



Informações trimestrais

Eneva S.A.

30 de junho de 2020

com relatório dos auditores independentes sobre
a revisão das informações trimestrais

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Balance sheet - Assets

At June 30, 2020 and December 31, 2019

(All amounts in thousands of reais) (A free translation of the original in Portuguese)

		Parent Company		Consolidated	
	Note	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Assets					
Current assets					
Cash and cash equivalents	5	1,375,399	1,006,475	2,035,729	1,517,583
Marketable securities	6	145,774	105,493	334,017	270,652
Trade receivables	7	1,893	2,150	311,219	695,181
Inventories	8	37,424	30,307	218,565	102,211
Prepaid expenses		8,175	4,569	49,445	9,133
Income tax and social contribution recoverable		12,264	30,346	81,880	92,544
Other taxes recoverable		5,283	6,752	24,517	25,391
Derivative financial instruments	14	-	-	36,961	6,698
Dividends and interest on capital receivable		28,563	24,354	392	392
Secured deposits		2,229	2,290	2,412	2,473
Trade transactions with related-parties	16	30,433	21,753	-	-
Advances to suppliers		5,091	6,249	42,120	99,202
Others		7,645	-	13,599	1,660
		1,660,173	1,240,738	3,150,856	2,823,120
Non-current assets held for sale					
		-	-	-	2,730
		1,660,173	1,240,738	3,150,856	2,825,850
Non-current assets					
Long-term receivables					
Prepaid expenses		3	37	92	39
Secured deposits		1,829	1,489	3,588	3,355
Trade transactions with related-parties	16	134,501	253,277	50	4,845
Related-parties loans	16	577,141	538,131	4,819	11,863
Income tax and social contribution recoverable		55,696	57,177	59,976	61,447
Other taxes recoverable		108,124	99,269	110,337	102,076
Deferred income tax and social contribution	9	248,052	250,452	559,253	660,077
Other credits		99	72	91	852
		1,125,445	1,199,904	738,206	844,554
Investments					
	10	5,707,417	4,762,537	5,463	5,330
Property, plant and equipment	11	2,094,516	2,009,892	9,921,881	8,805,604
Intangible assets	12	906,246	917,308	1,359,188	1,381,806
		9,833,624	8,889,641	12,024,738	11,037,294
		11,493,797	10,130,379	15,175,594	13,863,144

Balance sheet - Liabilities

At June 30, 2020 and December 31, 2019

(All amounts in thousands of reais) (A free translation of the original in Portuguese)

		Parent Company		Consolidated	
	Note	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Liabilities					
Current liabilities					
Trade payables		68,181	113,604	488,377	598,155
Borrowings and financings	13	104,877	12,117	244,071	178,185
Debentures	13	413,066	9,195	511,407	105,313
Lease		27,050	23,405	35,800	31,531
Income tax and social contribution payable		11,455	24,947	77,074	94,147
Other taxes payable		20,555	33,181	72,738	58,957
Derivative financial instruments		-	-	-	7,107
Social and labor obligations		26,362	17,198	41,066	27,854
Profit sharing		20,992	51,053	31,681	73,417
Trade payables - electric power sector		-	-	11,793	11,922
Provision for cost due to unavailability		-	-	62,340	73,865
Research and development - electric power sector		-	-	78,168	79,705
Other payables		4,955	4,952	6,385	5,367
		697,493	289,652	1,660,900	1,345,525
Liabilities related to non-current assets held for sale		-	7,403	-	7,403
		697,493	297,055	1,660,900	1,352,928
Non-current liabilities					
Trade payables		5,907	4,814	43,187	31,704
Borrowings and financings	13	72,298	79,956	1,333,383	1,221,229
Debentures	13	3,266,341	2,628,122	4,627,996	4,051,815
Lease		87,167	68,231	83,029	70,234
Trade transactions with related-parties	16	45,803	45,917	200	375
Contractual retention		-	-	4,330	4,330
Provision for uncovered liability		3,666	3,185	-	-
Provision for contingencies	15	22,200	22,611	109,054	92,845
Provision for decommissioning costs		62,827	75,748	67,328	81,022
Deferred income tax and social contribution	9	-	-	17,867	50,985
Other payables		2,309	2,306	3,339	5,596
		3,568,518	2,930,890	6,289,713	5,610,135
Total liabilities		4,266,011	3,227,945	7,950,613	6,963,063
Equity	17				
Share capital		8,845,221	8,834,907	8,845,221	8,834,907
Capital reserve		16,235	15,640	16,235	15,640
Tax incentives reserve		110,725	110,725	110,725	110,725
Other comprehensive income		58,444	9,541	58,444	9,541
Accumulated losses		(1,802,839)	(2,068,379)	(1,802,839)	(2,068,379)
Shareholders' equity attributable to controlling shareholders		7,227,786	6,902,434	7,227,786	6,902,434
Interest of non-controlling stockholders		-	-	(2,805)	(2,353)
Total shareholders' equity		7,227,786	6,902,434	7,224,981	6,900,081
		11,493,797	10,130,379	15,175,594	13,863,144

Statements of operations

For the three and six-month periods ended June 30, 2020 and 2019
(All amounts in thousands of reais) (A free translation of the original in Portuguese)

		Parent Company				Consolidated			
	Note	Quarter ended 6/30/2020	Quarter ended 6/30/2019	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019	Quarter ended 6/30/2020	Quarter ended 6/30/2019	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019
Sales and services income	20	98,410	75,429	301,241	142,546	518,664	555,784	1,457,774	1,167,164
Cost of sales and services	21	(27,547)	(31,628)	(99,366)	(59,698)	(244,858)	(293,363)	(767,924)	(623,968)
Gross profit		70,863	43,801	201,875	82,848	273,806	262,421	689,850	543,196
Operating costs/income									
General and administrative	21	(86,161)	(79,616)	(152,608)	(121,171)	(109,036)	(99,632)	(195,172)	(165,635)
Other operating income (expenses)	21	16,048	(4,290)	16,093	24,286	15,560	(10,447)	(1,603)	14,740
Equity in the result of investees	10	93,753	81,496	216,287	193,169	(843)	(229)	(7,220)	(1,107)
Result before finance income (costs) and taxes		94,503	41,391	281,647	179,132	179,487	152,113	485,855	391,194
Finance income/costs									
Finance income	22	21,312	26,533	71,618	62,764	29,290	40,528	92,101	103,572
Financial costs	22	(26,206)	(51,728)	(82,225)	(100,957)	(94,091)	(151,153)	(221,444)	(298,751)
Result before income taxes		89,609	16,196	271,040	140,939	114,686	41,488	356,512	196,015
Income tax and social contribution on income									
Current	9	(3,100)	-	(3,100)	-	(8,110)	(7,672)	(23,717)	(16,954)
Deferred	9	(727)	(410)	(2,400)	4,648	(21,124)	(18,136)	(67,707)	(33,980)
Profit for the period		85,782	15,786	265,540	145,587	85,452	15,680	265,088	145,081
Attributed to the owners of the parent company		85,782	15,786	265,540	145,587	85,782	15,786	265,540	145,587
Attributed to the non-controlling shareholders		-	-	-	-	(330)	(106)	(452)	(506)
Earnings per share from continuing operations attributable to the owners of the parent during the period (expressed in R\$ per share)									
Basic earnings per share	18	-	-	-	-	0.27187	0.05011	0.84158	0.46212
Diluted earnings per share	18	-	-	-	-	0.26994	0.05007	0.83559	0.46175

Statements of comprehensive income

For the three and six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Parent Company				Consolidated			
	Quarters ended 6/30/2020	Quarters ended 6/30/2019	Six-month periods ended 6/30/2020	Six-month periods ended 6/30/2019	Quarters ended 6/30/2020	Quarters ended 6/30/2019	Six-month periods ended 6/30/2020	Six-month periods ended 6/30/2019
Profit for the period	85,782	15,786	265,540	145,587	85,452	15,680	265,088	145,081
Other comprehensive income to be reclassified for result for the year in subsequent periods								
Cumulative translation adjustments	4,511	(847)	18,794	(648)	4,511	(847)	18,794	(648)
Carrying value adjustments	6,705	(7,002)	6,954	(6,996)	6,705	(7,002)	6,954	(6,996)
Gain (loss) with derivatives	(39,277)	-	23,155	-	(39,277)	-	23,155	-
Total other comprehensive income for the period	57,721	7,937	314,443	137,943	57,391	7,831	313,991	137,437
Other comprehensive income to be reclassified for result for the year in subsequent periods	57,721	7,937	314,443	137,943	57,391	7,831	313,991	137,437
Non-controlling interests	-	-	-	-	(330)	(106)	(452)	(506)
Controlling shareholders	57,721	7,937	314,443	137,943	57,721	7,937	314,443	137,943
Total other comprehensive income for the period, net of	57,721	7,937	314,443	137,943	57,391	7,831	313,991	137,437

Statements of changes in equity

At June 30, 2020 and December 31, 2019

(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Paid-in share capital	Legal reserve	Capital reserve and options granted	Tax incentive reserve	Other comprehensive income	Accumulated losses	Net shareholder's equity	Non-controlling shareholder interests	Owners' total equity
At December 31, 2018	8,822,057	4,775	22,461	-	11,972	(2,563,227)	6,298,038	(14,158)	6,283,880
Capital increase	5,997	-	(5,997)	-	-	-	-	13,523	13,523
Tax incentive SUDAM/SUDENE	-	-	-	2,434	-	(2,434)	-	-	-
Transactions with shareholders:									
Profit for the period	-	-	-	-	-	145,587	145,587	(506)	145,081
Fair value of asset instruments	-	-	1,596	-	-	-	1,596	-	1,596
Other comprehensive income:									
Foreign currency translation adjustments for the period	-	-	-	-	(648)	-	(648)	-	(648)
Carrying value adjustment asset held for sale	-	-	-	-	(6,996)	-	(6,996)	-	(6,996)
At June 30, 2019	8,828,054	4,775	18,060	2,434	4,328	(2,420,074)	6,437,577	(1,141)	6,436,436
At December 31, 2019	8,834,907	-	15,640	110,725	9,541	(2,068,379)	6,902,434	(2,353)	6,900,081
Capital increase	10,314	-	(10,314)	-	-	-	-	-	-
Transactions with shareholders:									
Profit for the period	-	-	-	-	-	265,540	265,540	(452)	265,088
Fair value of asset instruments	-	-	10,909	-	-	-	10,909	-	10,909
Other comprehensive income:									
Foreign currency translation adjustments for the period	-	-	-	-	18,794	-	18,794	-	18,794
Carrying value adjustment asset held for sale	-	-	-	-	6,954	-	6,954	-	6,954
Gain with derivatives	-	-	-	-	23,155	-	23,155	-	23,155
At June 30, 2020	8,845,221	-	16,235	110,725	58,444	(1,802,839)	7,227,786	(2,805)	7,224,981

Statements of cash flows

For the six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Cash flows from operating activities				
Result before income taxes	271,040	140,939	356,512	196,015
Adjustments to reconcile the profit to the cash flows from operating activities:				
Depreciation and amortization	52,741	32,867	212,552	201,584
Depreciation and amortization ICPC 06 (R2)/ IFRS 16	17,207	13,170	17,296	11,324
Write-off of properties, plants and equipment and intangible assets	(57)	-	(19,465)	-
Equity in the result of investees	(224,486)	(198,485)	(437)	(189)
Provision for uncovered liability	8,199	5,316	7,657	1,296
Interest provision for abandonment cost	334	3,225	369	3,464
Write-off of dry wells and subcommercial areas	(577)	26,553	(577)	26,553
Credit of PIS/ Cofins due to legal decision	-	(33,705)	-	(33,705)
Interest on PIS/COFINS credit	-	(8,529)	-	(8,529)
Asset and liability exchange and monetary variation	(27,711)	1,119	(76,725)	2,854
Exchange variation on lease CPC 06(R2) / IFRS 16	16,624	-	14,440	-
Interest loans and debentures	44,204	70,482	143,170	226,546
Monetary variation on loans and debentures	-	512	1,885	15,704
Earning from loans	(16,929)	(16,337)	2,026	(492)
Provision for contingencies	(931)	1,792	(3,585)	12,526
Earnings from investments (marketable securities) and other finance income and costs	(13,424)	(5,616)	(17,967)	(3,597)
Derivative financial instruments	-	(649)	(6,859)	(17,625)
Lease interest CPC 06 (R2) / IFRS 16	4,213	4,659	5,051	4,973
Amortization of funding cost	3,090	161	8,400	7,299
Disposal of interest in a subsidiary	(7,705)	-	(7,705)	-
	125,832	37,474	636,038	646,001
Increase in assets / Increase in operating liabilities:				
Sundry advances	1,158	(2,110)	57,082	(62,217)
Prepaid expenses	(3,572)	2,877	(40,365)	11,035
Trade receivables	257	(62)	380,420	(1,544)
Taxes recoverable	12,177	15,367	5,480	15,608
Secured deposits	(279)	(1,132)	(172)	(3,627)
Inventory	(7,117)	5,463	(116,354)	(10,359)
Taxes and contributions	(20,021)	(14,174)	566	(29,555)
Trade payables	12,029	(20,832)	(174,152)	(10,341)
Provisions and labor charges	(20,897)	(20,180)	(28,524)	(26,816)
Loans	(29,444)	4,368	(2,345)	-
Commercial operations	109,982	96,222	4,620	(28,560)
Advanced receipts - CCC	-	-	20,216	44,091
Other assets and liabilities	1,025	4,359	6,999	16,916
	55,298	70,166	113,471	(85,369)
Income tax and social contribution paid	(9,197)	-	(30,777)	(15,966)
Net cash and cash equivalents provided by operating activities	171,933	107,640	718,732	544,666
Cash flow from investing activities				
Acquisition of properties, plants and equipment and intangible assets	(147,074)	(75,105)	(1,131,629)	(279,828)
Capital contribution / Capital decrease	-	(1,002)	-	-
Capital transfer to investee	(147,865)	(14,076)	-	-
Advance for future capital increase	(522,398)	(132,114)	-	-
Receipt for the sale of interest in subsidiaries	10,401	-	10,401	-
Marketable securities	(25,034)	35,417	(25,707)	(32,649)
Net cash and cash equivalents used in the investing activities	(831,970)	(186,880)	(1,146,935)	(312,477)
Cash flow from financing activities				
Financial instruments	-	(280)	-	616
Payment of financial lease liability	(18,111)	(13,011)	(27,684)	(14,718)
Transfer of capital from minority interest	-	-	-	13,524
Funding	1,150,000	2,000,000	1,370,677	2,000,000
Amortizations of principal - financings	(5,772)	(1,568,905)	(165,688)	(1,758,367)
Interest paid	(67,031)	(13,568)	(148,953)	(151,626)
Funding cost	(30,125)	(21,369)	(37,666)	(34,767)
Secured deposits	-	-	(44,337)	(76,643)
Net cash and cash equivalents provided by (used in) the financing activities	1,028,961	382,867	946,349	(21,981)
Increase in cash and cash equivalents	368,924	303,627	518,146	210,208
Statement of the variation in cash and cash equivalents				
At the beginning of the period	1,006,475	452,050	1,517,583	1,152,266
At the end of the period	1,375,399	755,677	2,035,729	1,362,474
Increase in cash and cash equivalents	368,924	303,627	518,146	210,208

Statements of value added

For the six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Revenue	358,429	194,098	1,647,201	1,329,708
Sales of goods, products and services	340,300	158,850	1,598,999	1,294,258
Other revenue	18,129	35,248	48,202	35,450
Consumables acquired from third parties (including ICMS and IPI)	(99,691)	(91,972)	(567,310)	(416,687)
Materials, electricity, outsourced services and others	(99,532)	(89,938)	(445,954)	(353,618)
Gas contract	-	-	(120,881)	(61,662)
Impairment and recovery of assets	(159)	(2,034)	(475)	(1,407)
Gross value added	258,738	102,126	1,079,891	913,021
Depreciation and amortization	(69,948)	(46,037)	(229,848)	(212,908)
Net value added generated by the entity	188,790	56,089	850,043	700,113
Transferred value added	305,865	277,115	84,881	102,465
Equity in the result of investees	216,287	193,169	(7,220)	(1,107)
Finance income	48,409	46,393	88,764	99,649
Interest on loan operations and debentures	22,531	16,337	462	754
Shared services	17,960	21,182	-	-
Others	678	34	2,875	3,169
Total value added to be distributed	494,655	333,204	934,924	802,578
Distribution of value added	494,655	333,204	934,924	802,578
Personnel	70,979	54,998	146,885	135,396
Direct remuneration	45,107	40,237	103,754	101,201
Benefits	23,904	12,568	40,895	29,371
FGTS and contributions	1,968	2,193	2,236	4,824
Taxes and contributions	74,914	28,816	296,441	207,489
Federal	48,830	21,294	253,824	191,999
State	8,378	1,636	10,012	(3,842)
Municipal	858	53	924	172
Fees and contributions	16,848	5,833	31,681	19,160
Remuneration of third-parties' capital	83,222	103,803	226,510	314,612
Interest on borrowings and debentures	40,219	8,982	86,767	85,922
Other finance costs	21,546	74,016	87,999	172,465
Exchange and monetary variation	18,453	15,737	42,561	34,039
Rent	3,003	3,099	9,028	9,630
Others	1	1,969	155	12,556
Remuneration of own capital	265,540	145,587	265,088	145,081
Profit for the period	265,540	145,587	265,540	145,587
Profit (loss) for the period attributed to non-controlling shareholders	-	-	(452)	(506)
	494,655	333,204	934,924	802,578

Notes to the Quarterly Information

All amounts in thousands of reais except when otherwise indicated

1 Operations

Eneva S.A. ("Company" or "Group") is a publicly traded company registered in B3 S.A. – Brasil, Bolsa, Balcão, under the code "ENEV3", headquartered in the Municipality and State of Rio de Janeiro, which operates in the generation and trade of electric power and in the exploration and production (E&P) of natural gas in Brazil.

Eneva has a thermal generation park with 2.8 GW of contracted capacity (78% operating), 2.0 GW of which is natural gas (74%) and 725 MW, mineral coal (26%). It is the second largest company of the country in thermal capacity, responsible for 9% of the national installed gas thermal capacity.

Currently, we have ten fields declared commercial, five of them producing entirely to supply the natural gas thermoelectric plants located in the State of Maranhão ("Complexo Parnaíba"), taking on the commitment of producing 8.4 million m³/day.

Eneva is the largest private natural gas operator in Brazil with a total exploratory area of more than 50 thousand km² in the Parnaíba Basin, state of Maranhão.

On June 30, 2020, the Company has the following interest in subsidiaries and joint ventures:

	Equity Interest*	
	6/30/2020	12/31/2019
Direct subsidiaries		
Parnaíba I Geração de Energia S. A	-	100.00%
Parnaíba II Geração de Energia S.A.	88.85%	88.85%
Parnaíba Geração e Comercialização de Energia S.A.	60.72%	-
Azulão Geração de Energia S.A.	99.90%	99.90%
Parnaíba B.V.	100.00%	100.00%
Itaqui Geração de Energia S. A	100.00%	100.00%
Pecém II Participações S. A	100.00%	100.00%
Amapari Energia S.A.	51.00%	51.00%
Eneva Participações S.A.	100.00%	100.00%
Jandaíra Ventos S.A.	99.90%	99.90%
Jandaíra II Ventos S.A.	99.90%	99.90%
Termopantanal Participações Ltda.	66.67%	66.67%
Indirect subsidiaries		
Parnaíba Geração e Comercialização de Energia S.A.	-	70.00%
Pecém II Geração de Energia S. A	100.00%	100.00%
Eneva Comercializadora de Energia Ltda.	100.00%	100.00%
MPX Chile Holding Ltda.	50.00%	50.00%
Seival Geração de Energia Ltda.	100.00%	100.00%
SPE's Ventos	100.00%	100.00%
Sul Geração Energia S.A.	50.00%	50.00%
Tauá Geração de Energia Ltda.	100.00%	100.00%
Termopantanal Ltda.	66.67%	66.67%
Joint ventures:		
Centrais Termelétricas São Marcos S.A.	50.00%	50.00%
MABE Construção e Administração de Projetos Ltda.	50.00%	50.00%
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	50.00%	50.00%
Porto do Pecém Transportadora de Minérios S.A.	50.00%	50.00%

The details of the Company's corporate interest are described in Note 10 - Investments.

The summary of the technical specifications of the operating subsidiaries is as follows:

Energy Generation

Company / Venture	Location	Total capacity ⁽¹⁾	Fuel	Operation start date	CCEAR	Authorization up to	Eneva's interest
Parnaíba Geração e Comercialização de Energia S.A.	Santo Antônio dos Lopes/MA	676 MW	Natural gas	April 2013	452 MWa for 15 years	December 2027	100%
Parnaíba II Geração de Energia S.A.	Santo Antônio dos Lopes/MA	751 MW	Natural gas	July 2016	568 MWa for 20 years	April 2036	100%
Itaqui Geração de Energia S.A.	São Luís/MA	360 MW	Imported mineral coal	February 2013	315 MWa for 15 years	December 2026	100%
Pecém II Geração de Energia S.A.	São Gonçalo do Amarante/CE	365 MW	Imported mineral coal	October 2013	276 MWa for 15 years	December 2027	100%
Tauá Geração de Energia S.A.	Tauá/CE	1 MW	Solar power source	July 2011	Free market	Not applicable	100%
Azulão Geração de Energia S.A.	Boa Vista/RR	132 MW	GNL	June 2021	15 years in CCESI	June 2036	100%
Parnaíba V	Santo Antônio dos Lopes/MA	385 MW	Natural gas	January 2024	326 MWa for 25 years	December 2049	100%
Parnaíba VI	Santo Antônio dos Lopes/MA	92 MW	Natural gas	January 2025	70 MWa for 25 years	December 2050	100%

⁽¹⁾ Unaudited information.

Natural gas

Company	Venture	Location	ENEVA's interest
Eneva S.A.	10 natural gas fields, with certified reserves (2P) of 27.7 million m ³ .	MA /AM	100%
Parnaíba B.V.	Lessee of machinery and equipment for E&P activities	Netherlands	100%

1.1 Significant events in the period:

COVID-19 pandemic- Context, initiatives and impacts

In view of the extent of the Coronavirus pandemic (COVID-19), the Company continues adopting all protocols established by public health authorities for the safety and integrity of our employees (own and third parties). The focus of the preventive measures is to control the pandemic in our facilities. Accordingly, in addition to the distance measures, use of mask, body temperature scan at the entrance to operational sites and remote work (for higher risk employees and administrative staff), for greater safety of employees, 40,000 tests were purchased to be used on all Group sites.

Also as a way of contributing to the fight against the virus, the Company continues carrying out voluntary actions to assist families in the most vulnerable situations and health professionals in the locations where the Group operates, such as the donation of personal hygiene kits, cleaning kits, basic food baskets and pulmonary ventilation devices.

(a) Revenue recognition and evaluation of credit losses

In addition, the Company keeps on monitoring and assessing, qualitative and quantitative, the main risk factors and uncertainties arisen that could cause economic, financial or operational impacts that could reflect directly or indirectly in its quarterly financial information.

The Company's revenues arise mainly (98%) from energy trading agreements in the regulated environment ("CCEAR"), entered into between the selling agent and the distribution agent, as a result of the energy auctions, within the scope of the Regulated Contracting Environment (ACR), with defined prices, volume and terms. This environment is strongly regulated, with mechanisms to mitigate the risk of default by its agents (buyers and sellers) and the financial security

of the market is based on the model of multilateral and centralized clearinghouse, with settlement without indication of party and counterpart, supported by guarantee of the transfer of receivables from distributors through the Establishment of Guarantees Agreement (“CCG”).

Evaluating the behavior of the dispatch curve for the quarter ended June 30, 2020, it was observed a 7% decreased in relation to the same period of the previous year, basically represented by the dispatch through the Operational Reserve Recomposition (RRO) mechanism through which the Pecém II plant had dispatched in 2019.

Therefore, so far, the Company has not identified a material impact resulting from the pandemic in its operating revenues arising from the power generation segment (gas thermal and coal thermal).

There was also no change in the risk matrix, which impacted the probability of realization of its receivable linked to this segment, as established in CPC 48 - Financial Instruments.

Regarding the revenue arising from the energy trade segment, the Company adopted strict criteria for assessing the counterparties' credit risk. For this reason, we are not carrying out operations with agents that may be more affected by COVID-19. Furthermore, we are demanding additional guarantees to carry out new businesses. Accordingly, we also have not identified any change in the risk matrix, which would impact the revenue recognition, as well as the probability of realization of this receivable, as established in CPC 47 - Revenue from Contract with Customers and CPC 48 - Financial Instruments.

In the 2nd quarter of 2020, the Company revised and updated the assumptions used in the model for calculating the net present value (“NPV”) of bilateral contracts for marking to market, already reflecting the result in the interim statements, with no additional impacts expected.

(b) Preservation of short term cash flow

In view of the scenario described in the previous item, some measures were adopted aiming to preserve cash flow in a preventive manner, ensuring compliance with short-term obligations, such as: (i) funding of R\$ 410 million through issue of debentures, with one year term. On April 13, 2020, it was concluded the additional funding of R\$ 90 million through bank credit note between the Company and the China Construction Bank - Banco Múltiplo S.A. (“China Bank”). In entering into the mentioned funding, the Company further expanded its network of banking relationships, including in its creditors portfolio another financial institution with a global presence and; (ii) adherence to the measures established in Ordinances No. 139/2020 and No. 245/2020, issued by the Ministry of Economy, on April 3, 2020 and June 15, 2020 respectively, allowing the postponement of payment of federal taxes.

(c) Assessment of impairment of non-financial assets and deferred income tax and social contribution

The Company monitored the main operating and macroeconomic assumptions and concluded that there was no change in the scenario projected and assessed in the previous quarter. Accordingly, it identified no evidences that the assets would be recorded above their recoverable values.

Sale of interest in Seival Sul Mineração

On April 15, 2020, it was concluded the sale of all the interest held by Eneva, equivalent to 30% of the total shares, in Seival Sul Mineração S.A. (“Shares”) to Copelmi Participações Ltda. (“Copelmi”), according to the terms of the Share Purchase Agreement and Other Covenants (“Agreement”).

The total price to be paid by Copelmi to Eneva for the sale of the Shares is R\$ 18 million, divided into 3 installments, of which R\$ 10 million have already been received and the remaining installment will be paid up to November 2020. The transaction also contemplates the sale of property, located in the municipality of Candiota, state of Rio Grande do Sul, for an additional amount of R\$ 3 million, totaling R\$ 21 million subject to monetary adjustment by the IPCA from the date the Agreement was signed up to the date of the effective payment of each installment.

5th issue of simple debentures

On June 26, 2020, it was concluded the process of the 5th issue of simple debentures in the total amount of 650 million, maturing in 10 (ten) years, as of the date of issue. The net funds obtained by the Company through the debentures will be used up to the debentures' maturity date for future payment and/or reimbursement of expenses, expenditures and/or debts, which had occurred between January 1, 2020 and the closing date of the Restricted Offer, which are related to the

execution of the Parque dos Gaviões Project - Parnaíba Basin, framed by the Ministry of Mines and Energy as a priority project, through Ordinance No. 327, of August 21, 2019, published in the Federal Official Gazette on August 23, 2019, issued by the Ministry of Mines and Energy, and pursuant to Law No. 12,431, of June 24, 2011, as amended, and Decree No. 8,874, of October 11, 2016.

2 Licenses and authorizations

For the 2nd quarter of 2020, in addition to the fulfillment of all legal, social and environmental obligations planned for the period, we highlight the renewal of the water abstraction grant in the Mearim River, which serves the Parnaíba complex, as well as the rectification of the dilution grant including the expected increase with the future entry of Parnaíba V. In addition, Drilling Licenses were issued for new blocks such as PN-T-66, 67, 68, 102 and 103. Regarding seismic activities, Environmental Authorizations were issued and renewed, which authorize activities in the state of Maranhão, which are now valid for 1 year (previously it was 180 days). For the Azulão-Jaguatirica project, we highlight the Ibama authorization for Eletronorte, authorizing the connection of the Transmission Line of UTE Jaguatirica II in Boa Vista substation.

3 Quarterly information presentation

The quarterly information was elaborated based on the same accounting policies, critical judgments of estimates, principles, calculation methods and criteria as those adopted for the elaboration of the financial statements for the year ended December 31, 2019 and, consequently, they should be read together with this information.

In order to present just material aspects related to the quarter ended June 30, 2020, we have failed to present the notes described below, which were disclosed in the financial statements for the year ended December 31, 2019, but which have not been significantly updated in the period:

Title of the notes	Number of the notes
Critical accounting estimates and judgments	5
Lease (a)	11
Taxes recoverable	12
Taxes payable	18
Provision for abandonment obligation	21
Insurance Coverage	29
Commitments	30

- (a) We evaluated the changes in Technical Pronouncement CPC 06 (R2), as suggested by CVM Resolution No. 859 and since our lease agreements have not undergone any material changes in their terms and conditions, there was no need to use the practical expedient brought by the aforementioned resolution previously.

The preparation of quarterly information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. Accounting estimates and judgments are continually evaluated and are based on historical analysis and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Parent company and consolidated quarterly information

The individual quarterly information is in accordance with CPC 21 (R1) and the Company's consolidated information is in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for presenting this information consistently with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information - ITR.

In presenting the parent company quarterly information, the costs related to the debentures issued by Eneva S.A. (3rd series), whose objective is the construction of Parnaíba V project, are recorded in the account “investment in subsidiaries”, according to the paragraph 8, of CPC 43 – Initial adoption of the technical pronouncements CPCs 15 to 41.

In the consolidated quarterly information, these costs are presented as “PPE”. Accordingly, there is no difference between the parent company equity and the consolidated equity.

The interim financial statements of the Company and its affiliates and joint ventures are measured using the currency of the main economic environment in which the entity operates (“functional currency”), which is the Real (“R\$”), except in relation to the subsidiary Parnaíba BV (using the USD), whose functional currency is different from the presentation and its translation follows the same criteria used on December 31, 2019.

The issue of this quarterly information was authorized by the Executive Board and by the Board of Directors on August 11, 2020.

4 Segment reporting

The Company’s management manages its ventures based on five main business segments, namely: (i) gas-fired thermal plants, (ii) upstream, (iii) coal -fired thermal plants, (iv) energy trade and (v) holding and others.

The performance of the activities of each segment are evaluated by the Company’s Executive Board and reflect the structure of the business model adopted. It is important to emphasize that the operations between the Company and its subsidiaries, as well as the operations between subsidiaries, are fully eliminated for the presentation of the segment balances.

The segments are described as follows:

(i) Gas-fired thermal plants

This segment is comprised by the subsidiaries Parnaíba II Geração de Energia S.A. and Parnaíba Geração e Comercialização S.A., which comprises the Parnaíba Complex, in the state of Maranhão. This complex has a total installed capacity of approximately 1.4 GW and will have a capacity of 2.0 GW as from the conclusion of the cycle closure works, known as the Parnaíba V project, scheduled to be finished in the second half of 2021, and Parnaíba VI project that aims to expand the thermoelectric plant UTE MC2 Nova Venécia 2 (“Parnaíba II”), with an additional installed capacity of 92.3 MW, with completion scheduled for the 1st half of 2025.

The complex is connected to the North Subsystem of generation and transmission of energy of the National Interconnected System (SIN).

Additionally, the Thermal Gas Generation segment has the Jaguatirica II project with an installed capacity of 132.3 MW, to be implemented in Boa Vista, state of Roraima, with conclusion expected in the second half of 2021. The project is located in an isolated system.

(ii) Upstream

In this segment, the Company acts in the exploration and production (E&P) of hydrocarbons in an area under concession of approximately 50 thousand km² in the Parnaíba Basin, in the state of Maranhão, and of 58 km² in the Amazon Basin.

The Company is committed to produce 8.4 million m³ of natural gas per day, fully for the supply of the Parnaíba Complex, consolidating the *Reservoir-to-Wire* (“R2W”) model, pioneer in the country. This segment comprises the companies Eneva S.A. and Parnaíba B.V..

(iii) Coal -fired thermal plants

This segment consists of the subsidiaries Itaqui Geração de Energia SA with an installed capacity of 360 MW, located in the state of Maranhão, connected to the North Subsystem, and Pecém II Geração de Energia SA with an installed capacity of 365 MW, located in the state of Ceará, connected to the Northeast Subsystem. Both with energy transmission from the National Interconnected System (SIN).

(iv) Energy trade

In this segment, energy agreements are sold in the Free Contracting Environment (ACL), which must be registered with the Electricity Trade Chamber (CCEE), through the indirect subsidiary Eneva Comercializadora de Energia Ltda.

(v) Holding and others

This segment comprises Eneva Participações S.A., besides companies held for the development of projects.

Segment balance sheet at June 30, 2020 and December 31, 2019 and the statements of operations for the periods ended June 30, 2020 and 2019 are as follows:

Equity accounts - 6/30/2020

	Natural Gas generation				Coal - fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
	Gas thermal plants	Upstream	Eliminations	Subtotal Consolidated							
Total assets	4,999,456	5,604,674	(358,173)	10,245,957	4,585,918	(2,982)	4,582,936	98,442	778,981	(530,722)	15,175,594
Current	768,276	1,790,522	(180,037)	2,378,761	627,496	-	627,496	74,484	67,564	(1,605)	3,146,700
Cash and equivalents	375,669	1,375,401	-	1,751,070	284,613	-	284,613	3	43	-	2,035,729
Trade receivables	145,807	1,893	-	147,700	124,678	-	124,678	38,811	30	-	311,219
Inventory	23,779	37,424	-	61,203	157,351	-	157,351	-	11	-	218,565
Other assets	223,021	375,804	(180,037)	418,788	60,854	-	60,854	35,670	67,480	(1,605)	581,187
Non-current	4,231,180	3,814,152	(178,136)	7,867,196	3,958,422	(2,982)	3,955,440	23,958	711,417	(529,117)	12,028,894
Deferred income tax and social contribution	28,882	248,058	-	276,940	261,365	-	261,365	20,912	36	-	559,253
PPE and intangible assets	4,166,567	2,736,302	(14,199)	6,888,670	3,690,122	-	3,690,122	112	120,233	581,932	11,281,069
Other assets	35,731	829,792	(163,937)	701,586	6,935	(2,982)	3,953	2,934	591,148	(1,111,049)	188,572
Total liabilities	4,999,456	5,604,674	(358,173)	10,245,957	4,585,918	(2,982)	4,582,936	98,442	778,981	(530,722)	15,175,594
Current	449,389	847,009	(64,006)	1,232,392	414,711	(526)	414,185	18,601	15,652	(19,930)	1,660,900
Borrowings	(495)	104,875	-	104,380	139,691	-	139,691	-	-	-	244,071
Debenture	98,341	413,066	-	511,407	-	-	-	-	-	-	511,407
Other liabilities	351,543	329,068	(64,006)	616,605	275,020	(526)	274,494	18,601	15,652	(19,930)	905,422
Non-current	1,805,196	3,528,920	(294,167)	5,039,949	1,613,054	(2,456)	1,610,598	4,105	145,853	(510,792)	6,289,713
Borrowings	203,753	72,298	-	276,051	1,057,332	-	1,057,332	-	-	-	1,333,383
Debentures	1,361,654	3,266,342	-	4,627,996	-	-	-	-	-	-	4,627,996
Other liabilities	239,789	190,280	(294,167)	135,902	555,722	(2,456)	553,266	4,105	145,853	(510,792)	328,334
Non-controlling stockholders	-	-	-	-	-	-	-	-	(2,805)	-	(2,805)
Equity	2,744,871	1,228,745	-	3,973,616	2,558,153	-	2,558,153	75,736	620,281	-	7,227,786

Equity accounts - 12/31/2019

	Natural Gas generation										
	Gas thermal plants	Upstream	Eliminations	Subtotal Consolidated	Coal-fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
Total assets	4,140,434	5,266,768	(431,105)	8,976,097	4,693,724	(2,605)	4,691,119	129,474	620,242	(553,788)	13,863,144
Current	883,385	1,318,522	(119,707)	2,082,200	637,584	-	637,584	56,674	49,392	-	2,825,850
Cash and equivalents	277,485	1,006,502	-	1,283,987	201,924	-	201,924	13,676	17,996	-	1,517,583
Trade receivables	382,288	2,134	-	384,422	289,903	-	289,903	20,826	30	-	695,181
Inventory	14,224	30,307	-	44,531	57,669	-	57,669	-	11	-	102,211
Other assets	209,388	279,579	(119,707)	369,260	88,088	-	88,088	22,172	31,355	-	510,875
Non-current	3,257,049	3,948,246	(311,398)	6,893,897	4,056,140	(2,605)	4,053,535	72,800	570,850	(553,788)	11,037,294
Deferred income tax and social contribution	93,913	250,454	-	344,367	293,821	-	293,821	21,853	36	-	660,077
PPE and intangible assets	3,132,642	2,615,492	(17,824)	5,730,310	3,755,770	-	3,755,770	135	115,431	585,764	10,187,410
Other assets	30,494	1,082,300	(293,574)	819,220	6,549	(2,605)	3,944	50,812	455,383	(1,139,552)	189,807
Total liabilities	4,140,434	5,266,768	(431,105)	8,976,097	4,693,724	(2,605)	4,691,119	129,474	620,242	(553,788)	13,863,144
Current	474,631	502,397	(193,629)	783,399	478,988	(142)	478,846	59,499	21,830	9,354	1,352,928
Borrowings	-	12,117	-	12,117	166,068	-	166,068	-	-	-	178,185
Debentures	96,118	9,195	-	105,313	-	-	-	-	-	-	105,313
Other liabilities	378,513	481,085	(193,629)	665,969	312,920	(142)	312,778	59,499	21,830	9,354	1,069,430
Non-current	1,771,202	2,802,321	(237,476)	4,336,047	1,714,749	(2,463)	1,712,286	3,384	121,560	(563,142)	5,610,135
Borrowings	-	79,957	-	79,957	1,141,272	-	1,141,272	-	-	-	1,221,229
Debentures	1,423,694	2,628,121	-	4,051,815	-	-	-	-	-	-	4,051,815
Other liabilities	347,508	94,243	(237,476)	204,275	573,477	(2,463)	571,014	3,384	121,560	(563,142)	337,091
Non-controlling stockholders	-	-	-	-	-	-	-	-	(2,353)	-	(2,353)
Equity	1,894,601	1,962,050	-	3,856,651	2,499,987	-	2,499,987	66,591	479,205	-	6,902,434

6/30/2020

	Natural gas generation				Coal -fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
	Gas thermal plants	Upstream	Eliminations	Subtotal Consolidated							
Statement of operations											
Net operating revenue	843,995	307,824	(284,058)	867,761	547,820	-	547,820	240,664	143	(198,614)	1,457,774
Cost of goods and/or sold services	(544,738)	(99,366)	282,891	(361,213)	(369,889)	-	(369,889)	(234,685)	(751)	198,614	(767,924)
Operating costs	(13,318)	(106,228)	-	(119,546)	(10,924)	-	(10,924)	(2,811)	(3,461)	(6,846)	(143,588)
Other operating results	(18,783)	7,894	-	(10,889)	866	-	866	-	8,073	347	(1,603)
Costs with exploration and dry well	-	(51,584)	-	(51,584)	-	-	-	-	-	-	(51,584)
Equity in the results of investees	-	238,774	(132,965)	105,809	34,885	(34,885)	-	-	45,246	(158,275)	(7,220)
Finance income	(7,282)	42,078	(1,838)	32,958	73,959	-	73,959	7,788	957	(23,561)	92,101
Finance costs	(44,275)	(54,500)	3,006	(95,769)	(148,933)	-	(148,933)	(63)	(240)	23,561	(221,444)
Provision for current and deferred taxes	(49,365)	(5,500)	-	(54,865)	(34,733)	-	(34,733)	(1,747)	(79)	-	(91,424)
 Profit (Loss) for the period	166,234	279,392	(132,964)	312,662	93,051	(34,885)	58,166	9,146	49,888	(164,774)	265,088
Attributed to the owners of the parent company	166,234	279,392	(132,964)	312,662	93,051	(34,885)	58,166	9,146	49,888	(164,322)	265,540
Attributed to the non-controlling shareholders	-	-	-	-	-	-	-	-	-	(452)	(452)

6/30/2019

	Natural gas generation				Coal -fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
	Gas thermal plants	Upstream	Eliminations	Subtotal Consolidated							
Statement of operations											
Net operating revenue	592,299	147,434	(141,782)	597,951	536,771	-	536,771	80,995	61	(48,614)	1,167,164
Cost of goods and/or sold services	(310,857)	(59,698)	140,481	(230,074)	(361,722)	-	(361,722)	(80,670)	(116)	48,614	(623,968)
Operating costs	(10,299)	(77,948)	-	(88,247)	(11,135)	-	(11,135)	(2,143)	(4,510)	(12,645)	(118,680)
Other operating results	(1,411)	20,099	3,494	22,182	(8,676)	-	(8,676)	-	(4,100)	5,334	14,740
Costs with exploration and dry well	-	(46,955)	-	(46,955)	-	-	-	-	-	-	(46,955)
Equity in the results of investees	-	(1,107)	-	(1,107)	-	-	-	-	-	-	(1,107)
Finance income	18,452	62,762	(7,405)	73,809	15,247	-	15,247	18,235	666	(4,385)	103,572
Finance costs	(105,522)	(101,881)	8,707	(198,696)	(102,682)	-	(102,682)	(394)	(1,364)	4,385	(298,751)
Provision for current and deferred taxes	(36,133)	4,648	-	(31,485)	(19,449)	-	(19,449)	-	-	-	(50,934)
 Profit (Loss) for the period	146,529	(52,646)	3,495	97,378	48,354	-	48,354	16,023	(9,363)	(7,311)	145,081
Attributed to the owners of the parent company	146,529	(52,646)	3,495	97,378	48,354	-	48,354	16,023	(9,363)	(6,805)	145,587
Attributed to the non-controlling shareholders	-	-	-	-	-	-	-	-	-	(506)	(506)

Total gross revenue between the segments and customers

	6/30/2020			6/30/2019		
	Total segment gross revenue (a)	Gross revenue between segments (*)	Gross revenue customers	Total segment gross revenue (a)	Gross revenue between segments (*)	Gross revenue customers
Gas-fired thermal plants	937,639	(45,792)	891,847	659,174	(5,923)	653,251
Upstream	340,300	(338,637)	1,663	158,850	(158,067)	783
Coal -fired thermal plants	615,276	-	615,276	598,436	-	598,436
Energy trader	265,195	(173,065)	92,130	89,250	(47,647)	41,603
Holding and others	158	-	158	66	-	66
	2,158,568	(557,494)	1,601,074	1,505,776	(211,637)	1,294,139

(*) Eliminated revenue

(A) Analysis of the total segment gross revenue

	6/30/2020						
	(CCEAR)		MCP*	Lease		Gas and Condensed	
	Fixed Availability	Variable	Variable	Fixed	Variable	Variable	Total
Gas-fired thermal plants (a)	637,019	121,665	178,955	-	-	-	937,639
Upstream (a)	-	-	-	145,886	26,980	167,434	340,300
Coal -fired thermal plants	417,993	98,286	98,997	-	-	-	615,276
Energy trader (b)	-	-	265,195	-	-	-	265,195
Holding and others	-	-	158	-	-	-	158
Total	1,055,012	219,951	543,305	145,886	26,980	167,434	2,158,568

	6/30/2019						
	(CCEAR)		MCP*	Lease		Gas and Condensed	
	Fixed Availability	Variable	Variable	Fixed	Variable	Variable	Total
Gas-fired thermal plants	621,299	24,913	12,962	-	-	-	659,174
Upstream	-	-	-	121,662	-	37,188	158,850
Coal	407,750	21,585	169,101	-	-	-	598,436
Energy trader	-	-	89,250	-	-	-	89,250
Holding and others	-	-	66	-	-	-	66
Total	1,029,049	46,498	271,379	121,662	-	37,188	1,505,776

*MCP = Short term market (free contracting environment)

(a) Significant increase in the variable revenue of gas and Upstream thermal plants in the first half of 2020, when compared to the same period of 2019, is due to a higher level of unexpected dispatch for the period.

(b) Higher volume of energy trade

Gross revenue per state:

	6/30/2020	6/30/2019
Maranhão	1.610.733	1,059,889
Fortaleza	282,640	356,637
Rio de Janeiro	265,195	89,250
	2,158,568	1,505,776

5 Cash and cash equivalents

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash and banks	4,163	2,951	21,129	34,892
Investment funds FICFI RF CP ENEVA	-	69,250	-	174,386
CDB/Purchase and sale agreements	1,371,236	934,274	2,014,600	1,308,305
	1,375,399	1,006,475	2,035,729	1,517,583

6 Marketable securities

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Treasury Financial Bills (LFTs)	(a) 98,144	105,493	281,387	265,652
Shares	47,630	-	47,630	-
Capitalization securities	-	-	5,000	5,000
	145,774	105,493	334,017	270,652

(a) Treasury Financial Bills (LFTs) are post-fixed securities whose remuneration is based on the variation of the daily SELIC rate recorded between the settlement date and the maturity date. On June 30, 2020, the Company's LFT portfolio holds securities whose maturities are between 2020 and 2025. These securities are presented as current assets due to their realization expectation.

7 Trade receivables

	Consolidated	
	6/30/2020	12/31/2019
Energy trading agreements in the regulated environment (CCEAR):		
Parnaíba II Geração de Energia S.A.	55,661	125,289
Parnaíba I Geração de Energia S.A. (*)	-	152,401
Parnaíba Geração e Comercialização de Energia S.A.	67,266	-
Pecém II Geração de Energia S.A.	53,704	98,077
Itaqui Geração de Energia S.A.	53,576	100,642
(a)	230,207	476,409
Energy trading agreements in the free environment:		
Pecém II Geração de Energia S.A.	17,381	45,078
Parnaíba Geração e Comercialização S.A.	10,795	-
Parnaíba I Geração de Energia S.A.	-	39,813
Parnaíba II Geração de Energia S.A.	12,085	64,736
Itaqui Geração de Energia S.A.	17	46,140
Eneva Comercializadora de Energia Ltda.	1,264	914
(a)	41,542	196,681
Bilateral energy trading agreements:		
Eneva Comercializadora de Energia Ltda.	47,910	30,274
Tauá Geração de Energia Ltda.	30	30
(b)	47,940	30,304
Condensed gas trading contracts		
Eneva S.A.	1,893	2,150
	1,893	2,150
Expected Credit Loss		
Provision for expected credit loss	(10,363)	(10,363)
	311,219	695,181

(*) Incorporated on January 1, 2020 by Parnaíba Geração e Comercialização S.A..

(a) The observed variation is related to the decrease in the energy dispatch curve that occurred as from March 2020. This reduction naturally occurs every year due to the seasonality of water generation in the country, but it was accentuated by the pandemic that contributed to the decrease in the demand for electricity. It is worth mentioning that we have verified 100% of timely payments on CCEAR contracts and the free environment.

There are no accounts receivable in arrears and with expectation of loss, except for the balance of Canabrava Energética S.A, in the amount of R\$ 10,363, whose provision for expected credit loss was fully recognized in previous years.

(b) The volume of energy traded in the Trading operations increased due to market opportunities.

8 Inventories

	Consolidated	
	6/30/2020	12/31/2019
Material, supplies and others	37,279	24,960
Coal (a)	116,196	19,631
Electronic and mechanical parts	55,866	49,300
Lubricant and chemicals	9,224	8,320
	218,565	102,211

(a) Mineral coal recomposition for the formation of safety stock due to the increase in the average dispatch and consequent consumption of the main input in the generation of electricity in the last months of 2019.

9 Deferred taxes

The deferred income tax and social contribution assets are recognized based on the temporary differences between the carrying amount and the tax value of the assets and liabilities, as well as on the accumulated tax losses balance.

The deferred taxes on income are offset whenever there is a legally feasible right on the same taxable entity. The deferred tax assets arising from tax losses and temporary differences are not recognized when it is not probable that future taxable income is available against which they might be used.

Deferred taxes by company and nature are as follows:

	Consolidated					
	6/30/2020					
	Deferred asset				Deferred liability	
	Tax losses/Negative basis	Temporary differences	Total (a)	Assets at fair value	Temporary differences	Net
Eneva	305,279	12,034	317,313	78,062	(147,323)	248,052
Itaqui	157,648	41,036	198,684	-	(15,893)	182,791
Parnaíba Geração e Comercialização S.A.	37,044	31,929	68,973	-	(73,615)	(4,642)
Parnaíba II	60,194	3,683	63,877	-	(34,991)	28,886
Energy trader	20,910	2	20,912	-	-	20,912
Eneva Participações	-	36	36	-	-	36
Pecém II Geração	95,804	1,104	96,908	-	(18,332)	78,576
Seival Geração	-	-	-	-	(11,178)	(11,178)
Termopantanal	-	-	-	-	(2,047)	(2,047)
	676,879	89,824	766,703	78,062	(303,379)	541,386
Net deferred asset						559,253
Net deferred liability						(17,867)

	Consolidated					
	12/31/2019					
	Deferred asset				Deferred liability	Net
	Tax losses/Negative basis	Temporary differences	Total	Assets at fair value	Temporary differences	
Eneva	308,371	16,095	324,466	78,062	(152,076)	250,452
Itaqui	171,559	46,895	218,454	-	(10,812)	207,642
Parnaíba I (*)	-	32,877	32,877	-	(70,637)	(37,760)
Parnaíba Geração e Comercialização	46,635	1,703	48,338	-	-	48,338
Parnaíba II	71,320	4,803	76,123	-	(30,548)	45,575
Energy trader	21,851	2	21,853	-	-	21,853
Eneva Participações	-	36	36	-	-	36
Pecém II Geração	98,694	2,124	100,818	-	(14,637)	86,181
Seival Geração	-	-	-	-	(11,178)	(11,178)
Termopantanal	-	-	-	-	(2,047)	(2,047)
	718,430	104,535	822,965	78,062	(291,935)	609,092

Net deferred asset
Net deferred liability

660,077
(50,985)

(*) Parnaíba I was incorporated on January 1, 2020 by Parnaíba Geração e Comercialização de Energia S.A.

- (a) For the period ended June 30, 2020, the total of deferred credit taxes arising from asset deferred income tax and social contribution on the balance of the tax loss and of the social contribution negative basis is of R\$ 1,059,719. The amount effectively constituted based on the estimate of future taxable income generation is as follows:

	2020	2021	2022	2023	2024	2024 a 2027	2028 and 2029	Total
Expectation of annual realization of the deferred taxes	40,048	85,184	69,401	82,680	99,328	287,953	102,109	766,703

Reconciliation of income tax and social contribution on income

The reconciliation of taxes calculated at nominal rates and the amounts recorded are shown below:

		Parent Company	Consolidated		
		Six-month period ended 6/30/2020	Six-month period ended 6/30/2019	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019
Profit for the period before IRPJ/CSLL		271,040	140,939	356,512	196,015
Nominal rate - %		34%	34%	34%	34%
IRPJ/CSLL at nominal rate		(92,154)	(47,919)	(121,214)	(66,645)
Equity in the result of investees		78,654	71,787	(1,053)	(376)
Investment grant – ICMS	(a)	8,164	-	8,164	-
Permanent differences		(6,937)	(5,768)	(12,606)	(5,644)
Not constituted tax asset	(b)	7,598	(13,452)	12,646	(13,067)
Benefit reduction	(c)	657	-	38,134	34,798
Write off of deferred on tax loss/negative basis	(d)	(1,482)	-	(15,495)	-
Deferred income tax and social contribution		(5,500)	4,648	(91,424)	(50,934)
Current income tax and social contribution		(3,100)	-	(23,717)	(16,954)
Deferred income tax and social contribution		(2,400)	4,648	(67,707)	(33,980)
Total		(5,500)	4,648	(91,424)	(50,934)
Effective rate		2.03%	II (3.30%)	25.64%	25.98%

		Parent Company	Consolidated		
		Quarter ended 6/30/2020	Quarter ended 6/30/2019	Quarter ended 6/30/2020	Quarter ended 6/30/2019
Result for the period before IRPJ/CSLL		89,609	16,196	114,686	41,488
Nominal rate - %		34%	34%	34%	34%
IRPJ/CSLL at nominal rate		(30,467)	(5,507)	(38,993)	(14,106)
Equity in the result of investees		33,602	29,441	-	(77)
Investment grant – ICMS	(a)	876	-	876	-
Permanent differences		(4,684)	1,417	(5,287)	1,236
Not constituted tax asset	(b)	(3,811)	(25,761)	(5,542)	(29,059)
Benefit reduction	(c)	657	-	19,712	16,198
Deferred income tax and social contribution		(3,827)	(410)	(29,234)	(25,808)
Current income tax and social contribution		(3,100)	-	(8,110)	(7,672)
Deferred income tax and social contribution		(727)	(410)	(21,124)	(18,136)
Total		(3,827)	(410)	(29,234)	(25,808)

- (a) Investment grant related to the tax incentive in the state of Maranhão, granted by Law No. 9,463 / 2011, which consists of presumed ICMS credit on outlets for natural gas for the Group's thermoelectric plant.
- (b) This refers to the portion of deferred taxes of subsidiaries that were not recorded due to uncertainties regarding its recovery.
- (c) The most relevant amount refers to the regional tax benefit granted by Sudene, which results in decrease of up to 75% of income tax in a 10-year period.
- (d) The recoverability of deferred tax assets is subject to the generation of taxable profits that allow their realization for a maximum period of 10 years. In the first quarter of 2020, it was recorded a decrease in the deferred income tax and social contribution balances in the amount of R\$

15,495 in the subsidiaries Eneva Comercializadora (R\$ 941), Itaqui Geração de Energia (R\$ 13,072) and in the parent company Eneva S.A. (R\$ 1,482).

10 Investments

Investments	%	At 12/31/2019	Transfer of unsecured liability	Capital payment	Advance for future capital increase	Equivalence	Amortization	Incorporation	Interest PGC	Hedge accounting	Dividends	Write-off of investment	Carrying value adjustment :	At 6/30/2020
Subsidiaries (direct and indirect)														
Azulão Geração de Energia S. A	99.90	208,926	-	111,845	485,447	(1,880)	-	-	-	-	-	-	-	804,338
Parnaíba Geração e Comercialização de Energia S.A	60.72	128,414	-	35,924	(15,605)	43,836	-	395,692	13,154	14,059	-	-	(31,651)	583,823
Parnaíba I Geração de Energia S.A.	100.00	390,990	-	-	-	-	-	(395,692)	-	-	-	-	4,702	-
Parnaíba II Geração de Energia S.A.	88.85	844,068	-	-	-	85,228	-	-	-	-	(4,209)	-	-	925,087
Parnaíba B.V.	100.00	94,569	-	96	-	(436)	-	-	-	-	-	-	18,794	113,023
Itaqui Geração de Energia S.A.	100.00	1,490,208	-	-	-	23,274	-	-	-	-	-	-	-	1,513,482
Pecém II Participações S.A.	100.00	1,009,778	-	-	1	34,892	-	-	-	-	-	-	-	1,044,671
Eneva Participações S.A.	100.00	550,684	-	-	52,495	45,984	-	-	-	9,095	-	-	26,949	685,207
MPX Energia GmbH	100.00	398	-	-	-	-	-	-	-	-	-	(398)	-	-
Sul Geração de Energia Ltda.	50.00	6,013	-	-	-	(4)	-	-	-	-	-	-	-	6,009
Jandaíra Ventos S.A.	99.90	-	(33)	-	33	-	-	-	-	-	-	-	-	-
Jandaíra II Ventos S.A.	99.90	-	(27)	-	27	-	-	-	-	-	-	-	-	-
Others	-	95	-	-	-	-	-	-	-	-	-	-	-	95
Joint ventures														
Porto do Pecém Transportadora de Minérios S.A.	50.00	4,592	-	-	-	216	-	-	-	-	-	-	-	4,808
Pecém Oper. e Manutenção de Ger. Elétrica S.A.	50.00	433	-	-	-	222	-	-	-	-	-	-	-	655
Centrais Termelétrica São Marco S.A.	50.00	304	(304)	-	-	-	-	-	-	-	-	-	-	-
					231,33	2	-	-	13,154	23,154	(4,209)	(398)	18,794	5,681,198
		4,729,472	(364)	147,865	522,398	2	-	-	13,154	23,154	(4,209)	(398)	18,794	5,681,198
Gains and losses on assets														
Subsidiaries (direct and indirect)														
Parnaíba Geração e Comercialização de Energia S.A	60.72	10,478	-	-	-	-	(232)	-	-	-	-	-	-	10,246
Pecém II Participações S.A.	100.00	(146,607)	-	-	-	-	(3,228)	-	-	-	-	-	-	(149,835)
		4,593,343	(364)	147,865	522,398	231,33	(3,460)	-	13,154	23,154	(4,209)	(398)	18,794	5,541,609
					2									
Right of use														
Direct subsidiaries														
Parnaíba II Geração de Energia S.A.	88.85	38,315	-	-	-	-	(2,227)	-	-	-	-	-	-	36,088
Itaqui Geração de Energia S.A.	100.00	12,105	-	-	-	-	(256)	-	-	-	-	-	-	11,849
Eneva Participações S.A.	100.00	118,774	-	-	-	-	(903)	-	-	-	-	-	-	117,871
					231,33	2								
Total investments		4,762,537	(364)	147,865	522,398	231,33	(6,846)	-	13,154	23,154	(4,209)	(398)	18,794	5,707,417
					2									

11 Property, plant and equipment

Breakdown of the balances:

	Consolidated 6/30/2020										
Cost	Land	Buildings, Civil Constructions, Improvements	Machinery and Equipment	Computer equipment	Vehicles	Furniture and utensils	PPE E&P	Provision for impairment	PPE in course	Right of use	Total
At 12/31/2019	13,599	3,138,711	4,329,160	13,757	2,769	39,335	2,545,975	(289,807)	1,835,376	128,033	11,756,908
Additions (a)	200	1,706	281	365	-	139	65,248	-	673,313	-	741,252
Additions IFRS16	-	-	-	-	-	-	-	-	-	22,608	22,608
Changes MTM	-	-	-	-	-	-	-	-	(41,084)	-	(41,084)
Write-offs	-	(815)	(25,070)	(65)	(304)	(63)	-	-	-	-	(26,317)
Dry well	-	-	-	-	-	-	-	-	(577)	-	(577)
Supplier prepayment (b)	-	-	-	-	-	-	-	-	633,160	-	633,160
Provision for abandonment	-	-	-	-	-	-	(12,674)	-	(581)	-	(13,255)
PIS/COFINS credit	-	-	-	-	-	-	-	-	(8,054)	-	(8,054)
Transfers	-	-	(41,200)	(978)	-	(237)	-	-	42,415	-	-
Transaction cost 2nd issuance of debentures 3rd series	-	-	-	-	-	-	-	-	558	-	558
Interest 2nd issuance of debentures 3rd series	-	-	-	-	-	-	-	-	25,231	-	25,231
Monetary variation 2nd issuance of debentures 3rd series	-	-	-	-	-	-	-	-	12,435	-	12,435
At 6/30/2020	13,799	3,139,602	4,263,171	13,079	2,465	39,174	2,598,549	(289,807)	3,172,192	150,641	13,102,865
Depreciation											
At 12/31/2019	-	(659,901)	(1,098,630)	(9,600)	(2,752)	(14,895)	(1,158,119)	26,240		(33,647)	(2,951,304)
Additions	-	(54,256)	(117,456)	(778)	(93)	(977)	(45,676)	-	-	-	(219,236)
Additions IFRS16	-	-	-	-	-	-	-	-	-	(17,296)	(17,296)
Write-offs	-	166	6,401	36	249	-	-	-	-	-	6,852
At 6/30/2020	-	(713,991)	(1,209,685)	(10,342)	(2,596)	(15,872)	(1,203,795)	26,240	-	(50,943)	(3,180,984)
Carrying amount											
At 12/31/2019	13,599	2,478,810	3,230,530	4,157	17	24,440	1,387,856	(263,567)	1,835,376	94,386	8,805,604
At 6/30/2020	13,799	2,425,611	3,053,486	2,737	(131)	23,302	1,394,754	(263,567)	3,172,192	99,698	9,921,881

(a) Changes are as follows: (i) Beginning of the second stage of construction of the Azulão-Jaguatirica II project and (ii) Advance in the construction of Parnaíba V.

(b) Changes are as follows: (i) R\$ 410 million to be allocated to the construction, operation and maintenance of the Azulão-Jaguatirica integrated project; (ii) R\$ 187 million to be allocated to construction, operation and maintenance known as Projeto Parnaíba V; and (iii) R\$ 44 million overhaul of Parnaíba II Geração de Energia S.A.

Consolidated
12/31/2019

	Land	Buildings, Civil Constructions, Improvements	Machinery and Equipment	Computer equipment	Vehicles	Furniture and utensils	PPE E&P	Provision for impairment	PPE in course	Right of use	Total
Cost											
At 12/31/2018	10,575	3,143,449	4,399,763	15,235	3,124	41,239	2,514,369	(418,141)	738,844	-	10,448,457
Additions	3,024	3,504	29,008	705	-	396	31,606	1,220	656,210	-	725,673
Additions IFRS16	-	-	-	-	-	-	-	-	-	128,033	128,033
Additions reclassification inventory	-	-	-	-	-	-	-	-	40,273	-	40,273
Changes MTM	-	-	-	-	-	-	-	-	(33,640)	-	(33,640)
Write-offs	-	(6,164)	-	-	-	-	-	-	(1,706)	-	(7,870)
Write-offs - Inventory adjustment	-	(2,078)	(5,119)	(2,183)	(355)	(2,300)	-	-	-	-	(12,035)
Dry well	-	-	-	-	-	-	-	-	(36,986)	-	(36,986)
Supplier prepayment	-	-	-	-	-	-	-	-	358,174	-	358,174
PIS/COFINS Credit**	-	-	-	-	-	-	-	-	(5,355)	-	(5,355)
Transfers	-	-	(94,492)	-	-	-	-	-	94,492	-	-
Reversal of provision for impairment losses	-	-	-	-	-	-	-	127,114	-	-	127,114
Transaction cost 2nd issuance of debentures 3rd series	-	-	-	-	-	-	-	-	214	-	214
Interest 2nd issuance of debentures 3rd series	-	-	-	-	-	-	-	-	15,449	-	15,449
Monetary variation 2nd issuance of debentures 3rd series	-	-	-	-	-	-	-	-	9,407	-	9,407
At 12/31/2019	13,599	3,138,711	4,329,160	13,757	2,769	39,335	2,545,975	(289,807)	1,835,376	128,033	11,756,908
Depreciation											
At 12/31/2018	-	(552,750)	(910,072)	(9,626)	(2,591)	(13,572)	(1,056,247)	26,320	-	-	(2,518,538)
Additions	-	(108,746)	(190,332)	(1,807)	(397)	(2,087)	(101,872)	(80)	-	-	(405,321)
Additions IFRS16	-	-	-	-	-	-	-	-	-	(33,647)	(33,647)
Write-offs	-	1,183	-	-	-	-	-	-	-	-	1,183
Write-offs - Inventory adjustment	-	412	1,774	1,833	236	764	-	-	-	-	5,019
At 12/31/2019	-	(659,901)	(1,098,630)	(9,600)	(2,752)	(14,895)	(1,158,119)	26,240	-	(33,647)	(2,951,304)
Carrying amount											
At 12/31/2018	10,575	2,590,699	3,489,691	5,609	533	27,667	1,458,122	(391,821)	738,844	-	7,929,919
At 12/31/2019	13,599	2,478,810	3,230,530	4,157	17	24,440	1,387,856	(263,567)	1,835,376	94,386	8,805,604

Depreciation

The depreciation is calculated on a straight-line basis during the assets' estimated useful lives, as follows:

PPE items	Depreciation range
Buildings and improvements	From 25 to 50 years
Computer equipment	6 years
Machinery and Equipment	From 5 to 40 years
Furniture and Utensils	16 years
Vehicles	7 years
Right of use	From 1 to 28 years

Depreciation of Generation PPE

Items of property, plant and equipment of energy generation activities are depreciated by the straight-line method in the statement of operations, based on the useful estimated economic life of each component, as from the beginning of its operation.

Depreciation of PPE at the Exploration and Production stage - (E&P)

The property, plant and equipment of E&P activities is depreciated as from the declaration of commerciality and beginning of the production by the produced units method.

Annually, the volume of 2P reserves (probable production reserves, attributable to 50% in the guarantee level) of each field is certified by international class company, and based on this information, the Company maintains its depreciation records for produced units. The adjustment in reserves, according to certification, is applied prospectively to the year in which the assessment was made.

The reserves balance assessed according to last certification and accumulated depreciation is as follows:

	6/30/2020	12/31/2019
Campo Gavião Real		
Recoverable amount in billions m ³	9.7840	9.6701
Field's accumulated production in billions of m ³	(6.9608)	(6.7596)
Total	2.8232	2.9105
Campo Gavião Vermelho		
Recoverable amount in billions m ³	2.2440	2.2438
Field's accumulated production in billions of m ³	(1.1570)	(1.0193)
Total	1.0870	1.2245
Campo Gavião Branco		
Recoverable amount in billions m ³	7.4130	7.1902
Field's accumulated production in billions of m ³	(2.3482)	(2.2157)
Total	5.0648	4.9745
Campo Gavião Caboclo		
Recoverable amount in billions m ³	4.6180	4.7180
Field's accumulated production in billions of m ³	(1.1746)	(0.9726)
Total	3.4434	3.7454
Campo Gavião Azul		
Recoverable amount in billions m ³	2.0240	1.3801
Field's accumulated production in billions of m ³	(0.0894)	(0.0498)
Total	1.9346	1.3303

Impairment assessment

At least once a year, the Company assesses whether there are evidences of a possible impairment of property, plant and equipment. As mentioned in Note "1.1 - Significant events in the period", Management did not identify any indication that the value in use of property, plant and equipment could be devalued in this quarter.

12 Intangible assets

Breakdown of the balances:

	Consolidated 6/30/2020							
	Computer licenses and software	E&P Intangible assets	Right of use	Awards and CCEARs	Right of use in the acquisition of investments	Right of use of undefined useful life assets	Intangible assets in course	Total
Amortization rate % p.a.	20							
Cost								
At 12/31/2019	33,173	472,359	90,592	183,449	754,590	73,497	36,935	1,644,595
Additions	-	3,503	-	-	-	-	1,796	5,299
At 6/30/2020	33,173	475,862	90,592	183,449	754,590	73,497	38,731	1,649,894
Amortization								
At 12/31/2019	(25,811)	(23,450)	(36,186)	(78,544)	(98,798)	-	-	(262,789)
Additions	(1,669)	(4,846)	(1,533)	(6,112)	(13,757)	-	-	(27,917)
At 6/30/2020	(27,480)	(28,296)	(37,719)	(84,656)	(112,555)	-	-	(290,706)
Carrying amount								
At 12/31/2019	7,362	448,909	54,406	104,905	655,792	73,497	36,935	1,381,806
At 6/30/2020	5,693	447,566	52,873	98,793	642,035	73,497	38,731	1,359,188

	Consolidated 12/31/2019							
	Computer licenses and software	E&P Intangible assets	Right of use	Awards and CCEARs	Right of use in the acquisition of investments	Right of use of undefined useful life assets (a)	Intangible assets in course	Total
Amortization rate % p.a.	20							
Cost								
At 12/31/2018	33,101	472,359	90,592	183,449	754,590	73,497	31,930	1,639,518
Additions	72	-	-	-	-	-	5,005	5,077
At 12/31/2019	33,173	472,359	90,592	183,449	754,590	73,497	36,935	1,644,595
Amortization								
At 12/31/2018	(21,953)	(13,868)	(33,120)	(66,320)	(64,053)	-	-	(199,314)
Additions	(3,858)	(9,582)	(3,066)	(12,224)	(34,745)	-	-	(63,475)
At 12/31/2019	(25,811)	(23,450)	(36,186)	(78,544)	(98,798)	-	-	(262,789)
Carrying amount								
At 12/31/2018	11,148	458,491	57,472	117,129	690,537	73,497	31,930	1,440,204
At 12/31/2019	7,362	448,909	54,406	104,905	655,792	73,497	36,935	1,381,806

Amortization

The amortization is calculated on the assets value, recognizing in the result on a straight-line basis in relation to the estimated useful lives of the assets as from the date when these assets are available for use, excepting for the signature bonus paid by the concession areas for exploration of natural gas that are amortized based on the produced units. These methods are the best to reflect the consumption standard of future economic benefits incorporated into the different assets.

Concession Agreements for the Exploration and Production of Natural Gas

On June 30, 2020, Eneva S.A. holds the following concessions:

No.	Block/Contract	ANP Round	Operator	% Eneva
1	BT-PN-1	9th	ENEVA	100%
2	BT-PN-4	9th	ENEVA	100%
3	BT-PN-5	9th	ENEVA	100%
4	BT-PN-7	9th	ENEVA	100%
5	BT-PN-8	9th	ENEVA	100%
6	PN-T-69_R13	13th	ENEVA	100%
7	PN-T-87_R13	13th	ENEVA	100%
8	PN-T-103_R13	13th	ENEVA	100%
9	PN-T-146_R13	13th	ENEVA	100%
10	PN-T-163_R13	13th	ENEVA	100%
11	PN-T-117_R14	14th	ENEVA	100%
12	PN-T-118_R14	14th	ENEVA	100%
13	PN-T-119_R14	14th	ENEVA	100%
14	PN-T-133_R14	14th	ENEVA	100%
15	PN-T-134_R14	14th	ENEVA	100%
16	BA-3A	-	ENEVA	100%
17	PN-T-66	Permanent Offer	ENEVA	100%
18	PN-T-67A	Permanent Offer	ENEVA	100%
19	PN-T-102.A	Permanent Offer	ENEVA	100%
20	PN-T-68	Permanent Offer	ENEVA	100%
21	PN-T-47	Permanent Offer	ENEVA	100%
22	PN-T-48. A	Permanent Offer	ENEVA	100%

All the supply operations in natural gas commercial operation and lease of capacity of gas treatment unit (GTU) are carried out with the counterparties: Parnaíba Geração e Comercialização de Energia S.A. and Parnaíba II Geração de Energia S.A.

Impairment assessment

At least once a year, the Company assesses whether there are evidences of a possible impairment of intangible assets. As mentioned in note “1.1 - Significant events in the period”, Management did not identify any indication that the value in use of these assets could be devalued in this quarter.

13 Indebtedness

The borrowings with financial institutions are as follows:

						6/30/2020				Consolidated 12/31/2019			
Company	Creditor	Currency	Interest rates	Effective rates	Maturity	Funding costs to appropriate	Principal	Interest	Total	Funding costs to appropriate	Principal	Interest	Total
Borrowings and financings													
Eneva	FINEP	R\$	TJLP+3.00%	8.00%	3/15/2025	-	54,832	174	55,006	-	60,602	222	60,824
Eneva	FINEP	R\$	TJLP+1.00%	5.99%	12/15/2028	(341)	31,557	76	31,292	(368)	31,557	60	31,249
Eneva	Itaú Unibanco	R\$	CDI+2.75%		5/15/2028	-	90,000	877	90,877	-	-	-	-
PGC	BNB	R\$	IPCA + 2.28%	-1.91%	7/15/2036	(7,540)	220,120	144	212,724	-	-	-	-
Itaqui	BNDES (Direct)	R\$	TJLP+2.78%	7.78%	6/15/2026	(3,721)	537,122	1,667	535,068	(4,284)	605,376	2,026	603,118
Itaqui	BNB	R\$	10%	9.50%	12/15/2026	(1,235)	129,430	2,734	130,929	(1,406)	148,127	629	147,350
Pecém II	BNDES (Direct) (a)	R\$	TJLP+3.14%	8.15%	6/15/2027	(2,529)	317,339	1,029	315,839	(2,861)	333,765	1,163	332,067
Pecém II	BNDES (Direct) (a)	R\$	IPCA+10.59%	8.79%	6/15/2027	(344)	120,674	6,839	127,169	(380)	120,028	505	120,153
Pecém II	BNB	R\$	10.00%	9.58%	1/31/2028	(2,386)	188,683	3,072	189,369	(2,625)	193,719	-	191,094
						(18,096)	1,689,757	16,612	1,688,273	(11,924)	1,493,174	4,605	1,485,855
Secured deposits						-	(110,819)	-	(110,819)	-	(86,441)	-	(86,441)
Net balance of borrowings and financings						(18,096)	1,578,938	16,612	1,577,454	(11,924)	1,406,733	4,605	1,399,414
Current						(3,250)	230,709	16,612	244,071	(2,603)	176,183	4,605	178,185
Non-current						(14,846)	1,348,229	-	1,333,383	(9,321)	1,230,550	-	1,221,229
Debentures													
Parnaíba I	1st issue - 1st series	R\$	IPCA + 7.22%	3.11%	11/15/2025	(6,113)	307,355	2,649	303,891	(7,513)	318,980	2,659	314,126
Parnaíba I	1st issue - 2nd series	R\$	CDI + 2,50%	5.49%	11/15/2025	(10,012)	464,218	2,944	457,150	(12,186)	493,145	4,163	485,122
Parnaíba II	3rd issue - 1st series	R\$	CDI + 0,60%	3.58%	10/2/2022	(392)	100,000	853	100,461	(478)	100,000	1,138	100,660
Parnaíba II	3rd issue - 2nd series	R\$	CDI + 1,01%	3.98%	10/2/2024	(1,257)	290,000	2,753	291,496	(1,423)	290,000	3,552	292,129
Parnaíba II	3rd issue - 3rd series	R\$	CDI + 1,40%	4.37%	10/2/2026	(1,651)	360,000	3,745	362,094	(1,794)	360,000	4,705	362,911
Eneva	5th issue - 1st series	R\$	IPCA + 5.50%	8.81%	6/15/2030	(24,953)	650,080	138	625,265	-	-	-	-
Eneva	4th issue - 1st series	R\$	CDI + 2,50%	5.58%	4/13/2021	(5,012)	410,000	4,715	409,703	-	-	-	-
Eneva	3rd issue - 1st series	R\$	IPCA + 4.23%	1.85%	12/15/2027	(15,276)	655,797	1,186	641,707	(16,055)	652,040	643	636,628
Eneva	2nd issue - 1st series	R\$	CDI + 0,95%	3.94%	5/15/2024	(6,274)	750,000	3,343	747,069	(7,263)	750,000	4,961	747,698
Eneva	2nd issue - 2nd series	R\$	CDI + 1,45%	4.44%	5/15/2027	(6,846)	750,000	3,801	746,955	(7,568)	750,000	5,405	747,837
Eneva	2nd issue - 3rd series	R\$	IPCA + 5.05%	2.66%	5/15/2029	(4,788)	510,397	3,099	508,708	(5,200)	507,369	2,985	505,154
						(82,574)	5,247,847	29,226	5,194,499	(59,480)	4,221,534	30,211	4,192,265
Secured deposits						-	(55,096)	-	(55,096)	-	(35,137)	-	(35,137)
Debentures net balance						(82,574)	5,192,751	29,226	5,139,403	(59,480)	4,186,397	30,211	4,157,128
Current						(18,743)	500,924	29,226	511,407	(10,145)	85,247	30,211	105,313
Non-current						(63,831)	4,691,827	-	4,627,996	(49,335)	4,101,150	-	4,051,811

The financial institutions usually do not require guarantees for borrowings and financings granted to the parent company. However, the borrowings got by the subsidiaries are guaranteed by the assets (machinery and equipment) as well as by the billing flow of the subsidiaries' CCEAR contracts. Furthermore, Eneva S.A. grants endorsement to the subsidiaries.

The changes in borrowings are as follows (current and non-current):

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
At 12/31/2019	92,073	1,399,414	2,637,317	4,157,128
(+) New fundings	90,000	310,677	1,060,000	1,060,000
(+) Interest incurred	4,069	59,855	66,098	109,278
(+/-) Monetary variation	-	90	6,863	8,659
(-) Payment of principal	(5,772)	(123,342)	-	(42,346)
(-) Payment of interest	(3,222)	(38,690)	(63,809)	(110,263)
(+) Funding cost	27	(6,172)	(27,062)	(23,094)
(-) Secured deposits	-	(24,378)	-	(19,959)
At 6/30/2020	177,175	1,577,454	3,679,407	5,139,403

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
At 12/31/2018	1,604,941	3,381,525	-	1,782,219
(+) New fundings	14,004	14,004	2,650,000	3,400,000
(+) Interest incurred	63,563	217,549	75,411	229,654
(+/-) Exchange variation principal	725	725	-	-
(+/-) Exchange variation interest	307	306	-	-
(-) Payment of principal	(1,574,676)	(2,063,668)	-	(1,019,480)
(-) Payment of interest	(16,909)	(173,022)	(61,414)	(209,678)
(+) Funding cost	(144)	2,658	(36,086)	(17,004)
(-) Contractual monetary update	262	9,443	9,406	20,852
(-) Secured deposits	-	9,894	-	(29,435)
At 12/31/2019	92,073	1,399,414	2,637,317	4,157,128

The installments of the borrowings and financings classified as non-current liabilities on June 30, 2020 have the following payment schedule:

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
	6/30/2020	6/30/2020	6/30/2020	6/30/2020
Maturity year				
2021	7,690	117,233	(4,142)	41,875
2022	15,387	219,652	(8,236)	217,970
2023	15,395	219,996	(8,261)	279,355
2024	15,404	225,731	742,716	1,052,193
2025	6,756	225,384	461,949	829,491
2026 up to the last maturity	11,666	436,206	2,082,315	2,262,208
	72,298	1,444,202	3,266,341	4,683,092
Secured deposits	-	(110,819)	-	(55,096)
	72,298	1,333,383	3,266,341	4,627,996

Financial and non-financial covenants

The financings and debentures agreements of the parent company and of the operating subsidiaries have non-financial and financial covenants clauses, usual in the market, and they are the same disclosed on December 31, 2019, which on June 30, 2020 are fully met.

14 Financial instruments and risk management

Classification and measurement of the financial instruments

The Group's financial instruments are classified and measured as follows:

	6/30/2020				Consolidated 12/31/2019			
	Amortized cost	Fair value through comprehen sive Income	Fair value through profit or loss	Total	Amortized cost	Fair value through comprehen sive Income	Fair value through profit or loss	Total
Financial Assets								
Cash and equivalents	2,035,729	-	-	2,035,729	1,517,583	-	-	1,517,583
Marketable securities	-	-	334,017	334,017	-	-	270,652	270,652
Secured deposits	6,000	-	-	6,000	5,828	-	-	5,828
Derivative financial instruments	-	36,961	-	36,961	-	6,698	-	6,698
Trade receivables	311,219	-	-	311,219	695,181	-	-	695,181
Trade transactions with related-parties	50	-	-	50	4,845	-	-	4,845
Related-parties loans	4,819	-	-	4,819	11,863	-	-	11,863
	2,357,817	36,961	334,017	2,728,795	2,235,300	6,698	270,652	2,512,650

	6/30/2020				Consolidated 12/31/2019			
	Amortized cost	Fair value through comprehen sive Income	Fair value through profit or loss	Total	Amortized cost	Fair value through comprehen sive Income	Fair value through profit or loss	Total
Financial Liabilities								
Trade payables	531,564	-	-	531,564	629,859	-	-	629,859
Borrowings and financings	1,577,454	-	-	1,577,454	1,399,414	-	-	1,399,414
Debentures	5,139,403	-	-	5,139,403	4,157,128	-	-	4,157,128
Trade transactions with related-parties	200	-	-	200	375	-	-	375
Contractual retentions	4,330	-	-	4,330	4,330	-	-	4,330
Trade payables - electric power sector	11,793	-	-	11,793	11,922	-	-	11,922
Lease	118,829	-	-	118,829	101,765	-	-	101,765
	7,383,573	-	-	7,383,573	6,304,793	-	-	6,304,793

Fair value estimation

The financial instruments recorded at fair value are classified and disclosed according to the following levels:

	6/30/2020				Consolidated 12/31/2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Marketable securities	-	334,017	-	334,017	-	270,652	-	270,652
Derivative financial instruments	-	36,961	-	36,961	-	6,698	-	6,698
	-	370,978	-	370,978	-	277,350	-	277,350

There was no transfer of financial instruments among the fair value measurement levels during the six-month period ended June 30, 2020.

Evaluation methods and techniques

Due to its short-term maturity, it is understood that the fair value of the balances of cash and cash equivalents, accounts receivable and suppliers is equivalent to their book values.

The securities classified as measured at fair value through profit or loss refer mainly to investments in federal securities through the Group's exclusive fund, and therefore it is understood that their fair value is reflected in the fund's quota value. Additionally, for the shares classified under this item, the Company understands that its fair value is already reflected in its market price.

The Group's derivative financial instruments are comprised of Non Deliverable Forwards ("NDFs") and are priced using the future curves of their respective underlying assets.

Derivatives, hedge and risk management

The Company has derivative instruments, called Non Deliverable Forwards ("NDFs"), with the purpose of mitigating the foreign exchange exposure resulting from (i) investments in foreign currency provided by Parnaíba Geração e Comercialização for the construction of the Parnaíba V thermoelectric plant, which had its implementation started in February 2019, with a 31-month construction term foreseen in the global construction contract (EPC) and (ii) part of the foreign currency investments foreseen by Azulão Geração de Energia in the implementation of the Azulão-Jaguatirica project, with construction term foreseen in the global construction contract (EPC) of up to 24 months, whose stock of contracted NDFs was settled in April 2020.

On June 30, 2020, the net amounts calculated from Market to Market ("MtM") for these derivative instruments represent gains of R\$ 36,961 (against gains of R\$ 6,698 in 2019). These gains were fully recorded as Equity (hedge accounting).

Risk of price variation (commodities)

Risk of variation in the prices of commodities, foreign exchange rates and interest.

	<i>Itaqui</i>			<i>Pecém II</i>		
	<i>Market value</i>	<i>API2 / CIF ARA</i>	<i>API2 / CIF ARA</i>	<i>Market value</i>	<i>API2 / CIF ARA</i>	<i>API2 / CIF ARA</i>
		<i>(25% increase)</i>	<i>(50% increase)</i>		<i>(25% increase)</i>	<i>(50% increase)</i>
2019 (R\$)						
Variable income (Ccomb)	149,488,240	186,860,301	224,232,361	189,756,449	237,195,561	284,634,673
Variable cost (Coal)	(141,829,874)	(174,507,956)	(207,186,037)	(180,841,508)	(224,221,690)	(267,601,873)
Variable result	7,658,366	12,352,345	17,046,324	8,914,941	12,973,871	17,032,800
2020 (R\$)						
Variable income (Ccomb)	186,403,306	233,004,132	279,604,959	134,573,117	168,216,396	201,859,676
Variable cost (Coal)	(165,449,039)	(206,067,035)	(246,685,032)	(113,537,847)	(142,591,494)	(171,645,141)
Variable result	20,954,267	26,937,097	32,919,927	21,035,270	25,624,902	30,214,535

Assumptions (unaudited)	6/30/2020	12/31/2019
Electric power generation - MWh	1,617,163	1,277,197
Coal consumption (Ton)	704,077	557,839
CIF ARA	54.57	55.85
API2	54.57	55.85
Award	1.00	4.75
Factor i	0.52	0.52
FX	4.04	4.01
Being:		
$Ccomb = CIF\ ARA * Factor\ i * FX$		
$Coal\ cost = API2 + award$		
$API2 \sim CIF\ ARA$		

Interest rate risk

Risk related to floating interest

The Company and its subsidiaries' liabilities have liabilities indexed to floating interest in the interbank deposit segment (DI), in the inflationary segment with restatement according to the IPCA price index and by the TJLP economic index.

The BNDES facilities restated by the IPCA and TJLP price indexes - which also contain a strong inflation component - are part of a special credit segment posing low volatility and therefore a low probability of abrupt changes in rates. The assets of the Company and its subsidiaries, represented by their income, will also be updated by the same rates, which substantially decreases the mismatch between the assets and liabilities.

In order to verify the sensibility of the debts indexers to which the Company was exposed, 3 different scenarios were defined. As probable scenario, the Company used market projections to estimate what would be the gross financial expenses for the next 12 months. As alternative scenarios, the Company calculated what would be the financial loss for the next 12 months should the TJLP, CDI and IPCA curves be displaced in 25% and 50% respecting the payment term of each line.

	Scenario Probable	Scenario I (25% increase)	Scenario II (50% increase)
Cash flow risk:			
Liabilities indexed to TJLP	70,920	81,838	92,576
Liabilities indexed to CDI	147,941	172,200	196,333
Liabilities indexed to IPCA	166,117	175,873	185,618
Expected Financial Costs	384,978	429,911	474,527
Increase in finance costs	-	44,933	89,549

Methodology: parallel displace above the interest curves in 25% and 50%.

IPCA 12M: 2.94% (Source: Boletim Focus)

TJLP 12M: 4.94% (Source: National Monetary Council)

Average CDI 12M: 3.34% (Source: Market Projection)

Liquidity risk

The Company and its subsidiaries monitor their liquidity levels, based on expected cash flows versus the amount of cash and cash equivalents on hand. Managing the liquidity risk means maintaining cash, sufficient securities and capacity to settle market positions. The amounts recognized at June 30, 2020 approach the operations' settlement values, including estimated future interest payments. It is worth mentioning that the cash flow was evaluated according to Note "1.1 Significant events in the period".

	Consolidated 6/30/2020				
	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Liabilities					
Trade payables	-	488,377	43,187	-	-
Commercial operations	-	-	200	-	-
Borrowings and financings	58,279	274,652	331,111	891,581	586,426
Debentures	164,744	588,475	389,605	2,805,624	3,935,409
Contractual retention	-	-	-	4,330	-
	223,023	1,351,504	764,103	3,701,535	4,521,835
					10,562,000

	Consolidated 12/31/2019				

	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities						
Trade payables	-	598,155	31,704	-	-	629,859
Trade payables	-	-	375	-	-	375
Borrowings and financings	135,812	161,969	320,403	860,655	540,959	2,019,798
Debentures	157,132	165,515	367,397	2,420,546	3,218,163	6,328,753
Contractual retention	-	-	-	4,330	-	4,330
	292,944	925,639	719,879	3,285,531	3,759,122	8,983,115

Credit risk

This arises from the possibility of the Company and its subsidiaries suffering losses due to the default of their counterparties or of financial institutions where they have funds or financial investments. This risk factor could derive from commercial operations and cash management.

To mitigate these risks, the Company and its subsidiaries have a policy of analyzing the financial position of their counterparties, as well as constantly monitoring outstanding accounts. As described in Note “1.1 Significant events in the period”, the Company evaluated the impact on the credit risk within the scope of the pandemic and concluded that so far no change is expected in the risk level of its current contracts.

The Company has a Financial Investment Policy, which establishes investment limits for each institution and considers the credit rating as a reference for limiting the investment amount. The average terms are continually assessed, as are the indexes underlying the investments, in order to diversify the portfolio.

	6/30/2020	Consolidated 12/31/2019
Credit risk positions		
Cash and cash equivalents	2,035,729	1,517,583
Marketable securities	334,017	270,652
Trade receivables	311,219	695,181
Derivatives	36,961	6,698
Secured deposits	6,000	5,828
Secured deposit on loans and debentures	165,915	121,578
	2,889,841	2,617,520

Foreign exchange rate risk

The Company has no relevant foreign exchange exposure related to its financial liabilities arising from operations in foreign currency, except for those mentioned in the paragraph “Derivatives, hedge and risk management” of this note.

Capital management

The Company's objectives when managing capital are to safeguard the companies' ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure of the Company, management can, or will, propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

15 Provision for contingencies

The Company and its subsidiaries are parties to civil, labor, tax, and environmental lawsuits as well as administrative proceedings, assessed by legal counsel.

The Company constitutes a provision when there is present obligation, arisen from past events, and that it is probable that a cash disbursement will occur for its ending. The consolidated balance of the provision for contingencies in the period ended June 30, 2020 is presented, as follows:

						Consolidated
12/31/2019						6/30/2020
		Accumulated balance	Additions	Reversal	Update	Accumulated balance
Civil	(a)	49,080	20,216	(261)	-	69,035
Labor	(b)	43,562	6,760	(11,110)	600	39,812
Tax		40	-	-	-	40
Environmental		163	-	-	4	167
Total Provisions		92,845	26,976	(11,371)	604	109,054

- (a) In 2019, the subsidiary Amapari Energia S.A. initiated the provisional execution of a favorable judgment to collect from ANEEL the interest that had not been paid when receiving the principal amount from CCC (Fuel Consumption Account). The lower court's decision, corroborated by a decision of the 1st Region of the Federal Regional Court (TRF), recognized Amapari's right to receive interest and forced ANEEL to pay it. Accordingly, in April 2020, Amapari received R\$ 20,216 as interest. A challenge analysis is awaited by CCEE, manager of CCC resources, about divergence in calculations. For this reason, an accounting provision was made in the amount received in advance.
- (b) These encompass claims filed by former employees of the Company and employees of outsourced companies, who claim, among others, severance pay, hazard premium, employment relationship with the Company and subsequent equalization in rights to the employees of the Company or, even, any sums defaulted by their companies. There is no relevant individual suit.

Possible risk contingencies (no requirement to constitute provision)

The civil, labor, tax, and environmental lawsuits that are not provisioned, because the lawyers and legal advisors classify them as possible loss, are as follows:

		6/30/2020	Consolidated 12/31/2019
Civil		84,540	82,035
Labor		40,979	32,803
Tax	(a)	232,281	229,196
Regulatory		12,759	12,759
Environmental		24,902	24,127
		395,461	380,920

- (a) The subsidiary Itaquí Geração de Energia S.A., has tax claims in which it appears as a defendant. The main claim is related to the tax assessment issued by the federal tax authorities to disallow financial expenses that are supposedly unnecessary because the hedge of a certain operation contracted to cover an unrealized foreign currency loan has not been proven.

The matter is under discussion at the administrative level, with a challenge to the notice of infraction filed in January 2019, and later, in September 2019, a voluntary appeal was filed. Currently, it awaits judgment of the Voluntary Appeal by CARF.

16 Related parties

Company's transactions with its direct and indirect subsidiaries, associates and key management, were carried out according to the conditions contracted between the parties and reflect terms that consider the market transactions.

Shareholders

The Company's main stockholders are Banco BTG Pactual S.A, Cambuhy I Fundo de Investimento em ações, VELT Partners Investimentos Ltda, Dynamo Administração de Recursos Ltda and Atmos Capital Gestão de Recursos Ltda, which respectively hold 22.93%, 22.93%, 5.59%, 5.02% and 5.00% of common shares.

Managers

The Company is managed by a Board of Directors and an Executive Board, pursuant to the duties and powers vested by its Bylaws.

Related companies

The Company's main affiliated companies are: Banco BTG Pactual S.A, Cambuhy, Velt, Dynamo, Atmos and their respective subsidiaries.

On June 30, 2020, the balances of assets, liabilities and effects on income of related-party transactions are as follows:

Assets	Investment relation	Parent Company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Loan					
Coal -fired thermal plants					
Itaqui Geração de Energia S.A. (a)	Subsidiary	157,412	156,869	-	-
Pecém II Geração de Energia S.A. (b)	Subsidiary	310,481	294,719	-	-
Upstream					
Parnaíba B.V. (c)	Subsidiary	103,742	73,993	-	-
Others					
MABE do Brasil	Joint-venture	4,819	9,007	4,819	9,007
Pecém Operação e Manutenção de Unidades de Geração Elétrica	Subsidiary	-	2,856	-	2,856
Termopantanal Participações	Subsidiary	457	457	-	-
Termopantanal Ltda.	Indirect subsidiary	230	230	-	-
		577,141	538,131	4,819	11,863
Commercial operations					
Gas thermal plants					
Parnaíba Geração e Comercialização de Energia S.A. (d)	Indirect subsidiary	48,230	5,093	-	-
Parnaíba I Geração de Energia S.A. (d)	Subsidiary	-	127,961	-	-
Parnaíba II Geração de Energia S.A. (d)	Subsidiary	67,851	102,619	-	-
Azulão Geração de Energia S.A	Direct subsidiary	1,474	850	-	-
Coal -fired thermal plants					
Itaqui Geração de Energia S.A.	Subsidiary	18,961	11,186	-	-
Pecém II Geração de Energia S.A.	Indirect subsidiary	14,108	11,729	-	-
Pecém II Participações S.A.	Subsidiary	2,553	2,479	-	-
Others					
ENEVA Comercializadora de Energia S.A.	Indirect subsidiary	3,740	3,947	-	-
Amapari Energia S.A.	Subsidiary	733	1,058	-	-
MABE do Brasil	Joint-venture	-	22	22	22
ENEVA Participações S.A.	Subsidiary	5,804	6,585	-	-
Porto do Pecém Transportadora de Minério S.A	Joint-venture	-	10	10	10
PO&M Geração Elétrica S.A	Joint-venture	-	18	18	18
SPE's Ventos	Indirect subsidiary	187	155	-	-
Seival Geração de Energia S.A.	Indirect subsidiary	336	427	-	-
Seival Sul Mineração Ltda.	Associate	-	10	-	4,795
Sul Geração de Energia S.A.	Indirect subsidiary	357	315	-	-
Tauá Geração Energia	Indirect subsidiary	600	566	-	-
		164,934	275,030	50	4,845
		742,075	813,161	4,869	16,708

Liabilities	Investment relation	Parent Company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Operating lease					
Upstream					
Parnaíba B.V	Subsidiary	39,697	39,697	-	-
		39,697	39,697	-	-
Commercial operations					

Gas thermal plants

Parnaíba I Geração de Energia S.A.	Subsidiary	-	35	-	-
Parnaíba II Geração de Energia S.A.	Subsidiary	48	48	-	-
Parnaíba Geração e Comercialização de Energia S.A.	Subsidiary	36	-	-	-
Azulão Geração de Energia S.A.	Subsidiary	77	-	-	-

Coal-fired thermal plants

Itaqui Geração de Energia S.A.	Subsidiary	2,282	2,202	-	-
Pecém II Geração de Energia S.A.	Indirect subsidiary	99	45	-	-

Others

ENEVA Participações S.A.	Subsidiary	3,117	3,447	-	-
Copelmi Mineração Ltda.	Associate	-	-	-	375
PO&M Geração Elétrica S.A.	Joint-venture	-	-	200	-
Amapari Energia S.A.	Subsidiary	3	3	-	-
Tauá Geração de Energia Ltda.	Indirect subsidiary	444	440	-	-
		6,106	6,220	200	375
		45,803	45,917	200	375

Result	Investment relation	Parent Company		Consolidated	
		6/30/2020	6/30/2019	6/30/2020	6/30/2019
Gas thermal plants					
Parnaíba Geração e Comercialização de Energia S.A.	Indirect subsidiary	169,942	3,072	-	-
Parnaíba I Geração de Energia S.A.	Subsidiary		96,672	-	-
Parnaíba II Geração de Energia S.A.	Subsidiary	139,451	50,847	-	-
Azulão Geração de Energia S.A.	Subsidiary	454	-	-	-
Parnaíba BV	Subsidiary	26,655	-	-	-
Coal -fired thermal plants					
Pecém II Geração de Energia S.A.	Indirect subsidiary	20,167	12,902	-	-
Pecém II Participações S.A	Subsidiary	24	36	-	-
Itaqui Geração de Energia S.A.	Subsidiary	5,026	10,757	-	-
Others					
Amapari Energia S.A.	Subsidiary	96	227	-	-
Eneva Comercializadora de Energia S.A.	Indirect subsidiary	185	571	-	-
Eneva Participações S.A.	Subsidiary	101	184	-	-
MABE Construção e Administração de Projetos Ltda.	Joint-venture	63	655	63	655
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A.	Joint-venture	-	98	-	98
Seival Geração de Energia S.A.	Indirect subsidiary	18	18	-	-
SPE's Ventos	Indirect subsidiary	24	66	-	-
Tauá Geração de Energia Ltda.	Indirect subsidiary	36	236	-	-
		362,242	176,341	63	753

- (a) The balance is comprised by loan agreement entered into, in January 2012, with Eneva (creditor) subject to monthly market interest (104% of CDI) with indefinite maturity. The balance of R\$ 157,412 refers just to the interest (R\$ 156,869 on December 31, 2019).
- (b) The balance is comprised by loan agreement entered into with Eneva (creditor) subject to market interest (104% of CDI) and with indefinite maturity, in the amount of R\$ 310,481 (R\$ 294,719 on December 31, 2019). (The variation corresponds to the interest incurred during the six-month period.
- (c) The balance is comprised by loan agreement entered into, in November 2014, with ENEVA (creditor), subject to market monthly interest (Libor + 2.5%), maturing within 5 years, in the amount of R\$ 103,742 (R\$ 73,993 on December 31, 2019). The variation corresponds to the interest incurred during the six-month period.
- (d) The balance basically comprises the sale of natural gas and the lease of the Gas Treatment Unit (UTG) for the subsidiaries Parnaíba II Geração de Energia S.A. and Parnaíba Geração e Comercialização de Energia S.A., which incorporated Parnaíba I Geração de Energia S.A. on January 1, 2020.

17 Equity

On June 30, 2020 and December 31, 2019, the Company's capital is of R\$ 8,845,221 and R\$ 8,834,907, respectively.

	Parent Company	
	6/30/2020	
	Number	%
Shareholder		
Banco BTG Pactual	72,410,101	22.93%
Cambuhy	72,410,101	22.93%
Atmos Investimentos	15,793,261	5.00%
Dynamo	15,853,947	5.02%
Velt Partners	17,665,975	5.59%
Others	121,634,298	38.53%
Total	315,767,683	100.00%

	Parent Company	
	12/31/2019	
	Number	%
Shareholder		
Banco BTG Pactual	72,410,101	22.95%
Cambuhy	72,410,101	22.95%
Atmos Investimentos	15,793,261	5.01%
Others	154,869,718	49.09%
Total	315,483,181	100.00%

The Company only has common, book entry shares, with no par value. On June 30, 2020, the authorized capital comprises 399,128,430 authorized shares, of which 315,767,683 were issued (315,483,181 on December 31, 2019). The capital increase was approved on May 26, 2020, upon the issuance of ,284,502 thousand common shares, corresponding to R\$ 10,314.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

18 Result per share

The diluted and basic result per share was calculated by the division of the result for the period attributable to controlling and non-controlling stockholders of the Company on June 30, 2020 and 2019 and the respective weighted average of shares outstanding during the same period, as follows:

	Quarter ended 6/30/2020	Quarter ended 6/30/2019	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019
Result for the period				
Numerator				
Profit (Loss) attributable to stockholders	85,782	15,786	265,540	145,587
Denominator				
Weighted average of shares	315,525,387	315,039,403	315,525,387	315,039,403
Profit (Loss) per share (R\$) - basic	0.27187	0.05011	0.84158	0.46212

	Quarter ended 6/30/2020	Quarter ended 6/30/2019	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019
Result for the period				
Numerator				
Profit (Loss) attributable to stockholders	85,782	15,786	265,540	145,587
Denominator				
Weighted average of shares	315,525,387	315,039,403	315,525,387	315,039,403
Effect of the options	2,260,611	255,841	2,260,611	255,841
(Loss)/Profit per share (R\$) - diluted*	0.26994	0.05007	0.83559	0.46175

(*) The dilution factor represented by the Company's share-based compensation programs represented no material change in the calculation of the diluted profit.

19 Share-based payment

Stock options awarded by the Company

The Company's effective options plan for purchase of shares was approved by the Board of Directors on August 10, 2016.

The options will reach the maximum percentage of 4% (four percent) of the Company's total shares at the options issue date. For this limit effect, it will be considered the sum of all the shares issued by the Company, including the shares that come to be issued by the Company due to options awarded within the scope of the Options Plan.

The changes in the options plan in the period between March 31, 2020 and June 30, 2020 are as follows:

Plan awarded by the Company - number of share options	Number of options	Weighted average strike price of options
At March 31, 2020	4,433,781	24.16
Exercised	(523,698)	16.56
Awarded	-	-
Expired	-	-
At June 30, 2020	3,910,083	23.36

According to the Program's regulation, the Company will settle this obligation with the issue of new shares or using (when constituted) the account "Treasury Shares". The effect of this plan on result for the quarter is of R\$ 4,595.

a) Restrict Performance Units (Units) granted by the Company.

The Company has granted two distinct Long-Term Compensation Incentive Plans based on Shares; (i) the first one was approved on July 12, 2018; (ii) the second one, called Long-Term Compensation Incentive Plan based on Shares (Performance Shares Plan) was approved at the Annual and Extraordinary Shareholders' Meeting held on April 29, 2019. In these plans, the Company granted units, restrict performance units, to the beneficiaries.

The changes in the units plan in the period between March 31, 2020 and June 30, 2020 are as follows:

Units plan granted by the Company - number of units	Number of Units	Weighted average price of the shares
At March 31, 2020	1,193,374	16.38
Exercised	-	-
Cancelled	-	-
Granted	226,644	39.39
Expired	-	-
At June 30, 2020	1,420,018	20.05

According to the Program's regulation, the Company will settle this obligation using the account "Treasury Shares". The effect of this plan on result for the quarter is of R\$ 6,313.

20 Sales and services income

The reconciliation between the gross revenue and the net revenue recorded in the statement of operations for the year is as follows:

	Parent Company		Consolidated	
	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019
Gross revenue				
Available funds	-	-	1,055,012	1,029,049
Sale of electricity ACR*	-	-	227,523	52,268
Sale of electricity ACL*	-	-	316,876	212,039
Sale of gas and condensed Lease	167,434	37,188	1,663	783
	172,866	121,662	-	-
	340,300	158,850	1,601,074	1,294,139
Deductions from revenue				
Taxes on sales and services	(39,059)	(16,304)	(127,307)	(115,808)
P&D	-	-	(13,918)	(11,286)
Penalties for unavailability	-	-	(2,075)	119
	(39,059)	(16,304)	(143,300)	(126,975)
Total net revenue	301,241	142,546	1,457,774	1,167,164

	Parent Company		Consolidated	
	Quarter ended 6/30/2020	Quarter ended 6/30/2019	Quarter ended 6/30/2020	Quarter ended 6/30/2019
Gross revenue				
Available funds	-	-	527,506	514,475
Sale of electricity ACR*	-	-	1,520	11,855
Sale of electricity ACL*	-	-	46,038	87,639
Sale of gas and condensed Lease	23,653	22,129	103	412
	85,784	60,832	-	-
	109,437	82,961	575,167	614,381
Deductions from revenue				
Taxes on sales and services	(11,027)	(7,532)	(51,845)	(53,286)
P&D	-	-	(4,776)	(5,328)
Penalties for unavailability	-	-	118	17
	(11,027)	(7,532)	(56,503)	(58,597)
Total net revenue	98,410	75,429	518,664	555,784

*ACR – Regulated Contracting Environment and ACL Free Contracting Environment

Gross operating revenue in the first half of 2020 was driven by the higher dispatch in the first quarter of the year, thus increasing the variable revenue of gas thermal plants and, consequently, the exploration and production of natural gas, recorded by the Parent Company. This increase observed in the 1st quarter was caused by atypical climatic conditions (beginning of the late rainy season) and was not repeated in the 2nd quarter of 2020. Additionally, as a result of the Coronavirus pandemic, we had a 7% reduction in average generation compared to the 2nd quarter of 2019, due to the non-dispatch of the Pecém II coal plant.

Besides the increase related to the dispatch, described above, there was a revision of the Physical Guarantee ("GF") of the Parnaíba I and Parnaíba III UTEs, thus guaranteeing an increase in revenue, in the amount of R\$ 34 million in the six-month period.

21 Costs and expenses per nature

Parent Company

Consolidated

	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019
Cost				
Regulatory costs	-	-	(68,996)	(65,258)
Depreciation and amortization	(52,608)	(23,586)	(198,548)	(171,894)
Rental expenses	(1,681)	(1,959)	(7,527)	(8,770)
Personnel expenses	(13,989)	(13,529)	(73,772)	(73,707)
Electric power for resale (b)	-	-	(194,173)	(83,595)
Taxes and contributions	(204)	(32)	(7,764)	(333)
Generation inputs	-	-	(132,021)	(120,037)
Consumption material	(981)	(5,268)	(14,762)	(16,025)
Government interests	(16,932)	(5,781)	(16,932)	(5,781)
Operating insurances	(343)	(2,104)	(12,084)	(12,866)
Outsourced services	(12,628)	(6,150)	(38,692)	(34,826)
Others	-	(1,289)	(2,653)	(30,876)
	(99,366)	(59,698)	(767,924)	(623,968)
Administrative and general expenses				
Depreciation and amortization	(17,340)	(22,451)	(31,300)	(41,014)
Environmental expenses	(419)	(683)	(702)	(764)
Rental expenses	(1,322)	(1,200)	(1,501)	(601)
Costs with exploration and dry well	(51,584)	(46,955)	(51,584)	(46,955)
Personnel expenses	(68,601)	(50,369)	(71,872)	(58,724)
Taxes and contributions	(695)	(179)	(497)	(57)
Consumption material	(470)	(1,391)	(515)	(1,470)
Administrative insurances	(2,386)	(414)	(2,401)	(506)
Shared services - Cost sharing	17,960	19,882	-	-
Outsourced services	(16,931)	(8,168)	(21,272)	(7,944)
Others	(10,820)	(9,243)	(13,528)	(7,600)
	(152,608)	(121,171)	(195,172)	(165,635)
Other income (expenses)				
Provision for loss in investment	(163)	(54)	(326)	(4,056)
Gain in the disposal of goods (c)	18,106	-	1,579	-
Contingencies	931	(1,792)	3,585	(12,526)
PIS/COFINS credit (d)	-	33,705	-	33,705
Other income (expenses)	(2,781)	(7,573)	(6,441)	(2,383)
	16,093	24,286	(1,603)	14,740
	(235,881)	(156,583)	(964,699)	(774,863)

- (a) Depreciation calculated based on the units produced method, the variation was substantially due to the greater volume of gas produced, linked to the higher dispatch of the UTEs, mainly in the 1st quarter of 2020.
- (b) The variation is due to the higher volume of energy purchased from commercial opportunities in 2020.
- (c) The variation in the parent company is due to the sale of the entire interest in Seival Sul Mineração. For the consolidated, the increase in expenses in 2020 is mainly due to the write-off of assets and costs related to the donation of a substation to Eletronorte in the amount of R\$ 16,527, as established in the authorization contract.
- (d) On March 31, 2019, the Federal Regional Court of the 2nd Region had its final decision, accepting the request of Parnaíba Gás Natural S.A. (PGN), incorporated by Eneva S.A. in 2018, to exclude the ICMS from the PIS/COFINS calculation basis, which recognized the right to offset the amount unduly paid by former PGN in this regard in the last 5 years. Accordingly, the Company recorded R\$ 42,750, being R\$ 33,705 related to the principal amount and R\$ 9,045 related to the Selic interest recognized as "finance income".

	Parent Company		Consolidated	
	Quarter ended 6/30/2020	Quarter ended 6/30/2019	Quarter ended 6/30/2020	Quarter ended 6/30/2019
Cost				
Regulatory costs	-	-	(34,480)	(32,592)
Depreciation and amortization	(12,404)	(13,036)	(84,660)	(88,951)

Rental expenses	(65)	(619)	(2,978)	(3,705)
Personnel expenses	(7,102)	(6,575)	(36,654)	(38,907)
Electric power for resale	-	-	(38,692)	(32,486)
Taxes and contributions	(53)	(4)	(5,382)	31
Generation inputs (a)	-	-	(7,435)	(38,776)
Consumption material	(41)	(732)	(6,990)	(4,245)
Government interests	(3,141)	(3,251)	(3,141)	(3,251)
Operating insurances	(6)	(1,016)	(5,711)	(6,341)
Outsourced services	(4,898)	(5,440)	(21,426)	(20,367)
Others	163	(955)	2,691	(23,773)
	(27,547)	(31,628)	(244,858)	(293,363)
Administrative and general expenses				
Depreciation and amortization	(9,077)	(11,830)	(16,266)	(17,928)
Environmental expenses	(174)	(507)	(333)	(553)
Rental expenses	(711)	(716)	(910)	(774)
Costs with exploration and dry well	(25,184)	(38,449)	(25,184)	(38,449)
Personnel expenses	(43,394)	(27,853)	(43,938)	(33,206)
Taxes and contributions	(66)	622	295	74
Consumption material	542	(888)	520	(711)
Administrative insurances	(1,251)	(312)	(1,258)	(358)
Shared services - Cost sharing	8,672	10,537	-	-
Outsourced services	(11,004)	(992)	(14,699)	(4,049)
Others	(4,514)	(9,228)	(7,263)	(3,678)
	(86,161)	(79,616)	(109,036)	(99,632)
Other income and expenses				
Provision for loss in investment	(49)	-	(98)	(3,961)
Gain in the disposal of goods (b)	18,106	-	18,491	-
Contingencies	931	668	3,154	(3,809)
PIS/COFINS credit	-	-	-	-
Other income (expenses)	(2,940)	(4,958)	(5,987)	(2,677)
	16,048	(4,290)	15,560	(10,447)
	(97,660)	(115,534)	(338,334)	(403,442)

(a) The reduction in input consumption is linked to the lower level of dispatch in the 2nd quarter of 2020 compared to the same period in 2019.

(b) The variation in the parent company is due to the sale of the entire interest in Seival Sul Mineração.

22 Finance income/costs

	Parent Company		Consolidated	
	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019	Six-month period ended 6/30/2020	Six-month period ended 6/30/2019
Financial costs				
Debt charges (a)	(4,069)	(60,237)	(59,855)	(141,452)
Fine and interest paid or incurred	(84)	(594)	(3,452)	(828)
Amortization transaction cost borrowings	(3,090)	(161)	(8,400)	(7,299)
Commission on bank guarantees	(1,053)	(951)	(2,803)	(1,261)

Interest on provision for abandonment costs	(334)	(3,225)	(369)	(3,464)
Interest on lease liabilities	(4,213)	(4,659)	(5,051)	(4,973)
Interest on loans	(5,602)	-	(2,488)	(262)
Debentures interest	(40,135)	(8,388)	(83,315)	(85,094)
Exchange and monetary variation (b)	(18,453)	(15,737)	(42,561)	(34,039)
Others	(5,192)	(7,005)	(13,150)	(20,079)
	(82,225)	(100,957)	(221,444)	(298,751)
Finance income				
Financial investment (c)	17,371	20,961	33,739	51,160
MTM energy agreements	-	649	6,859	17,625
Fine and interest received or earned	1,313	(15)	2,482	2,353
Earnings from loans	22,531	16,337	462	754
Exchange and monetary variation (b)	29,540	14,354	44,952	17,247
Others	863	10,478	3,607	14,433
	71,618	62,764	92,101	103,572
Finance income/costs	(10,607)	(38,193)	(129,343)	(195,179)

	Parent Company		Consolidated	
	Quarter ended 6/30/2020	Quarter ended 6/30/2019	Quarter ended 6/30/2020	Quarter ended 6/30/2019
Financial costs				
Debt charges (a)	(2,429)	(27,662)	(28,811)	(66,310)
Fine and interest paid or incurred	(73)	(1)	(3,199)	(148)
Amortization transaction cost borrowings	(1,137)	(161)	(3,262)	(3,387)
Commission on bank guarantees	(517)	(560)	(1,650)	(1,166)
Interest on provision for abandonment costs	636	(1,480)	680	(1,573)
Interest on lease liabilities	(1,931)	(2,280)	(2,948)	(2,453)
Interest on loans	-	-	(28)	(124)
Debentures interest	(20,321)	(8,388)	(39,849)	(47,207)
Exchange and monetary variation (b)	(5,009)	(5,709)	(14,392)	(15,185)
Others	4,575	(5,487)	(632)	(13,600)
	(26,206)	(51,728)	(94,091)	(151,153)
Finance income				
Financial investment (c)	7,184	12,232	14,605	28,108
MTM energy agreements	-	(392)	(2,753)	2,404
Fine and interest received or earned	1,290	(15)	1,683	209
Earnings from loans	5,142	8,306	142	383
Exchange and monetary variation (b)	6,968	5,031	14,244	6,287
Others	728	1,371	1,369	3,137
	21,312	26,533	29,290	40,528
Finance income/costs	(4,894)	(25,195)	(64,801)	(110,625)

- (a) The decrease is mainly due to the replacement of loans/financing by issuing debentures at lower costs and to the fall in the TJLP (9.2% on June 30, 2019 against 4.9% on June 30, 2020), indexer linked to most loans.
- (b) The item is substantially linked to the monetary variation of derivatives already settled, which is why the increase is mainly due to the rise in the dollar in the first quarter of 2020.
- (c) The decrease is mainly due to the drop in the CDI/SELIC in the period, as established by the Central Bank.

23 Events after the reporting period

Business combination AES Tietê

On July 23, 2020, a new proposal for business combination with AES Tietê Energia SA ("AES") was presented to BNDES Participações SA ("BNDESpar"), which provided for on the exchange ratio a 10% premium on AES market value. On July 27, 2020, new terms and conditions were presented in addition to the initial proposal, which would include the attribution of a 17% premium in the exchange ratio. On July 28, 2020, BNDESpar denied the proposal submitted within the scope of the competitive process for the sale of its equity interest in AES.

Effect of the Coronavirus in the Financial Statements

As mentioned in note "1.1 - Significant events in the period", the Company assessed the impacts on the economic activities of the main areas where we operate and no other impact was observed other than those already described in that note.

The Company will continue closely monitoring the development of this matter and any changes will be informed to the market.

Board of Directors

Jerson Kelman
President

José Aurélio Drummond Jr.
Vice president

Directors:

Felipe Gottlieb
Guilherme Bottura
Lavinia Hollanda
Marcelo Pereira Lopes de Medeiros
Renato Antônio Secondo Mazzola

Executive Board

Pedro Zinner
Chief Executive Officer

Lino Lopes Cançado
Executive Officer

Marcelo Campos Habibe
Investor Relations Officer

Luis Vasconcelos
Executive Officer

Ana Paula Alves do Nascimento
CRC-RJ 086983/O-0
Controller

Bruno Campelo de Azevedo
CRC-RJ 106648/O-9
Accountant



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Report on review of quarterly information - ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards – IFRS)

To the Board of Directors and Management
Eneva S.A.
Rio de Janeiro - RJ

Introduction

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

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

Scope of the review

We conducted our review in accordance with Brazilian and international Interim Information review standards (NBC TR 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* 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 the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual interim financial information

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



Conclusion on the consolidated interim financial information

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

Other matter - Statements of added value

The aforementioned quarterly information includes the statements of added value (DVA), individual and consolidated, for the six-month period ended June 30, 2020, prepared under the responsibility of the Company's Management, and presented as supplementary information for the purposes of IAS 34. These statements were subject to review procedures jointly performed with the review of the quarterly information, aiming at concluding whether they have been reconciled with the interim financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Committee for Accounting Pronouncements Technical Pronouncement 09 (CPC 09) - Statement of Value Added. Based on our review, we are not aware of any fact that might lead us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, August 11, 2020

KPMG Auditores Independentes

CRC SP-014428/O-6 F-RJ

Original in Portuguese signed by

Luis Claudio França de Araújo

Accountant CRC RJ-091559/O-4