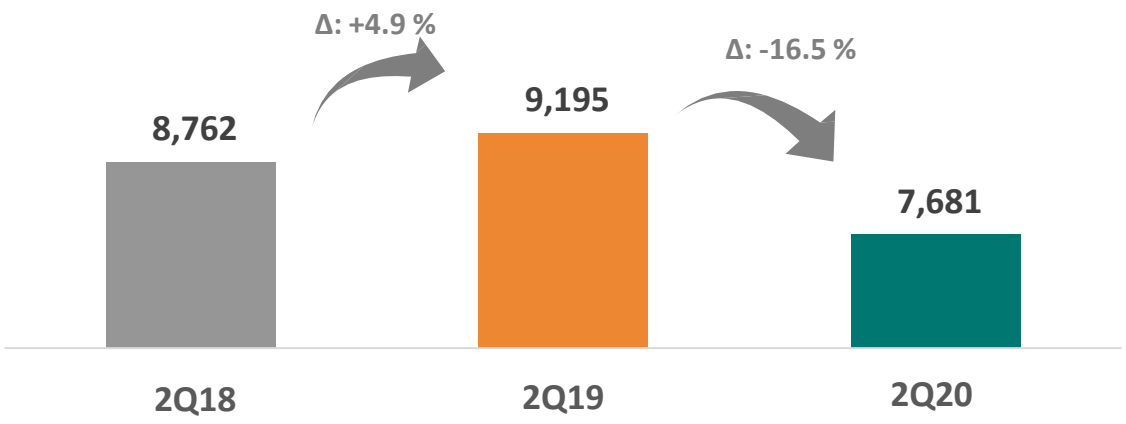
Earnings Results Presentation 2Q20

Light

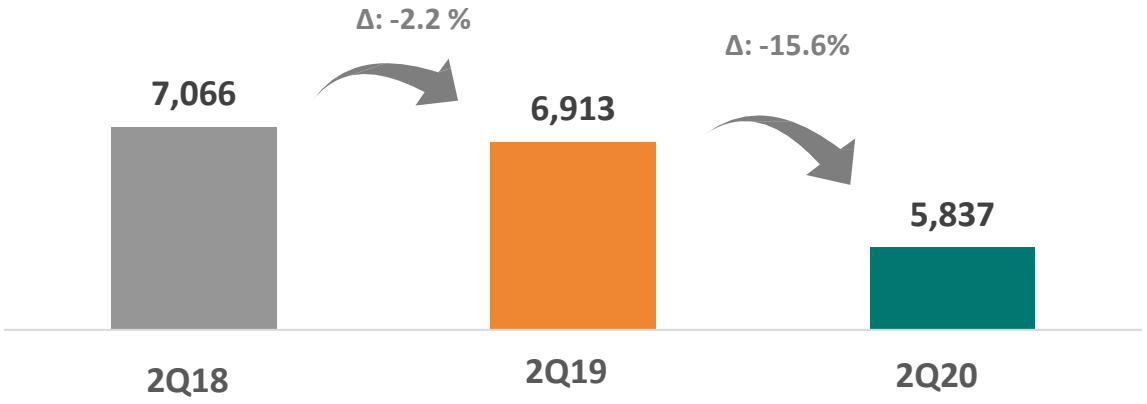
August 14, 2020

Grid load decrease due to the effects of Covid-19, as well as lower temperature and reduction of losses

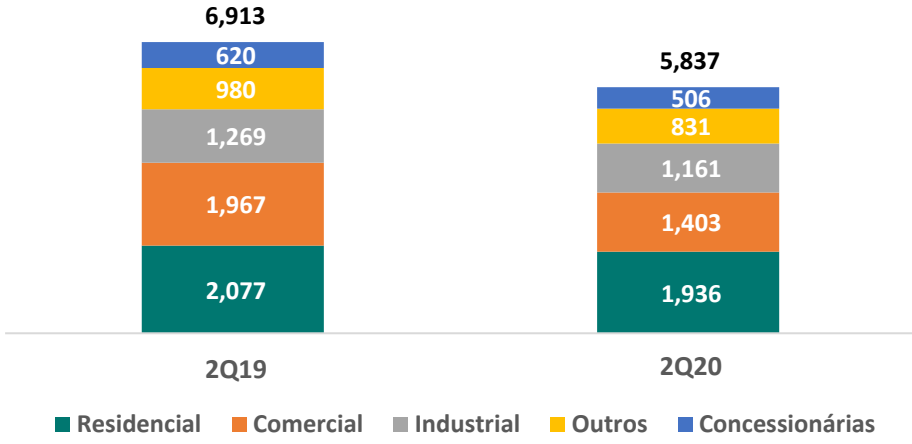
Grid Load (GWh)



Billed Market (GWh)



Billed Market by segment (GWh)

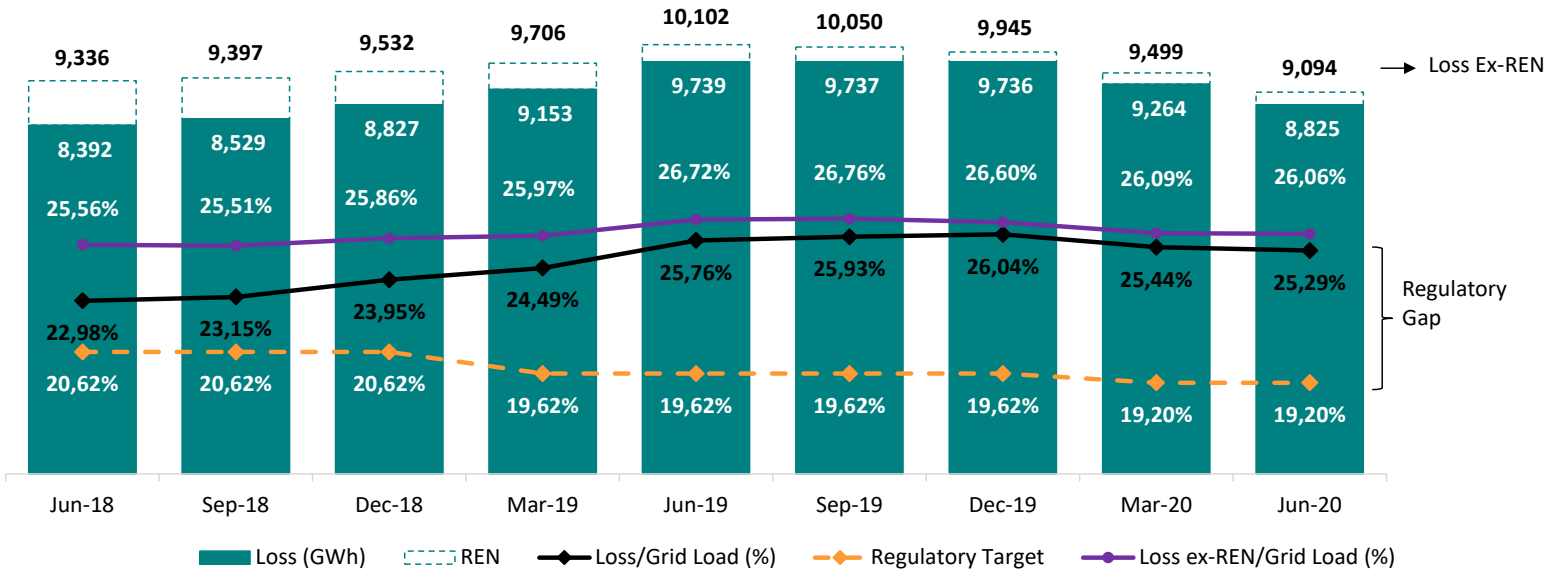


The effects of measures to combat the pandemic led to a reduction in the Commercial, Industrial and Other markets

The economic impact of Covid-19 in the market reduction is estimated at approx. R$119 mm

Reduction of energy losses for the second consecutive quarter

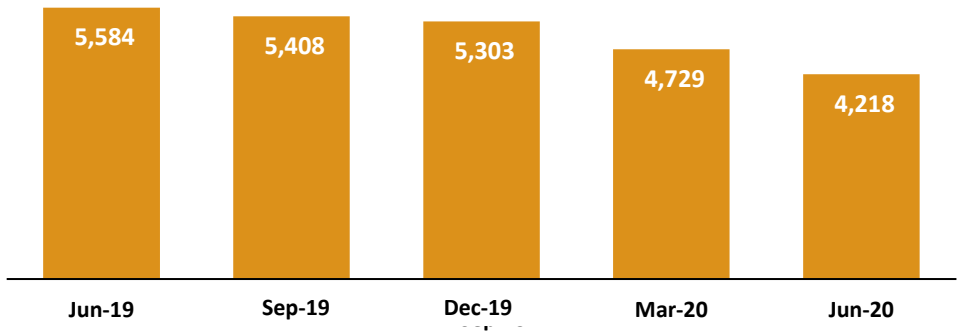
Total Losses Evolution (12 months)



- Continuity of actions initiated in Aug' 19
- Reduction of Total Losses by 439 GWh in 2Q20 and 911GWh in 1H20
- Loss combat teams strengthened with teams that were with suspended activities
- Specific actions to combat losses, according to the characteristics of each regional

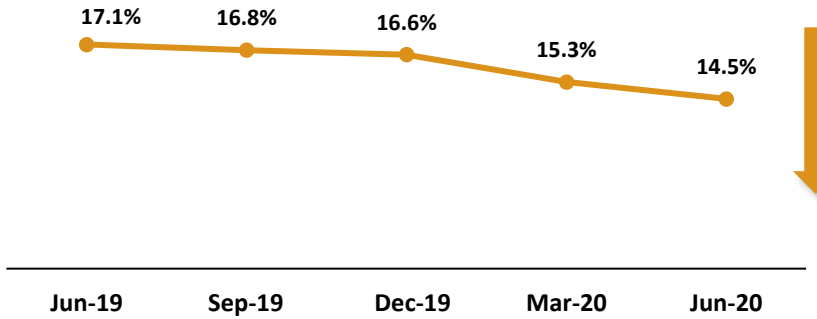
Total Losses Evolution – Possible Areas

Total Losses in Possible Areas (GWh, 12 months)



Reduction of **24.5%** in 1 year

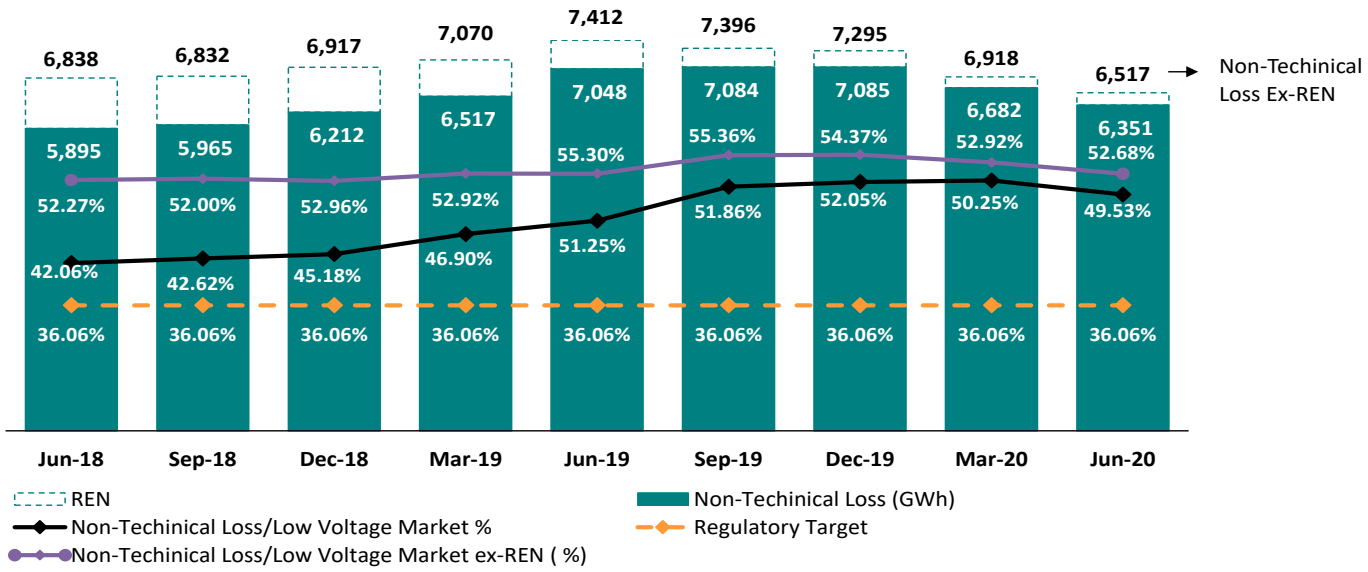
Total Losses / Grid Load – Possible Areas (12 months)



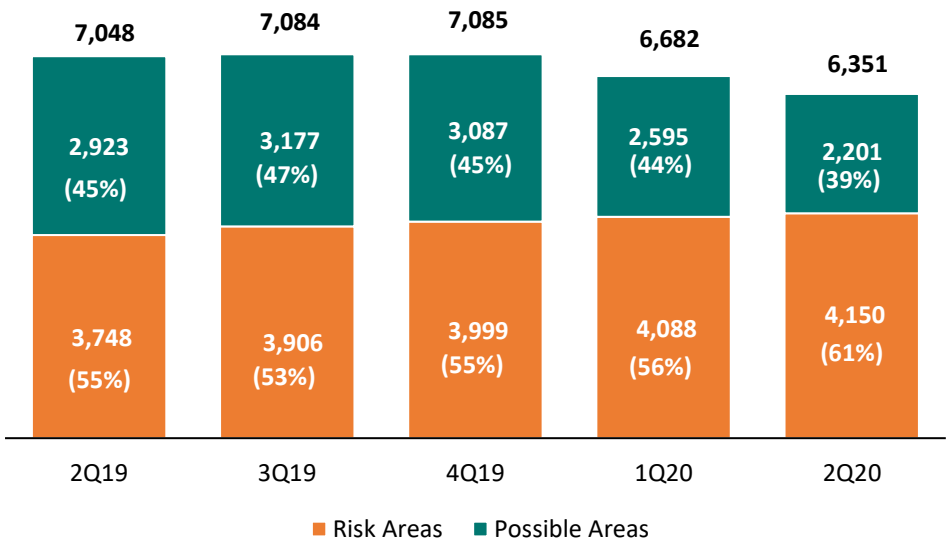
Reduction of **2.6 p.p.** in 1 year

Reduction of energy losses for the second consecutive quarter (Cont'd)

Non-technical Losses Evolution (12 months)



Non-technical Losses (GWh, 12 months)

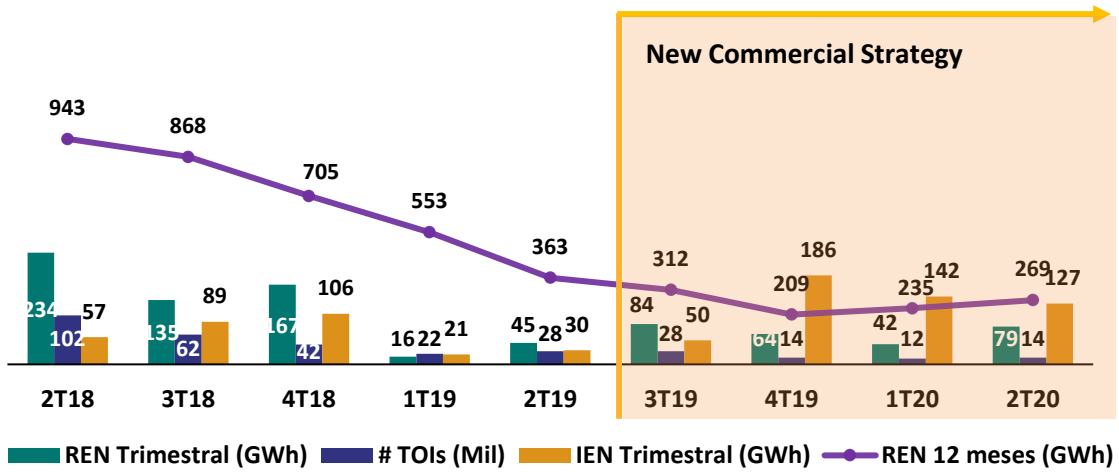


Non-technical loss in the possible areas presented the best figure since verification started (2016)

Installation of border metering in risk areas brought more robust data

IEN increase in line with the main pillar of the loss combat plan: focus on energy incorporation

Recovery Energy - REN and Incorporated Energy - IEN (GWh)



2Q20 IEN 4.2 times higher YoY

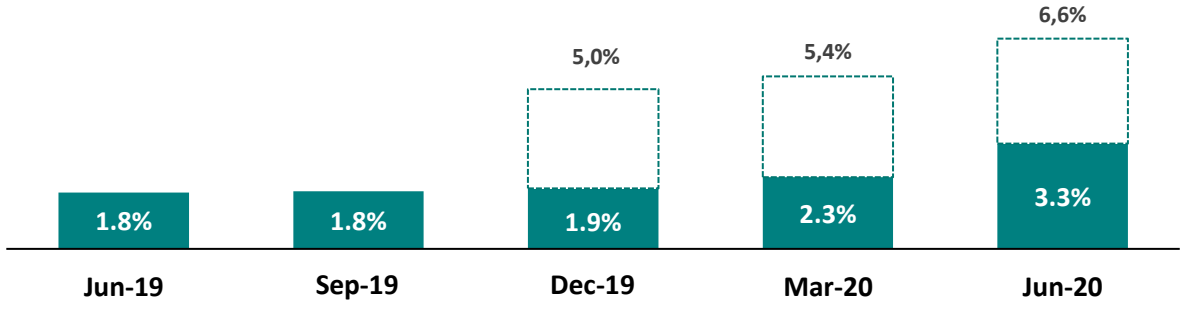
Low number of TOIs and increased energy recovered = Increased productivity of field teams

Insourcing of teams ✓

Improvement of training ✓

Greater accuracy in target identification ✓

Bad Debt Provision / Gross Revenue (12 months)

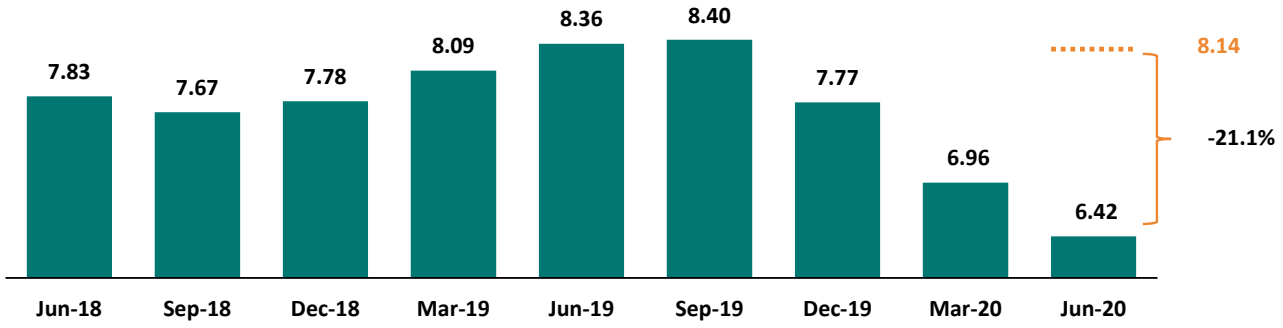


Increase in Bad debt/Gross revenue due to the expectation of non-collection of future bills associated with higher increase in delinquency during the pandemic

The isolated effect of Covid-19 on Bad debt is estimated at approx. R$93 mm, considering the aging of accounts receivable

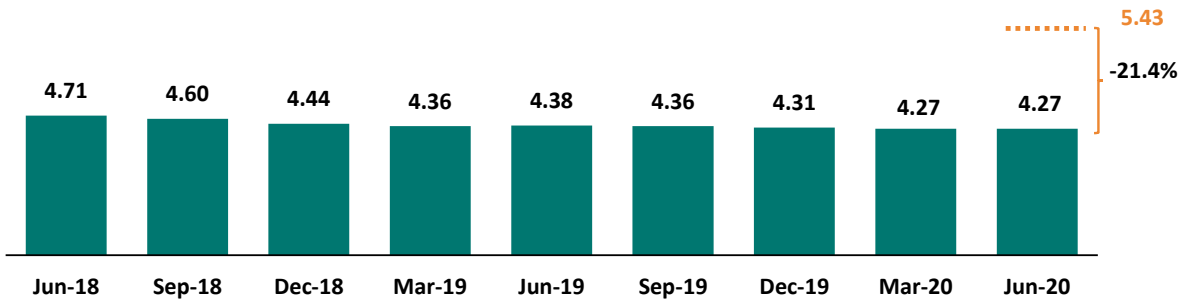
Historic result in quality service, in line with the top and largest DisCos in the country

DEC 12 months (hours)



Target set at the 5th amendment to the concession contract (dec/20)

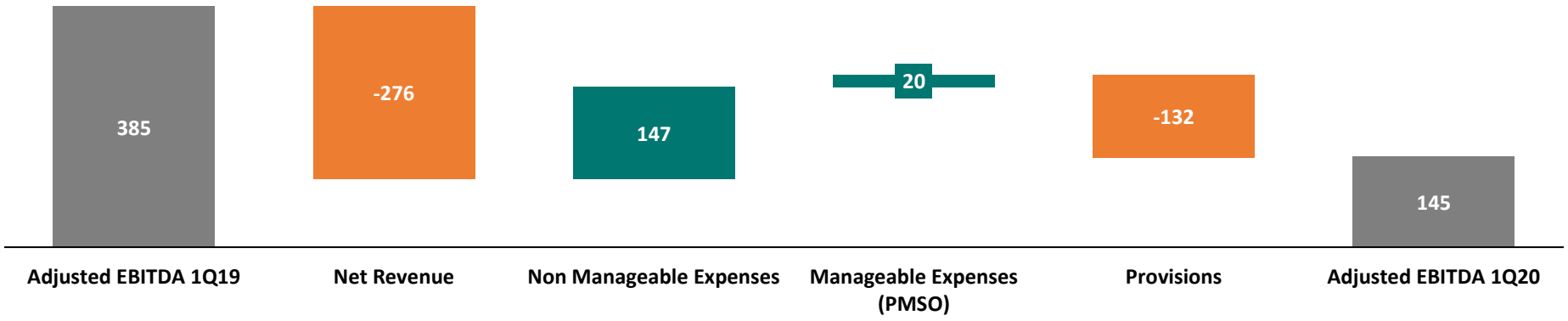
FEC 12 months (times)



Target set at the 5th amendment to the concession contract (dec/20)

Consolidated EBITDA impacted by the effects of the pandemic on the Distribution business, despite the operational improvement

Amounts in R$ mn

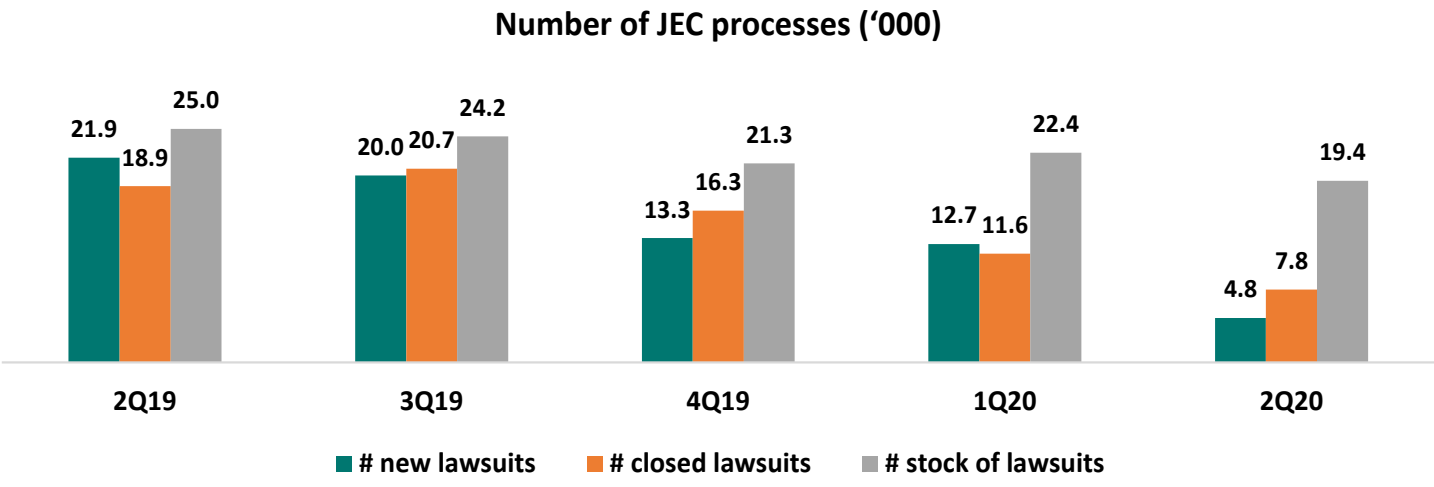


Estimated economic impact, exclusive of the pandemic, on Disco's EBITDA

Impact on EBITDA (R$ MN)	Δ
Parcel B + Non-technical losses	(119)
PECLD	(93)

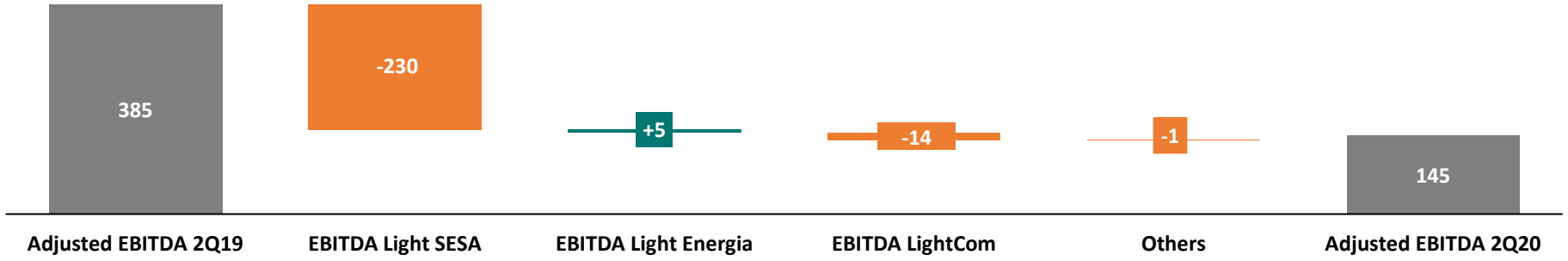
Reduction in JEC provisions due to lower new litigation for the third quarter in a row

Provisions (R$ MN)	2Q20	2Q19	% Change 2Q20/2Q19
JEC	(21)	(54)	-61.9%
Civil	(38)	(32)	18.8%
Others	(9)	(3)	254.0%
Total	**(68)**	**(88)**	**-23.4%**



Improvement in the Distribution business hurt by the effects of the pandemic

Amounts in R$ mn

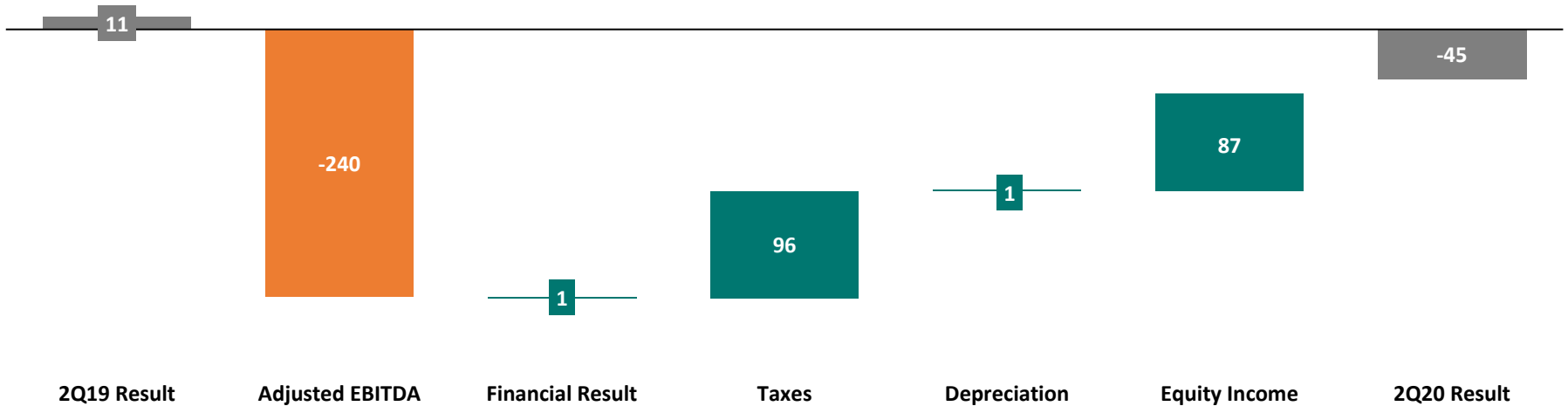


The reduction in the DisCo's EBITDA is due to the impacts of the pandemic, despite the Company's operating improvement (decrease in losses, OPEX and legal contingencies)

The increase in the GenCo's EBITDA is explained by the reduction in operating costs and expenses in 2Q20

Net Result also negatively impacted by the pandemic

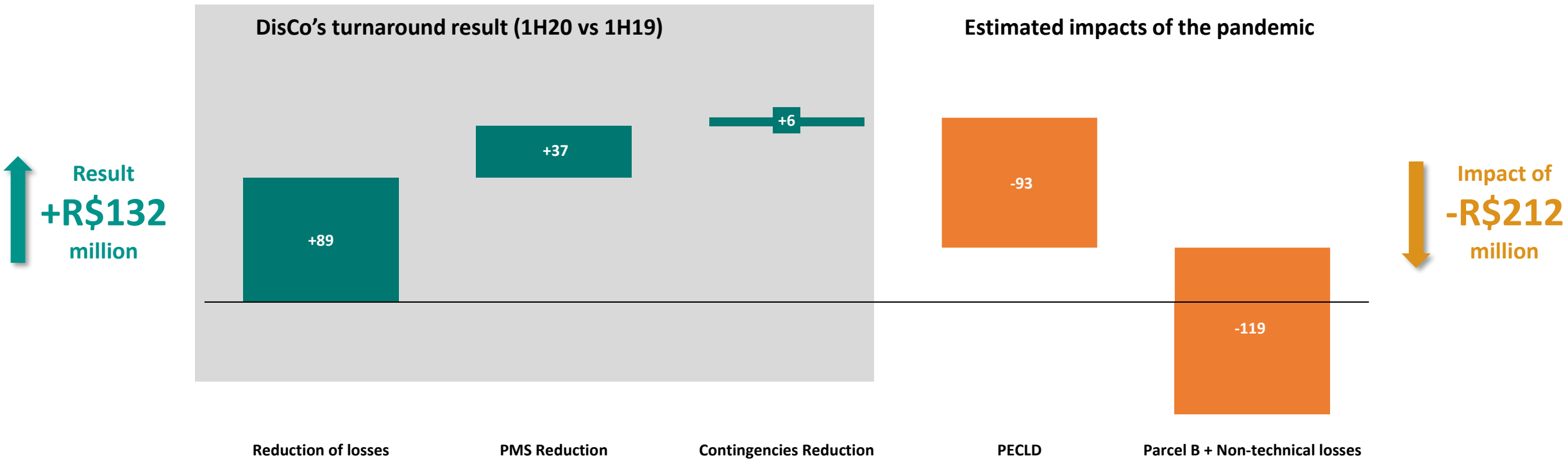
Amounts in R$ mn



Net Result impacted by the pandemic, despite the lower tax collection and improved Equity Income

Impacts of the pandemic overshadowed the DisCo's turnaround result

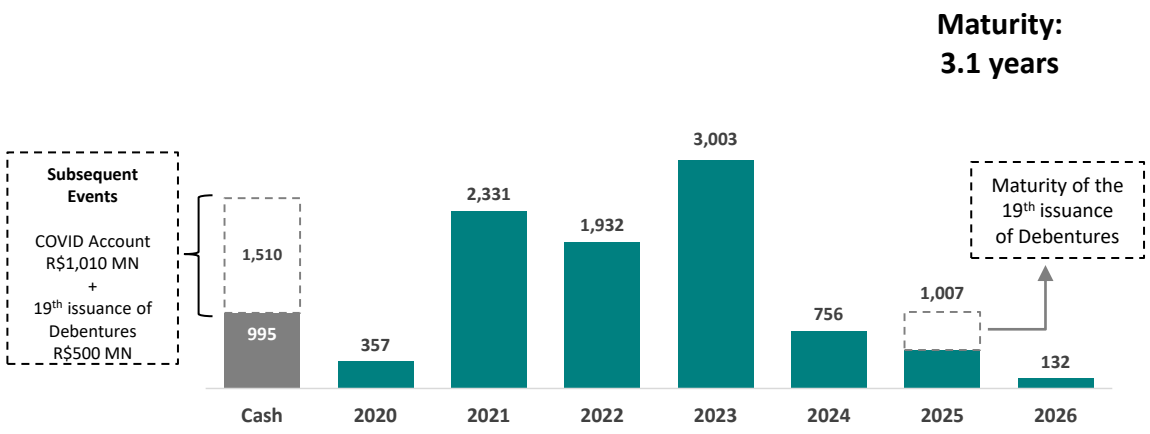
Amounts in R$ mn



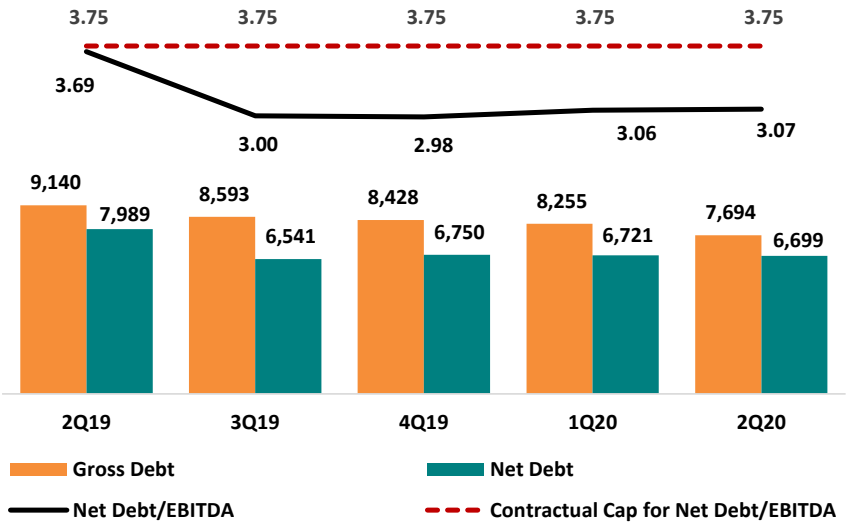
The positive effects of turnaround will remain, while the impacts of the pandemic are transient and should be addressed at the regulatory level.

Robust cash position to face future debt maturities

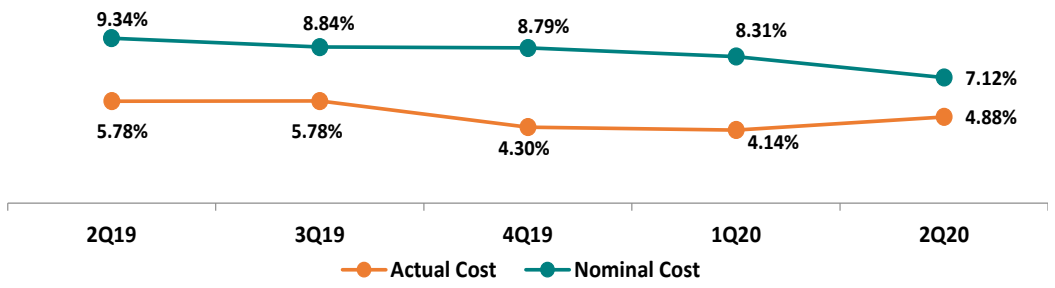
2Q20 Consolidated debt amortization, with subsequent events (R$ mn)



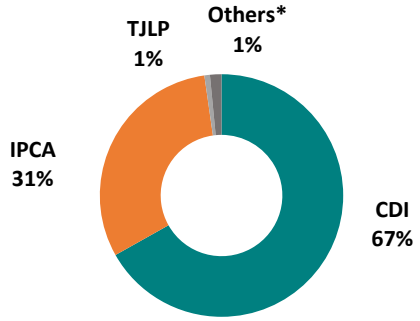
Net debt (R$ mn) & Net Debt/EBITDA (x)



Debt costs



Debt Indexes



* Equivalent to the sum of fixed cost, Libor and the U.S. dollar exchange rate variation

Important Notice

This presentation may include declarations that represent forward-looking statements according to Brazilian regulations and international movable values. These declarations are based on certain assumptions and analyses made by the Company in accordance with its experience. the economic environment. market conditions and future events expected. many of which are out of the Company's control. Important factors that can lead to significant differences between the real results and the future declarations of expectations on events or business-oriented results include the Company's strategy. the Brazilian and international economic conditions. technology. financial strategy. developments of the public service industry. hydrological conditions. conditions of the financial market. uncertainty regarding the results of its future operations. plain. goals. expectations and intentions. among others. Because of these factors. the Company's actual results may significantly differ from those indicated or implicit in the declarations of expectations on events or future results.

The information and opinions herein do not have to be understood as recommendation to potential investors. and no investment decision must be based on the veracity. the updated or completeness of this information or opinions. None of the Company's assessors or parts related to them or its representatives will have any responsibility for any losses that can elapse from the use or the contents of this presentation.

This material includes declarations on future events submitted to risks and uncertainties. which are based on current expectations and projections on future events and trends that can affect the Company's businesses. These declarations include projections of economic growth and demand and supply of energy. in addition to information on competitive position. regulatory environment. potential growth opportunities and other subjects. Various factors can adversely affect the estimates and assumptions on which these declarations are based on.

#umasóLIGHT
JEITO DE SER LIGHT
Light