July 30, 2019, of the residual portion of dividends declared at the AESM, held on April 29, 2019, in the amount of R\$ 131.9 million; (iii) amortization of principal and interest on the holding company's debenture issues, which totaled R\$ 47.7 million and; (iv) funding of R\$ 57.3 million in projects under implementation/acquired, of which: R\$ 35.5 million for APAETE, R\$ 7.1 million for TSM, R\$ 6.0 million for ELTE, R\$ 2.5 million for Alupar Colombia for the implementation of the TCE transmitter and R\$ 6.1 million for Windepar.



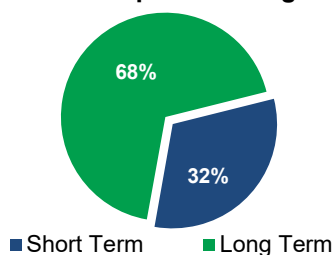
The gross debt of Alupar - Holding consists of 100% debenture issues, all indexed by the IPCA and with a very long profile, with approximately 20% of maturities after 2024.

Short-term debt totaled R\$ 218.9 million, compared to the R\$ 27.5 million recorded in Dec/18, mainly due to the maturity of the 1st installment of the sixth issue of debentures, equivalent to 50% (R\$125 million) of the total issue amount, to mature on April 15, 2020.

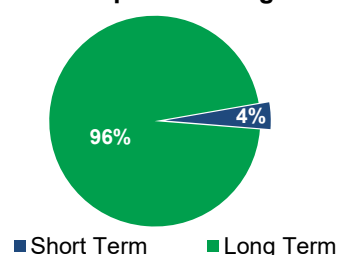
For more information on Alupar - Holding's debt, please see Explanatory Notes 20 "Loans and Financing" and 21 "Debentures" in the 3Q19 financial statements.

Alupar - Holding's debt profile is shown below:

Debt Profile Alupar - Holding Sep/19



Debt Profile Alupar - Holding Dec/18

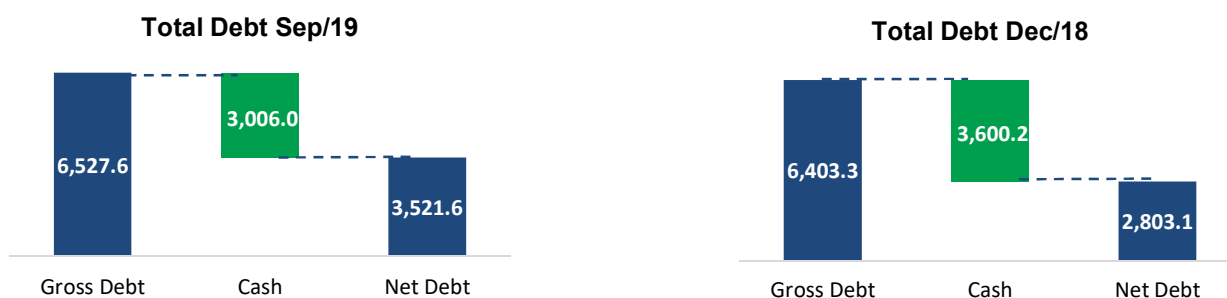


Consolidated:

Consolidated gross debt of Alupar and its subsidiaries totaled R\$ 6,527.6 million in 3Q19, compared to R\$ 6,403.3 million in Dec/18. This change is mainly explained by: (i) provisions for charges and monetary variations on Alupar - Holding's debts, of **R\$ 57.7 million**; (ii) amortization of principal and charges of the Holding's issues, which totaled **R\$ 47.7 million**; (iii) amortization of principal of the subsidiaries' debts, in the amount of **R\$ 538.0 million**; (iv) payment of debt charges of subsidiaries, totaling **R\$ 286.8 million**; (v) provisions for charges and monetary variations of subsidiaries, totaling **R\$ 377.2 million**; (vi) losses from the devaluation of the BRL against the USD on debts of La Virgen HPP and Morro Azul SHPP, impact of **R\$ 43.3 million**; (vii) release of the 2nd tranche for Alupar Peru of the financing raised with Santander for the implementation of La Virgen HPP, in the amount of **R\$ 71.0 million**; (viii) release of the 3rd tranche of the financing with Banco Santander for the implementation of TCE transmitter, totaling **R\$ 77.8 million**; (ix) new fundings at the operating transmitters, totaling **R\$ 369.0 million**, of which: (ix.i) R\$ 269.3 million from EATE transmitter; (ix.ii) R\$ 49.8 million in the transmitter ECTE and; (ix.iii) R\$ 50.0 million in the ENTE transmitter.

Cash and cash equivalents and short-term investments totaled R\$ 3,006.0 million in 3Q19, compared to R\$ 3,600.2 million in Dec/18. This change of R\$ 594.2 million in cash is mainly due to the reduction of R\$ 710.6 million in cash from projects under implementation, reflecting the investments made. The main variations were in the following transmitters: EDTE (R\$ 195.8 million); TPE (R\$ 323.6 million) and TCC (R\$ 131.4 million).

Net debt in 3Q19 totaled R\$ 3,521.6 million, compared to R\$ 2,803.1 million in Dec/18.



In 3Q19, short-term debt totaled R\$ 798.8 million (12% of total debt), compared to R\$ 706.1 million in Dec/18, mainly due to the increase of R\$ 191.5 million in Alupar – Holding's debt, as previously detailed.

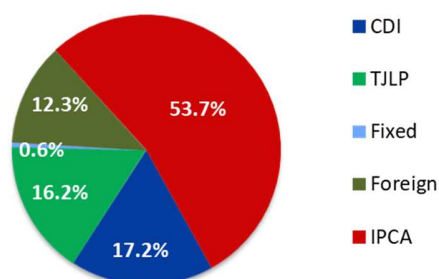
Of the 12% of short-term debt, 2.8% or R\$ 22.3 million refers to bridge loans, with maturity until September/2020.

Of the consolidated gross debt, R\$ 690.0 million refers to Alupar - Holding, as detailed above, another R\$ 3,099.9 million is allocated in operation companies, which have payment flow compatible with their respective cash generations and, finally, R\$ 2,737.7 million refers to projects under implementation, of which R\$ 543.0 million is allocated to Alupar Peru/La Virgen for the implementation of La Virgen HPP; R\$ 679.2 million for the implementation of the TCC transmitter; R\$ 1,068.9 million for the implementation of the TPE transmitter; R\$ 318.3 million for the implementation of EDTE transmitter, and; R\$ 128.2 million for the implementation of the TCE transmitter (Colombia).

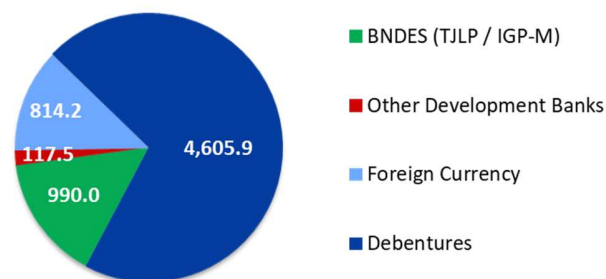
In 3Q19, debenture issues corresponded to R\$ 4,605.9 million or 71% of total debt. The debentures issued by: (i) Alupar - Holding represent a balance of R\$ 690.0 million; (ii) the operating subsidiaries (EATE, ECTE, ENTE, ETEP, EBTE, ETES, ETVG, STN, ETAP, ETC, Ferreira Gomes, Transirapé, Transleste, Transudeste, EDVs - Windepar and Verde 8) totaled R\$ 1,849.4 million and; (iii) the projects under implementation recorded a balance of R\$ 2,066.4 million.

Foreign currency debt totaled R\$ 814.2 million or 12.5% of total debt, and is allocated to generation and transmission projects in Peru and Colombia.

Gross Debt by Index (%)

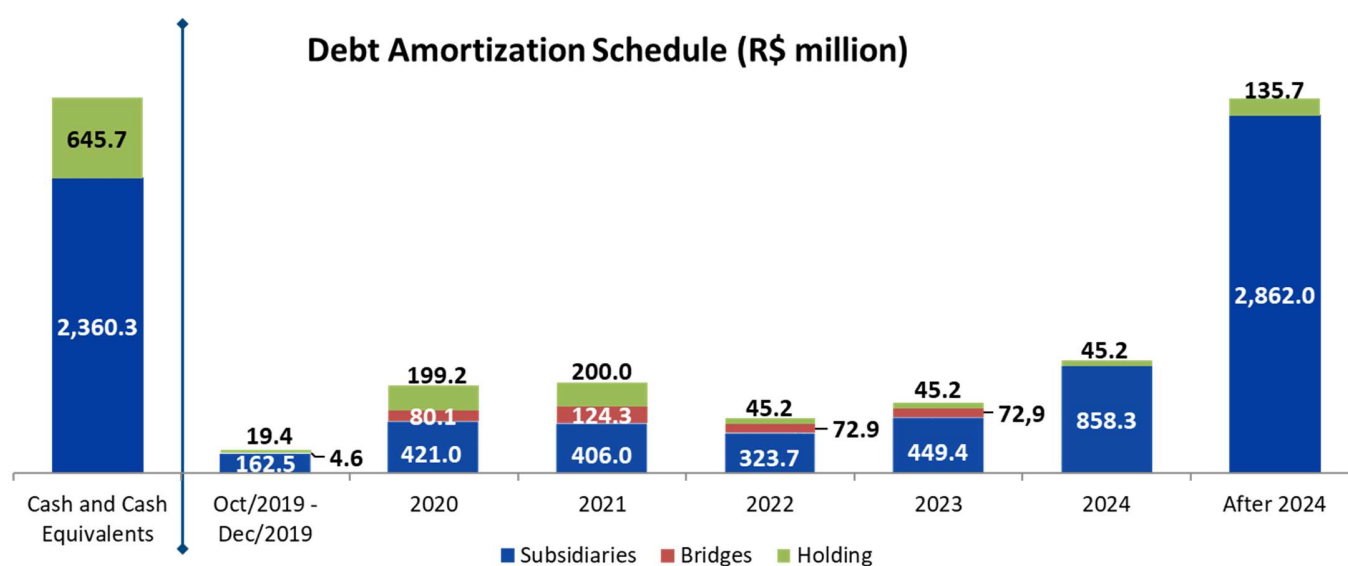


Total Debt Composition (in millions of R\$)



Alupar's consolidated debt profile is quite lengthy, consistent with the Company's low risk business nature, high predictability of revenues and strong operating cash generation from the transmission and generation of electric power segments.

Debt Amortization Schedule (R\$ million)



BRIDGES (MM)	Oct/2019 / Dec/2019	2020	2021	2022	2023
La Virgen / Alupar Inversiones	R\$ 3.5	R\$ 77.3	-	R\$ 72.9	R\$ 72.9
TCE (Colombia)	R\$ 1.1	R\$ 2.8	R\$ 124.3	-	-
TOTAL	R\$ 4.6	R\$ 80.1	R\$ 124.3	R\$ 72.9	R\$ 72.9

FitchRatings

✓ Corporate (national scale) **AAA**

✓ International Scale **BB**

A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and Accounting Pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and specific CVM rules.

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

The Shareholders, Board of Directors and Officers

Alupar Investimento S.A.

São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Alupar Investimento S.A. (the "Company"), for the quarter ended September 30, 2019, comprising the statement of financial position as of September 30, 2019 and the related statements of profit or loss and of comprehensive income for the three and nine-month periods then ended, and of changes in equity and of cash flows for the nine-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 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).

Other matters

Statement of financial position and interim financial information for 2018

The individual and consolidated statements of financial position as at December 31, 2018, presented for comparative purposes, were audited by other independent auditors, who issued an unmodified opinion on March 29, 2019.

The statements of profit or loss and of comprehensive income for the three and nine-months periods ended September 30, 2019 and of changes in equity, of cash flows and of value added for the nine-month period ended September 30, 2018, presented for comparative purposes, were previously reviewed by other independent auditors who issued an unmodified review report on the interim financial information on July 12, 2019.

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the nine-month period ended September 30, 2019, 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.

São Paulo, November 13, 2019.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Original in Portuguese signed by
Rita de C. S. Freitas
Accountant CRC 1SP214160/O-5

Alupar Investimento S.A.

Balance Sheets

As at September 30, 2019 and December 31, 2018

(All amounts in thousands of reais)

	Note	Company		Consolidated	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018
Assets					
Current assets		895,895	984,044	4,396,858	4,986,366
Cash and cash equivalents	5	169,320	231,878	2,438,266	2,975,423
Short-term investments	6	476,346	513,756	476,346	513,756
Marketable securities	7	-	-	2,380	105,979
Trade receivables	8	45,938	48,972	306,800	324,347
Dividends receivable	30	94,345	79,734	17,387	17,387
Income tax and social contribution to be offset	9	35,442	37,790	85,950	61,770
Other taxes to be offset	9	1,535	-	33,690	16,887
Inventories		-	-	3,389	1,144
Prepaid expenses		53	38	9,398	7,030
Contractual concession asset	10	-	-	911,664	906,633
Other receivables		72,916	71,876	111,588	56,010
Non-current assets		4,916,682	4,227,467	12,025,754	9,620,214
Long-term receivables		188,459	173,684	7,100,802	4,760,706
Trade receivables	8	-	-	12,153	12,130
Marketable securities	7	-	-	88,996	4,992
Income tax and social contribution to be offset	9	-	-	27,359	29,398
Other taxes to be offset	9	-	-	2,774	2,774
Deferred income tax and social contribution	29	-	-	16,620	10,063
Inventories		-	-	26,086	25,213
Prepaid expenses		-	-	10,775	13,979
Collaterals and escrow deposits	22	3,143	2,965	26,636	23,933
Contractual concession asset	10	-	-	6,872,957	4,624,825
Advance for future capital increase	30	184,621	170,023	-	-
Other receivables		695	696	16,446	13,399
Investments in subsidiaries	11	4,251,875	3,622,294	-	-
Investments in joint ventures	11	388,074	343,228	388,074	419,989
Investment properties		7,826	7,826	7,826	7,826
Property, plant and equipment	13	427	1,004	4,350,522	4,283,482
Intangible assets	14	80,021	79,431	178,530	148,211
Total assets		5,812,577	5,211,511	16,422,612	14,606,580

The accompanying notes are an integral part of this interim financial information.

Balance Sheets

As at September 30, 2019 and December 31, 2018

(All amounts in thousands of reais)

Note	Company		Consolidated		
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	
Liabilities					
Current liabilities		266,515	221,389	1,578,312	1,528,902
Loans and financing	20	-	-	266,649	197,184
Debentures	21	218,932	27,463	532,187	508,893
Trade payables	15	42,713	53,986	383,830	293,192
Payroll, vacations and related charges		3,695	3,396	21,366	20,633
Income tax and social contribution		-	-	59,682	52,372
Regulatory charges	18	-	-	60,309	55,688
Other taxes payable		1,149	4,653	61,499	44,552
Diferred social contribution and regulatory charges	19	-	-	53,254	71,091
Dividends payable	30	1	131,868	26,893	158,192
Advances from customers		-	-	-	1,110
Provision for environmental costs	16	-	-	22,867	23,400
Provision for asset recognition	17	-	-	51,549	79,341
Provision for contingencies	22	-	-	6	1,071
Other payables		25	23	38,221	22,183
Non-current liabilities		481,831	662,074	7,346,123	6,815,969
Loans and financing	20	-	-	1,655,008	1,663,297
Debentures	21	471,107	652,527	4,073,723	4,033,896
Income tax and social contribution		-	-	1,485	1,485
Deferred income tax and social contribution	29	-	-	987,057	684,758
Deferred social contribution and regulatory charges	19	-	-	581,134	385,176
Provision for environmental costs	16	-	-	734	734
Provision for asset recognition	17	-	-	6,677	6,678
Provision for contingencies	22	6,980	4,936	14,739	10,057
Other payables		-	-	25,566	29,888
Provision for equity deficiency	11	3,744	4,611	-	-
Equity	23	5,064,231	4,328,048	7,498,177	6,261,709
Subscribed and paid-in capital		2,981,996	2,981,996	2,981,996	2,981,996
(-) Share issuance costs		(65,225)	(65,225)	(65,225)	(65,225)
Capital reserve		43,093	43,695	43,093	43,695
Earnings reserves		1,343,354	1,343,354	1,343,354	1,343,354
Retained earnings		723,961	-	723,961	-
Other comprehensive income		37,052	24,228	37,052	24,228
Non-controlling interest	12	-	-	2,433,946	1,933,661
Total liabilities and equity		5,812,577	5,211,511	16,422,612	14,606,580

The accompanying notes are an integral part of this interim financial information.

Statements of Profit and Loss
Three- and Nine-month Periods Ended September 30, 2019 and 2018
(All amounts in thousands of reais, except earnings per share)

	Note	Company				Consolidated			
		Quarter ended		Period ended		Quarter ended		Period ended	
		9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Net operating revenue	25	38,385	25,507	159,886	56,513	1,259,026	600,768	3,222,687	1,479,794
Power purchased for resale	26	(44,199)	(19,776)	(168,599)	(56,351)	(35,268)	(10,646)	(188,308)	(53,845)
Power grid charges (CUST)		-	-	-	-	(7,851)	(7,509)	(22,578)	(21,692)
Financial Compensation for the Use of Water Resources (CFURH)		-	-	-	-	(2,326)	(2,264)	(9,306)	(8,647)
Services provided	27	(404)	(176)	(791)	(530)	(39,770)	(32,910)	(107,902)	(119,160)
Infrastructure cost	27	-	-	-	-	(546,338)	(68,028)	(968,328)	(120,465)
Depreciation and amortization		-	-	-	-	(26,119)	(25,000)	(77,042)	(71,344)
Cost of services		(44,603)	(19,952)	(169,390)	(56,881)	(657,672)	(146,357)	(1,373,464)	(395,153)
Gross profit (loss)		(6,218)	5,555	(9,504)	(368)	601,354	454,411	1,849,223	1,084,641
Operating revenues (expenses)									
General and administrative expenses	27	(7,210)	(5,588)	(25,433)	(21,499)	(29,427)	(21,631)	(82,054)	(67,256)
Other revenues		-	988	-	6,585	535	2,088	1,994	7,798
Other expenses	27	(1,024)	(654)	(1,961)	(866)	(1,091)	(1,411)	(2,041)	(1,760)
Share of profit (loss) of subsidiaries	11	232,054	180,023	785,230	386,415	21,867	10,648	44,846	26,379
		223,820	174,769	757,836	370,635	(8,116)	(10,306)	(37,255)	(34,839)
Income before finance income (costs) and taxes		217,602	180,324	748,332	370,267	593,238	444,105	1,811,968	1,049,802
Finance costs		(15,682)	(22,753)	(58,264)	(61,126)	(93,803)	(97,416)	(257,585)	(269,654)
Finance income		10,625	11,941	33,893	46,737	22,832	22,115	67,660	73,308
Finance income (costs)	28	(5,057)	(10,812)	(24,371)	(14,389)	(70,971)	(75,301)	(189,925)	(196,346)
Income before taxation		212,545	169,512	723,961	355,878	522,267	368,804	1,622,043	853,456
Current income tax and social contribution		-	-	-	-	(27,386)	(26,355)	(73,366)	(81,440)
Deferred income tax and social contribution		-	-	-	-	(93,637)	(40,299)	(255,640)	(87,608)
Taxes on income	29	-	-	-	-	(121,023)	(66,654)	(329,006)	(169,048)
Net profit for the period		212,545	169,512	723,961	355,878	401,244	302,150	1,293,037	684,408
Attributed to controlling shareholders						212,545	169,512	723,961	355,878
Attributed to non-controlling interest	12					188,699	132,638	569,076	328,530
Basic and diluted earnings per common share	24					0.24177	0.19282	0.82351	0.40482
Basic and diluted earnings per preferred shares	24					0.24177	0.19282	0.82351	0.40482

The accompanying notes are an integral part of this interim financial information.

Statements of Comprehensive Income
Three- and Nine-month Periods Ended September 30, 2019 and 2018
(All amounts in thousands of reais)

Note	Company				Consolidated				
	Quarter ended		Period ended		Quarter ended		Period ended		
	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018	
Net profit for the period	212,545	169,512	723,961	355,878	401,244	302,150	1,293,037	684,408	
Other comprehensive income to be reclassified to profit or loss for the year in subsequent periods - accumulated conversion adjustments	23	10,597	558	12,824	28,980	10,597	558	12,824	28,980
Total comprehensive income for the period	223,142	170,070	736,785	384,858	411,841	302,708	1,305,861	713,388	
Attributed to controlling shareholders					223,142	170,070	736,785	384,858	
Attributed to non-controlling interest					188,699	132,638	569,076	328,530	

The accompanying notes are an integral part of this interim financial information.

Alupar Investimento S.A.

Statements of Changes in Equity
Periods Ended September 30, 2019 and 2018
(All amounts in thousands of reais)

Period ended September 30, 2018										
Description	Capital	(-) Share issuance costs	Capital reserve	Earnings reserves		Retained earnings	Other comprehensive income (loss)	Total Company	Non-controlling interest	Total Consolidated
				Legal reserve	Investment reserve					
Balances as at January 1, 2018	2,981,996	(65,225)	48,953	118,834	788,916	-	10,456	3,883,930	1,722,867	5,606,797
<u>Comprehensive income (loss)</u>										
Prior-year adjustments as at January 1, 2018 - adoption of CPC 47	-	-	-	-	233,468	-	-	233,468	75,966	309,434
Net profit for the period	-	-	-	-	-	355,878	-	355,878	328,530	684,408
Cumulative conversion adjustments for the period	-	-	-	-	-	-	28,980	28,980	-	28,980
<u>Capital transaction with partners</u>										
Capital increase	-	-	-	-	-	-	-	-	41,013	41,013
Dividends	-	-	-	-	-	-	-	-	(214,513)	(214,513)
Reinvestment reserve	-	-	(38)	-	-	-	-	(38)	(764)	(802)
Acquisition of non-controlling interest	-	-	(5,220)	-	-	-	-	(5,220)	16,128	10,908
Variation in non-controlling interest	-	-	-	-	-	-	-	-	7,986	7,986
Balances as at September 30, 2018	2,981,996	(65,225)	43,695	118,834	1,022,384	355,878	39,436	4,496,998	1,977,213	6,474,211

Period ended September 30, 2019										
Description	Capital	(-) Share issuance costs	Capital reserve	Earnings reserves		Retained earnings	Other comprehensive income (loss)	Total Company	Non-controlling interest	Total Consolidated
				Legal reserve	Investment reserve					
Balances as at January 1, 2019	2,981,996	(65,225)	43,695	138,172	1,205,182	-	24,228	4,328,048	1,933,661	6,261,709
<u>Comprehensive income (loss)</u>										
Net profit for the period	-	-	-	-	-	723,961	-	723,961	569,076	1,293,037
Accumulated conversion adjustments for the period	-	-	-	-	-	-	12,824	12,824	-	12,824
<u>Capital transaction with partners</u>										
Capital increase	-	-	-	-	-	-	-	-	110,486	110,486
Loss on capital transaction	-	-	(602)	-	-	-	-	(602)	(1,754)	(2,356)
Dividends	-	-	-	-	-	-	-	-	(126,238)	(126,238)
Variation in non-controlling interest (note 12)	-	-	-	-	-	-	-	-	(51,285)	(51,285)
Balances as at September 30, 2018	2,981,996	(65,225)	43,093	138,172	1,205,182	723,961	37,052	5,064,231	2,433,946	7,498,177

The accompanying notes are an integral part of this interim financial information.

Alupar Investimento S.A.

Statements of Cash Flows

Periods Ended September 30, 2019 and 2018

(All amounts in thousands of reais)

	Company		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Cash flow from operating activities				
Income before taxation	723,961	355,878	1,622,043	853,456
Adjustments to profit to:				
Depreciation and amortization	931	914	80,858	75,516
Share of profit (loss) of subsidiaries	(785,230)	(386,415)	(44,846)	(26,379)
Debt charges (including adjustments for inflation and exchange rate changes)	57,744	61,204	423,185	261,280
Other adjustments for inflation and exchange rate changes, net	47	9	5,321	5,441
Finance income	(34,442)	(38,440)	(41,141)	(43,664)
Derecognition of property, plant and equipment and intangible assets	2	7,069	6,481	7,789
Other income (expenses)	1,987	-	28,448	12,268
Taxes on revenues (PIS and COFINS) and deferred regulatory charges	-	(5,258)	189,095	5,765
	(35,000)	(5,039)	2,269,444	1,151,472
(Increase) decrease in assets				
Trade receivables	3,034	25,907	45,789	(16,025)
Concession financial asset	-	-	(2,090,787)	(259,394)
Related parties	2,037	-	-	-
Recoverable taxes	2,398	1,793	(36,715)	8,628
Inventories	-	-	(40)	(413)
Other	(3,217)	(511)	(25,271)	(21,450)
	4,252	27,189	(2,107,024)	(288,654)
Increase (decrease) in liabilities				
Trade payables	(8,886)	(29,121)	68,460	(33,936)
Regulatory and sector fees	-	-	6,317	(1,608)
Payroll, vacations and other charges	299	(367)	880	(117)
Contributions and taxes payable	(3,504)	(2,935)	15,243	(8,755)
Provisions for asset recognition and environmental costs	-	-	(28,764)	19,102
Advances from customers	-	-	(1,284)	(101)
Other	-	867	(12,053)	23,216
	(12,091)	(31,556)	48,799	(2,199)
Net cash provided by (used in) operating activities	(42,839)	(9,406)	211,219	860,619
Income tax and social contribution	-	-	(68,627)	(77,043)
Net cash provided by (used in) operating activities	(42,839)	(9,406)	142,592	783,576
Cash flow from investing activities				
Capital increase in investees	(35,531)	(20,448)	-	(20,448)
Payment for acquisition of subsidiaries	-	-	(113,752)	(1,348)
Cash from acquisition of investments	-	-	12,586	77
Receipt from interest sold	-	708	-	708
Redemption of short-term investments	352,628	(202,555)	433,662	(202,555)
Short-term investments	(284,735)	344,483	(366,519)	412,062
Dividends received	150,218	219,188	-	(43,259)
Purchase of property, plant and equipment	(103)	(81)	(105,402)	(187,215)
Purchase of intangible assets	(897)	(2,874)	(33,517)	(5,868)
Net cash provided by (used in) investing activities	181,580	338,421	(172,942)	(47,846)
Cash flow from financing activities				
Capital increase/shares issued	-	-	103,625	41,013
Advance for future capital increase	(21,737)	(103,788)	6,860	-
Dividends paid	(131,867)	(158,241)	(257,685)	(363,984)
Related parties - loan agreements	-	(37,490)	-	-
Debts	-	-	518,571	889,453
Interest on loans and debentures	(25,170)	(27,784)	(312,016)	(221,633)
Payment of principal of loans and debentures	(22,525)	(72,988)	(560,565)	(1,267,604)
Net cash used in financing activities	(201,299)	(400,291)	(501,210)	(922,755)
Exchange rate changes on cash and cash equivalents	-	-	(5,597)	24,166
Net decrease in cash and cash equivalents	(62,558)	(71,276)	(537,157)	(162,859)
Decrease in cash and cash equivalents				
Balance at the beginning of the period	231,878	570,694	2,975,423	1,580,070
Balance at the end of the period	169,320	499,418	2,438,266	1,417,211
Net decrease in cash and cash equivalents	(62,558)	(71,276)	(537,157)	(162,859)

The accompanying notes are an integral part of this interim financial information.

Alupar Investimento S.A.

Statements of Value Added

Periods Ended September 30, 2019 and 2018

(All amounts in thousands of reais)

	Company		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Revenues				
Operation and maintenance revenue	-	-	401,034	137,369
Infrastructure revenue	-	-	2,323,079	197,177
Concession financial asset payment	-	-	270,235	816,598
Power supply	172,451	62,327	535,025	436,641
Other revenues	-	6,585	1,994	7,798
	<u>172,451</u>	<u>68,912</u>	<u>3,531,367</u>	<u>1,595,583</u>
(-) Inputs from third parties				
Power purchased for resale	(168,599)	(56,351)	(188,308)	(53,845)
Power grid charges (CUST)	-	-	(22,578)	(21,692)
Financial Compensation for the Use of Water Resources (CFURH)	-	-	(9,306)	(8,647)
Infrastructure cost	-	-	(968,328)	(120,465)
Outsourced services	(6,714)	(3,385)	(70,770)	(50,537)
Materials	(100)	(101)	(9,344)	(8,482)
Other costs	(2,242)	(932)	(15,545)	(53,938)
	<u>(177,655)</u>	<u>(60,769)</u>	<u>(1,284,179)</u>	<u>(317,606)</u>
(-) Depreciation and amortization	(931)	(914)	(80,858)	(75,517)
Wealth received in transfer				
Share of profit (loss) of subsidiaries	785,230	386,415	44,846	26,379
Finance income	33,893	46,737	67,660	73,308
	<u>819,123</u>	<u>433,152</u>	<u>112,506</u>	<u>99,687</u>
Wealth for distribution	812,988	440,381	2,278,836	1,302,147
Wealth distributed				
Personnel				
Direct compensation	11,858	11,967	55,175	52,522
Benefits	1,540	1,352	11,474	9,536
FGTS	804	845	3,496	3,734
	<u>14,202</u>	<u>14,164</u>	<u>70,145</u>	<u>65,792</u>
Taxes, rates and contributions				
Federal	15,334	7,990	648,947	284,590
State	-	-	178	86
Municipal	171	139	514	532
	<u>15,505</u>	<u>8,129</u>	<u>649,639</u>	<u>285,208</u>
Lenders and lessors				
Interest and changes in exchange rates	57,804	60,476	243,105	243,257
Rentals	1,056	1,084	8,430	7,467
Other costs	460	650	14,480	16,015
	<u>59,320</u>	<u>62,210</u>	<u>266,015</u>	<u>266,739</u>
Shareholders				
Earnings reserves	723,961	355,878	723,961	355,878
Non-controlling interest	-	-	569,076	328,530
	<u>723,961</u>	<u>355,878</u>	<u>1,293,037</u>	<u>684,408</u>
	812,988	440,381	2,278,836	1,302,147

The accompanying notes are an integral part of this interim financial information.

Notes to the interim financial information

1. Operations

Alupar Investimento S.A. ("Company" or "Alupar") is a publicly-held corporation, CNPJ 08.364.948/0001-38, whose shares are traded on the São Paulo Stock Exchange (B3 S.A. – Brasil, Bolsa Balcão), under code ALUP11. The Company is domiciled in Brazil, headquartered in the City of São Paulo, State of São Paulo, at Rua Gomes de Carvalho, 1996, 16th floor, mainly engaged in the investment in other entities operating in the energy and infrastructure industries, both in Brazil and abroad, either as a shareholder or quotaholder; generation, transformation, transportation, distribution and trading of energy in any form; preparation of feasibility studies and projects; construction, operation and maintenance of power plants, transmission and transportation lines, substations and distribution network, as well as any other related or supplementary services; and any other services or activities in the infrastructure sector.

The Company is a direct subsidiary of Guarupart Participações Ltda. ("Guarupart") and has interests in entities that holds electric energy transmission and generation service concessions and/or authorizations, in addition to holdings and entities operating in other industries, as follows:

• Electric energy transmission:

Companies (abbreviation)	Localization/connection	Concession Agreement nº	Concession period (start/end)	Start date of operation	Line extension (km)	Tension (Kv)	APR	Contract adjustment rate	50% reduction of APR beginning 16th year of operation	Expected taxation review	Interest in 2019 (%)		Interest in 2018 (%)	
											Direct	Indirect	Direct	Indirect
Subsidiaries:														
Empresa Paraense de Transmissão de Energia S.A. ('ETEP')	Tucuruí (PA) - Vila Conde (PA)	043/2001	06/12/01 06/12/31	08/25/02	323	500	55,143	IGP-M	Yes	No	50.02	-	50.02	-
Empresa Norte de Transmissão de Energia S.A. ('ENTE')	Tucuruí (PA) - Açailândia (MA)	085/2002	12/11/02 12/11/32	02/12/05	464	500	204,038	IGP-M	Yes	No	50.01	-	50.01	-
Empresa Regional de Transmissão de Energia S.A. (v) (vi) ('ERTE')	Vila Conde (PA) - Santa Maria (PA)	083/2002	12/11/02 12/11/32	09/15/04	179	230	38,978	IGP-M	Yes	No	21.96	28.05	21.96	28.05
Empresa Amazonense de Transmissão de Energia S.A. ('EATE')	Tucuruí (PA) - Presidente Dutra (PA)	042/2001	06/12/01 06/12/31	03/10/03	924	500	244,571	IGP-M	Yes	No (*)	50.02	-	50.02	-
Empresa Catarinense de Transmissão de Energia S.A. ('ECTE')	Campos Novos (SC) - Blumenau (SC)	088/2000	11/01/00 11/01/30	03/26/02	253	525	53,352	IGP-M	Yes	No	50.02	-	50.02	-
Sistema de Transmissão Nordeste S.A. ('STN')	Teresina (PI) - Fortaleza (CE)	005/2004	02/18/04 02/18/34	01/01/06	541	500	203,655	IGP-M	Yes	No	51.00	-	51.00	-
Companhia Transleste de Transmissão (ii) (v) ('Transleste')	Irapé (MG) - Montes Claros (MG)	009/2004	02/18/04 02/18/34	12/18/05	150	345	45,794	IGP-M	Yes	No	-	33.71	-	33.71
Companhia Transudeste de Transmissão (ii) (v) ('Transudeste')	Itutinga (MG) - Juíz de Fora (MG)	005/2005	03/04/05 03/04/35	02/23/07	140	345	28,384	IGP-M	Yes	No	-	33.71	-	33.71
Companhia Transirapé de Transmissão (ii) (v) ('Transirapé')	Irapé (MG) - Araçuaí (MG)	012/2005	03/15/05 03/15/35	05/23/07	65	230	37,175	IGP-M	Yes	No	-	33.71	-	33.71
Sistema de Transmissão Catarinense S.A. (i) (vi) ('STC')	Barra Grande (SC) - Lages (SC) - Rio Sul (SC)	006/2006	04/27/06 04/27/36	11/08/07	195	230	47,346	IPCA	Yes	No	20.00	40.01	20.00	40.01
Lumitrans - Companhia Transmissora de Energia Elétrica (i) ('Lumitrans')	Machadinho (SC) - Campos Novos (SC)	007/2004	02/18/04 02/18/34	10/03/07	51	525	29,910	IGP-M	Yes	No	15.00	40.01	15.00	40.01
Empresa de Transmissão do Espírito Santo S.A. ('ETES')	Verona (ES) - Mascarenhas (ES)	006/2007	04/20/07 04/20/37	12/12/08	107	230	15,177	IPCA	Yes	Yes	100.00	-	100.00	-

Notes to the interim financial information

Companies (abbreviation)	Localization/connection	Concession Agreement nº	Concession period (start/end)	Start date of operation	Line extension (km)	Tension (Kv)	APR	Contract adjustment rate	50% reduction of APR beginning 16th year of operation	Expected taxation review	Interest in 2019 (%)		Interest in 2018 (%)	
											Direct	Indirect	Direct	Indirect
Subsidiaries:														
Empresa Brasileira de Transmissão de Energia S.A. (i) ('EBTE')	Juba (MG) - Juína (MG)	011/2008	10/16/08 10/16/38	06/30/11	775	230	46,126	IPCA	No	Yes	-	25.51	-	25.51
Empresa Santos Dumont de Energia S.A. (iii) ('ESDE')	Substation Santos Dummond (MG)	025/2009	11/19/09 11/19/39	02/06/13	Substation	138/345	14,098	IPCA	No	Yes	-	50.02	-	50.02
Empresa de Transmissão de Energia do Mato Grosso S.A. ('ETEM')	Nova Mutum (MT) - Nobres (MT) - Cuiabá (MT)	005/2010	07/12/10 07/12/40	12/16/11	235	230	13,501	IPCA	No	Yes	62.79	-	62.79	-
Empresa de Transmissão de Varzea Grande S.A. ('ETVG')	Substation Várzea Grande (MT)	018/2010	12/23/10 12/12/40	12/23/12	Substation	138/230	11,550	IPCA	No	Yes	100.00	-	100.00	-
Empresa de Transmissão Serrana S.A. (iv) (v) ('ETSE')	Substation Abdon Batista / Gaspar (SC)	006/2012	05/10/12 05/10/42	01/19/15	Substation	230/525 138/230	21,090	IPCA	No	Yes	-	50.02	-	50.02
Empresa Litorânea de Transmissão de Energia S.A. ('ELTE')	Henry Borden (SP) - Manoel da Nóbrega (SP)	016/2014	09/05/14 09/05/44	Pre-operating	SE+40 Km	230/345	36,592	IPCA	No	Yes	99.99	-	99.99	-
Empresa Transmissora Agreste Potiguar S.A. ('ETAP')	Rio Grande do Norte (RN)	013/2016	09/02/16 09/02/46	04/06/19	10	500/230	56,263	IPCA	No	Yes	100.00	-	100.00	-
Empresa Transmissora Capixaba S.A. ('ETC')	Substation Rio Novo do Sul (ES)	020/2016	09/02/16 09/02/46	09/23/19	Substation	345/138	32,661	IPCA	No	Yes	100.00	-	100.00	-
Transmissora Caminho do Café S.A. ('TCC')	Minas Gerais (MG) - Espírito Santo (ES)	006/2017	02/10/17 02/10/47	Pre-operating	288	500	155,013	IPCA	No	Yes	51.00	-	51.00	-
Transmissora Paraíso De Energia S.A. ('TPE')	Bahia (BA) - Minas Gerais (MG)	002/2017	02/10/17 02/10/47	Pre-operating		500	227,975	IPCA	No	Yes	51.00	-	51.00	-
Empresa Sudeste de Transmissão de Energia S.A. ('ESTE')	Mesquita (MG) - João Neiva (ES)	019/2017	02/10/17 02/10/47	Pre-operating	236	500	107,266	IPCA	No	Yes	-	50.02	-	50.02
Transmissora Serra da Mantiqueira S.A. ('TSM')	São Paulo (SP) - Rio de Janeiro (RJ)	037/2017	08/11/17 08/11/47	Pre-operating	330	500	104,151	IPCA	No	Yes	51.00	-	51.00	-
Transmissora Colombiana de Energia S.A.S ESP (**) (vii) ('TCE')	Virginia-Nueva Esperanza - Colombia	UPME 07-2016	-	Pre-operating	200	500	-	IPP	No	Yes	-	99.99	-	99.99
Empresa Diamantina de Transmissão de Energia S.A. (vi) ('EDTE')	Ibicoara (BA) - Ibicoara (BA)	015/2016	12/01/16 12/01/46	Pre-operating	170	500	60,069	IPCA	No	Yes	-	25.06	-	25.06
Amazônia - Eletronorte Transmissora de Energia S.A. ('AETE') - nota 11	Rondonópolis (MT) - Cuiabá (MT)	008/2004	02/18/04 03/18/34	08/24/05	188	230	53,244	IGP-M	Yes	No	-	22.12	-	-
Joint ventures:														
Transmissora Matogrossense de Energia S.A. ('TME')	Jauru (MT) - Cuiabá (MT)	023/2009	11/19/09 11/19/39	11/22/11	348	500/230	53,936	IPCA	No	Yes	46.00	-	46.00	-
Transnorte Energia S.A. (***) ('TNE')	Boa Vista (RR) - Equador (RR) - Lechuga (AM)	003/2012	01/25/12 01/25/42	Pre-operating	715	500	6,312	IPCA	No	Yes	51.00	-	51.00	-
ETB - Empresa de Transmissão Baiana S.A ('ETB')	Bom Jesus da Lapa (BA)	011/2016	09/29/16 09/29/46	Pre-operating	446	500	134,821	IPCA	No	Yes	50.00	-	50.00	-
Total under operation					4,948		1,305,992							
Total under construction					2,926		832,199							

(*) EATE has tariff review for the period to RBNI. (**) Concession of TCE is located in Colombia; the applicable regulatory rules in this country differ from the rules applicable in Brazil. (***) TNE partially entered into operations, see note 11.

(i) Directly controlled by EATE. (ii) Directly controlled by Transminas. (iii) Directly controlled by ETEP. (iv) Directly controlled by ECTE. (v) Indirect controlled through EATE. (vi) Indirect controlled through ENTE. (vii) Indirect controlled through Alupar Colombia.

Notes to the interim financial information

Electric energy generation:

Companies (abbreviation)	Location	Concession Agreement/Authorization nº	Concession Term		Start date of operation	Installed capacity - MW	Guaranteed energy - MW	Interest in 2019 (%)		Interest in 2018 (%)	
			Start	End				Direct	Indirect	Direct	Indirect
Subsidiaries:											
Foz do Rio Claro Energia S.A. ('Foz')	Rio Claro - Caçu (GO) and São Simão (GO)	005/2006	08/15/06	08/15/41	08/05/10	68.4	41.0	69.83	-	69.83	-
Ijuí Energia S.A. ('Ijuí')	Rio Ijuí - Rolador (RS) and Salvador das Missões (RS)	006/2006	08/15/06	08/15/41	03/29/11	51.0	30.4	86.66	-	86.66	-
Usina Paulista Lavrinhas de Energia S.A. ('Lavrinhas')	Rio Paraíba do Sul - Lavrinhas (SP)	138/2004 and 716/2006	04/07/04	04/07/34	09/03/11	30.0	21.4	61.00	-	61.00	-
Usina Paulista Queluz de Energia S.A. ('Queluz')	Rio Paraíba do Sul - Queluz (SP)	139/2004 and 715/2006	04/07/04	04/07/34	08/12/11	30.0	21.4	68.83	-	68.83	-
Ferreira Gomes Energia S.A. ('Ferreira Gomes')	Rio Araguari - Ferreira Gomes (AP)	002/2010	11/09/10	11/09/45	11/04/14	252.0	153.1	100.00	-	100.00	-
Energia dos Ventos I S.A. (ii) ('EDV I')	Aracati (CE)	Ordinance 431/12	07/17/12	07/17/47	04/22/16	23.1	11.8	-	100.00	-	100.00
Energia dos Ventos II S.A. (ii) ('EDV II')	Aracati (CE)	Ordinance 428/12	07/16/12	07/16/47	05/13/16	12.6	6.0	-	100.00	-	100.00
Energia dos Ventos III S.A. (ii) ('EDV III')	Aracati (CE)	Ordinance 433/12	07/19/12	07/19/47	03/03/16	18.9	9.6	-	100.00	-	100.00
Energia dos Ventos IV S.A. (ii) ('EDV IV')	Aracati (CE)	Ordinance 442/12	07/24/12	07/24/47	03/02/16	27.3	14.8	-	100.00	-	100.00
Energia dos Ventos X S.A. (ii) ('EDV X')	Aracati (CE)	Ordinance 435/12	07/19/12	07/19/47	03/02/16	16.8	8.7	-	100.00	-	100.00
Geração de Energia Termoelétrica e Participações S.A. ('GET')	Rio de Janeiro (RJ)	-	-	-	-	-	-	51.00	-	51.00	-
Risaralda Energía S.A.S.E.S.P. (*) (iii) ('Risarlada')	Rio Risarlada (PCH Morro Azul) - Colombia	-	(*)		09/10/16	19.9	13.2	0.34	99.62	0.34	99.62
Verde 8 Energia S.A. ('Verde 8')	Rio Verde - Santa Helena de Goiás (GO)	3.702/12; 4.684/14 and 5.953/16	10/24/12	06/15/44	03/31/19	30.0	18.7	85.00	-	85.00	-
Água Limpa S.A. ('Água Limpa')	Rio Piracicaba - Antônio Dias (MG)	Ordinance 346/14	07/18/14	07/18/49	Pre Operating	23.0	11.9	99.99	-	99.99	-
La Virgen S.A.C.(*) (i) ('La Virgen')	Rio Tarma - Perú	253/2005 - 313/2008	(*)		Pre Operating	84.0	49.3	5.52	79.06	5.52	79.06
Eólica do Agreste Potiguar I S.A. ('EAP I')	Jandaira (RN)	-	-		Pre Operating	-	-	99.90	-	99.90	-
Eólica do Agreste Potiguar II S.A. ('EAP II')	Jandaira (RN)	-	-		Pre Operating	-	-	99.90	-	99.90	-
Total under operation						580.0	350.1				
Total under construction						107.0	61.2				

(*) Concessions of Risarlada and La Virgen are located in Colombia and Peru, respectively; the applicable regulatory rules in these countries differ from the rules applicable in Brazil.

(i) Indirect interest through Alupar Perú. (ii) Indirect interest through Windepar. (iii) Indirect interest through Alupar Colômbia.

Holdings and other industries:

Companies (abbreviation)	Activity	Direct interest (%)	
		2019	2018
Subsidiaries:			
Alupar Chile Inversiones SpA ("Alupar Chile")	Holding	100.00	100.00
Alupar Colombia S.A.S ("Alupar Colombia")	Holding - parent of Risarlada and TCE	100.00	100.00
Alupar Inversiones Peru S.A.C. ("Alupar Peru")	Holding - parent of La Virgen	100.00	100.00
Apaete Participações em Transmissão S.A. ("Apaete") (nota 11)	Holding - parent of AETE	25.50	25.50
Transminas Holding S.A. ("Transminas")	Holding - interest in Transleste, Transudeste and Transirapé	70.02	70.02
Transmissoras Reunidas S.A. ("Transmissoras Reunidas")	Holding	99.99	99.99
Windepar Holding S.A. ("Windepar")	Holding - parent of EDV I, EDV II, EDV III, EDV IV and EDV X	100.00	100.00
AF Energia S.A. ("AF")	Provider of operation and maintenance services	100.00	100.00
ACE Comercializadora Ltda. ("ACE")	Electric energy trading company	100.00	100.00

2. Presentation of interim financial information

2.1. Basis of preparation

The individual and consolidated interim financial information were prepared in accordance with NBC TG 21 (R4) – Interim Financial Reporting, issued by the Federal Accounting Council (CFC), and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), in accordance with the supplementary rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information Form (ITR), and by the National Electric Energy Agency (ANEEL), when these are not in inconsistent with Brazilian or International practices.

All relevant information, specific to the interim financial information, is being evidenced and correspond to that used in the management of the Company's operations and its subsidiaries.

The interim financial information was approved by the Company's Management and authorized for issuance on November 13, 2019.

2.2. Measurement basis

The interim financial information was prepared based on the historical cost, except for certain financial instruments measured at their fair values under the accounting standards.

2.3. Key estimates and critical accounting assumptions

The preparation of interim financial information is subject to the Company's Management assumptions, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. The estimates and assumptions are reviewed at each reporting date and eventual changes are recognized on a prospective basis.

Except for the assumptions relating to CPC 47 / IFRS 15 – Revenue from Contracts with Customers, described below, the key estimates and critical accounting assumptions used in the preparation of the interim financial information are consistent with those applied and described in note 2.6 to the annual financial statements for the year ended December 31, 2018.

As described in note 3.2 published on March 29, 2019, referring to the financial statements for 2018, the subsidiaries and joint ventures of the transmission segment record and measure the revenue from services rendered in accordance with Technical Pronouncement CPC 47 – Revenue from Contracts with Customers (IFRS 15). As the subsidiaries perform more than one service covered by a single agreement, the remuneration received or receivable is allocated to each performance obligation based on the amounts related to the services rendered between: Infrastructure Revenue, Operation and Maintenance Revenue, Revenue from Compensation on Contractual Asset, Trade Receivables and Contractual Concession Asset.

The value of the Contractual Asset represents the present value of its future cash flows. The future cash flow is estimated at the beginning of the concession, or in its extension, and the assumptions of its measurement are reviewed in the Periodic Tariff Review (RTP). Cash flows are defined based on the Annual Permitted Revenue (APR), which is the consideration that the Company receives for the provision of the public transmission service to users. These cash contributions amortize the investments in this transmission infrastructure and any investments not amortized (reversible assets) that generate the right to indemnify the Granting Authority at the end of the concession contract. This flow of receipts is (i) remunerated by the rate that represents the financial component of the business, established at the beginning of each project, which varies between 6.00% p.a. to 15.00% p.a.; and (ii) adjusted by the IPCA.

The use of accounting estimates as described above is determined based on Management's judgment. During 2019, the subsidiaries and joint ventures operating in the transmission sector have improved the way of measuring the cash flows for recognition of the Contractual Asset under CPC 47 / IFRS 15. The effect of the improvement in the process of estimating such cash flows in the subsidiaries' profit or loss was R\$176,326.

2.4. Functional and reporting currency and translation of balances and transactions in foreign currency

2.4.1. Functional and reporting currency

This interim financial information was prepared and are presented in Brazilian thousands of reais (R\$), which is the functional currency of the Company, its subsidiaries and joint ventures, except for subsidiaries Alupar Peru and La Virgen, whose functional currency are the Nuevo Sol, subsidiaries Alupar Colombia, Risaralda and TCE, whose functional currency is the Colombian Peso, and subsidiary Alupar Chile, whose functional currency is the Chilean Peso. The functional currency was determined based on the primary economic environment for each entity's operations.

2.4.2. Balances and transactions in foreign currency

The Company recognizes in other comprehensive income the exchange rate changes of its foreign subsidiaries. Such changes are solely transferred to the statement of profit and loss upon derecognition of net investment. Assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rate prevailing at reporting date. Revenues and expenses in foreign currency are translated into the Company's functional currency at the average exchange rate for the period.

2.5. Consolidation criteria

The consolidation criteria used in the preparation of the interim financial information are consistent to those applied and described in note 2.5 to the annual financial statements for the year ended December 31, 2018. As disclosed in note 11, the Company began to control AETE in July 2019.

3. Significant accounting policies

The accounting policies adopted in the preparation of this individual and consolidated interim financial information are consistent with those adopted and described in note 3 to the annual financial statements for the year ended December 31, 2018, issued on March 29, 2019, except for the adoption of the standards and pronouncements in effect from January 1, 2019, as described in note 4.

4. New standards and interpretations in force since January 1, 2019

CPC 06 (R2) - IFRS 16 -Leases

IFRS 16 introduces a single model for the accounting of leases in the balance sheet for lessees. The lessee recognizes a right to use the asset that represents the lessee's right to use the leased asset and a lease liability that represents the lessee's obligation to make lease payments. The lessor's accounting remains similar to the current standard. The Company and its subsidiaries assessed the standard and, in view of the Company's low value agreements, the adoption of this standard has not significantly impacted the individual and consolidated interim financial information.

ICPC 22 - IFRIC 23 – Uncertainty about the treatment of taxes on income

This interpretation clarifies on how to apply the recognition and measurement requirements when there is uncertainty about the acceptance of the treatments adopted by the tax authority related to income tax and social contribution. The Company and its subsidiaries assessed the standard and have not identified significant risks, arising from the tax treatments adopted by the Company and its subsidiaries, that could be challenged or not accepted by the Tax Authorities; in addition, the adoption of this standard has not significantly impacted the individual and consolidated interim financial information.

5. Cash and cash equivalents

Cash and cash equivalents	Average compensation - % CDI		Company		Average compensation - % CDI		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Cash available (cash and banks)	-	-	209	589	-	-	51,940	83,385
Repurchase agreements - NTN	98.20%	95.00%	146,286	203,351	97.43%	94.71%	254,686	253,836
Bank deposit certificates	-	-	-	-	98.71%	90.00%	1,490,773	2,161,923
Repurchase agreements	94.57%	95.00%	22,819	27,934	95.00%	95.00%	22,819	27,934
Investment funds	-	-	-	-	98.20%	91.48%	531,463	406,900
Automatic investments	20.00%	20.00%	6	4	20.00%	20.00%	86,585	41,445
Total			169,320	231,878			2,438,266	2,975,423

Cash equivalents are held for the purpose of meeting short-term cash commitments and mainly refer to bank deposit certificates, highly liquid, fixed-income investment funds, and automatic investments that are linked to current account, where the actual compensation will depend on the total period for which the funds remain invested; as Management records these investments by earned income percentage, there is no risk of significant change in value in the event of early redemption, and are considered financial instruments measured at fair value against profit or loss.

6. Short-term investments

	Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Portfolio composition				
Government Bonds – Financial Treasury Bills	526,336	558,613	526,336	558,613
Amounts payable/receivable	(23)	(23)	(23)	(23)
Cash and cash equivalents	1	1	1	1
Other quotaholders	(49,968)	(44,835)	(49,968)	(44,835)
Total - FI Energia	476,346	513,756	476,346	513,756

Financial investments classified as short-term investments refer to Fundo Exclusivo FI – Energia, are measured at fair value through profit or loss and yield average interest of 98.20% of CDI as at September 30, 2019 (95.00% of CDI as at December 31, 2018).

7. Marketable securities

Marketable securities	Average compensation - % CDI		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Investment funds	98.00%	85.00%	91,376	100,772
Repurchase agreements	-	99.64%	-	10,199
			91,376	110,971
Total current			2,380	105,979
Total non-current			88,996	4,992

Marketable securities comprise short-term investments recognized as reserve accounts securing the subsidiaries' loan and financing agreements. These accounts consist of the obligation to maintain short-term investments corresponding to three installments of loans and financing, on average.

8. Trade receivables

	Company		Consolidated					
	Falling due		Falling due	Overdue			9/30/2019	12/31/2018
	9/30/2019	12/31/2018		Up to 30 days	From 31 to 60 days	From 61 to 360 days	More than 361 days	
Power transmission system								
Transmission charges billed	-	-	120,142	612	139	744	11,428	133,065
	-	-	120,142	612	139	744	11,428	124,078
Power generation system								
Bilateral agreement – regulated environment	-	7,612	30,251	-	-	-	-	30,251
Bilateral agreement – free environment	28,539	4,035	53,603	-	-	-	-	53,603
MRE and Spot (short-term energy)	17,399	37,325	102,034	-	-	-	-	102,034
	45,938	48,972	185,888	-	-	-	-	185,888
	45,938	48,972	306,030	612	139	744	11,428	318,953
Current	45,938	48,972						306,800
Non-current	-	-						12,153

During the period ended September 30, 2019, no allowance for doubtful debts was recorded, due to the non-recognition of historical losses and/or loss expectations on trade receivables, evaluation and monitoring of credit risk and that they are guaranteed by the National Electric System Operator (ONS).

9. Income tax and social contribution and other taxes to be compensated

The Company and subsidiaries were subject to withholding taxes and/or made monthly tax payments in advance for future compensation of taxes and social contributions. Tax balances are demonstrated as follows:

	Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Corporate Income Tax (IRPJ)	-	-	50,811	37,890
Social Contribution on Net Income (CSLL)	-	33	13,639	8,390
Withholding Income Tax (IRRF)	35,442	37,757	48,859	44,888
Total income tax and social contribution to be offset	35,442	37,790	113,309	91,168
Social Integration Program (PIS)	316	-	1,046	129
Tax on revenues (COFINS)	1,219	-	4,360	821
Value Added Tax (VAT)	-	-	28,887	13,980
Other	-	-	2,171	4,731
Total other taxes to be offset	1,535	-	36,464	19,661
Current	36,977	37,790	119,640	78,657
Non-current	-	-	30,133	32,172

10. Contractual concession asset

Variation in concession asset	Consolidated	
	9/30/2019	12/31/2018
Opening balance	5,531,458	4,323,510
Adjustment from adoption of CPC 47 on January 1, 2018	-	866,027
Operation and maintenance revenue	401,034	177,124
Concession asset payment	270,235	933,938
Infrastructure revenue	2,323,079	387,121
Concession asset from acquisition of subsidiaries	176,606	9,336
Concession asset performance	(917,791)	(1,165,598)
Closing balance	7,784,621	5,531,458
Current	911,664	906,633
Non-current	6,872,957	4,624,825

The Annual Permitted Revenue (APR) of the Company's subsidiaries, in accordance with Approving Resolution 2565, of June 25, 2019, effective beginning July 2019, as follows:

Subsidiaries and joint ventures	Basic grid			Basic grid - frontier		DIT ^(e) (exclusive)		Total	Calculation of adjustment amount (PA)	Total net
	RBL (a)	RBNl (b)	RMEL (f)	RBL (a)	RBNl (b)	RPEC (c)	RCDM (d)			
EATE	236,879	7,671	21	-	-	-	-	244,571	(9,496)	235,075
ENTE	204,010	17	11	-	-	-	-	204,038	(9,026)	195,012
STN	202,152	1,503	-	-	-	-	-	203,655	(7,516)	196,139
ETEP	55,001	15	127	-	-	-	-	55,143	(1,996)	53,147
ECTE	53,313	10	29	-	-	-	-	53,352	(1,838)	51,514
ERTE	26,913	12,065	-	-	-	-	-	38,978	(1,998)	36,980
EBTE	39,336	3,786	8	2,585	-	411	-	46,126	(1,609)	44,517
STC	29,882	2,224	-	8,127	2,433	365	4,315	47,346	(1,478)	45,868
Transleste	45,794	-	-	-	-	-	-	45,794	(1,484)	44,310
Transirapé	19,543	8,703	-	4,452	3,152	363	962	37,175	(1,221)	35,954
Lumitrans	29,874	36	-	-	-	-	-	29,910	(1,038)	28,872
Transudeste	28,384	-	-	-	-	-	-	28,384	(938)	27,446
ETSE	15,739	77	-	2,413	1,859	1,002	-	21,090	(792)	20,298
ETES	8,673	97	-	-	4,388	-	2,019	15,177	(501)	14,676
ESDE	9,071	-	2	4,038	-	987	-	14,098	(1,956)	12,142
ETAP	56,263	-	-	-	-	-	-	56,263	(297)	55,966
TME (*)	46,898	7,006	32	-	-	-	-	53,936	(1,907)	52,029
ETC	32,661	-	-	-	-	-	-	32,661	-	32,661
ETEM	13,447	-	54	-	-	-	-	13,501	(481)	13,020
ETVG	1,333	204	-	2,791	5,903	487	832	11,550	(53)	11,497
AETE	53,222	-	22	-	-	-	-	53,244	(1,938)	51,306
Total	1,208,388	43,414	306	24,406	17,735	3,615	8,128	1,305,992	(47,563)	1,258,429

(a) Bid Basic Grid. (b) New Facilities, Basic Grid. (c) Revenue from assets of other concession operators of bid transmission. (d) Revenue from other transmission facilities. (e) Other transmission facilities. (f) Revenue from improvements. (*) Joint venture.

11. Investments in subsidiaries and jointly controlled and provision for equity deficiency

Variation in investments	Balance as at 12/31/2018	Distribution of dividends	Adjustment to cumulative conversion	Share of profit (loss) of subsidiaries	Additions/write- offs and transfers	Gain (loss) on capital transactions	Balance as at 9/30/2019
Subsidiaries:							
ACE	(1,066)	-	-	(10)	-	-	(1,076)
AF	(1,476)	-	-	924	-	-	(552)
Agua Limpa	7,467	-	-	(19)	-	-	7,448
Alupar Colômbia	40,034	-	(17)	4,691	-	-	44,708
Alupar Chile	(1,521)	-	-	-	-	-	(1,521)
Alupar Peru	69,005	-	11,758	(16,003)	-	-	64,760
Apaete	-	-	-	1,032	35,513	(602)	35,943
EAP I	-	-	-	-	9	-	9
EAP II	-	-	-	-	9	-	9
EATE	484,662	(48,789)	-	151,920	-	-	587,793
ECTE	104,056	-	-	21,054	-	-	125,110
ELTE	457	-	-	(486)	-	-	(29)
ENTE	245,119	(23,505)	-	89,439	-	-	311,053
ERTE	37,347	(5,270)	-	8,203	-	-	40,280
ETAP	80,538	-	-	159,014	-	-	239,552
ETC	25,740	-	-	93,947	-	-	119,687
ETEM	60,800	-	-	(5,544)	-	-	55,256
ETEP	131,088	(11,830)	-	33,395	-	-	152,653
ETES	87,541	(15,677)	-	(16,720)	-	-	55,143
ETVG	73,289	(10,240)	-	5,917	-	-	68,966
Ferreira Gomes	880,629	-	-	(2,029)	-	-	878,600
Foz	146,173	(361)	-	16,356	-	-	162,168
GET	(548)	-	-	-	-	-	(548)
Ijuí	270,385	-	-	16,259	-	-	286,644
La Virgen (*)	21,516	-	1,082	(187)	-	-	22,411
Lavrinhas	98,669	(7,830)	-	5,637	-	-	96,476
Lumitrans	16,171	(1,900)	-	3,688	-	-	17,959
Queluz	127,984	(9,621)	-	6,942	-	-	125,305
Risaralda	51	-	1	7	-	-	59
STC	41,624	-	-	7,811	-	-	49,435
STN	207,183	(15,518)	-	26,398	-	-	218,063
TCC	13,802	-	-	42,215	-	-	56,017
TPE	19,850	-	-	70,185	-	-	90,035
Transminas	80,394	(11,293)	-	24,429	-	-	93,530
Transmissoras Reunidas	-	-	-	(18)	-	-	(18)
TSM	12,405	-	-	7,038	7,140	-	26,583
Verde 8	94,708	(2,994)	-	(6,501)	-	-	85,213
Windepar	143,607	-	-	(8,601)	-	-	135,006
Subtotal	3,617,683	(164,828)	12,823	740,385	42,671	(602)	4,248,131
Joint ventures							
TME	142,278	-	-	5,940	-	-	148,218
TNE	144,673	-	-	(4,752)	-	-	139,921
ETB (**)	56,277	-	-	43,658	-	-	99,935
Total Consolidated	343,228	-	-	44,846	-	-	388,074
Total Company	3,960,911	(164,828)	12,823	785,231	42,671	(602)	4,636,205

(*) La Virgen recognized goodwill of R\$6,165 reclassified to intangible assets for purposes of consolidation.

(**) ETB recognized intangible assets of R\$21,215.

Notes to the interim financial information

Changes in investments are demonstrated as follows:

Companies	Information on subsidiaries				9/30/2019			12/31/2018		
	9/30/2019				Number of total common shares or quotas	Interest (%)		Number of total common shares or quotas	Interest (%)	
	Assets	Liabilities	Equity	Profit or loss		Voting	Total		Voting	Total
Subsidiaries:										
ACE	24	1,100	(1,076)	(11)	2,320,644	100.00	100.00	2,320,644	100.00	100.00
AF Energia	1,329	1,882	(553)	923	6,840,000	100.00	100.00	6,840,000	100.00	100.00
Agua Limpa	7,897	448	7,449	(15)	7,517,090	99.99	99.99	7,517,090	100.00	100.00
Alupar Chile	1,330	2,851	(1,521)	-	5,000,000	100.00	100.00	5,000,000	100.00	100.00
Alupar Colombia	48,064	3,356	44,708	4,664	53,252,760,000	100.00	100.00	53,252,760,000	100.00	100.00
Alupar Peru	366,532	301,769	64,763	(16,004)	118,741,612	100.00	100.00	118,741,612	100.00	100.00
APAETE	156,085	15,298	140,787	4,046	71,497,851	51.00	25.50	-	-	-
EAP I	9	-	9	(22)	1,000	99.90	99.90	-	-	-
EAP II	9	-	9	(22)	1,000	99.90	99.90	-	-	-
EATE	2,055,916	880,743	1,175,173	303,733	92,000,000	50.02	50.02	180,000,010	100.00	243.49
ECTE	492,184	242,076	250,108	42,090	42,095,000	50.02	50.02	42,095,000	100.00	100.00
ELTE	16,907	16,935	(28)	(485)	10,000	99.99	99.99	10,000	100.00	100.00
ENTE	926,716	304,748	621,968	178,836	100,840,000	50.01	50.01	100,840,000	100.00	100.00
ERTE	207,352	23,927	183,425	37,350	42,066,985	43.92	21.96	84,133,970	100.00	200.00
ETAP	562,162	322,610	239,552	159,012	10,481,000	100.00	100.00	10,481,000	100.00	100.00
ETC	260,733	141,046	119,687	93,946	6,151,000	100.00	100.00	6,151,000	100.00	100.00
ETEM	148,291	60,291	88,000	(8,828)	43,000,000	62.79	62.79	43,000,000	100.00	100.00
ETEP	445,225	140,013	305,212	66,770	27,000,000	50.02	50.02	45,000,010	100.00	200.01
ETES	129,661	74,517	55,144	(16,721)	29,064,000	100.00	100.00	29,064,000	100.00	100.00
ETVG	143,739	74,773	68,966	5,916	34,847,722	100.00	100.00	34,847,722	100.00	100.00
Ferreira Gomes	1,551,167	672,566	878,601	(2,029)	807,080,529	100.00	100.00	807,080,529	100.00	100.00
Foz	368,389	136,169	232,220	22,903	67,717,178	100.00	69.83	108,708,978	100.00	172.64
GET	30	1,104	(1,074)	-	1,200	51.00	51.00	1,200	100.00	100.00
Ijul	446,069	115,293	330,776	18,762	273,064,862	100.00	86.66	315,106,452	100.00	115.40
La Virgen	814,929	520,596	294,333	(3,399)	255,585,903	5.52	5.52	255,585,903	100.00	100.00
Lavrinhas	287,849	129,682	158,167	9,240	70,910,870	61.00	61.00	70,910,870	100.00	100.00
Lumitrans	133,394	13,664	119,730	24,586	72,012,095	15.00	15.00	72,012,095	100.00	100.00
Queluz	336,454	154,404	182,050	10,085	96,782,146	68.83	68.83	96,782,146	100.00	100.00
Risaralda	175,937	158,875	17,062	2,275	29,093	0.34	0.34	29,093	100.00	100.00
STC	274,888	27,709	247,179	39,059	211,003,246	20.00	20.00	211,003,246	100.00	100.00
STN	704,717	277,142	427,575	51,761	198,000,000	51.00	51.00	198,000,000	100.00	100.00
TCC	869,337	759,500	109,837	82,773	22,728,926	51.00	51.00	22,728,926	100.00	100.00
TPE	1,404,028	1,227,489	176,539	137,618	31,553,107	51.00	51.00	31,553,107	100.00	100.00
Transminas	133,865	285	133,580	34,890	44,860,000	70.02	70.02	44,860,000	100.00	100.00
Transmissoras Reunidas	-	18	(18)	(18)	10,000	99.99	99.99	10,000	100.00	100.00
TSM	66,078	13,955	52,123	13,799	23,631,994	51.00	51.00	23,631,994	100.00	100.00
Verde 8	296,248	195,999	100,249	(7,658)	107,660,380	85.00	85.00	107,660,380	100.00	100.00
Windepar	339,061	204,054	135,007	(8,591)	164,832,956	100.00	100.00	164,832,956	100.00	100.00
Joint ventures:										
TME	605,884	283,671	322,213	12,911	109,793,590	46.00	46.00	109,793,590	100.00	100.00
TNE	284,236	9,880	274,356	(9,315)	298,705,100	51.00	51.00	298,705,100	100.00	100.00
ETB	968,332	810,893	157,439	87,315	222,958	50.00	50.00	222,958	100.00	100.00

a) TNE – Transnorte Energia S.A.

TNE is a project formed by the partnership between Alupar (51%) and Eletronorte (49%), for the implementation of the transmission system that will connect the State of Roraima to the National Interconnected System (SIN), at the Lechuga substation in the State of Amazonas, covering approximately 715 km of 500 kV line, with 2 new substations, SE Ecuador – 500 kV, to be installed in the Municipality of Rorainópolis (RR) and SE Boa Vista – 500/230 kV – 800 MVA, located in the Municipality of Boa Vista (RR).

Due to environmental licensing issues, the associate registered with ANEEL, on September 2, 2015, the request for amicable termination of the Concession Agreement 003/2012 – ANEEL, due to the absence of any comment by FUNAI on the indigenous matter.

On December 19, 2016, ANEEL Order 3265 was published, based on the decision undertaken by the executive board, at the meeting held on December 13, 2016, which addresses the amicable termination of the concession agreement

entered into by TNE, including the recommendations to: (i) accept the TNE's request and, in the merit, partially recognize the elements for termination of the Concession Agreement 003/2012 - ANEEL; and (ii) submit the court records of the Administrative Proceeding to the Ministry of Mines and Energy, including the recommendations to: (a) terminate such Concession Agreement, under the terms of article 472 of the Civil Code, or through another means deemed appropriate; (b) in the event of termination of the Concession Agreement, indicate the federal administration body or entity, in this case, Eletronorte, to provide the public transmission service relating to the CER of SE Boa Vista, until the subsequent decision determines the reversal of the assets in use, and the Granting Authority may grant the concession without the previous reversal of the assets bound to the respective public service; and (c) in the event of termination of the Agreement, consider as a reference for the indemnity of assets in use the new replacement value, less depreciation for the period, in the accounting report to be monitored by ANEEL; the assets not in use are not subject to indemnity.

On September 13, 2017, TNE filed, before the Federal Justice, the request for termination of the Concession Agreement 003/2012 - ANEEL, Proceeding 1012027-22.2017.4.01.3400, by virtue of the unfeasible implementation of the project.

In turn, the Ministry of Mines and Energy (MME), upon receipt and analysis of the court records, on February 22, 2018, addressed to ANEEL the Official Letter 66/2018/SPE-MME to inform about the non-acceptance of the recommendation referred to in Order 3.265/2016 and returned to ANEEL the proceeding for reconsideration.

In September 2018, after the meeting with the indigenous community, TNE was authorized to develop studies in the damaged area for preparation of the Basic Environmental Plan (PBA-CI), considering the indigenous issues. The work defined in such study was performed between October 2018 and April 2019, and the final document was registered with IBAMA, in conjunction with the request for Installation License, in June 2019. Currently, IBAMA is waiting for the comments by the indigenous community and FUNAI on the PBA-CI to continue with the analysis process of the Installation License of the project.

On September 10, 2019, the 33th Meeting of ANEEL's Executive Board resolved the following: (i) authorize the amendment to the Concession Agreement 003/2012, which must provide for the economic and financial balance and the CER value of SE Boa Vista, an integral part of the scope of the Invitation to Bid, totaling APR of R\$275,561, as at October 31, 2019; (ii) redefine the implementation term for 36 months, counted as from the signature of the Contractual Amendment; and (iii) request the contracted party to sign the amendment through October 31, 2019. This decision is included in ANEEL Order 2502/2019.

On September 23, 2019, taking into consideration that the proposal for economic and financial balance of the Concession Agreement presented by ANEEL was not feasible as, among the Company's requests, the redefinition of the concession term, among other items, was not granted, TNE filed with ANEEL the request for reconsideration of ANEEL Order 2502/2019. ANEEL Order 2951/2019, published on October 31, 2019 in the Federal Official Gazette, partially accepted the TNE's request for reconsideration and suspended the signature of the Contractual Amendment by TNE, originally scheduled for October 31, 2019, until such appeal is decided by ANEEL. SE Boa Vista began its operations in May 2015, generating revenues equivalent to 4% of the total Annual Permitted Revenue of the project.

Based on the opinion of the Company's legal counsel, the likelihood of a favorable outcome in the concession recovery, as described above, is possible.

In view of the uncertainties relating to the abovementioned proceedings, TNE and the Company have not recorded in the interim financial information any gain or loss on the termination of the Concession Agreement 003/2012 – ANEEL, which is in progress.

In addition, on September 30, 2019, TNE and the Company has not recognized any provision for loss in line item "Fixed assets", as the carrying amounts are recorded at probable realizable amount.

b) Empresa Litorânea de Transmissão de Energia S.A. - ELTE

ELTE is a Special Partnership Company ("SPC") for the specific project for development of the concession of the public electric energy transmission service through the Domênico Rangoni 345/138 kV and Manoel da Nóbrega 230/88kV substations, with a further 40 km of transmission line. The project will be connected to the National Interconnected System and will reinforce the networks of the distributors, as well as to meet the increase in electric energy demand in the Santos region, composed of nine municipalities (Bertioga, Cubatão, Guarujá, Itanhaém, Mongaguá, Peruíbe, Praia Grande, Santos and São Vicente).

This project has a justifiable displacement in the schedule, with regard to environmental licensing. Although ELTE has undertaken its best efforts to obtain the Environmental Licenses with the environmental body of the State of São Paulo – Companhia Ambiental do Estado de São Paulo ("CETESB"), the environmental licensing process has not been concluded yet due to issues that cannot be managed by ELTE, which impacted the scheduled previously set forth in the Concession Agreement 016/2014.

The issuance of the Previous License ("LP") of the Domênico Rangoni substation 345/138 kV and their respective transmission lines were scheduled for October 2015; however, due to the unfavorable opinion of the Regional Service of Protection to the Flight of São Paulo (SRPV-SP), responsible for the Airport Zoning Plan of Santos Air Base, and the unfavorable opinion issued by the Forest Foundation, responsible for Serra do Mar State Park, CETESB refused the request for Previous License of this stretch and, therefore, officially filed the process due to the environmental unfeasibility of this part of the project. In addition, the Previous License of Manoel da Nóbrega substation 230/88 kV, and its respective transmission line, also scheduled for October 2015, was solely issued in March 2017.

Due to the impossible performance of the project due to environmental unfeasibility, ELTE filed, on November 16, 2018, with ANEEL, the request for amicable termination of the Concession Agreement 016/2014. On March 8, 2019, ANEEL proposed to ELTE the reduction of the scope of the Concession Agreement by 48%, excluding the unfeasible stretch (Domênico Rangoni) and, consequently, the economic and financial balance of the concession agreement. ELTE agreed with the proposal and is waiting for the contractual amendment to the concession agreement to be submitted by ANEEL.

c) Acquisition of interest and business combination

On September 27, 2018, the Company was the winner of Lots K, M and O (Consortium) of Eletrobras Auction 01/2018 for disposal of interest owned by Eletrobras and subsidiaries in Specific Purpose Entities (SPEs) of projects under operation, totaling 18 lots.

The information on the contracted Lots is provided below; items i) and ii) refer to the acquisition of shareholding control:

- i) Lot K comprises the sale of a 49% stake owned by Eletrobras in TME, in which company Alupar holds a 46% stake. The winning bid, presented by the Company, was equivalent to the minimum amount of R\$109,530. On March 14, 2019, Alupar entered into the respective Share Purchase and Sale Agreement with Eletrobras. The Company obtained the authorization of CADE and ANEEL, on April 1, 2019 and May 15, 2019, respectively; on September 30, 2019, the Company was still waiting for the authorization of the financing agents to transfer the shares (see subsequent event in note 35).
- ii) The acquisition of AETE comprised two stages. The first stage was performed through Lot O, which comprised the sale of a 49% stake owned by Eletrobras. The Company's participated in this lot through Olympus VI Consortium, which winning bid totaled R\$94,874, with goodwill of 10% in relation to the minimum amount. In connection with the contracting, Alupar and CSHG Perfin Apollo 16 Fundo de Investimento em Participações Multiestratégia ("Apollo 16") established APAETE to acquire the 49% stake owned by Eletrobras in AETE, as set forth in the Invitation to Bid of the auction. Alupar holds 25.50% of APAETE's capital and Apollo 16 holds 74.50% of APAETE's capital; Alupar controls APAETE for holding 51% of its voting capital, while Apollo 16 holds 49% of its voting capital. On March 11, 2019, APAETE entered into with Eletrobras the Purchase and Sale Agreement of 21,299,712 AETE's common shares. APAETE obtained the authorization of CADE and ANEEL, on March 29, 2019 and May 15, 2019, respectively. Upon completion of all necessary procedures for validation of price and contractual instruments with Eletrobras, the Closing Term was performed and the payment was made on July 1, 2019, less the amounts paid Eletrobras as down payment, as set forth in the agreement, for purposes of completion of the transfer of shares. The amount paid to Eletrobras totaled R\$86,727.

The second stage took place on July 18, 2019, when subsidiary APAETE concluded the acquisition of 26.99% of AETE's total capital, held by BIPAR Energia S.A. ("BIPAR"). The adjusted value, as set forth in the Purchaser and Sale Agreement, dated May 16, 2019, for acquisition of the interest, totaled R\$47,866, out of which 70% was paid on July 18, 2019, and the remaining balance was paid in two annual consecutive installments (1st installment – 20% and 2nd installment – 10%), adjusted at 105% of the CDI. As a result of such acquisition, APAETE held 75.99% of AETE's total capital and, consequently, Alupar held an indirect stake of 19.38%.

AETE's Extraordinary Shareholders' Meeting, held on August 1, 2019, elected three members of the Company's Board of Directors, indicated by APAETE, out of five members that comprise the body. On August 8, 2019, AETE's Board of Directors' Meeting elected two executive officers indicated by APAETE, out of three members that comprise the body.

Notes to the interim financial information

The table below summarizes the fair values of assets acquired and liabilities assumed on the acquisition date, on July 18, 2019, consideration transferred and gain on remeasurement of fair value of interest previously held:

Description		Fair value
Cash and cash equivalents		24,201
Trade receivables	(i)	4,308
Inventories of spare parts		2,049
Prepaid expenses		110
Advanced dividends		2,550
Other assets		163
Escrow deposits		665
Concession asset		176,606
R&D program		96
Investment		38
Administrative property, plant and equipment		292
Intangible assets	(ii)	31,971
Total assets		243,051
Trade payables		(297)
Personnel		(93)
Taxes and contributions payable		(842)
Other payables		(1,310)
Deferred income tax and social contribution		(38,165)
Deferred contributions and regulatory charges		(21,634)
Provision for contingencies		(331)
Contingent liabilities		(3,032)
Total liabilities		(65,703)
Total identifiable assets, net		177,347
Interest held previously		49.00%
Remeasured fair value of interest held previously		86,900
Fair value of interest held previously		(86,727)
Gain (loss) on remeasured interest held previously		173
Acquired interest		26.99%
Fair value of interest held previously		86,900
Fair value of non-controlling interest	(iii)	42,581
Consideration transferred (cash)		47,866

Fair value measurement:

- (i) Accounts receivable comprises gross contractual amounts payable, in the amount of R\$4,907, out of which R\$599 is estimated as non-recoverable on the acquisition date.
- (ii) The operating right (intangible assets) and equity, including non-controlling interest, were measured at value in use and calculated considering level 3 of the fair value hierarchy. As set forth in CPC 15, the purchaser performed the preliminary allocation of the assets, to be concluded within one year as from the acquisition date.
- (iii) On the acquisition date, contingent liabilities totaled R\$2,304, recognized at fair value and represented by possible contingencies. As at September 30, 2019, there were no changes in the values of possible contingencies recognized on the date of acquisition of AETE.

On August 14, 2019, subsidiary APAETE acquired 10.76% of AETE's total capital, owned by Alubar Energia S.A. ("Alubar"), which operation was not subject to previous acquisitions. The value adjusted under the Purchase and Sale Agreement, for acquisition of interest, was R\$18,630, paid on such date. As a result of such acquisition, APAETE held 86.75% of the AETE's total capital and, therefore, Alupar held indirectly 22.12% of the AETE's total capital. The equity value was

Notes to the interim financial information

R\$16,274, and the overpaid amount on the equity value was R\$2,356, recognized in capital reserves, reducing equity, as it refers to a transaction between partners.

AETE contributed with revenues of R\$8,746 and net profit of R\$4,184, between the acquisition date and September 30, 2019, in the consolidated statement of profit and loss. If it Had the AETE's shareholding control been acquired as from January 1, 2019, the amount of R\$22,786 and R\$10,883 would have been included as revenues and net profit, respectively, in the consolidated statement of profit and loss.

- iii) Lot M comprises the sale of: (i) a 24.50% stake held by Eletrobras in Transirapé; (ii) a 24.00% stake held by Eletrobras in Transleste; and (iii) a 25% stake held by Eletrobras in Transudeste (collectively, "Transmineiras"), in which companies Alupar already holds indirect interest through Transminas. The winning bid for the three companies, presented by the Company, corresponded to the minimum value of the lot of R\$78,376; however, the shares, traded in Lot M, in relation to which Alupar was the winner, were fully transferred to TAESA, by virtue of the agreement entered into with Eletrobras with respect to the preemptive right, as set forth in the Shareholders' Agreement signed by these companies. However, due to a different understanding, subsidiary Transminas filed a lawsuit, which, as at September 30, 2019, is pending decision.

12. Interests of non-controlling shareholders

The following table summarizes information regarding each of the Company's subsidiaries, which has non-controlling shareholders:

Non-controlling interest in subsidiaries	9/30/2019			
	Non-controlling interest (%)	Equity	Non-controlling interest (carrying amount)	Income (loss) from non-controlling interest
Subsidiaries:				
Transminas	29.98	133,580	40,050	10,461
EATE	49.98	1,175,173	587,345	146,770
ENTE	49.99	621,968	310,915	89,398
ECTE	49.98	250,108	124,998	21,036
ERTE	21.95	183,425	40,262	8,198
ETEP	49.98	305,212	152,559	33,375
STN	49.00	427,575	209,512	25,363
EBTE	49.00	276,420	135,446	13,710
EDTE	49.90	127,369	63,557	42,881
Lumitrans	5.00	119,730	5,987	1,229
Ijuí	13.34	330,776	44,132	2,503
Foz	30.17	232,220	70,052	6,909
Lavrinhas	39.00	158,167	61,685	3,604
Queluz	31.17	182,050	56,745	3,143
ETEM	37.21	88,000	32,744	(3,285)
GET	49.00	(1,074)	(526)	-
Risaralda	0.03	17,062	6	1
Verde 08	15.00	100,249	15,037	(1,149)
La Virgen	15.42	294,333	45,396	(524)
TPE	49.00	176,539	86,504	67,433
TCC	49.00	109,837	53,820	40,559
TSM	49.00	52,123	25,540	6,762
Apaete	74.50	140,787	104,886	3,014
AETE	13.25	153,577	20,349	6,699
Transleste	49.00	84,172	41,244	12,098
Transudeste	49.00	57,789	28,317	10,114
Transirapé	49.00	157,927	77,384	18,774
		5,955,094	2,433,946	569,076

Notes to the interim financial information

In the nine-month period ended September 30, 2019, Apaete's capital increase totaled R\$139,095, out of which R\$103,582 was contributed by non-controlling shareholders. TSM's capital increase totaled R\$14,000, out of which R\$6,860 was contributed by non-controlling shareholders.

The variation of non-controlling interest of R\$51,285 refers to the indirect interest of Transleste, Transirapé, Transudeste, STC and ERTE.

13. Property, plant and equipment

PP&E is recorded at acquisition and/or construction cost, less accumulated depreciation.

Consolidated property, plant and equipment is demonstrated, as follows:

Consolidated							
Annual average depreciation rate	12/31/2018	Additions	Write-offs	Transfers	Gain (loss) on conversion of balances	Property, plant and equipment acquired from capital transaction	9/30/2019
In service							
Historical cost							
Land	87,521	1,963	(1,645)	-	50	-	87,889
Reservoirs, dams and feeders	1,540,083	51	-	37,455	-	-	1,577,589
Buildings, civil construction and improvements	466,527	1	-	8,018	322	283	475,151
Machinery and equipment	1,761,123	930	(16)	83,217	156	-	1,845,410
Vehicles	3,195	-	-	-	12	-	3,207
Furniture and fixtures	7,312	305	-	15	8	-	7,640
Total	3,865,761	3,250	(1,661)	128,705	548	283	3,996,886
Depreciation							
Reservoirs, dams and feeders	2.04%	(170,895)	(25,709)	-	-	-	(196,604)
Buildings, civil construction and improvements	2.19%	(49,733)	(8,106)	-	(10)	-	(57,849)
Machinery and equipment	3.10%	(246,353)	(43,298)	15	(27)	-	(289,663)
Vehicles	11.74%	(1,477)	(135)	-	(67)	-	(1,679)
Furniture and fixtures	11.07%	(3,274)	(470)	29	(59)	-	(3,774)
Total depreciation		(471,732)	(77,718)	44	(163)	-	(549,569)
Total in service		3,394,029	(74,468)	(1,617)	128,705	385	3,447,317
In progress							
		889,453	102,152	(4,861)	(128,705)	45,166	903,205
Total property, plant and equipment		4,283,482	27,684	(6,478)	-	45,551	4,350,522

- The balance of construction in progress refers to costs incurred for construction of hydroelectric power plants and transmission lines, mainly subsidiaries La Virgen (R\$740,222), TCE (R\$62,802) and Água Limpa (R\$7,798).
- Capitalization of charges
The subsidiaries in pre-operating stage capitalize interest on loans, financing and debentures at the construction cost of construction in progress. As at September 30, 2019, net capitalized financial charges totaled R\$14,100 (R\$11,916 as at December 31, 2018). The interest rate adopted to determine the loan costs subject to capitalization represents the effective rate of loans, financing and debentures of such subsidiaries in pre-operating stage, as described in notes 20 and 21.
- The Company tested its PP&E items for impairment and did not find information, either through internal or external sources, which would be indicative of impairment.
- Collaterals or guarantees
The Company and its subsidiaries have not pledged any PP&E items as collateral or guarantee.

14. Intangible assets

Intangible assets are demonstrated as follows:

Company					
Annual average amortization rate	12/31/2018	Additions	Write-offs	9/30/2019	
Cost					
Other intangible concession assets	813	-	(2)	811	
Intangible assets from acquisition of shares	14,838	-	-	14,838	
	15,651	-	(2)	15,649	
Amortization					
Other intangible concession assets	20.00%	(629)	(35)	-	(664)
Intangible assets from acquisition of shares	3.33%	(2,383)	(271)	-	(2,654)
		(3,012)	(306)	-	(3,318)
Projects in progress					
		66,792	898	-	67,690
Total intangible assets		79,431	592	(2)	80,021

Consolidated					
Annual average amortization rate	12/31/2018	Additions	Write-offs	Gain (loss) on conversion of balances	9/30/2019
Cost					
Other intangible concession assets	24,512	5,238	(3)	22	29,769
Use of public asset	16,348	-	-	-	16,348
Intangible assets from acquisition of shares	66,373	24,105	-	-	90,478
	103,279	29,343	(3)	22	136,595
Amortização					
Other intangible concession assets	25.86%	(12,683)	(1,306)	60	(13,929)
Use of public asset	3.18%	(3,839)	(392)	-	(4,231)
Intangible assets from acquisition of shares	3.60%	(13,668)	(1,579)	-	(15,247)
		(26,236)	(3,277)	60	(33,407)
Project in progress					
		71,168	4,174	-	75,342
Total intangible assets		148,211	30,240	(3)	178,530

Notes to the interim financial information

a) Intangible assets generated in the acquisition of shares (goodwill arising from the concession)

The concession rights generated in the acquisition of shares are amortized on a straight-line basis over the service concession arrangement period. The amounts recorded by the Company derived from investments performed in the following projects:

	Taxa média Annual de amortização	Concession period		Company		Consolidated	
		Start	End	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Cost							
Queluz	4,58%	04/06/04	04/06/34	2,665	2,665	2,665	2,665
Lavrinhas	4,55%	04/06/04	04/06/34	5,245	5,245	5,245	5,245
La Virgen	-	-	-	-	-	6,164	6,164
EDV I (**)	3,33%	07/17/12	07/17/47	-	-	3,006	3,006
EDV II (**)	3,33%	07/16/12	07/16/47	-	-	1,847	1,847
EDV III (**)	3,33%	07/19/12	07/19/47	-	-	2,714	2,714
EDV IV (**)	3,33%	07/24/12	07/24/47	-	-	3,933	3,924
EDV X (**)	3,33%	07/19/12	07/19/47	-	-	2,420	2,420
STC (*)	3,47%	04/27/06	04/27/36	-	-	8,942	8,942
Lumitrans (*)	4,10%	02/18/04	02/18/34	-	-	9,766	9,766
Transleste (*)	4,92%	02/18/04	02/18/34	-	-	3,814	3,814
Transudeste (*)	4,88%	03/04/05	03/04/35	-	-	2,767	2,767
Transirapé (*)	4,67%	03/15/05	03/15/35	-	-	4,391	4,391
ETB	-	09/29/16	09/29/46	6,681	6,681	6,680	6,680
EDTE (***)	2,87%	12/01/16	12/01/46	-	-	1,752	1,781
AETE (note 11)	6,82%	07/31/19	02/18/34	-	-	24,125	-
Other	-	-	-	247	247	247	247
				14,838	14,838	90,478	66,373
Amortization							
Queluz				(912)	(791)	(912)	(791)
Lavrinhas				(1,742)	(1,592)	(1,742)	(1,592)
EDV I (**)				-	-	(336)	(264)
EDV II (**)				-	-	(202)	(158)
EDV III (**)				-	-	(326)	(262)
EDV IV (**)				-	-	(438)	(344)
EDV X (**)				-	-	(270)	(212)
STC (*)				-	-	(3,409)	(3,177)
Lumitrans (*)				-	-	(4,403)	(4,103)
Transleste (*)				-	-	(1,110)	(695)
Transudeste (*)				-	-	(796)	(969)
Transirapé (*)				-	-	(1,213)	(1,059)
EDTE (***)				-	-	(90)	(42)
				(2,654)	(2,383)	(15,247)	(13,668)
Total net				12,184	12,455	75,231	52,705

(*) Operating right from shares acquired by EATE. (**) Operating right from shares acquired by Windepar.

(***) Operating right from shares acquired by ENTE.

b) Project under development

For developing an energy generation or transmission project, the Company incurs costs relating to hiring of services, travels and other costs inherent to the project development process. After authorization/permission/grant of the permits to implement the developed projects, these costs are allocated to the respective Special Partnership Companies ("SPCs"). Expenses incurred on a project, which might not be implemented, are reverted to the Company's profit or loss. These reversals are based on assessments made on a quarterly basis by Management.

c) Collaterals or guarantees

The Company and subsidiaries have not pledged any intangible asset items as collateral or guarantee.

15. Trade payables

	Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Transmission use charges	-	-	2,543	2,291
Electric energy supply	8,207	26,451	114,230	112,810
Materials and services	16,832	10,274	252,575	163,141
Related parties	17,674	17,261	12,000	12,000
Other	-	-	2,482	2,950
Total	42,713	53,986	383,830	293,192

16. Provisions for environmental expenses

The Company's subsidiaries invest in programs in such a way as to compensate for the environmental impact that arises from the activities of implementation and construction of power plants and transmission lines, in addition to the social programs aimed at assisting the development of the communities. The recognition of these provisions is made only at the moment of the construction and implementation of the developments and are recorded against fixed assets. The realization of these provisions is effected during the implementation of these programs.

Variation in provision for environmental costs	Consolidated				
	12/31/2018	Realization	Write-off	Adjustment	9/30/2019
	24,134	(952)	(20)	439	23,601
Current	23,400				22,867
Non-current	734				734

17. Provisions for assets

The provisions for assets arising from fixed asset costs, incurred but not billed, relating to the implementation phase, were recognized against construction in progress or contractual asset, not subject to financial disbursements yet; they will be disbursed financially according to the schedule of the work and, according to the evolution of these events, these provisions will be replaced by revenues from suppliers.

Variation in provision for asset recognition	Consolidated				
	12/31/2018	Realization	Write-off	Addition	9/30/2019
	86,019	(63,444)	(2,303)	37,954	58,226
Current	79,341				51,549
Non-current	6,678				6,677

18. Regulatory charges

	Consolidated	
	9/30/2019	12/31/2018
ANEEL inspection fee (TFSEE)	2,642	2,358
Quota for Global Reversal Reserve (RGR)	4,757	4,487
Financial Compensation for the Use of Water Resources (CFURH)	1,315	1,540
Research and Development (R&D)	50,283	45,971
National Fund for Scientific and Technological Development (FNDCT)	879	889
Ministry of Mines and Energy (MME)	433	443
	60,309	55,688

19. Deferred social contributions and regulatory charges

Deferred social contributions and regulatory charges refer to the temporary differences of infrastructure revenues and concession asset compensation on contractual asset registered on the accrual basis.

	Consolidated	
	9/30/2019	12/31/2018
Deferred TFSEE and RGR	173,592	166,746
Deferred PIS and COFINS	460,796	289,521
	634,388	456,267
Current	53,254	71,091
Non-current	581,134	385,176

Notes to the interim financial information

20. Loans and financing

The Company has not entered into loan and financing agreements. The main characteristics and the balance of the subsidiaries' loans and financing are demonstrated as follows:

Financing agents	Companies	Contractual conditions of loans and financing						Consolidated				
		Contracting date	Maturity	Principal	Financial charges p.a.		Amortization frequency	9/30/2019				12/31/2018
					Index	Interest (%)		Unamortized costs	Charges	Principal	Total	Total
Domestic currency - Brazilian reais												
Operating												
BNDES - A - nº 11.2.1030.1	ETEM	Dec-11	Apr-26	44,700	TJLP	2.44	Monthly	-	70	22,239	22,309	24,775
BNDES - B - nº 11.2.1030.1	ETEM	Dec-11	Apr-26	2,100	TJLP	2.04	Monthly	-	2	723	725	805
BNDES - A - nº 13.2.1413.1	ETSE	Dec-13	Nov-28	27,446	TJLP	2.02	Monthly	-	89	29,720	29,809	32,150
BNDES (FINAME) - B - nº 13.2.1413.1	ETSE	Dec-13	Nov-23	34,254	-	3.50	Monthly	-	26	18,493	18,519	21,851
BNDES - A - nº 12.2.1390.1	FGE	Dec-12	Apr-31	198,420	TJLP	2.34	Monthly	(2,769)	534	172,251	170,016	180,465
BNDES - B - nº 12.2.1390.1	FGE	Dec-12	Apr-31	78,540	TJLP	2.34	Monthly	-	212	68,176	68,388	72,594
BNDES - C - nº 12.2.1390.1	FGE	Dec-12	Apr-31	9,500	TJLP	2.34	Monthly	-	24	7,692	7,716	8,190
BNDES - D - nº 12.2.1390.1	FGE	Dec-12	Dec-22	181,850	-	2.50	Monthly	-	77	80,290	80,367	98,914
BNDES - E - nº 12.2.1390.1	FGE	Dec-12	Apr-31	2,300	TJLP	-	Monthly	-	5	2,064	2,069	1,389
BNDES - nº 08.2.0070.1	Foz	Apr-08	Mar-27	201,630	TJLP	2.44	Monthly	-	368	117,134	117,502	128,860
BNDES - nº 08.2.0071.1	Ijuí	Apr-08	Sep-27	168,200	TJLP	3.17	Monthly	-	362	106,403	106,765	116,419
BNDES - nº 08.2.0976.1	Lavrinhas	Mar-09	Apr-25	111,185	TJLP	1.93	Monthly	-	157	53,265	53,422	60,415
BNDES - nº 10.2.0477.1	Lavrinhas	Aug-10	Apr-25	16,875	TJLP	2.22	Monthly	-	22	7,234	7,256	8,205
BNDES - nº 08.2.0975.1	Queluz	Mar-09	Jan-25	114,647	TJLP	1.93	Monthly	-	153	51,668	51,821	58,928
BNDES - nº 10.2.0478.1	Queluz	Aug-10	Jan-25	27,716	TJLP	2.22	Monthly	-	34	11,315	11,349	12,906
BNDES - nº 15.2.0778.1 (*)	EDV I	Mar-16	Oct-32	57,990	TJLP	2.18	Monthly	(25)	174	53,186	53,335	54,870
BNDES - nº 15.2.0778.1 (*)	EDV II	Mar-16	Oct-32	32,220	TJLP	2.18	Monthly	(13)	98	30,022	30,107	30,973
BNDES - nº 15.2.0778.1 (*)	EDV III	Mar-16	Oct-32	49,007	TJLP	2.18	Monthly	(19)	150	45,890	46,021	47,346
BNDES - nº 15.2.0778.1 (*)	EDV IV	Mar-16	Oct-32	81,041	TJLP	2.18	Monthly	(23)	230	70,406	70,613	72,645
BNDES - nº 15.2.0778.1 (*)	EDV X	Mar-16	Oct-32	41,042	TJLP	2.18	Monthly	(18)	126	38,479	38,587	39,698
BNB - s nº A400000101001 and 1002	STN	Jun-04	Jun-24	299,995	-	10.00	Monthly	-	35	82,584	82,619	99,405
BDMG (FINAME) - nº 147068	Transirapé	Jun-10	Jul-20	1,187	-	4.50	Monthly	-	-	110	110	210
BDMG (FINAME PSI) - nº 177906	Transirapé	Dec-13	Jan-24	19,761	-	3.50	Monthly	-	14	10,323	10,337	12,126
BDMG (FINEM) - nº 193.292	Transirapé	Oct-14	Oct-29	5,893	TJLP	3.50	Monthly	-	147	4,280	4,427	4,741
BDMG - nº 215.411/16	Transirapé	Apr-16	Apr-26	4,000	TJLP	6.00	Monthly	-	72	2,359	2,431	3,610
BDMG - nº 215.485/16	Transirapé	Apr-16	Apr-21	4,469	TJLP	4.50	Monthly	-	98	3,192	3,290	3,694
BDMG - nº 127.315	Transleste	Mar-05	Mar-25	47,029	-	9.50	Monthly	-	67	13,331	13,398	15,258
BNB - nº 05974828-A	Transleste	Mar-05	Mar-25	15,000	-	9.50	Monthly	-	21	4,116	4,137	4,700
Subtotal								(2,867)	3,367	1,106,945	1,107,445	1,216,142
Current								(338)	3,367	151,403	154,432	152,971
Non-current								(2,529)	-	955,542	953,013	1,063,171

Notes to the interim financial information

Financing agents	Companies	Contractual conditions of loans and financing						Consolidated				
		Contracting date	Maturity	Principal	Financial charges p.a.		Amortization frequency	9/30/2019				12/31/2018
					Index	Interest (%)		Unamortized costs	Charges	Principal	Total	Total
Foreign currency												
Operating												
Itau Corpbanca	Risaralda	May-18	May-25	COP120,000,000	IBR(***)	4.93	Quarterly	(1,730)	1,065	143,638	142,973	142,383
Banco Itaú ME	Alupar Peru	Sep-17	Sep-20	USD30,000	Libor + 6M(**)	5.85	Semiannual	-	-	74,938	74,938	94,450
Banco Santander Brasil	Alupar Peru	Dec-18	Dec-21	USD17,500	Libor + 6M(**)	3.42	Annual	-	-	151,559	151,559	67,895
Pre-operating												
Itau Coprbanca Colombia Prenda	TCE	Jul-17	Jul-20	COP175,651,000	IBR(***)	4.44	Monthly	-	-	74	74	135
Itau Coprbanca Colombia Leasing	TCE	Jul-17	Jul-20	COP290,001,000	-	10.32	Monthly	-	-	124	124	223
Santander Brasil- Capital de trabajo	TCE	May-18	Apr-21	USD30,000	Libor + 6M(**)	3.70 PTOS	Annual	(229)	3,906	124,321	127,998	39,729
Corporacion Andina de Fomento CAF	La Virgen	Mar-17	Mar-32	USD40,000	Libor + 6M(**)	up to five years 3.90; after five years 5.70	Semiannual	-	-	198,170	198,170	186,840
Deg Deustsche Investitions	La Virgen	Mar-17	Mar-32	USD30,000.	Libor + 6M(**)	up to five years 3.70; after five years 4.50	Semiannual	-	-	118,376	118,376	112,684
Subtotal								(1,959)	4,971	811,200	814,212	644,339
Current								(440)	4,971	107,686	112,217	44,213
Non-current								(1,519)	-	703,514	701,995	600,126
Total								(4,826)	8,338	1,918,145	1,921,657	1,860,481
Current								(778)	8,338	259,089	266,649	197,184
Non-current								(4,048)	-	1,659,056	1,655,008	1,663,297

(*) First tranche disbursed on April 29, 2016 in the amount of R\$151,450. (**) Libor rate is a reference interest rate adopted by several banks operating in the London market.

(***) Reference Banking Indicator (IBR). IBR rate is charged on a monthly basis.

All funds raised by subsidiaries with the National Bank for Economic and Social Development (BNDES) are collateralized by the pledge of the shares held by the Company. Funds obtained from loans and financing were used for the purpose provided for in the agreements, i.e., the contractual use limits were observed.

The Management of the Company, its subsidiaries and joint ventures monitors the financial ratios established in the agreements. Non-compliance with the financing agreement terms not resolved or waived could result in accelerated maturity of the related debt and of other financing agreements, in addition to interest and fines. As at December 31, 2018 these ratios, which are required to be measured annually, were being met, in line with the provisions in the debt agreements entered into by its subsidiaries and joint ventures.

Notes to the interim financial information

As at September 30, 2019, certain subsidiaries' loans and financing have guarantees deposited in reserve accounts, in the amount of R\$91,376 (R\$105,979 as at December 31, 2018), as described in note 7.

Variation in loans and financing	Consolidated					
	Domestic currency		Foreign currency		Total	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Opening balance	1,216,142	1,508,187	644,339	771,248	1,860,481	2,279,435
Debts (unamortized cost)	800	1,002	148,755	266,262	149,555	267,264
Accrued charges	65,885	103,732	38,600	39,731	104,485	143,463
Adjustment for inflation and exchange rate changes	2,775	6,665	6,009	17,366	8,784	24,031
Gain (loss) on conversion	-	-	37,316	34,947	37,316	34,947
Principal paid	(113,515)	(299,865)	(29,212)	(448,526)	(142,727)	(748,391)
Charges paid	(64,642)	(103,579)	(31,595)	(36,689)	(96,237)	(140,268)
Closing balance	1,107,445	1,216,142	814,212	644,339	1,921,657	1,860,481

In the nine-month period ended September 30, 2019, the funds from financial agreements entered into with Santander by subsidiaries TCE and Alupar Peru were disbursed, in the amount of R\$77,750 and R\$71,006, respectively. In addition, borrowings and settlements were not perform in the period.

Unpaid loans and financing, by currency and index, as follows:

Falling due installments, by currency and index	9/30/2019							
	Consolidated							
	R\$							
	2019	2020	2021	2022	2023	2024	After 2024	Total
Foreign currency								
US dollar	4,561	84,282	139,958	92,330	93,799	25,994	230,118	671,042
Colombian peso	1,063	13,490	10,018	12,325	14,642	16,993	74,639	143,170
	5,624	97,772	149,976	104,655	108,441	42,987	304,757	814,212
Domestic currency								
TJLP	36,569	144,697	138,261	134,526	136,484	128,039	353,141	1,071,717
Fixed rate	2,502	9,217	8,154	7,646	7,308	3,183	585	38,595
(-) Unamortized costs	(158)	(240)	(240)	(240)	(240)	(240)	(1,509)	(2,867)
	38,913	153,674	146,175	141,932	143,552	130,982	352,217	1,107,445
	44,537	251,446	296,151	246,587	251,993	173,969	656,974	1,921,657

Notes to the interim financial information

21. Debentures

The main characteristics and balance of debentures are demonstrated as follows:

Financing agents	Companies	Consolidated							Company					Consolidated				
		Contractual conditions of debentures							9/30/2019				12/31/2018	9/30/2019				12/31/2018
		Contracting date	Maturity	Principal	Effective rate p.a.		Amortization		Unamortized costs	Charges	Principal	Total	Total	Unamortized costs	Chartes	Principal	Total	Total
					Index	Interest (%)	Principal	Charges										
Operating																		
5th Issuance	Alupar	May-12	May-27	300,000	IPCA	7.80	Annual	Semiannual	(100)	9,398	361,989	371,287	376,671	(100)	9,398	361,989	371,287	376,671
6th Issuance	Alupar	Apr-15	Apr-21	250,000	IPCA	7.33	Annual	Semiannual	(1,947)	10,358	310,341	318,752	303,319	(1,947)	10,358	310,341	318,752	303,319
1st Issuance	Windepar	Dec-16	Dec-28	67,500	IPCA	7.63	Semiannual	Semiannual	-	-	-	-	-	(4,833)	1,586	72,669	69,422	66,475
3rd Issuance	EATE	Mar-14	Mar-19	270,000	CDI	1.15	Quarterly	Quarterly	-	-	-	-	-	-	-	-	-	20,896
4th Issuance	EATE	Aug-14	Aug-20	159,000	EATE	109.75	Quarterly	Quarterly	-	-	-	-	-	(5)	351	37,411	37,757	66,093
5th Issuance - I	EATE	Sep-16	Sep-19	126,000	CDI	113.00	Monthly	Monthly	-	-	-	-	-	-	-	-	-	126,511
5th Issuance - II	EATE	Sep-16	Sep-21	54,000	CDI	116.00	Monthly	Monthly	-	-	-	-	-	(37)	220	54,000	54,183	54,191
6th Issuance	EATE	Sep-17	Sep-22	70,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(168)	21	45,818	45,671	57,027
7th Issuance	EATE	Jun-18	Jun-23	85,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(297)	33	69,545	69,281	83,066
8th Issuance	EATE	Jul-19	Jul-24	270,000	CDI	108.60	Single installment	Semiannual	-	-	-	-	-	(714)	2,995	270,000	272,281	-
3rd Issuance	ECTE	May-15	Feb-20	70,000	CDI	2.15	Quarterly	Quarterly	-	-	-	-	-	(4)	130	10,990	11,116	38,395
4th Issuance	ECTE	Sep-17	Sep-22	75,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(238)	34	75,000	74,796	74,694
5th Issuance	ECTE	Jul-19	Jul-24	50,000	CDI	108.60	Single installment	Semiannual	-	-	-	-	-	(232)	555	50,000	50,323	-
2nd Issuance	ENTE	Aug-14	Aug-20	248,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	(6)	547	58,351	58,892	103,087
3rd Issuance - I	ENTE	Sep-16	Sep-19	28,000	CDI	113.00	Monthly	Monthly	-	-	-	-	-	-	-	-	-	28,093
3rd Issuance - II	ENTE	Sep-16	Sep-21	12,000	CDI	116.00	Monthly	Monthly	-	-	-	-	-	(23)	49	12,000	12,026	12,019
4th Issuance	ENTE	Jul-19	Jul-24	50,000	CDI	108.60	Single installment	Semiannual	-	-	-	-	-	(242)	555	50,000	50,313	-
2nd Issuance	ETEP	Aug-14	Aug-20	69,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	(4)	153	16,235	16,384	28,675
3rd Issuance	ETEP	Jun-18	Jun-23	45,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(181)	19	41,326	41,164	44,761
3rd Issuance	Ferreira Gomes	Jun-14	Dec-27	210,900	IPCA	6.47	Semiannual	Semiannual	-	-	-	-	-	(10,885)	5,597	301,303	296,015	286,720
1st Issuance	STN	Aug-14	Aug-20	101,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	-	223	23,765	23,988	41,926
2nd Issuance	Transirapé	Sep-17	Sep-22	30,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(149)	13	29,189	29,053	29,837
1st Issuance	Transleste	Aug-14	Aug-20	55,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	(47)	122	13,113	13,188	22,952
2nd Issuance	Transleste	Sep-17	Jun-22	30,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(154)	13	30,000	29,859	29,832
2nd Issuance	Transudeste	Sep-17	Sep-22	50,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(217)	17	36,735	36,535	45,685
1st Issuance	EBTE	Jun-18	Jun-23	110,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(371)	39	82,501	82,169	98,511
1st Issuance	ETES	Jun-18	Jun-23	40,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(182)	14	30,000	29,832	35,812
2nd Issuance - I	ETAP	Sep-18	Sep-23	41,300	CDI	112.00	Single installment	Semiannual	-	-	-	-	-	(1,225)	100	41,300	40,175	40,930
2nd Issuance - II	ETAP	Sep-18	Sep-25	114,700	IPCA	6.17	Annual	Semiannual	-	-	-	-	-	(2,674)	299	118,573	116,198	114,142
1st Issuance	ETVG	Jun-18	Jun-23	38,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(153)	13	28,501	28,361	34,045
2nd Issuance	Verde 08	Jul-18	Jul-25	140,000	IPCA	5.96	Single installment	Semiannual	-	-	-	-	-	(2,743)	1,562	145,335	144,154	142,657
2nd Issuance - I	ETC	Sep-18	Sep-23	30,700	CDI	113.50	Single installment	Semiannual	-	-	-	-	-	(720)	75	30,700	30,055	30,440
2nd Issuance - II	ETC	Sep-18	Sep-25	85,300	IPCA	6.17	Annual	Semiannual	-	-	-	-	-	(2,152)	222	88,180	86,250	84,909
Pre-operating																		
1st Issuance	TCC	Sep-18	Sep-28	680,000	IPCA	6.53	Semiannual	Semiannual	-	-	-	-	-	(22,294)	21,532	680,000	679,238	666,748
1st Issuance	TPE	Sep-18	Sep-28	1,070,000	IPCA	6.53	Semiannual	Semiannual	-	-	-	-	-	(34,992)	33,881	1,070,000	1,068,889	1,049,243
2nd Issuance	EDTE	Dec-18	Dec-28	315,000	IPCA	NTN-B + 0,5%	Semiannual	Semiannual	-	-	-	-	-	(9,997)	13,300	315,000	318,303	304,427
TOTAL									(2,047)	19,756	672,330	690,039	679,990	(97,986)	104,026	4,599,870	4,605,910	4,542,789
Current									(1,243)	19,756	200,419	218,932	27,463	(13,557)	53,150	492,594	532,187	508,893
Non-current									(804)	-	471,911	471,107	652,527	(84,429)	50,876	4,107,276	4,073,723	4,033,896

Notes to the interim financial information

The Management of the Company, its subsidiaries and joint ventures monitors the financial ratios defined in the indentures of debentures.

For debentures issued by the Company, the calculations are performed on a quarterly basis according to the following ratios:

- Company – Net Debt/(Dividends + Interest on Capital + EBITDA) and (Dividends + Interest on Capital + EBITDA)/Net Finance Costs; and
- Consolidated – Net Debt/Adjusted EBITDA; Adjusted EBITDA/Net Finance Costs and Gross Debt/(Gross Debt + Equity + Non-controlling Interest).

For debentures issued by the Company's subsidiaries, the financial ratios calculated refer to EBITDA, such as the Debt Service Coverage Ratio ("DSCR") and the Debt-to-Equity ratio, which are calculated on an annual basis, except for the debenture agreement entered into by subsidiary Ferreira Gomes, which is calculated on a quarterly basis. The non-performance of the abovementioned covenants implies the advanced maturity of debentures.

As at September 30, 2019 and December 31, 2018, all covenants were met and these ratios were within the limits established in the debt agreements of the Company, its subsidiaries and joint ventures. Ferreira Gomes did not meet the ratios in the third quarter of 2019; however, the advanced debt maturity does not take place in the event of ratios are not complied for two consecutive quarters, therefore, the debt was not reclassified to current.

Debentures of the Company and its subsidiaries are nonconvertible.

Variation in debentures	Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Opening balance	679,990	725,914	4,542,789	2,483,736
Debts (unamortized cost)	-	-	369,016	2,720,969
Accrued charges	34,238	68,714	294,838	223,919
Adjustment for inflation and exchange rate changes	23,506	9,604	32,884	23,017
Gain (loss) on conversion	-	-	-	-
Principal paid	(22,525)	(71,475)	(417,838)	(721,667)
Charges paid	(25,170)	(52,767)	(215,779)	(187,185)
Closing balance	690,039	679,990	4,605,910	4,542,789

In the nine-month period ended September 30, 2019, the 3rd and 5th issuance of EATE's debentures, and the 3rd issuance of ENTE's debentures were settled, in the amount of R\$174,844. In addition, the 8th issuance of EATE's debentures, the 5th issuance of ECTE's debentures and the 4th issuance of ENTE's debentures were performed, according to the table above, which shows the main characteristics and balance of debentures. The funds were raised to increase the working capital.

Notes to the interim financial information

The unpaid debentures, by index, as follows:

Falling due installments by index	9/30/2019							
	Company							
	R\$							
	2019	2020	2021	2022	2023	2024	After 2024	Total
IPCA	19,756	200,419	200,419	45,249	45,249	45,249	135,745	692,086
(-) unamortized costs	(311)	(1,243)	(423)	(13)	(13)	(13)	(31)	(2,047)
	19,445	199,176	199,996	45,236	45,236	45,236	135,714	690,039

Falling due installments by index	9/30/2019							
	Consolidated							
	R\$							
	2019	2020	2021	2022	2023	2024	After 2024	Total
CDI	124,885	197,436	215,846	129,176	105,591	320,000	50,000	1,142,934
IPCA	100,695	168,774	226,907	76,378	216,274	419,917	2,351,282	3,560,227
(-) unamortized costs	(6,823)	(9,840)	(12,420)	(11,859)	(11,448)	(10,949)	(33,912)	(97,251)
	218,757	356,370	430,333	193,695	310,417	728,968	2,367,370	4,605,910

22. Provision for contingencies

- a) The Management of the Company and its subsidiaries, based on the legal counsel's opinion and the analysis of pending lawsuits, recognized a provision in an amount considered sufficient to cover the probable losses from the lawsuits in progress, as follows:

Company				Consolidated			
Liabilities		Assets		Liabilities		Assets	
Provisions		Escrow deposits		Provisions		Escrow deposits	
9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018

Lawsuits

Tax	2,512	2,500	2,504	2,448	3,388	3,450	6,658	5,862
Civil	-	22	10	10	1,699	1,554	7,795	3,601
Severance	-	-	-	-	-	-	9,814	11,964
Labor	4,468	2,414	629	507	9,658	6,124	2,346	2,478

Administrative proceedings

Regulatory (ANEEL)	-	-	-	-	-	-	23	28
	6,980	4,936	3,143	2,965	14,745	11,128	26,636	23,933
Current	-	-	-	-	6	1,071	-	-
Non-current	6,980	4,936	3,143	2,965	14,739	10,057	26,636	23,933

- b) Changes in the provision for contingencies:

Company						
12/31/2018	Filing	Adjustments	Reversals	Contingencies from capital transaction	Payments	9/30/2019

Lawsuits

Tax	2,500	853	57	(898)	-	-	2,512
Civil	22	3	-	(25)	-	-	-
Labor	2,414	2,054	-	-	-	-	4,468
	4,936	2,910	57	(923)	-	-	6,980

Consolidated						
12/31/2018	Filing	Adjustments	Reversals	Contingencies from capital transaction	Payments	9/30/2019
3,450	853	57	(898)	-	(74)	3,388
1,554	303	-	(25)	-	(133)	1,699
6,124	798	-	216	2,635	(115)	9,658
11,128	1,954	57	(707)	2,635	(322)	14,745

c) Contingent liabilities – possible likelihood of loss

The Company and its subsidiaries are parties to other lawsuits and risks, whose likelihood of unfavorable outcome is assessed as possible by the Company's outside legal counsel due to their grounding legal basis and, therefore, no provision was recorded. There are no court or other decisions on similar lawsuits whose likelihood of loss is assessed as probable or remote that would represent a judicial trend on these issues.

As at September 30, 2019, the Company's and its subsidiaries' lawsuits whose likelihood of loss is possible are demonstrated as follows:

	30/09/2019		31/12/2018	
	Number	Value	Number	Value
Lawsuits				
Tax	46	53,029	38	35,608
Environmental and civil	52	120,728	45	108,099
Labor	61	25,673	85	30,663
Regulatory	8	29	3	-
	167	199,459	171	174,370

The Company's Management takes into consideration, for a detailed explanation in an explanatory note, the lawsuits whose likelihood of loss is possible and whose value at risk exceeds R\$10,000 for the lawsuits related to the Company and R\$5,000 for the lawsuits related to its subsidiaries and/or are significant for the Company's business, such as public civil actions, regardless of the value at risk.

The main lawsuits whose likelihood of loss is possible are summarized below:

(i) Tax:

- Tax Enforcement nº 08094733820178230010 - filed against subsidiary Transnorte Energia S.A. (TNE), in progress before the 2nd Public Finance Court of Boa Vista. This is a lawsuit filed for ICMS collection purposes initially ascertained in the Notice of Default No. 492/2015, whose value at risk is approximately R\$17,060 (R\$16,499 as at December 31, 2018); and
- Administrative Proceeding nº 10480729854201815 – filed against subsidiary Sistema de Transmissão do Nordeste S.A. (STN), in progress before the Federal Revenue Office of the City of Recife, State of Pernambuco. This lawsuit refers to the recognition of income tax and social contribution due to the disallowance of finance costs from the payment of interest related to the debentures issued. The value at risk is approximately R\$15,417.

(ii) Environmental and civil:

- Environmental Notice of Default nº 014689-A – filed by Instituto do Meio Ambiente e Ordenamento Territorial no Estado do Amapá – IMAP, against subsidiary Ferreira Gomes Energia S.A., as such subsidiary would supposedly have caused significant changes in the environment, causing the death of aquatic fauna species in Araguari river. The value at risk is approximately R\$30,000 (R\$30,000 as at December 31, 2018);
- Environmental Notice of Default nº 013596-A – filed by Instituto do Meio Ambiente e Ordenamento Territorial no Estado do Amapá – IMAP, against subsidiary Ferreira Gomes Energia S.A., as such subsidiary would supposedly have caused significant changes in the environment. The value at risk is approximately R\$20.000 (R\$20.000 as at December 31, 2018);

In September 2015, subsidiary Ferreira Gomes Energia S.A. signed the Conduct Adjustment Term to suspend the administrative proceeding in progress in IMAP until its full implementation. Upon compliance with the obligations assumed, the administrative proceeding will be terminated.

- Collection Action nº 00316184620178160001 – filed by Construtora Triunfo S.A. against subsidiary Foz do Rio Claro Energia S.A., whereby the plaintiff requests the conviction regarding the fine by contractual termination and loss of profits. The value at risk is approximately R\$13,054 (R\$10,194 as at December 31, 2018);
- Monitoring Action nº 00465158420148160001 – filed by Construtora Triunfo S.A. against subsidiary Foz do Rio Claro Energia S.A., whereby the plaintiff requests the conviction regarding the payment arising from additional services under the Works Contract. The value at risk is approximately R\$11,975 (R\$10,984 as at December 31, 2018);
- Execution Action nº 00002067420198030006 – filed by the State Public Prosecution Office against subsidiary Ferreira Gomes for supposed violation of Clause 2.9, items 'f' and 'g', of TAC approved in the court records of Public Civil Action nº 001385-48.2016.8.03.00006. The value at risk is approximately R\$8,635;
- Environmental Notice of Default nº 016154 – filed by Instituto do Meio Ambiente e Ordenamento Territorial no Estado do Amapá – IMAP, against subsidiary Ferreira Gomes Energia S.A., as such subsidiary would supposedly have caused significant changes in the environment, causing the death of aquatic fauna species in Araguari river. The value at risk is approximately R\$7,000 (R\$7,000 as at December 31, 2018);
- Revisional Action nº 10688729020138260100 – filed by Cotesa - Desapropriações, Avaliações e Meio Ambiente Ltda. against subsidiary Ijuí Energia S.A., which requires the collection of unexpected and supervening services. The value at risk is approximately R\$6,325 (R\$5,809 as at December 31, 2018);
- Public Civil Action nº 00099563820104013100 – filed by the Federal Public Prosecution Office and the Public Prosecution Office of the State of Amapá against the Company, ANEEL, CEO of IMAP (Instituto de Meio Ambiente e Ordenamento Territorial do Amapá) and SEMA/AP - Secretaria do Estado do Meio Ambiente do Estado do Amapá. The purpose of this action is to prevent environmental damages involving the environmental licensing. The value at risk is approximately R\$1,643 (R\$1,608 as at December 31, 2018);
- Public Civil Action nº 00016274120158030006 – filed by the Public Prosecution Office of the State of Amapá, which requests the indemnity for supposed physical damages and pain and suffering caused by subsidiary Ferreira Gomes Energia S/A against the environment. The value at risk was not estimated;
- Public Civil Action nº 001983412020148090142 – filed by the Public Prosecution Office of the State of Goiás against the Company and the State of Goiás, with preliminary injunction. The purpose of this action is to curb the granting of the preliminary license by SEMARH to the Company, necessary for the construction of Hydroelectric Power Plant Verde 11 Alto. No value at risk is involved;

Notes to the interim financial information

- Public Civil Action nº 00184082320134013200 – filed by the Federal Public Prosecution Office against subsidiary Trasnorte for the preservation of allegedly offended indigenous rights. The value at risk is approximately R\$1,211 (R\$1,211 as at December 31, 2018);
- Public Civil Action nº 00013863320168030006 – filed by the Public Prosecution Office of the State of Amapá, against subsidiary Ferreira Gomes Energia S.A. and others, with the purpose of compelling the defendants to promote the full recovery of all environmental damages caused in the Municipality of Ferreira Gomes/AP, as well as the adoption of measures to minimize the effects related to the flood. The value at risk was not estimated; and
- Public Civil Action nº 00180326620154013200 – filed by the Federal Public Prosecution Office against subsidiary Trasnorte for the preservation of allegedly offended indigenous rights. The value at risk is approximately R\$0,100.

(iii) Labor:

- Labor Lawsuit nº 00172958320165160013 – filed by the Union of Works in Urban Industries of the State of Maranhão against subsidiary Empresa Amazonense de Transmissão de Energia S.A. (EATE), in progress before the Labor Court of the City of Açailândia, State of Maranhão. This labor lawsuit refers to the collection of overtime due to work break schedule, salary difference and effects from non-stop work shifts. The value at risk is approximately R\$7,885 (R\$8,578 as at December 31, 2018).

(iv) Regulatory – Active Action – CNPE nº 03:

- Ordinary Actions with Preliminary Injunction nº 0027834-41.2013.4.01.3400, nº 0076295-10.2014.4.01.3400 and nº 0003995-79.2016.4.01.3400 – filed by subsidiaries Foz do Rio Claro Energia S.A., Ijuí Energia S.A., Usina Paulista Lavrinhas de Energia S.A., Usina Paulista Queluz de Energia S.A., Ferreira Gomes Energia S.A., ACE Comercializadora LTDA., Energia dos Ventos I S.A., Energia dos Ventos II S.A., Energia dos Ventos III S.A., Energia dos Ventos IV S.A. and Energia dos Ventos X S.A., intermediated by Associação Brasileira de Produtores Independentes de Energia Elétrica (APINE), against the Federal Government, aiming at the nullity of the application of the effects of CNPE Resolution No. 3, which, in short, aimed at including the hydroelectric generators in the apportionment of the cost of the dispatch of the Thermoelectric Power Plants outside the order of economic merit to guarantee the energy supply. Currently, the Generators are benefited by a preliminary injunction preventing the application of the effects of this resolution. If the ruling is unfavorable, the System Service Charges to be recognized by the Company's subsidiaries totals approximately R\$16,156 (R\$16,211 as at December 31, 2018).

23. Equity

a) Authorized capital

Pursuant to article 8 of the Bylaws, the Company is authorized to increase capital, subject to approval by the Board of Directors, regardless of any amendment to the Bylaws, through issue of common and/or preferred shares, up to the limit of one billion (1,000,000,000) shares. It is also incumbent upon the Board of Directors to set the issue conditions, including price, terms and form of payment. The Company's shareholders are entitled to the preemptive right in the subscription of new shares, or any securities convertible into shares, exercisable within thirty (30) days.

b) Capital

As at September 30, 2019 and December 31, 2018, the Company's subscribed and paid-in capital totaled R\$2,981,996, represented by 596,955,970 common shares and 282,155,299 preferred shares, as follows:

	9/30/2019				12/31/2018			
	Common		Preferred		Common		Preferred	
	Number	%	Number	%	Number	%	Number	%
Shareholders								
Guarupart	445,995,367	74.71	5,471,128	1.94	445,995,367	74.71	5,471,128	1.94
FI - FGTS	35,162,754	5.89	70,325,508	24.92	35,162,754	5.89	70,325,508	24.92
Outros	115,797,849	19.40	206,358,663	73.14	115,797,849	19.40	206,358,663	73.14
Total shares	596,955,970	100.00	282,155,299	100.00	596,955,970	100.00	282,155,299	100.00

Notes to the interim financial information

c) Capital reserve

The capital reserves arise from the profit or loss in transaction of capital and from reserve for reinvestment, as follows:

	Company	
	9/30/2019	12/31/2018
Gain (loss) on capital transaction		
EATE	86,821	86,821
ECTE	(3,915)	(3,915)
APAETE	(602)	-
Lavrinhas	(4,747)	(4,747)
Queluz	(3,000)	(3,000)
Foz	(31,987)	(31,987)
	<u>42,570</u>	<u>43,172</u>
Reinvestment reserve		
ENTE	466	466
ETEP	57	57
	<u>523</u>	<u>523</u>
	<u>43,093</u>	<u>43,695</u>

d) Other comprehensive income

This refers to gain and loss on translation of the interim financial information of subsidiaries domiciled abroad, as follows:

	Company	
	9/30/2019	12/31/2018
Balance at the beginning of the period	24,228	10,456
Exchange differences from conversion of assets overseas		
Subsidiaries:		
La Virgen	1,082	1,777
Risaralda	1	5
Alupar Peru	11,758	8,439
Alupar Chile	-	-
Alupar Colombia	(17)	3,551
Balance at the end of the period	<u>37,052</u>	<u>24,228</u>

Notes to the interim financial information

24. Earnings per share

Basic earnings per share are calculated based on profit or loss for the period attributable to the Company's owners and the weighted average number of common shares outstanding in the related period.

The table below shows the calculation of the weighted average of outstanding shares and earnings per share of the Company for the quarters and nine-month periods ended September 30, 2019 and 2018:

Company e Consolidated			
Quarter ended		Period ended	
9/30/2019	9/30/2018	9/30/2019	9/30/2018

Numerator:

Net profit for the period attributed to controlling shareholders	212,545	169,512	723,961	355,878
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Denominator (in thousands of shares)

Weighted average number of common shares (*)	596,956	596,956	596,956	596,956
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Weighted average number of preferred shares (*)	282,155	282,155	282,155	282,155
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Earnings per share

Basic and diluted earnings per common share (*)	0.24177	0.19282	0.82351	0.40482
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Basic and diluted earnings per preferred shares (*)	0.24177	0.19282	0.82351	0.40482
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(*) The Company does not have diluting instruments, such as, convertible instruments, options or subscription warrants.

25. Net operating revenue

	Company				Consolidated			
	Quarter ended		Period ended		Quarter ended		Period ended	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Gross operating revenue								
Power transmission system								
Operation and maintenance revenue	-	-	-	-	61,046	47,269	401,034	137,369
Infrastructure revenue	-	-	-	-	1,012,432	113,084	2,323,079	197,177
Concession asset payment	-	-	-	-	139,030	311,142	270,235	816,597
	-	-	-	-	1,212,508	471,495	2,994,348	1,151,143
Power generation system								
Power supply (note 26)	42,233	28,106	172,451	62,327	164,763	167,682	535,025	436,641
	42,233	28,106	172,451	62,327	164,763	167,682	535,025	436,641
Total gross operating revenue	42,233	28,106	172,451	62,327	1,377,271	639,177	3,529,373	1,587,784
Taxes on gross operating revenue								
PIS	(687)	(463)	(3,937)	(1,028)	(5,093)	(4,162)	(15,866)	(12,263)
COFINS	(3,161)	(2,136)	(8,628)	(4,786)	(22,820)	(18,378)	(62,704)	(55,421)
Deferred PIS and COFINS	-	-	-	-	(74,879)	(5,229)	(177,543)	(5,765)
ISS	-	-	-	-	(59)	(97)	(222)	(290)
VAT	-	-	-	-	(101)	(169)	(465)	(515)
	(3,848)	(2,599)	(12,565)	(5,814)	(102,952)	(28,035)	(256,800)	(74,254)
Regulatory charges								
RGR	-	-	-	-	(8,143)	(7,238)	(22,576)	(22,857)
R&D	-	-	-	-	(1,709)	(1,339)	(4,529)	(4,286)
FNDCT	-	-	-	-	(1,377)	(1,338)	(4,197)	(4,257)
MME	-	-	-	-	(686)	(672)	(2,098)	(2,103)
TFSEE	-	-	-	-	(1,774)	(1,454)	(4,934)	(4,567)
Deferred TFSEE and RGR	-	-	-	-	(1,604)	1,667	(11,552)	4,334
	-	-	-	-	(15,293)	(10,374)	(49,886)	(33,736)
Total deductions on gross operating revenue	(3,848)	(2,599)	(12,565)	(5,814)	(118,245)	(38,409)	(306,686)	(107,990)
Total net operating revenue	38,385	25,507	159,886	56,513	1,259,026	600,768	3,222,687	1,479,794

Notes to the interim financial information

26. Power supply and electric energy purchased for resale

	Company						Consolidated					
	Quarter ended						Quarter ended					
	9/30/2019			9/30/2018			9/30/2019			9/30/2018		
	MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value
Power supply												
Bilateral agreement - free market	-	-	-	121,248	74.44	9,026	22,976	547.19	12,572	251,311	158.74	39,894
Bilateral agreement - free market - trading	187,102	182.48	34,142	62,296	52.09	3,245	315,454	202.02	63,727	62,296	52.09	3,245
Bilateral agreement - regulated market	-	-	-	22,222	158.54	3,523	464,110	160.99	74,718	483,119	166.39	80,385
MRE and Spot (short term)	-	-	8,091	-	-	12,312	-	-	13,746	-	-	44,158
Total gross operating revenue			42,233			28,106			164,763			167,682
Power purchased for resale												
Bilateral agreement - free market	(123,648)	233.96	(28,929)	(105,667)	201.90	(21,334)	(130,273)	236.30	(30,784)	(141,847)	87.48	(12,409)
Bilateral agreement - free market - related parties	(94,724)	196.44	(18,608)	-	-	-	-	-	-	-	-	-
MRE/Spot and other adjustments	-	-	(640)	-	-	(252)	-	-	(8,490)	-	-	(47)
(-) PIS/COFINS credits	-	-	3,978	-	-	1,810	-	-	4,006	-	-	1,810
			(44,199)			(19,776)			(35,268)			(10,646)

	Company						Consolidated					
	Period ended						Period ended					
	9/30/2019			9/30/2018			9/30/2019			9/30/2018		
	MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value
Power supply												
Bilateral agreement - free market	-	-	-	121,248	74.44	9,026	516,092	259.48	133,917	485,609	209.24	101,609
Bilateral agreement - free market - trading	447,969	218.50	97,879	183,331	63.28	11,601	576,321	221.17	127,464	183,331	63.28	11,601
Bilateral agreement - free market - related parties	558,821	89.22	49,856	-	-	-	-	-	-	-	-	-
Bilateral agreement - regulated market	-	-	-	150,307	158.54	23,830	1,390,198	158.83	220,801	1,543,691	152.88	236,001
MRE and Spot (short term)	-	-	24,716	-	-	17,870	-	-	52,843	-	-	87,430
Total gross operating revenue			172,451			62,327			535,025			436,641
Power purchased for resale												
Bilateral agreement - free market	(871,703)	105.58	(92,036)	(405,347)	155.38	(62,983)	(1,100,753)	112.94	(124,322)	(740,833)	58.74	(43,516)
Bilateral agreement - free market - related parties	(281,124)	193.91	(54,514)	-	-	-	-	-	-	-	-	-
MRE/Spot and other adjustments	-	-	(36,746)	-	-	(538)	-	-	(82,977)	-	-	(20,322)
(-) PIS/COFINS credits	-	-	14,697	-	-	7,170	-	-	18,991	-	-	9,993
			(168,599)			(56,351)			(188,308)			(53,845)

(*) Information not reviewed by independent auditors

27. Costs and expenses

	Company					
	Quarter ended					
	9/30/2019			9/30/2018		
	Expenses	Cost of services	Total	Expenses	Cost of services	Total
	General and administrative			General and administrative		
Personnel	(4,590)	(171)	(4,761)	(3,956)	(113)	(4,069)
Material	(34)	-	(34)	(24)	-	(24)
Services	(2,196)	(233)	(2,429)	(824)	(62)	(886)
Depreciation and amortization	(312)	-	(312)	(306)	-	(306)
Other	(78)	-	(78)	(478)	(1)	(479)
Total	(7,210)	(404)	(7,614)	(5,588)	(176)	(5,764)

Notes to the interim financial information

Company						
Período findo em						
9/30/2019				9/30/2018		
Expenses	Cost of services	Total		Expenses	Cost of services	Total
General and administrative				General and administrative		
Personnel	(16,203)	(448)	(16,651)	(15,771)	(350)	(16,121)
Material	(100)	-	(100)	(101)	-	(101)
Services	(6,714)	(343)	(7,057)	(3,206)	(179)	(3,385)
Depreciation and amortization	(931)	-	(931)	(915)	-	(915)
Other	(1,485)	-	(1,485)	(1,506)	(1)	(1,507)
Total	(25,433)	(791)	(26,224)	(21,499)	(530)	(22,029)

	Consolidated									
	Quarter ended									
	9/30/2019					9/30/2018				
	Cost of services		Operating expenses		Total	Cost of services		Operating expenses		Total
	Services provided	Infrastructure cost	General and administrative	Other		Services provided	Infrastructure cost	General and administrative	Other	
Personnel	(12,260)	(23,065)	(14,099)	-	(49,424)	(10,514)	(4,694)	(11,981)	-	(27,189)
Material	(2,641)	(383,379)	(174)	-	(386,194)	(3,155)	(21,150)	(128)	-	(24,433)
Services	(14,836)	(93,066)	(10,576)	-	(118,478)	(10,085)	(20,598)	(6,048)	-	(36,731)
Depreciation and amortization	-	-	(1,257)	-	(1,257)	-	-	(1,416)	-	(1,416)
Provision for (reversal of) contingencies	(813)	-	141	(1,976)	(2,648)	(132)	(1)	-	(631)	(764)
Rentals and leases	(1,749)	(93)	(469)	-	(2,311)	(1,552)	(259)	(861)	-	(2,672)
Insurance	(3,180)	493	(92)	-	(2,779)	(2,567)	(902)	(50)	-	(3,519)
Other	(4,291)	(47,228)	(2,901)	885	(53,535)	(4,905)	(20,424)	(1,147)	(780)	(27,256)
Total	(39,770)	(546,338)	(29,427)	(1,091)	(616,626)	(32,910)	(68,028)	(21,631)	(1,411)	(123,980)

	Consolidated									
	Period ended									
	9/30/2019					9/30/2018				
	Cost of services		Operating expenses		Total	Cost of services		Operating expenses		Total
	Services provided	Infrastructure cost	General and administrative	Other		Services provided	Infrastructure cost	General and administrative	Other	
Personnel	(35,935)	(30,609)	(43,997)	-	(110,541)	(33,519)	(12,060)	(40,861)	-	(86,440)
Material	(8,840)	(472,402)	(504)	-	(481,746)	(7,930)	(24,278)	(421)	-	(32,629)
Services	(40,455)	(341,426)	(25,961)	-	(407,842)	(32,688)	(42,200)	(16,143)	-	(91,031)
Depreciation and amortization	-	-	(3,816)	-	(3,816)	-	-	(4,172)	-	(4,172)
Provision for (reversal of) contingencies	(1,870)	-	141	(1,976)	(3,705)	(2,441)	(1,118)	-	(866)	(4,425)
Rentals and leases	(5,375)	(244)	(2,811)	-	(8,430)	(4,441)	(782)	(2,874)	-	(8,097)
Insurance	(10,220)	-	(337)	-	(10,557)	(8,650)	(1,399)	(139)	-	(10,188)
Other	(5,207)	(123,647)	(4,769)	(65)	(133,688)	(29,491)	(38,628)	(2,646)	(894)	(71,659)
Total	(107,902)	(968,328)	(82,054)	(2,041)	(1,160,325)	(119,160)	(120,465)	(67,256)	(1,760)	(308,641)

28. Finance income (costs)

	Company				Consolidated			
	Quarter ended		Period ended		Quarter ended		Period ended	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Finance income								
Income from short-term investments	9,387	11,491	29,934	35,891	23,280	20,618	62,245	60,357
Other	1,238	450	3,959	10,846	(448)	1,497	5,415	12,951
Total	10,625	11,941	33,893	46,737	22,832	22,115	67,660	73,308
Finance costs								
Debt charges	(15,563)	(22,440)	(57,814)	(48,448)	(74,798)	(76,951)	(244,060)	(218,280)
Adjustment for inflation and exchange rate changes	12	50	10	(11,928)	(13,995)	(8,791)	(1,963)	(31,615)
Other	(131)	(363)	(460)	(750)	(5,010)	(11,674)	(11,562)	(19,759)
Total	(15,682)	(22,753)	(58,264)	(61,126)	(93,803)	(97,416)	(257,585)	(269,654)
Total net	(5,057)	(10,812)	(24,371)	(14,389)	(70,971)	(75,301)	(189,925)	(196,346)

29. Income tax and social contribution

- a) Reconciliation of the effective nominal rate for the quarters and nine-month periods ended September 30, 2019 and 2018 is as follows:

	Consolidated			
	Quarter ended		Period ended	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
a) Variation of taxes on profit or loss:				
Current income tax and social contribution	(27,386)	(26,355)	(73,366)	(81,440)
Deferred income tax and social contribution	(93,637)	(40,299)	(255,640)	(87,608)
Total	(121,023)	(66,654)	(329,006)	(169,048)
b) Tax calculation - expenses:				
Income (loss) before taxation	522,267	368,804	1,622,043	853,456
Nominal rate	34%	34%	34%	34%
Expected tax expenses at nominal rates	(177,571)	(125,393)	(551,495)	(290,175)
Adjustments for calculation of effective income tax and social contribution:				
(+) "AVP" addition - article 84 of IN1515	66,424	8,589	106,049	19,811
Share of profit (loss) of subsidiaries	7,435	3,620	15,248	8,969
Non-deductible expenses and provisions	-	(3,457)	-	(9,681)
Reversal of deemed profit rate	32,616	16,642	110,401	43,096
Reversal of foreign companies	32	(6,189)	6,942	(8,429)
Recognition of deferred tax liabilities (assets)	-	7,817	-	(14,089)
Tax incentive (*)	46,578	22,674	65,220	70,735
Rouanet Law/Sports/FIA	-	387	-	387
(-) Exclusion of article 69, Item IV, of Law 12973	(126,217)	6,903	(126,217)	6,677
Other	29,680	1,753	44,846	3,651
Effective income tax and social contribution expenses	(121,023)	(66,654)	(329,006)	(169,048)
c) Effective rate	-23.2%	-18.1%	-20.3%	-19.8%

(*) Federal tax benefits which guarantee a 75% income tax reduction in the region of the Superintendence Authority for the Development of the Amazon (SUDAM) and the Superintendence Authority for the Development of the Northeast (SUDENE)

- b) Deferred income tax and social contribution recognized in assets and liabilities are demonstrated as follows:

Deferred income tax and social contribution	Consolidated	
	9/30/2019	12/31/2018
Deferred income tax - assets	12,180	7,398
Deferred social contribution - assets	4,440	2,665
Total assets	16,620	10,063
Deferred income tax - liabilities	(651,191)	(444,139)
Deferred social contribution - liabilities	(335,866)	(240,619)
Total liabilities	(987,057)	(684,758)

Companies under taxable income regime impacted by Law 12973: EBTE, EATE, ETEP, ECTE, ENTE, ETES, ETEM, STN, ELTE and ETVG.
Companies EBTE, FOZ, FGE, ELTE, ETVG, ETEM and ETES recorded deferred assets on the recognition of tax losses.

Notes to the interim financial information

Deferred income tax and social contribution are demonstrated as follows:

	Consolidated			
	Balance sheet		Profit or loss	
	9/30/2019	12/31/2018	9/30/2019	9/30/2018
Tax loss carryforwards	16,620	10,063	10,990	(3,817)
Concession Agreement	(987,057)	(684,758)	(266,630)	(83,791)
Deferred income tax and social contribution	(970,437)	(674,695)	(255,640)	(87,608)

Tax credits to be offset

Under CPC 32, a deferred tax asset or liability is recognized on all deductible or taxable temporary differences, respectively. A temporary difference is the difference between the carrying amount of the asset or liability in the interim financial information and the taxable basis. This pronouncement also requires the accounting of a deferred tax asset on unused tax losses to the extent that it is probable that future taxable income will be generated to offset such deferred tax asset.

As at September 30, 2019, Alupar recorded tax loss carryforwards that would generate potential tax credits, as described below. These credits were not recognized, as the Company's operations will not generate taxable income for realization of these credits.

<u>Unrecognized tax credit</u>	Company	
	9/30/2019	12/31/2018
Tax losses	465,542	428,583
Tax loss carryforwards	484,640	441,143

Notes to the interim financial information

- c) The breakdown by company concerning income tax and social contribution calculation regime, including PIS/COFINS rates of subsidiaries is shown below:

Companies	Year ended 2019		
	PIS/COFINS	Sudam/Sudene incentive through	Tax regime
Subsidiaries			
Alupar Peru	Not applicable	Not applicable	Not applicable
Transminas	9.25%	Not applicable	Taxable income
Alupar Chile	Not applicable	Not applicable	Not applicable
Foz	3.65%	Not applicable	Deemed profit
Ijuí	3.65%	Not applicable	Deemed profit
Lavrinhas	3.65%	Not applicable	Deemed profit
Queluz	3.65%	Not applicable	Deemed profit
Ferreira Gomes (**)	9.25%	2026	Taxable income
GET	9.25%	Not applicable	Taxable income
Risaralda	Not applicable	Not applicable	Not applicable
Alupar Colombia	Not applicable	Not applicable	Not applicable
Verde 8	9.25%	Not applicable	Taxable income
Agua Limpa	9.25%	Not applicable	Taxable income
La Virgen	Not applicable	Not applicable	Not applicable
EATE (*)	Mixed regime - Bid 3.65% and RBNI 9.25%	2023	Taxable income
STN (*)		2025	Taxable income
ETES	9.25%	2019	Taxable income
ETEP (*)	3.65%	2025	Taxable income
ENTE (*)	3.65%	2025	Taxable income
ERTE (*)	3.65%	2024	Deemed profit
ECTE (*)	3.65%	Not applicable	Taxable income
ETEM	9.25%	2024	Taxable income
ETVG	9.25%	2024	Taxable income
ELTE	9.25%	Not applicable	Taxable income
Lumitrans	3.65%	Not applicable	Deemed profit
STC	3.65%	Not applicable	Deemed profit
ACE	9.25%	Not applicable	Taxable income
AF	9.25%	Not applicable	Taxable income
Windepar	9.25%	Not applicable	Taxable income
ETAP	9.25%	Not applicable	Taxable income
ETC	3.65%	Not applicable	Deemed profit
TCC	9.25%	Not applicable	Taxable income
TPE	9.25%	Not applicable	Taxable income
TSM	9.25%	Not applicable	Taxable income
Transmissoras Reunidas	9.25%	Not applicable	Taxable income
AETE	9.25%	2028	Taxable income
EBTE	9.25%	2020	Taxable income
Transleste	3.65%	Not applicable	Deemed profit
Transudeste	3.65%	Not applicable	Deemed profit
Transirapé	3.65%	2025	Deemed profit
ESDE	3.65%	Not applicable	Deemed profit
ETSE	3.65%	Not applicable	Deemed profit
ESTE	9.25%	Not applicable	Taxable income
EDV I	3.65%	Not applicable	Deemed profit
EDV II	3.65%	Not applicable	Deemed profit
EDV III	3.65%	Not applicable	Deemed profit
EDV IV	3.65%	Not applicable	Deemed profit
EDV X	3.65%	Not applicable	Deemed profit
TCE	Not applicable	Not applicable	Not applicable
EDTE	9.25%	Not applicable	Taxable income

(*) As set forth in Law 10637/2002, the concession agreements entered into by electric energy concessionaires before October 31, 2003 are subject to PIS/COFINS deduction of 3.65%.

(**) On October 8, 2018, the Federal Official Gazzette published the recognition of the special taxable regime applicable to companies comprising the Electric Energy Trading Chamber (CCEE), introduced by article 47 of Law 10637/2002, according to which revenues from these transactions were subject to the cumulative regime rate (3.65%) on PIS and COFINS contributions.

Joint ventures

TME	9.25%	2024	Taxable income
TNE	9.25%	Not applicable	Taxable income
ETB	9.25%	Not applicable	Taxable income

30. Related parties

a) All related-party transactions are demonstrated as follows:

Related party/transaction	Company				Consolidated			
	Assets		Liabilities		Assets		Liabilities	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Balance sheet								
Cash and cash equivalents								
Brazil's Federal Savings and Loans Bank (*)	146,286	203,351	-	-	146,286	203,351	-	-
Investimento de curto-prazo								
Brazil's Federal Savings and Loans Bank (*)	476,346	513,756	-	-	476,346	513,756	-	-
Customers - power purchased in free market								
Lavrinhas	-	667	-	-	-	-	-	-
Queluz	-	667	-	-	-	-	-	-
Foz	-	423	-	-	-	-	-	-
Ijuí	-	968	-	-	-	-	-	-
	-	2,725	-	-	-	-	-	-
Other assets								
Verde 8 - reimbursement of expenses	13,476	17,497	-	-	-	-	-	-
Windepar - loans	47,707	45,722	-	-	-	-	-	-
	61,183	63,219	-	-	-	-	-	-
Dividends receivable								
Transminas	-	4,485	-	-	-	-	-	-
STN	-	1,182	-	-	-	-	-	-
EATE	4,273	-	-	-	-	-	-	-
ETEP	2,778	-	-	-	-	-	-	-
ECTE	2,008	5,510	-	-	-	-	-	-
Lumitrans	12,736	-	-	-	-	-	-	-
Foz	-	4,559	-	-	-	-	-	-
Ijuí	-	9,258	-	-	-	-	-	-
Lavrinhas	7,830	2,610	-	-	-	-	-	-
Queluz	19,929	13,515	-	-	-	-	-	-
ETES	-	7,059	-	-	-	-	-	-
TME	17,312	17,312	-	-	17,312	17,312	-	-
ETEM	3,759	3,759	-	-	-	-	-	-
ETVG	11,870	1,630	-	-	-	-	-	-
TNE	75	75	-	-	75	75	-	-
AF	3,992	-	-	-	-	-	-	-
FGE	7,783	7,783	-	-	-	-	-	-
Verde 8	-	997	-	-	-	-	-	-
	94,345	79,734	-	-	17,387	17,387	-	-
Advance for future capital increase								
Alupar Peru	75,143	75,144	-	-	-	-	-	-
Transmissoras Reunidas	16	-	-	-	-	-	-	-
ACE	1,100	1,100	-	-	-	-	-	-
AF	530	530	-	-	-	-	-	-
Agua Limpa	430	360	-	-	-	-	-	-
ELTE	15,457	9,457	-	-	-	-	-	-
Windepar	85,941	79,880	-	-	-	-	-	-
Alupar Colombia	3,154	705	-	-	-	-	-	-
Alupar Chile	2,850	2,847	-	-	-	-	-	-
	184,621	170,023	-	-	-	-	-	-
Trade payables								
Ferreira Gomes - power purchased in free market	-	-	5,674	5,680	-	-	-	-
ETB - payment commitment	-	-	12,000	12,000	-	-	12,000	12,000
Verde 8 - power purchased in free market	-	-	-	1,388	-	-	-	-
	-	-	17,674	19,068	-	-	12,000	12,000
Debentures								
FI FGTS - 5th Issuance	-	-	371,287	376,671	-	-	371,287	376,671
Dividends payable								
Alupar Investimento S.A.	-	-	1	131,868	-	-	1	131,868
Other non-controlling interest	-	-	-	-	-	-	-	26,324
	-	-	1	131,868	-	-	1	158,192

Related party/transaction	Company			
	Quarter ended		Period ended	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Statement of profit and loss				
Revenue - power supply	-	5,224	49,856	17,289
Ferreira Gomes	-	-	22,996	5,738
Queluz	-	1,878	8,921	4,691
Lavrinhas	-	1,813	8,921	4,626
Foz do Rio Claro	-	1,002	1,609	1,538
Ijuí	-	531	39	696
Verde 8	-	-	7,370	-
Cost - power purchased for resale	(18,608)	(17,067)	(54,514)	(48,817)
Ferreira Gomes	(17,219)	(16,614)	(50,392)	(48,364)
Verde 8	(1,389)	(453)	(4,122)	(453)
Finance income	13,346	23,999	34,786	46,129
Brazil's Federal Savings and Loans Bank (*) - Aplicações financeiras	10,978	23,999	31,525	36,861
Verde 8 Energia S.A. - interest on project sold	-	-	893	9,268
Windepar - loan	2,368	-	2,368	-
Finance costs	(8,393)	(13,210)	(31,440)	(34,320)
FI FGTS - 5th Issuance	(8,393)	(13,210)	(31,440)	(34,320)

(*) Brazil's Federal Savings and Loans Bank (CEF) manages FI-FGTS, which is a shareholder of the Company.

b) Guarantees

The effective guarantees relating to loan agreements, financing, debentures, supply agreements, assembly supervision, commissioning supervision, pledge and non-residential building rental between the Company and its subsidiaries are disclosed in note 34 to the annual financial statements for the year ended December 31, 2018. In the nine-month period ended September 30, 2019, the guarantees were demonstrated as follows:

• Guarantees terminated:

Authorization Date	Authorizing Body	Secured Company	Guarantor Company	Agreement	Guarantee	Amount of the Agreement	Beginning of the Agreement	Termination of the Agreement
11/07/11	Board of Directors	ETVG	Alupar	Credit Note No. 40/00039-7	Posting of guarantees and pledge of shares	17,835	12/23/11	12/01/26
12/11/17	Meeting of partners	ETC	Alupar	Debentures - 1st Emission	Guarantee	100,000	12/07/17	06/07/19
-	-	EDV II	Alupar	Guarantee letter	Private Instrument for the Establishment of Collateral n. 1001418090004900 - ONS	10,372	09/17/18	09/17/19
-	-	EDV IV	Alupar	Guarantee letter	Private Instrument for the Establishment of Collateral n. 1001418090005100 - ONS	24,786	09/17/18	09/17/19

• Guarantees renewed and entered into between Alupar and its subsidiaries:

Authorization date	Body	Guaranteed company	Guarantor	Agreement	Guarantee	Value	Effective date	Termination date	Outstanding balance as at 9/30/2019
-	-	Risaralda Energia SAS ESP	Alupar	Pledge letter	Guarantor in case of execution of the Bank Pledge (Contrato de Suministro de Energía con EMCALI)	COP 14.539.801.654	01/03/19	28/02/20	-
03/12/2012	Executive Board	Foz	Alupar	Pledge	Private Pledge Agreement nº 181386812 - ONS	952,332	03/12/12	25/11/19	14
-	-	EDV I	Alupar	Pledge letter	Private Pledge Agreement nº 1001418090004800 - ONS	40,389	17/09/2018	09/12/2020	40,389
-	-	EDV III	Alupar	Pledge letter	Private Pledge Agreement nº 1001418090005000 - ONS	31,277	17/09/2018	10/09/2020	31,277
-	-	EDV X	Alupar	Pledge letter	Private Pledge Agreement nº 1001418090005200 - ONS	26,763	17/09/2018	10/09/2020	26,763
-	-	Ferreira Gomes	Alupar	Pledge letter	Private Pledge Agreement nº 180220317 - ONS	3,186,467	04/07/2018	20/05/2020	3,482,633
-	-	Foz	Alupar	Pledge	Guarantee the payment of the executed value in the court records of proceeding nº 0119265.58.8.09.0173, in progress before the Civil Court of the City of São Simão	1,010,090	15/03/2019	16/03/2020	The pledge will terminate after decision is rendered.

- Guarantees under renewal:

Authorization Date	Authorizing Body	Secured Complant	Guarantor Company	Agreement	Guarantee	Amount of the Agreement	Beginning of the Agreement	Termination of the Agreement	Debt balance of the agreement as of 09/30/2018
05/29/14	Board of Directors	AF Energia S.A.	Alupar	Rental contract of non residential reality - Sky - Complex No. 151 e 152	Surety	148 mensal	06/01/14	06/01/19	2,664
05/29/14	Board of Directors	Alupar	Guarupart	Rental contract of non residential reality - Sky - Complex No. 161 e 162	Surety	148 mensal	06/01/14	06/01/19	2,664

c) Key management personnel compensation

At the Extraordinary General Meeting held on April 29, 2019, the Company's shareholders approved the global compensation of the Board of Directors' and Executive Board's members for the year ended 2019 up to R\$11,080, out of which R\$1,108 refers to compensation of the Board of Directors' members and R\$9,972 refers to the compensation of the Executive Board's members:

	Company				Consolidated			
	Quarter ended		Period ended		Quarter ended		Period ended	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Benefits (i)	1,451	1,501	7,167	7,353	3,797	3,373	15,361	14,259
Management compensation	227	226	679	634	485	497	1,501	1,483
Total	1,678	1,727	7,846	7,987	4,282	3,870	16,862	15,742

- i) Refer to wages, salaries and non-monetary benefits (such as health care plan, dental care, housing, vehicles and free or subsidized services or items), other retirement benefits, profit sharing and bonuses

31. Financial instruments and risk management

31.1. General considerations

The Company and its subsidiaries have operations with financial instruments, whose limits of exposure to credit risks are approved and periodically reviewed by Management. The Company and its subsidiaries limit their credit risks by investing funds in prime financial institutions.

31.2. Fair value

Below is a summary of the book value and fair value of the financial instruments of the Company and its subsidiaries for the period ended September 30, 2019 and the year ended December 31, 2018, respectively:

Consolidated				
9/30/2019		12/31/2018		Classification
Carrying amount	Fair value	Carrying amount	Fair value	

Financial assets

Cash and cash equivalents	2,438,266	2,438,266	2,975,423	2,975,423	Fair value through profit or loss
Short-term investments	476,346	476,346	513,756	513,756	Fair value through profit or loss
Marketable securities	91,376	91,376	110,971	110,971	Fair value through profit or loss
Trade receivables	318,953	318,953	336,477	336,477	Amortized cost
	3,324,941	3,324,941	3,936,627	3,936,627	

Financial liabilities

Trade payables	383,830	383,830	293,192	293,192	Amortized cost
Loans and financing	1,921,657	1,921,657	1,860,481	1,860,481	Amortized cost
Debentures	4,605,910	4,590,537	4,542,789	4,527,012	Amortized cost
	6,911,397	6,896,024	6,696,462	6,680,685	

Notes to the interim financial information

The Company and its subsidiaries classify and disclose their financial instruments as follows:

- Cash and cash equivalents, short-term investments, trade receivables, marketable securities, concession asset and trade payables approximate respective carrying amount.
- Loans, financing and debt charges (net of unamortized costs):
 - i) BNDES: since this is a long-term agreement, it is not included within the scope of CPC 12, which defines that this type of liability is not subject to application of the present value concept at rates other than those to which these loans and financing are already subject, due to the fact that Brazil does not have a consolidated market for this type of long-term debt, and the offer of loans is restricted to one government agency only. In view of the foregoing, the Company and its subsidiaries used the same concept for determining fair value for these loans, financing and debt charges.
 - ii) FCO Banco do Brasil: since the amounts payable are adjusted by reference to the TJLP (reference interest rate of the Federal Government), the fair value of this debt is its carrying amount, since market rates are reflected for this financial instrument.
- Debentures: the fair value of debentures with an active market does not significantly differ from the carrying amount, as the variation of the unit price value in the secondary market disclosed at www.debentures.com.br approximates the carrying amount.

For the debentures of the subsidiaries ETEP, ECTE, Ferreira Gomes, Transirapé, Transleste, Transudeste, Verde 8, ETAP, ETC, TPE, TCC, ETES and ETVG that are not priced in the active market, the Company, based on its debentures and on the debentures of its subsidiaries and joint ventures with similar characteristics, calculated the fair value and did not identify any significant differences.

The financial instruments were not reclassified as at September 30, 2019.

31.3. Fair value measurement

The Company and its subsidiaries classify and disclose the fair value of financial instruments based on the following measurement techniques:

- Level I – prices quoted in active markets for identical assets and liabilities;
- Level II– other techniques for which all data that has significant effect on the recorded fair value is observable, whether directly or indirectly; and
- Level III– techniques that use data that has significant effect on the recorded fair value that is not based on observable market data.

	Consolidated		Consolidated	
	9/30/2019	Level II	12/31/2018	Level II
Financial assets				
Cash and cash equivalents	2,438,266	2,438,266	2,975,423	2,975,423
Short-term investments	476,346	476,346	513,756	513,756
Marketable securities	91,376	91,376	110,971	110,971
	<u>3,005,988</u>	<u>3,005,988</u>	<u>3,600,150</u>	<u>3,600,150</u>
Financial liabilities				
Loans, financing and debentures	6,527,567	6,527,567	6,403,270	6,403,270
	<u>6,527,567</u>	<u>6,527,567</u>	<u>6,403,270</u>	<u>6,403,270</u>

In the nine-month period ended September 30, 2019, there were no transfers between level I and level II fair value measurements, or transfers between level II and level III fair value measurements.

Notes to the interim financial information

31.4. Liquidity information

The liquidity information and policies adopted by the Company and its subsidiaries are disclosed in note 35.4 to the annual financial statements for the year ended December 31, 2018.

As at September 30, 2019, the Company's consolidated capital structure is comprised of 45.6% of own funds against 54.4% of third-party capital (57.0% of own funds and 43.0% of third-party capital as at December 31, 2018).

In addition, the Company and its subsidiaries have a debt-to-equity ratio of 87.1% as at September 30, 2019 and 102.3% as at December 31, 2018.

31.5. Qualitative and quantitative information on financial instruments

Sensitivity analysis of short-term investments

In order to analyze the sensitivity of the short-term investment rate to which the Company and subsidiaries were exposed as at September 30, 2019, five different scenarios were defined. The SELIC/CDI projected rates were obtained based on the FOCUS report of September 27, 2019 and defined as a probable scenario, based on which the variations of 25% and 50% were calculated.

Gross finance income was calculated for each scenario, not taking into consideration the taxes levied on yield from these investments. The portfolio base date used was September 30, 2019, with a one-year projection and checking CDI sensitivity in each scenario.

Short-term investments - Consolidated	Index	Position as at 09.30.2019	Projected finance income - one year				
			Probable scenario	Reduction risk		Increase risk	
				Scenario I (-50%)	Scenario II (-25%)	Scenario III (+25%)	Scenario IV (+50%)
			4.81%	2.41%	3.61%	6.02%	7.22%
Cash equivalents	CDI	2,386,326	114,842	57,421	86,131	143,552	172,263
Short-term investments	CDI	476,346	22,924	11,462	17,193	28,655	34,386
Marketable securities	CDI	91,376	4,397	2,199	3,298	5,497	6,596
Total		2,954,048	142,164	71,082	106,623	177,704	213,245

Sensitivity analysis of interest rate risk

For the purpose of assessing the sensitivity of the debt rates to which the Company and its subsidiaries were subject at base date September 30, 2019, 5 scenarios were defined. As a probable scenario, adopted by the Company, projected CDI and IPCA were obtained based on the Focus report of September 27, 2019. In the case of TJLP, the rate used was the last one published by the National Monetary Council (CMN), based on which scenarios I and II with 25% and 50% decrease in risk and scenarios III and IV with 25% and 50% increase in risk, respectively, were calculated.

For each scenario, gross finance costs were calculated, not taking into consideration the taxes levied, and the maturity flow of each agreement over a year. The portfolio base date used was September 30, 2019, with a one-year projection and checking sensitivity of the rates in each scenario.

Loans, financing and debentures - Consolidated	Index	Average interest rate p.a.	Position at 09.30.2019	Projected finance costs - one year				
				Probable scenario	Reduction risk		Increase risk	
					Scenario I (-50%)	Scenario II (-25%)	Scenario III (+25%)	Scenario IV (+50%)
Loans and financing				4.89%	2.45%	3.67%	6.12%	7.34%
	TJLP +	2.37%	900,825	66,452	43,893	55,172	77,731	89,010
Debentures				4.81%	2.41%	3.61%	6.02%	7.22%
	CDI +	69.44%	1,142,771	1,312,564	1,256,196	1,284,380	1,340,749	1,368,933
	IPCA +	6.43%	3,561,125	362,240	295,537	328,889	395,592	428,943
Total			5,604,721	1,741,256	1,595,626	1,668,441	1,814,071	1,886,886

(*) Refers to the principal amount of debts, excluding charges and also loans and financing, which are subject to fixed rate.

31.6. Risk factors that may affect the Company's and its subsidiaries' businesses

The main risk factors that may affect the Company's and its subsidiaries' businesses are disclosed in note 35.6 to the annual financial statements for the year ended December 31, 2018.

32. Segment information

Alupar's main operational segments comprise the electric energy transmission and generation activities, in addition to the following segments: (a) holding engaged in investment and corporate activities not associated to the reportable operational segments; and (b) "Other", comprising sales and O&M services, which for not being relevant, were not reported separately.

The key indicators used by the Company's main decision makers are net profit and EBITDA. No adjustment is made to the EBITDA.

The information for the periods ended September 30, 2019 and 2018, by segment, in accordance with the criteria established by the Company's Management, as follows:

Notes to the interim financial information

	Quarter ended				Subtotal	Eliminations - shared control	Eliminations - intercompany	Total Consolidated
	9/30/2019							
	Transmission	Generation	Holding (a)	Other (b)				
Gross operating revenue	1,411,117	141,137	-	43,704	1,595,958	(198,609)	(20,078)	1,377,271
Revenue from power transmission	64,075	-	-	-	64,075	(3,029)	-	61,046
Infrastructure revenue	1,196,115	-	-	-	1,196,115	(183,683)	-	1,012,432
Concession asset payment	150,927	-	-	-	150,927	(11,897)	-	139,030
Power supply	-	141,137	-	42,233	183,370	-	(18,607)	164,763
Operation and maintenance services	-	-	-	1,471	1,471	-	(1,471)	-
Deduction from gross operating income	(124,385)	(9,577)	-	(4,043)	(138,005)	19,760	-	(118,245)
Net operating income	1,286,732	131,560	-	39,661	1,457,953	(178,849)	(20,078)	1,259,026
Cost of services								
Electric energy cost								
Power purchased for resale	-	(9,676)	-	(44,199)	(53,875)	-	18,607	(35,268)
Power grid charges (CUST)	-	(7,851)	-	-	(7,851)	-	-	(7,851)
CFURH	-	(2,326)	-	-	(2,326)	-	-	(2,326)
Operational cost								
Services provided	(27,387)	(13,719)	-	(1,544)	(42,650)	1,409	1,471	(39,770)
Infrastructure cost	(664,145)	-	-	-	(664,145)	117,807	-	(546,338)
Depreciation/amortization	-	(26,111)	-	(8)	(26,119)	-	-	(26,119)
	(691,532)	(59,683)	-	(45,751)	(796,966)	119,216	20,078	(657,672)
Gross profit	595,200	71,877	-	(6,090)	660,987	(59,633)	-	601,354
Operating revenues (expenses)								
General and administrative expenses	(14,396)	(7,388)	(8,730)	(6)	(30,520)	1,093	-	(29,427)
Share of profit (loss) of subsidiaries	-	-	234,123	-	234,123	-	(212,256)	21,867
Other revenues	367	526	9	-	902	(367)	-	535
Other expenses	1	(52)	(1,040)	-	(1,091)	-	-	(1,091)
	(14,028)	(6,914)	224,362	(6)	203,414	726	(212,256)	(8,116)
EBIT	581,172	64,963	224,362	(6,096)	864,401	(58,907)	(212,256)	593,238
Depreciation/amortization	637	26,307	424	8	27,376	-	-	27,376
EBITDA	581,809	91,270	224,786	(6,088)	891,777	(58,907)	(212,256)	620,614
Finance income (costs)								
Finance costs	(30,472)	(42,581)	(29,012)	(3)	(102,068)	3,011	5,254	(93,803)
Debt charges	(28,133)	(30,744)	(22,735)	-	(81,612)	2,453	4,361	(74,798)
Exchange rate changes	2,237	(10,108)	(6,124)	-	(13,995)	-	-	(13,995)
Other	(4,576)	(1,729)	(153)	(3)	(6,461)	558	893	(5,010)
Finance income	11,597	5,508	11,746	5	28,856	(770)	(5,254)	22,832
Income from short-term investments	9,110	4,815	9,901	5	23,831	(551)	-	23,280
Other	2,487	693	1,845	-	5,025	(219)	(5,254)	(448)
	(18,875)	(37,073)	(17,266)	2	(73,212)	2,241	-	(70,971)
EBIT	562,297	27,890	207,096	(6,094)	791,189	(56,666)	(212,256)	522,267
Current income tax and social contribution	(24,173)	(3,304)	(57)	-	(27,534)	148	-	(27,386)
Deferred income tax and social contribution	(101,548)	(4,267)	-	-	(105,815)	12,178	-	(93,637)
	(125,721)	(7,571)	(57)	-	(133,349)	12,326	-	(121,023)
Consolidated net profit	436,576	20,319	207,039	(6,094)	657,840	(44,340)	(212,256)	401,244
Non-controlling interest	-	-	-	-	-	-	(188,699)	(188,699)
Net profit - Alupar	436,576	20,319	207,039	(6,094)	657,840	(44,340)	(400,955)	212,545
Operating assets	9,718	88,574	15,687	(1)	113,978	(712)	(5,513)	107,753
Operating liabilities	49,498	15,756	19,288	(307)	84,235	(11,469)	(5,156)	67,610

Notes to the interim financial information

	Period ended				Subtotal	Eliminations - shared control	Eliminations - intercompany	Total Consolidated
	9/30/2019							
	Transmission	Generation	Holding (a)	Other (b)				
Gross operating revenue	3,408,672	466,944	-	178,579	4,054,195	(414,324)	(110,498)	3,529,373
Revenue from power transmission	407,535	-	-	-	407,535	(6,501)	-	401,034
Infrastructure revenue	2,806,774	-	-	-	2,806,774	(483,695)	-	2,323,079
Concession asset payment	194,363	-	-	-	194,363	75,872	-	270,235
Power supply	-	466,944	-	172,451	639,395	-	(104,370)	535,025
Operation and maintenance services	-	-	-	6,128	6,128	-	(6,128)	-
Deductions from gross operating revenue	(302,537)	(31,538)	-	(13,354)	(347,429)	40,743	-	(306,686)
Net operating revenue	3,106,135	435,406	-	165,225	3,706,766	(373,581)	(110,498)	3,222,687
Cost of services								
Electric energy cost								
Power purchased for resale	-	(124,079)	-	(168,599)	(292,678)	-	104,370	(188,308)
Power grid charges (CUST)	-	(22,578)	-	-	(22,578)	-	-	(22,578)
CFURH	-	(9,306)	-	-	(9,306)	-	-	(9,306)
Operational cost								
Services provided	(71,204)	(42,256)	-	(5,203)	(118,663)	4,633	6,128	(107,902)
Infrastructure cost	(1,215,295)	-	-	-	(1,215,295)	246,967	-	(968,328)
Depreciation/amortization	(2)	(77,016)	-	(24)	(77,042)	-	-	(77,042)
	(1,286,501)	(275,235)	-	(173,826)	(1,735,562)	251,600	110,498	(1,373,464)
Gross profit	1,819,634	160,171	-	(8,601)	1,971,204	(121,981)	-	1,849,223
Operating revenues (expenses)								
General and administrative expenses	(36,674)	(19,208)	(28,804)	(11)	(84,697)	2,643	-	(82,054)
Share of profit (loss) of subsidiaries	-	-	825,371	-	825,371	-	(780,525)	44,846
Other revenues	398	1,987	-	-	2,385	(391)	-	1,994
Other expenses	(5)	(59)	(1,977)	-	(2,041)	-	-	(2,041)
	(36,281)	(17,280)	794,590	(11)	741,018	2,252	(780,525)	(37,255)
EBIT	1,783,353	142,891	794,590	(8,612)	2,712,222	(119,729)	(780,525)	1,811,968
Depreciation/amortization	1,857	77,709	1,267	25	80,858	-	-	80,858
EBITDA	1,785,210	220,600	795,857	(8,587)	2,793,080	(119,729)	(780,525)	1,892,826
Finance income (costs)								
Finance costs	(82,289)	(109,752)	(79,112)	(13)	(271,166)	8,327	5,254	(257,585)
Debt charges	(77,263)	(102,272)	(76,396)	-	(255,931)	7,510	4,361	(244,060)
Exchange rate changes	2,855	(2,619)	(2,199)	-	(1,963)	-	-	(1,963)
Other	(7,881)	(4,861)	(517)	(13)	(13,272)	817	893	(11,562)
Finance income	22,859	14,966	37,260	33	75,118	(2,204)	(5,254)	67,660
Income from short-term investments	19,216	13,134	31,400	33	63,783	(1,538)	-	62,245
Other	3,643	1,832	5,860	-	11,335	(666)	(5,254)	5,415
	(59,430)	(94,786)	(41,852)	20	(196,048)	6,123	-	(189,925)
EBIT	1,723,923	48,105	752,738	(8,592)	2,516,174	(113,606)	(780,525)	1,622,043
Current income tax and social contribution	(63,812)	(10,476)	(286)	-	(74,574)	1,208	-	(73,366)
Deferred income tax and social contribution	(288,117)	10,990	-	-	(277,127)	21,487	-	(255,640)
	(351,929)	514	(286)	-	(351,701)	22,695	-	(329,006)
Consolidated net profit	1,371,994	48,619	752,452	(8,592)	2,164,473	(90,911)	(780,525)	1,293,037
Non-controlling interest	-	-	-	-	-	-	(569,076)	(569,076)
Net profit - Alupar	1,371,994	48,619	752,452	(8,592)	2,164,473	(90,911)	(1,349,601)	723,961
Operating assets	448,487	4,428,915	153,367	249	5,031,018	(219,243)	(112,825)	4,698,950
Operating liabilities	295,884	345,878	110,667	701	753,130	(26,276)	(19,587)	707,267

Notes to the interim financial information

	Quarter ended				Subtotal	Elimination - Shared control	Eliminations - Intercompanies	Total consolidated
	09/30/2018							
	Transmission	Generation	Holding (a)	Others (b)				
Gross operating revenue	512,889	161,865	-	30,973	705,727	(41,395)	(25,156)	639,177
Power transmission revenue	50,096	-	-	-	50,096	(2,827)	-	47,269
Infrastructure revenue	130,792	-	-	-	130,792	(17,708)	-	113,084
Remuneration of concession financial asset	332,002	-	-	-	332,002	(20,860)	-	311,142
Power supply	-	161,865	-	28,106	189,971	-	(22,289)	167,682
Operation and maintenance services	-	-	-	2,867	2,867	-	(2,867)	-
Deduction from gross operating revenue	(31,237)	(9,429)	-	(2,962)	(43,628)	5,220	-	(38,409)
Net operating revenue	481,652	152,436	-	28,011	662,099	(36,176)	(25,156)	600,768
Cost of service								
Cost with electric power								
Purchased power for resale	-	(13,159)	-	(19,776)	(32,935)	-	22,289	(10,646)
Power grid charges (CUST)	-	(7,509)	-	-	(7,509)	-	-	(7,509)
CFURH	-	(2,264)	-	-	(2,264)	-	-	(2,264)
Cost of operation	-	-	-	-	-	-	-	-
Service provided	(22,437)	(12,815)	-	(2,521)	(37,773)	1,996	2,867	(32,910)
Infrastructure cost	(81,342)	-	-	-	(81,342)	13,314	-	(68,028)
Depreciation / Amortization	(1)	(24,991)	-	(8)	(25,000)	-	-	(25,000)
	(103,780)	(60,738)	-	(22,305)	(186,823)	15,310	25,156	(146,357)
Gross profit	377,872	91,698	-	5,706	475,276	(20,866)	-	454,411
Operating expenses and revenues								
General and administrative	(9,604)	(5,165)	(7,107)	(4)	(21,880)	249	-	(21,631)
Share of profit of equity-method investees	-	-	206,994	-	206,994	-	(196,346)	10,648
Other revenues	362	738	988	-	2,088	-	-	2,088
Other expenses	2	(10)	(1,403)	-	(1,411)	-	-	(1,411)
	(9,240)	(4,437)	199,472	(4)	185,791	249	(196,346)	(10,306)
EBIT	368,632	87,261	199,472	5,702	661,067	(20,617)	(196,346)	444,105
Depreciation / Amortization	721	25,229	461	9	26,420	-	-	26,420
EBITDA	369,353	112,490	199,933	5,711	687,487	(20,617)	(196,346)	470,525
Financial expenses and revenues								
Financial expenses	(31,611)	(40,533)	(28,250)	(2)	(100,396)	2,980	-	(97,416)
Debt charges	(27,814)	(36,189)	(21,009)	-	(85,012)	2,518	-	(82,494)
Currency variations	(26)	(2,869)	(1,808)	-	(4,703)	-	-	(4,703)
Others	(3,771)	(1,475)	(5,433)	(2)	(10,681)	462	-	(10,219)
Financial revenues	6,106	4,008	12,487	9	22,610	(495)	-	22,115
Revenues of financial investments	5,537	3,538	11,925	9	21,009	(372)	-	20,637
Others	569	470	562	-	1,601	(123)	-	1,478
	(25,505)	(36,525)	(15,763)	7	(77,786)	2,485	-	(75,301)
Pretax income	343,127	50,736	183,709	5,709	583,281	(18,132)	(196,346)	368,804
Current income and social contribution taxes	(21,316)	(5,539)	(148)	-	(27,003)	648	-	(26,355)
Deferred income and social contribution taxes	(40,114)	(3,435)	-	-	(43,549)	3,250	-	(40,299)
	(61,430)	(8,974)	(148)	-	(70,552)	3,898	-	(66,654)
Consolidated net profit	281,697	41,762	183,561	5,709	512,729	(14,234)	(196,346)	302,150
Interest of non-controlling	-	-	-	-	-	-	(132,638)	(132,638)
Alupar net profit	281,697	41,762	183,561	5,709	512,729	(14,234)	(328,984)	169,512
Operating assets	8,335,542	4,836,023	5,676,851	2,612	18,851,028	(965,503)	(4,178,074)	13,707,450
Operating liabilities	4,055,187	2,420,992	1,109,679	4,319	7,590,177	(301,797)	(428,338)	6,860,042

Notes to the interim financial information

	Period ended				Subtotal	Elimination - Shared control	Eliminations - Intercompanies	Total consolidated
	09/30/2018							
	Transmission	Generation	Holding (a)	Others (b)				
Gross operating revenue	1,237,128	440,419	-	70,495	1,748,042	(85,986)	(74,273)	1,587,783
Power transmission revenue	144,479	-	-	-	144,479	(7,110)	-	137,369
Infrastructure revenue	222,754	-	-	-	222,754	(25,577)	-	197,177
Remuneration of concession financial asset	869,896	-	-	-	869,896	(53,299)	-	816,597
Power supply	-	440,419	-	62,327	502,746	-	(66,105)	436,641
Operation and maintenance services	-	-	-	8,168	8,168	-	(8,168)	-
Deduction from gross operating revenue	(82,897)	(29,011)	-	(6,860)	(118,768)	10,779	-	(107,990)
Net operating revenue	1,154,231	411,408	-	63,635	1,629,274	(75,208)	(74,273)	1,479,794
Cost of service								
Cost with electric power								
Purchased power for resale	-	(63,599)	-	(56,351)	(119,950)	-	66,105	(53,845)
Power grid charges (CUST)	-	(21,692)	-	-	(21,692)	-	-	(21,692)
CFURH	-	(8,647)	-	-	(8,647)	-	-	(8,647)
Cost of operation								
Service provided	(64,254)	(59,414)	-	(8,784)	(132,452)	5,124	8,168	(119,160)
Infrastructure cost	(140,215)	-	-	-	(140,215)	19,750	-	(120,465)
Depreciation / Amortization	(3)	(71,319)	-	(22)	(71,344)	-	-	(71,344)
	(204,472)	(224,671)	-	(65,157)	(494,300)	24,874	74,273	(395,153)
Gross profit	949,759	186,737	-	(1,522)	1,134,974	(50,334)	-	1,084,641
Operating expenses and revenues								
General and administrative	(30,712)	(14,086)	(24,538)	(9)	(69,345)	2,089	-	(67,256)
Share of profit of equity-method investees	-	-	421,812	-	421,812	-	(395,433)	26,379
Other revenues	365	848	6,585	-	7,798	-	-	7,798
Other expenses	(194)	(33)	(1,615)	-	(1,842)	82	-	(1,760)
	(30,541)	(13,271)	402,244	(9)	358,423	2,171	(395,433)	(34,839)
EBIT	919,218	173,466	402,244	(1,531)	1,493,397	(48,163)	(395,433)	1,049,802
Depreciation / Amortization	2,132	72,002	1,358	25	75,517	-	-	75,517
EBITDA	921,350	245,468	403,602	(1,506)	1,568,914	(48,163)	(395,433)	1,125,319
Financial expenses and revenues								
Financial expenses	(90,308)	(112,341)	(75,412)	(5)	(278,066)	8,412	-	(269,654)
Debt charges	(83,636)	(100,587)	(67,580)	-	(251,803)	7,666	-	(244,137)
Currency variations	314	(5,654)	(1,764)	-	(7,104)	-	-	(7,104)
Others	(6,986)	(6,100)	(6,068)	(5)	(19,159)	746	-	(18,413)
Financial revenues	15,158	10,757	48,481	26	74,422	(1,114)	-	73,308
Revenues of financial investments	13,832	10,037	37,529	26	61,424	(981)	-	60,443
Others	1,326	720	10,952	-	12,998	(133)	-	12,865
	(75,150)	(101,584)	(26,931)	21	(203,644)	7,298	-	(196,346)
Pretax income	844,068	71,882	375,313	(1,510)	1,289,753	(40,865)	(395,433)	853,456
Current income and social contribution taxes	(70,653)	(12,019)	(438)	-	(83,110)	1,670	-	(81,440)
Deferred income and social contribution taxes	(89,573)	(5,952)	-	-	(95,525)	7,917	-	(87,608)
	(160,226)	(17,971)	(438)	-	(178,635)	9,587	-	(169,048)
Consolidated net profit	683,842	53,911	374,875	(1,510)	1,111,118	(31,278)	(395,433)	684,408
Interest of non-controlling	-	-	-	-	-	-	(328,530)	(328,530)
Alupar net profit	683,842	53,911	374,875	(1,510)	1,111,118	(31,278)	(723,963)	355,878
Operating assets	8,335,542	4,836,023	5,676,851	2,612	18,851,028	(965,503)	(4,178,074)	13,707,450
Operating liabilities	4,055,187	2,420,992	1,109,679	4,319	7,590,177	(301,797)	(428,338)	6,860,042

33. Employee benefits

The Company and its subsidiaries offer employee benefits that basically comprise: health care insurance plans, transportation vouchers, meal tickets, educational support and private pension plans, which, in turn, provide supplementary retirement plans. The retirement plan is a defined contribution type, subject to the financial capitalization system in the actuarial calculation of reserves.

The benefits granted to the Company's and its subsidiaries' employees are demonstrated as follows:

	Consolidated			
	Quarter ended		Period ended	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Health care plan and transportation voucher	1,875	1,645	5,481	4,659
Private pension plan (*)	483	258	1,119	886
Meal ticket	1,316	1,041	3,941	3,120
Other	419	175	933	728
Total	4,093	3,262	11,474	9,536

(*) The Company and its subsidiaries sponsor supplementary retirement plans for their employees, in the form of a defined contribution plan. A private bank is the entity responsible for managing the benefit plans sponsored by the Company and its subsidiaries. Costing of the defined contribution plan is balanced between the Company and its subsidiaries and the employees. The costing of the defined contribution installment is based on a percentage freely chosen by the participant (1% on the contribution salary not exceeding 8%, varying in accordance with the employee's age) and the Company and its subsidiaries will contribute in the amount of 100% of the contribution made by the participant.

34. Commitments

As at September 30, 2019, the subsidiaries in the pre-operational phase maintained contracts for the provision of services, environmental expenses and supply of materials for the construction of the respective projects, as follows:

Subsidiaries	Amount
EDTE	128,108
ESTE	250,521
ETSE	14,020
TCC	293,683
TSM	4,132
TPE	377,235
Total	1,067,699

35. Subsequent events

- **7th issuance of debentures – Alupar**

As disclosed in the Material Fact dated October 15, 2019, the Company's Board of Directors approved the Company's 7th Issuance of simple, unsecured debentures, not convertible into shares, up to two series, falling due within six years as from the issuance date, for the first series, and within eight years as from the issuance date, for the second series. The Issuance comprised 800,000 Debentures, under connected system, at unit value of R\$1,000.00, totaling R\$800,000, to be offered under restricted placement efforts. The net proceeds from the Issuance will be allocated for the Company's cash improvement and ordinary business management. The receipt is estimated for November 29, 2019.

- **Authorization of financing agents for acquisition and sale of TME's interest**

On November 6, 2019, the Company obtained the previous authorization of BNDES and Banco do Brasil, financing agents, for acquisition of a 49% stake owned by Eletrobras in TME, corresponding to Lot K of the Eletrobras' Auctions, dated September 27, 2018 – for further information, see note 11. In addition, in order to improve the operational and financial synergy of the assets located in the State of Mato Grosso, the Company entered into, on March 20, 2019, the Share Purchase and Sale Agreement with Apollo 15 Participações S.A. ("APOLLO 15") for the sale of thirty-five percent (35%) of the TME's total capital, subject to completion of the previous acquisition and under the same conditions established for the acquisition of Lot K. The authorization granted by the financing agents also comprises the subsequent sale of the TME's interest. The Company is undertaking the necessary procedures for validation of the price and contractual instruments before Eletrobras for subsequent preparation of the Closing Term, payment and conclusion of the transfer of shares. Upon completion of this stage, the Company will begin the procedures for the sale of the interest to Apollo 15.

- **Acquisition of ETB's shareholding control**

As set forth in Order 3116, issued on November 8, 2019, ANEEL authorized the previous transfer of the ETB's shareholding control, currently shared between Apollo 12 and Alupar, to Alupar, which will individually hold the ETB's direct shareholding control. The ANEEL's decision approves the Share Purchase and Sale Agreement, entered into on October 10, 2019, whereby Alupar acquired 2,230 ETB's shares, equivalent to 1% of interest, and assumed the ETB's shareholding control, holding a 51% stake against a 49% stake held by Apollo 12.