



Quarterly Information

Alupar Investimento S.A.

September 30, 2020

Alupar Investimento S.A.

Interim financial information

Summary

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Analysis of Consolidated Result

Net Operating Revenue - IFRS

Alupar and its subsidiaries reported a Net Revenue of R\$ 1,491.3 mm in 3Q20, 18.5% higher than R\$ 1,259.0 mm in 3Q19

	Net Revenue (R\$ MM)				9M20	9M19	Var.%
	2Q20	3Q20	3Q19	Var.%			
Energy Transmission Revenue	78.8	81.0	61.0	32.7%	214.3	401.0	(46.6%)
Infrastructure Revenue	716.3	980.2	1,012.4	(3.2%)	2,474.7	2,323.1	6.5%
Remuneration of Concession Assets	217.1	423.9	139.0	-	967.4	270.2	-
Energy Supply	119.2	152.4	164.8	(7.5%)	450.7	535.0	(15.8%)
Gross Revenue – IFRS	1,131.3	1,637.5	1,377.3	18.9%	4,107.1	3,529.4	16.4%
Deductions	104.4	146.2	118.2	23.6%	371.8	306.7	21.2%
Net Revenue – IFRS	1,027.0	1,491.3	1,259.0	18.5%	3,735.2	3,222.7	15.9%

The R\$ 232.3 million growth in Net Revenue is mainly explained by:

(a) a R\$ 272.6 million increase in revenue for the transmission companies, basically due to the R\$ 236.2 million increase from the consolidation of the TME and ETB transmission companies as of 4Q19; and

(b) a R\$ 12.4 million reduction in Energy Supply Revenue, as detailed below:

Energy Supply	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	3Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
ACR (Long Term Contract)		460,761	165.64	76,319							460,761	165.64	76,319
ACL (Short Term Contract)		206,143	252.20	51,989				(88,099)	200.55	(17,668)	118,044	290.75	34,321
Trading		60,504	106.49	6,443	182,736	136.46	24,936	(2,976)	89.04	(265)	240,264	129.50	31,114
Related Parties					13,651	168.19	2,296	(13,651)	168.19	(2,296)			
Reclassification				(190)									(190)
CCEE				9,027			717						9,745
Tax				1,094									1,094
Total				144,682			27,949			(20,229)			152,403

Energy Supply	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	3Q19	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
ACR (Long Term Contract)		464,110	161.00	74,721							464,110	161.00	74,721
ACL (Short Term Contract)		195,506	249.55	48,789				(88,099)	195.44	(17,218)	107,407	293.94	31,571
Trading		50,544	236.94	11,976	187,103	182.48	34,143	(6,624)	209.69	(1,389)	231,023	193.62	44,730
CCEE				5,651			8,090				-		13,741
Total				141,137			42,233			(18,607)			164,763
Variations				3,545			(14,284)			(1,622)			(12,360)

Cost of Services - IFRS

In 3Q20, Cost of Services totaled R\$ 769.7 million, against R\$ 657.7 million reported in 3Q19.

Below are the main variations for this accounting line:

(a) **R\$ 107.5 million** increase in Infrastructure Costs. Below are the main variations:

Transmission										
Infrastructure Cost	ETSE	ETES	ETC	ETB	EDTE	TPE	TCC	ESTE	TSM	Total
3Q20	(8.6)	(12.5)	-	(142.4)	-	(149.2)	(129.3)	(64.8)	(143.7)	(650.6)
3Q19	-	(0.1)	(26.2)	Not Consolid.	(149.5)	(256.5)	(97.9)	(3.6)	(11.4)	(545.2)
Variations	(8.6)	(12.4)	26.2	(142.4)	149.5	107.3	(31.4)	(61.2)	(132.3)	(105.4)

(b) an increase of **R\$ 3.1 million** in **Costs of Services Rendered**. Below are the main variations:

(+) a R\$ 1.3 million increase recorded for Morro Azul SHPP arising from higher sector charges linked to power generation, which was 31,932 MWh this quarter, 117.7% higher than the 14,671 MWh generated in 3Q19;

(+) a R\$ 4.4 million increase in the ETC, EDTE and ETB transmission companies due to their respective commercial start-ups;

(+) a R\$ 1.4 million increase in the TME transmission company since this asset was not accounted for in 3Q19; and

(+) a R\$ 3.1 million reduction in the AETE transmission company since, in 3Q19, a full amount was recorded, referring to the first nine months of 2019.

(c) a **R\$ 0.2 million** reduction in **Energy Purchased for Resale**, as detailed below:

Energy Purchase	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated		
	3Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price
Trading	(147,310)	118.85	(17,508)	(108,288)	200.71	(21,735)	-	-	-	(255,598)	153.54	(39,243)
CCEE			(695)			(1)						(696)
Related Parties	(16,627)	154.05	(2,562)	(88,099)	200.54	(17,668)	104,726	193.16	20,229			(0)
Reclassification			190									190
Taxes			1,104			3,584						4,688
Total			(19,471)			(35,820)			20,229			(35,062)

Energy Purchase	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated		
	3Q19	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price
Trading	(6,624)	279.89	(1,854)	(123,648)	233.96	(28,929)				(130,272)	236	(30,783)
CCEE			(7,822)			(640)						(8,462)
Related Parties				(94,724)	196	(18,608)	94,724	196.43	18,607			-
Reclassification												-
Taxes						3,978						3,978
Total			(9,676)			(44,199)			18,607			(35,268)
Variações			(9,795)			8,379			1,622			206

(d) a **R\$ 0.5 million** increase in **Charges of Electric Grid - CUST**, due to the TUST adjustments for the 2020-2021 cycle (Aneel Approval Resolutions 2,726 of July 14, 2020 and 2,697 of June 17, 2020).

Cash costs, excluding infrastructure cost (Capex) and depreciation/amortization, totaled **R\$ 88.5 million** (5.9% of Net Revenue), versus the **R\$ 85.2 million** (6.8% of Net Revenue) recorded in the same period of last year.

Operating Costs R\$ (MM)							
Operating Costs	2Q20	3Q20	3Q19	Var.%	9M20	9M19	Var.%
Cost of Services Rendered	38.6	42.8	39.8	7.7%	116.3	107.9	7.7%
Energy Purchased for Resale	26.1	35.1	35.3	(0.6%)	93.9	188.3	(50.2%)
Charges of Electric Grid - CUST	8.0	8.3	7.9	6.0%	24.3	22.6	7.7%
Hydro Resources - CFURH	3.0	2.3	2.3	-	7.3	9.3	(21.6%)
Infrastructure Cost	500.5	653.8	546.3	19.7%	1,654.4	968.3	70.9%
Depreciation / Amortization	46.9	27.4	26.1	4.8%	100.7	77.0	30.6%
Total	623.1	769.7	657.7	17.0%	1,996.8	1,373.5	45.4%

Operating Expenses - IFRS

In 3Q20, Operating Expenses totaled **R\$ 21.7 million**, against **R\$ 8.1 million** reported in 3Q19.

The **R\$ 13.6 million** increase in this accounting group was due to:

(a) a **R\$ 4.6 million** reduction in **General and Administrative** expenses:

(i) a **R\$ 1.3 million** reduction in Alupar - Holding, given that, in 3Q19, legal advice fees were recorded arising from the payment of "Success FEE" for the Company's successful court rulings;

(vi) a **R\$ 1.5 million** reduction in the AETE transmission company since, in 3Q19, a full amount was recorded for the first nine months of 2019; and

(iii) a **R\$ 2.3 million** reduction in La Virgen HPP given that, in 3Q19, there were extraordinary costs related to legal advisory fees.

(b) a variation of **R\$ 3.3 million** in **Other Expenses/Revenues**:

(i) a **R\$ 1.4 million** reduction in the "Other Expenses" line, mainly due to the R\$ 1.0 million decrease in Alupar - Holding, which did not report an amount in this quarter. In 3Q19, the amount of R\$ 1.0 million was recorded as a provision for labor claim liabilities;

(ii) a **R\$ 1.9 million** increase in Other Revenues, mainly due to the R\$ 2.1 million growth in transmission companies ERTE, ETSE and EDTE, resulting from reimbursements by the accessors to the system, provided for in the facilities sharing contracts (CCI).

(c) a **R\$ 21.4 million** reduction in **Equity Pickup**, which totaled **R\$ 0.4 million** in this quarter, against **R\$ 21.9 million** in 3Q19. The result in 3Q19 is explained by the Equity Pickup for transmission companies TME (R\$ 3.4 million), ETB (R\$ 18.8 million) and TNE (R\$ -0.3 million). In 3Q20, the balance of R\$ 0.4 million refers exclusively to equity pickup in the TNE transmission company since the TME and ETB transmission companies were only consolidated in 4Q19.

Operating Expenses R\$ (MM)							
Operating Expenses	2Q20	3Q20	3Q19	Var.%	9M20	9M19	Var.%
General and Administrative	13.8	9.6	14.1	(32.3%)	37.7	34.3	9.9%
Personnel and Management	16.1	14.2	14.0	1.5%	44.7	43.9	1.8%
Equity Pickup	(0.9)	(0.4)	(21.9)	(98.0%)	0.1	(44.8)	-
Others	(0.3)	(2.7)	0.6	-	(3.7)	-	-
Depreciation / Amortization	3.1	1.1	1.3	(14.6%)	5.8	3.8	50.7%
Total	31.7	21.7	8.1	167.5%	84.5	37.3	126.9%

EBITDA - IFRS

In 3Q20, EBITDA totaled **R\$ 728.4 million**, 17.4% higher than the **R\$ 620.6 million** reported in 3Q19. Adjusted EBITDA margin reached 87.0% versus 87.1% in 3Q19. The change in EBITDA was due to:

(a) a **R\$ 260.2 million** increase in **Revenue**, due to: (i) a **R\$ 272.6 million** increase in **Energy Transmission Revenue**; and (ii) a **R\$ 12.4 million** reduction in **Energy Supply Revenue**. For more information on changes in Revenue, please refer to the “Net Revenue - IFRS” section.

(b) a **R\$ 107.5 million** increase in **Infrastructure Costs**:

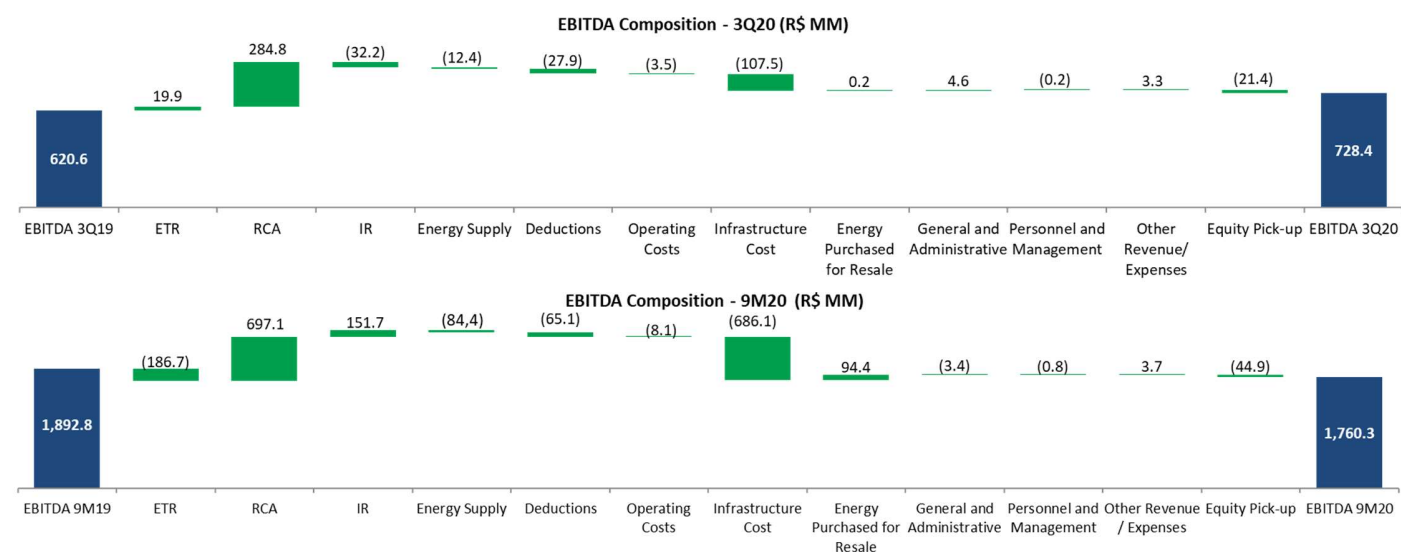
Infrastructure Cost	Transmission									Total
	ETSE	ETES	ETC	ETB	EDTE	TPE	TCC	ESTE	TSM	
3Q20	(8.6)	(12.5)	-	(142.4)	-	(149.2)	(129.3)	(64.8)	(143.7)	(650.6)
3Q19	-	(0.1)	(26.2)	Not Consolid.	(149.5)	(256.5)	(97.9)	(3.6)	(11.4)	(545.2)
Variations	(8.6)	(12.4)	26.2	(142.4)	149.5	107.3	(31.4)	(61.2)	(132.3)	(105.4)

(b) a **R\$ 21.4 million** reduction in **Equity Pickup**, which totaled **R\$ 0.4 million** in this quarter, against **R\$ 21.9 million** in 3Q19. This result in 3Q19 is explained by the equity pickup accounting for transmission companies TME (R\$ 3.4 million), ETB (R\$ 18.8 million) and TNE (R\$ -0.3 million). In 3Q20, the balance of **R\$ 0.4 million** refers exclusively to equity pickup in the TNE transmission company, since TME and ETB transmission companies were only consolidated in 4Q19.

	EBITDA - IFRS (R\$ MM)				9M20	9M19	Var.%
	2Q20	3Q20	3Q19	Var.%			
Net Revenue - IFRS	1,027.0	1,491.3	1,259.0	18.5%	3,735.2	3,222.7	15.9%
Operating Costs	(49.6)	(53.4)	(49.9)	6.9%	(147.9)	(139.8)	5.8%
Infrastructure Costs	(500.5)	(653.8)	(546.3)	19.7%	(1,654.4)	(968.3)	70.9%
Energy Purchase	(26.1)	(35.1)	(35.3)	(0.6%)	(93.9)	(188.3)	(50.2%)
Operating Expenses	(29.6)	(21.1)	(28.7)	(26.7%)	(78.7)	(78.3)	0.5%
Equity Pickup	0.9	0.4	21.9	(98.0%)	(0.1)	44.8	-
EBITDA	422.1	728.4	620.6	17.4%	1,760.3	1,892.8	(7.0%)
EBITDA Margin	41.1%	48.8%	49.3%	(0.5 p.p)	47.1%	58.7%	(11.6 p.p)
Adjusted EBITDA Margin*	80.2%	87.0%	87.1%	(0.1 p.p)	84.6%	84.0%	0.6 p.p

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

Below is the EBITDA Composition:



Note: ETR – Energy Transmission Revenue/ RCA – Revenue of Concession Assets/ IR – Infrastructure Revenue

Financial Result

Totaled **R\$ (97.1) million** in 3Q20, compared to **R\$ (71.0) million** in 3Q19.

This variation in the financial result is mainly explained by:

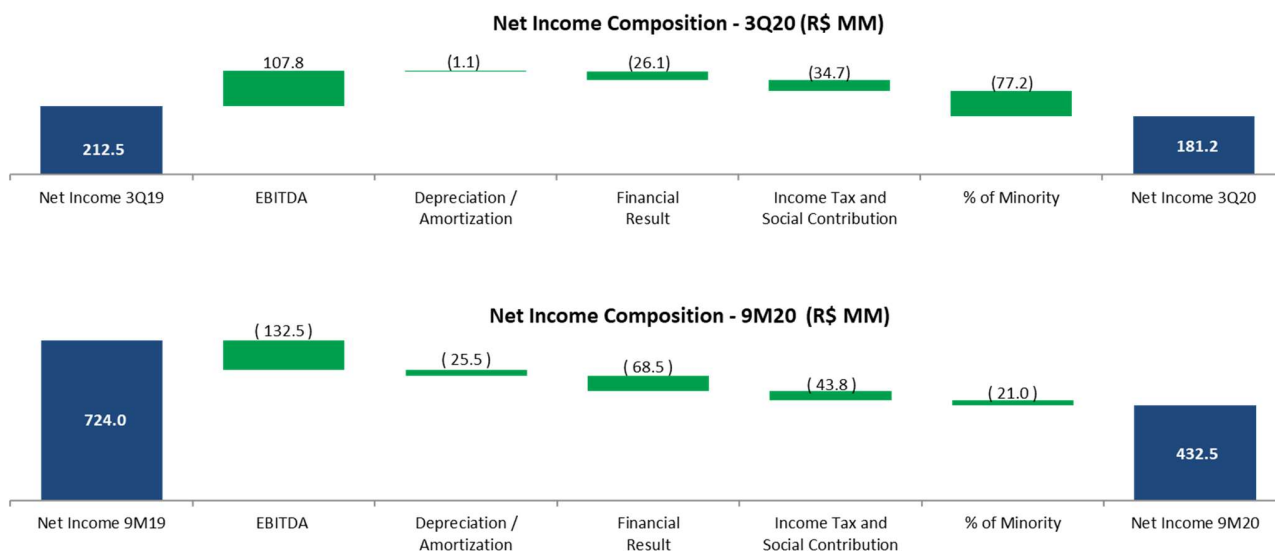
- (a) a **R\$ 15.1 million** reduction in Financial Revenues, basically due to a lower cash balance arising from investments made in the projects being implemented and the reduction in the average interbank deposits ("CDI") rate, which was 0.50% year-to-date in 3Q20, compared to 1.52% year-to-date in 3Q19. The main impact was at Alupar - Holding, which decreased by R\$ 7.6 million; and
- (b) a **R\$ 11.0 million** increase in Financial Expenses, mainly impacted by:
 - (i) a **R\$ 15.5 million** increase in transmission companies ETC, EDTE and ETB (section I), due to their commercial start-ups in Sep/19, Jan/20 and Jul/20, respectively;
 - (ii) a **R\$ 2.8 million** increase in the TCE transmission company due to a foreign exchange variation between both periods (non-cash effect);
 - (iii) increases of **R\$ 1.5 million** in Verde 8 SHPP and **R\$ 0.8 million** in Ferreira Gomes HPP, due to a higher Extended National Consumer Price Index ("IPCA"), which was 1.24%, year-to-date, in 3Q20, against 0.26%, year-to-date, in the 3Q19; and
 - (iv) a decrease in other assets, due to: (i) the decrease in the long-term interest rate ("TJLP"), from 5.95% p.a. during 3Q19 to 4.91% p.a. during 3Q20; and (ii) lower average interbank deposits ("CDI") rates, which was 0.5%, year-to-date, in 3Q20, compared to 1.52%, year-to-date, in 3Q19.

Net Income – IFRS

In 3Q20, net income totaled **R\$ 181.2 million**, against **R\$ 212.5 million** reported in 3Q19.

This variation was due to:

- (a) a **R\$ 107.8 million** increase in **EBITDA**, as previously explained in the "EBITDA - IFRS" section;
- (b) an increase of **R\$ 26.1 million** in **Financial Results**, as explained in the previous section;
- (c) an increase of **R\$ 34.7 million** in **IR/CSLL**, mainly due to the **R\$ 39.9 million** growth in Deferred IRPJ/CSLL. The main impacts on this account were: (i) a R\$ 20.1 million increase in the ETB and TME transmission companies as these assets were not consolidated in 3Q19; (ii) a R\$ 6.1 million reduction in Verde 8 SHPP and Ferreira Gomes HPP and; (iii) increase in the number of transmission companies under implementation, due to investments made in the period and;
- (d) a **R\$ 77.2 million** increase in **% Minorities**, mainly impacted by: (i) a R\$ 19.6 million increase in the ETB and TME transmission companies, since these assets were not consolidated in 3Q19 and (ii) an increase in transmission companies being implemented, due to the investments made in 3Q20.



Investments

In 3Q20, total investments of **R\$ 659.6 million** were carried out in our companies, of which R\$ 655.3 million was allocated to the transmission segment, R\$ 3.9 million in the generation segment, and R\$ 0.4 million in the development of new businesses, against **R\$ 671.6 million** reported in 3Q19, which had R\$ 578.7 million invested in the transmission segment, R\$ 68.5 million invested in the generation segment and R\$ 0.2 million in the development of new businesses.

The volume of investments in 3Q20 mainly reflects the implementation of transmission assets TPE, TCC, TCE, ETB, ESTE and TSM which together totaled **R\$ 630.9 million** in this quarter, against **R\$ 401.7 million** in 3Q19.

	Investments (R\$ MM)			
	3Q20	3Q19	9M20	9M19
Transmission*	655.3	578.7	1,712.2	1,001.1
ELTE	1.1	1.1	1.5	3.9
ETAP	-	-	-	67.4
ETC	-	26.2	-	84.1
TCC	129.3	97.9	327.7	143.7
TPE	149.2	256.5	523.5	381.0
TCE	1.5	32.4	57.7	32.8
ESTE	64.8	3.6	169.3	6.4
TSM	143.7	11.4	209.4	23.0
EDTE	-	149.5	40.9	258.5
ETB ¹	142.4	-	351.5	-
ETES	12.5	-	18.3	-
ETSE	8.6	-	10.2	-
Other	2.1	0.1	2.1	0.3
Generation	3.9	68.5	43.8	80.9
Energia dos Ventos	0.2	3.0	0.3	7.2
La Virgen	(0.5)	64.1	26.9	64.1
Agreste Potiguar WF	-	-	1.4	-
Other	4.2	1.3	15.2	9.6
Holding	0.4	0.2	0.7	1.0
Goodwill**		24.2		24.2
Total	659.6	671.6	1,756.7	1,107.2

* With the exception of TCE, the investment value of the transmission companies is exactly the amount recorded as infrastructure cost. ** Goodwill generated on the acquisition of AETE by APAETE

¹ETB start to be consolidated in the 4Q19

Indebtedness

Alupar - Holding:

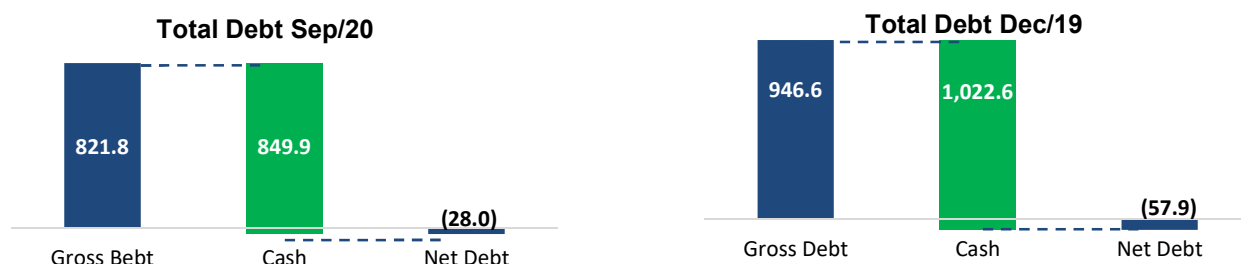
In 3Q20, Alupar - Holding's gross debt totaled **R\$ 821.8 million**, 14.8% lower than the amount of **R\$ 964.6 million** reported in Dec/19.

This change is explained by:

- (i) provision for charges, totaling **R\$ 17.4 million**;
- (ii) provision for monetary and currency variations, in the amount of **R\$ 22.2 million**;
- (iii) amortization of the principal amount for the 6th Debentures Issue, totaling **R\$ 158.6 million**; and
- (iv) amortization of remuneration amounts for the 6th and 7th Debentures Issues, totaling **R\$ 23.7 million**.

Cash and cash equivalents at Alupar - Holding totaled **R\$ 849.9 million**, R\$ 172.7 million lower than the **R\$ 1,022.6 million** reported in Dec/19. This variation is mainly explained by:

- (i) receipt of dividends from subsidiaries, in the amount of **R\$ 345.9 million**;
- (ii) contributions of **R\$ 185.5 million** towards projects being implemented, of which the main ones are:
 - (ii.i) **R\$ 64.3 million** for the TPE transmission company;
 - (ii.ii) **R\$ 16.9 million** for the TCE transmission company;
 - (ii.iii) **R\$ 12.0 million** for the ETB transmission company; and
 - (ii.iv) **R\$ 77.2 million** in Alupar Peru, responsible for implementing the La Virgen HPP;
- (iii) amortization of the principal amount of the 6th Debentures Issue, totaling **R\$ 158.6 million**;
- (iv) amortization of remuneration amounts for the 6th and 7th Debentures Issues, totaling **R\$ 23.7 million**; and
- (v) dividend payment in the amount of **R\$ 96.7 million**;



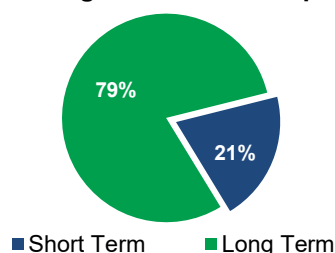
The gross debt of Alupar - Holding consists of 100% of issues of debentures, all indexed by IPCA or CDI, with a very long profile, with approximately 79% maturing in 2024 and 2025.

Short-term debt totaled **R\$ 174.7 million**, against **R\$ 161.7 million** in Dec/19. This amount refers to the 2nd installment of the 6th Debentures Issue, maturing on April 15, 2021.

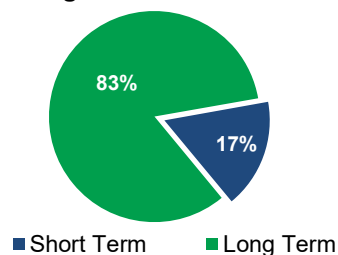
For more information on the Indebtedness of Alupar - Holding, please refer to Explanatory Notes 19 "Loans and Financing" and 20 "Debentures" in the 3Q20 quarterly financial statements.

Find below the debt profile of Alupar - Holding:

Holding Debt Profile - Sep/20



Holding Debt Profile - Dec/19



Consolidated:

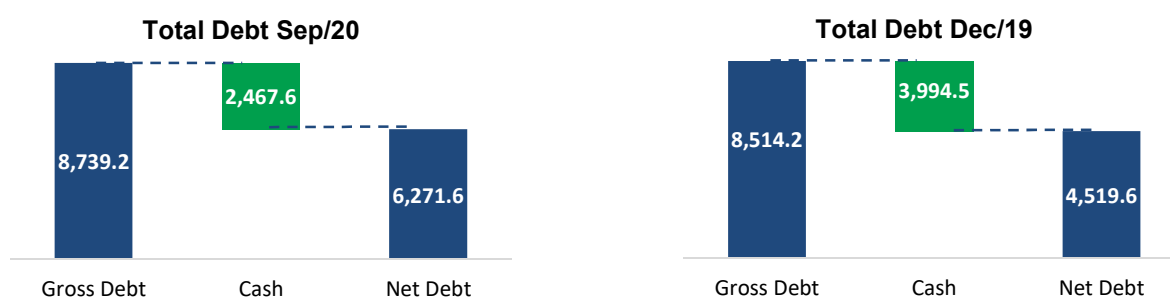
Consolidated gross debt for Alupar and its subsidiaries totaled **R\$ 8,739.2 million** in 3Q20, against **R\$ 8,514.2 million** reported in Dec/19. This change is mainly explained by:

- (i) a reduction of **R\$ 142.8 million** at Alupar - Holding, as previously explained;
- (ii) provisions for charges and monetary variations of subsidiaries, totaling **R\$ 420.7 million**;
- (iii) payment of subsidiary debt charges, in the amount of **R\$ 316.5 million**;
- (iv) amortization of principal for subsidiary debts, in the amount of **R\$ 521.8 million**;
- (v) an increase of **R\$ 294.4 million**, due to the exchange rate variation in debts for La Virgen HPP and Morro Azul SHPP and;
- (vi) new fundings, in the amount of **R\$ 491,1 million**, being the most relevant in the transmissions TME (R\$ 200.0 million), ECTE (R\$ 79.3 million), ENTE (R\$ 100.0 million) and ETEP (R\$ 89.2 million).

Cash and cash equivalents / short-term investments / securities totaled **R\$ 2,467.6 million** in 3Q20, compared to **R\$ 3,994.5 million** recorded in Dec/19. This variation of **R\$ 1,526.9 million** in cash was mainly due to:

- (i) a reduction of **R\$ 172.7 million** at Alupar - Holding, as previously explained and;
- (ii) a reduction of **R\$ 1,422.5 million** in the cash balance of transmission (EDTE, ETB, TPE, TCC, ESTE, TSM and TCE), due to the investments carried out for assets implementation;

Net debt recorded in 3Q20 totaled **R\$ 6,271.6 million**, compared to **R\$ 4,519.6 million** reported in Dec/19.



In 3Q20, short-term debt totaled **R\$ 882.7 million** (10.1% of total debt), compared to **R\$ 867.6 million** in Dec/19.

10.1% of the short term debt, 32.5% or R\$ 286.9 mm refers to bridges loans, with maturity until September /2021.

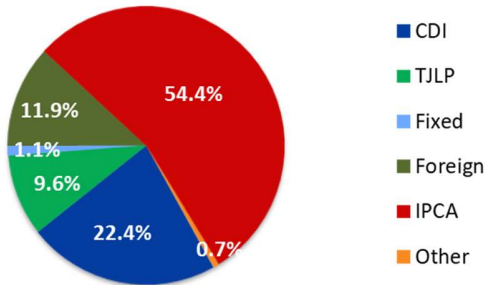
Out of the consolidated gross debt: (i) **R\$ 821.8 million** refers to Alupar - Holding; (ii) **R\$ 4,280.8 million** was allocated to operating companies whose account payables are compatible with the respective cash generation, and (iii) **R\$ 3,636.6 million** refers to projects under implementation in 3Q20, being:

- R\$ 720.9 million** to Alupar Peru/La Virgen, responsible for implementing the La Virgen HPP;
- R\$ 176.2 million** for the implementation of the TCE transmission company (Colombia);
- R\$ 700.7 million** for the implementation of the TCC transmission company;
- R\$ 1,102.7 million** for the implementation of the TPE transmission company;
- R\$ 411.6 million** for the implementation of the ESTE transmission company;
- R\$ 524.4 million** for the implementation of the TSM transmission company;

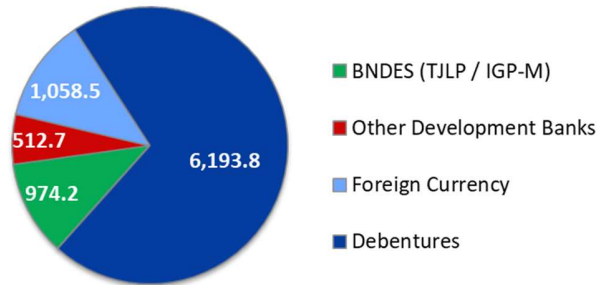
In 3Q20, debenture issues corresponded to **R\$ 6,193.8 million**, or 71% of total debt. The debentures issued by: (i) Alupar - Holding totaled **R\$ 821.8 million**; (ii) the operating subsidiaries totaled **R\$ 2,632.5 million**; and (iii) projects under implementation had a balance of **R\$ 2,739.5 million** in 3Q20.

Debt in foreign currency totaled **R\$ 1,058.5 million**, or 11.9% of total debt, and are allocated to generation and transmission projects in Peru and Colombia.

Gross Debt by Index (%)

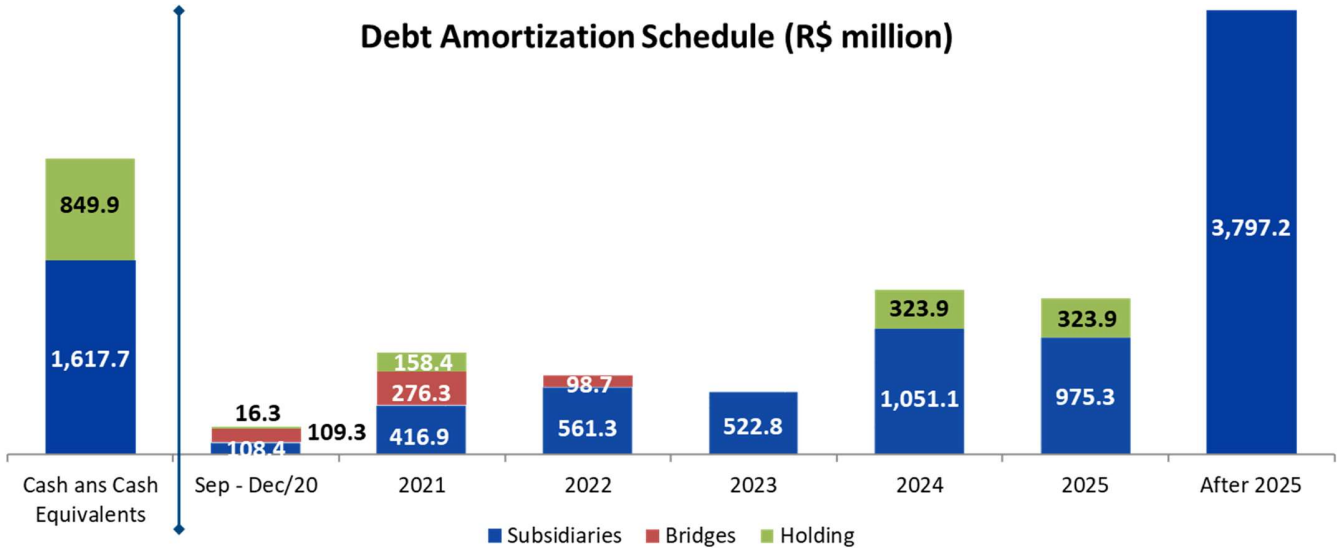


Gross Debt Composition (R\$ MM)



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

Debt Amortization Schedule (R\$ million)



BRIDGES (MM)	2020	2021	2022
La Virgen / Alupar Inversiones	R\$ 107.5	R\$ 101.9	R\$ 98.7
TCE (Colômbia)	R\$ 1.8	R\$ 174.5	
TOTAL	R\$ 109.3	R\$ 276.8	R\$ 98.7

Fitch Ratings

- ✓ Corporate (national scale) **AAA**
- ✓ International Scale **BB**



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A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and Accounting Pronouncement NBC TG 21 (R4) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and specific CVM rules.

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

The Shareholders, Board of Directors and Officers

Alupar Investimento S.A.

São Paulo - SP

Introduction

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

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 (R4) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this financial information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 (R4) and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

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

São Paulo, November 11, 2020.

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

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

Balance Sheets

As at September 30, 2020 and December 31, 2019

(All amounts in thousands of reais)

Note	Company		Consolidated		
	9/30/2020	12/31/2019	9/30/2020	12/31/2019	
Assets					
Current assets	1,199,546	1,475,760	4,060,016	5,441,876	
Cash and cash equivalents	5	191,751	39,474	632,296	1,025,204
Short-term investments	6	658,121	983,103	1,727,186	2,864,348
Marketable securities	7	-	-	2,805	4,470
Trade receivables	8	37,319	51,648	365,380	346,258
Dividends receivable	29	241,473	286,469	75	75
Income tax and social contribution to be offset	28	38,512	38,085	112,743	97,249
Other taxes to be offset		5,080	105	60,093	37,714
Inventories		-	-	8,244	10,445
Prepaid expenses		37	77	6,391	5,639
Collaterals and escrow deposits	21	-	-	384	384
Contractual concession asset	9	-	-	1,033,622	951,888
Other receivables		27,253	76,799	110,797	98,202
Non-current assets	5,275,049	4,784,279	16,769,395	13,927,856	
Long-term receivables	120,072	162,308	11,719,924	9,172,874	
Trade receivables	8	-	-	20,186	12,528
Marketable securities	7	-	-	105,285	100,493
Income tax and social contribution to be offset	28	-	-	3,187	3,187
Other taxes to be offset		-	-	3,362	2,774
Deferred income tax and social contribution	28	-	-	7,832	7,008
Prepaid expenses		-	-	11,268	12,220
Collaterals and escrow deposits	21	758	678	14,854	14,965
Contractual concession asset	9	-	-	11,538,140	9,007,266
Advance for future capital increase	29	119,233	161,630	-	-
Other receivables		81	-	15,810	12,433
Investments in subsidiaries	10	4,954,532	4,403,112	-	-
Investments in joint ventures	10	136,872	136,958	136,872	136,958
Investment properties		7,731	7,826	7,731	7,826
Property, plant and equipment	12	2,336	2,381	4,712,887	4,426,026
Intangible assets	13	53,506	71,694	191,981	184,172
Total assets	6,474,595	6,260,039	20,829,411	19,369,732	

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

Balance Sheets

As at September 30, 2020 and December 31, 2019

(All amounts in thousands of reais)

Note	Company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Liabilities				
Current liabilities	317,721	447,314	1,932,509	2,085,695
Loans and financing	19	-	472,967	388,062
Debentures	20	174,663	409,762	479,525
Trade payables	14	31,335	366,682	401,370
Payroll, vacations and related charges		5,624	35,269	39,978
Income tax and social contribution	28	-	64,300	60,633
Regulatory charges	17	-	63,467	60,073
Other taxes payable		72	49,172	47,038
Leases		502	8,066	6,071
Deferred social contribution and regulatory charges	18	-	77,331	63,105
Dividends payable	29	105,495	251,907	384,599
Advances from customers		-	245	5,794
Provision for environmental costs	15	-	13,607	19,938
Provision for asset recognition	16	-	90,778	73,594
Provision for contingencies	21	-	305	323
Other payables		30	28,651	55,592
Non-current liabilities	655,142	810,536	10,490,629	9,743,972
Loans and financing	19	-	2,072,481	1,635,795
Debentures	20	647,169	5,783,996	6,010,773
Leases		1,270	29,220	27,892
Advance for future capital increase		-	341	381
Deferred income tax and social contribution	28	-	1,522,844	1,229,499
Deferred social contribution and regulatory charges	18	-	1,001,742	776,022
Provision for environmental costs	15	-	18,482	734
Provision for asset recognition	16	-	6,677	6,677
Provision for contingencies	21	6,703	16,402	14,844
Other payables		-	38,444	41,355
Provision for equity deficiency		-	-	-
Total liabilities	972,863	1,257,850	12,423,138	11,829,667
Equity	22	5,501,732	8,406,273	7,540,065
Subscribed and paid-in capital		2,981,996	2,981,996	2,981,996
(-) Share issuance costs		(65,225)	(65,225)	(65,225)
Capital reserve		19,481	19,481	15,450
Earnings reserves		2,031,442	2,031,442	2,031,442
Retained earnings		432,472	432,472	-
Other comprehensive income		101,566	101,566	38,526
Non-controlling interest	11	-	2,904,541	2,537,876
Total liabilities and equity		6,474,595	20,829,411	19,369,732

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

Statements of Profit and Loss
 Three and nine-month periods ended September 30, 2020 and 2019
 (All amounts in thousands of reais, except earnings per share)

Note	Company				Consolidated				
	Quarter ended		Period ended		Quarter ended		Period ended		
	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	
Net operating revenue	25,363	38,385	73,093	159,886	1,491,323	1,259,026	3,735,226	3,222,687	
Power purchased for resale	25	(35,820)	(44,199)	(108,872)	(168,599)	(35,062)	(35,268)	(93,860)	(188,308)
Power grid charges (CUST)		-	-	-	-	(8,319)	(7,851)	(24,307)	(22,578)
Financial Compensation for the Use of Water Resources (CFURH)		-	-	-	-	(2,261)	(2,326)	(7,300)	(9,306)
Services provided	26	(279)	(404)	(1,017)	(791)	(70,220)	(65,889)	(216,905)	(184,944)
Infrastructure cost	26	-	-	-	-	(653,799)	(546,338)	(1,654,428)	(968,328)
Cost of services		(36,099)	(44,603)	(109,889)	(169,390)	(769,661)	(657,672)	(1,996,800)	(1,373,464)
Gross profit (loss)		(10,736)	(6,218)	(36,796)	(9,504)	721,662	601,354	1,738,426	1,849,223
Operating revenues (expenses)									
General and administrative expenses	26	(6,773)	(7,210)	(32,558)	(25,433)	(24,880)	(29,427)	(88,157)	(82,054)
Other revenues		(20)	-	(20)	-	2,393	535	3,605	1,994
Other expenses		-	(1,024)	-	(1,961)	348	(1,091)	95	(2,041)
Equity pick up of subsidiaries	10	206,927	232,054	522,533	785,230	427	21,867	(86)	44,846
		200,134	223,820	489,955	757,836	(21,712)	(8,116)	(84,543)	(37,255)
Income before finance income (costs) and taxes		189,398	217,602	453,159	748,332	699,950	593,238	1,653,883	1,811,968
Finance costs		(11,254)	(15,682)	(40,677)	(58,264)	(104,796)	(93,803)	(299,548)	(257,585)
Finance income		3,070	10,625	19,990	33,893	7,682	22,832	41,093	67,660
Finance income (costs)	27	(8,184)	(5,057)	(20,687)	(24,371)	(97,114)	(70,971)	(258,455)	(189,925)
Income before taxation		181,214	212,545	432,472	723,961	602,836	522,267	1,395,428	1,622,043
Current income tax and social contribution		-	-	-	-	(22,199)	(27,386)	(80,240)	(73,366)
Deferred income tax and social contribution		-	-	-	-	(133,555)	(93,637)	(292,596)	(255,640)
Taxes on income	28	-	-	-	-	(155,754)	(121,023)	(372,836)	(329,006)
Net profit for the period		181,214	212,545	432,472	723,961	447,082	401,244	1,022,592	1,293,037
Attributed to controlling shareholders						181,214	212,545	432,472	723,961
Attributed to non-controlling interest	11					265,868	188,699	590,120	569,076
Basic and diluted earnings per common share	23					0.20613	0.24177	0.49194	0.82351
Basic and diluted earnings per preferred share	23					0.20613	0.24177	0.49194	0.82351

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

Statements of Comprehensive Income
 Three and nine-month periods ended September 30, 2020 and 2019
 (All amounts in thousands of reais)

Note	Company				Consolidated				
	Quarter ended		Period ended		Quarter ended		Period ended		
	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	
Net profit for the period	181,214	212,545	432,472	723,961	447,082	401,244	1,022,592	1,293,037	
Other comprehensive income to be reclassified to profit or loss for the year in subsequent periods - accumulated conversion adjustments	22	5,079	10,597	63,040	12,824	13,405	10,597	71,366	12,824
Comprehensive income for the period	186,293	223,142	495,512	736,785	460,487	411,841	1,093,958	1,305,861	
Attributed to controlling shareholders					186,293	223,142	495,512	736,785	
Attributed to non-controlling interest					274,194	188,699	598,446	569,076	

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

Alupar Investimento S.A.

Statements of Changes in Equity

Nine-month periods ended September 30, 2020 and 2019

(All amounts in thousands of reais)

Period ended September 30, 2020		Capital	(-) Share issuance costs	Capital reserve	Retained earnings			Retained earnings	Other comprehensive income (loss)	Total Company	Non-controlling interest	Total Consolidated
Description	Legal reserve				Unrealized earnings reserve	Investment reserve						
BALANCE AS AT JANUARY 1, 2020		2,981,996	(65,225)	15,450	182,686	220,689	1,628,067	-	38,526	5,002,189	2,537,876	7,540,065
<u>Comprehensive income (loss)</u>												
Net income for the period		-	-	-	-	-	-	432,472	-	432,472	590,120	1,022,592
Accumulated conversion adjustments for the period		-	-	-	-	-	-	-	63,040	63,040	8,326	71,366
<u>Capital transaction with partners</u>												
Capital increase		-	-	-	-	-	-	-	-	-	86,081	86,081
Gains on transaction with partners		-	-	4,031	-	-	-	-	-	4,031	(4,031)	-
Dividends		-	-	-	-	-	-	-	-	-	(297,607)	(297,607)
Capital stock reduce		-	-	-	-	-	-	-	-	-	(450)	(450)
Variation in non-controlling interest		-	-	-	-	-	-	-	-	-	(16,186)	(16,186)
Others modifications in non-controlling interest		-	-	-	-	-	-	-	-	-	412	412
BALANCES AS AT SEPTEMBER 30, 2020		2,981,996	(65,225)	19,481	182,686	220,689	1,628,067	432,472	101,566	5,501,732	2,904,541	8,406,273

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

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

Alupar Investimento S.A.

Statements of Cash Flows

Nine-month periods ended September 30, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Cash flow from operating activities				
Income before taxation	432,472	723,961	1,395,428	1,622,043
Adjustments to profit to:				
Depreciation and amortization	2,418	931	106,406	80,858
Share of profit (loss) of subsidiaries	(522,533)	(785,230)	86	(44,846)
Debt and leases charges	39,746	57,744	443,468	423,185
Other adjustments for inflation and exchange rate changes, net	(865)	47	55,802	5,321
Finance income	(16,894)	(34,442)	(55,114)	(41,141)
Derecognition of property, plant and equipment and intangible assets	6,294	2	9,212	6,481
Others	(7)	1,987	2,963	28,448
Taxes on revenues (PIS and COFINS) and deferred regulatory charges	-	-	245,889	189,095
	(59,369)	(35,000)	2,204,140	2,269,444
(Increase) decrease in assets				
Trade receivables	14,329	3,034	(41,168)	45,789
Concession financial asset	-	-	(2,677,122)	(2,090,787)
Partes relacionadas	-	2,037	-	-
Recoverable taxes	(5,402)	2,398	(42,846)	(36,715)
Inventories	-	-	1,600	(40)
Other	6,525	(3,217)	(9,360)	(25,271)
	15,452	4,252	(2,768,896)	(2,107,024)
Increase (decrease) in liabilities				
Trade payables	(34,519)	(8,886)	(26,544)	68,460
Regulatory and sector fees	-	-	929	6,317
Payroll, vacations and other charges	697	299	(5,105)	880
Contributions and taxes payable	(39)	(3,504)	12,620	15,243
Provisions for asset recognition and environmental costs	-	-	24,560	(28,764)
Advances from customers	-	-	18,666	(1,284)
Other	101	-	7,040	(12,053)
	(33,760)	(12,091)	32,166	48,799
Net cash used in operating activities	(77,677)	(42,839)	(532,590)	211,219
Income tax and social contribution	-	-	(76,242)	(68,627)
Net cash used in operating activities	(77,677)	(42,839)	(608,832)	142,592
Cash flow from investing activities				
Capital increase in investees	(78,713)	(35,531)	-	-
Payment for acquisition of investments	(16,186)	-	(30,640)	(113,752)
Cash from acquisition of investments	-	-	-	12,586
Receipt from interest sold	1,350	-	-	-
Loan agreements with related parties	22,844	-	-	-
Advance for future capital increase paid	(106,790)	-	-	-
Redemption of short-term investments	374,157	352,628	3,372,968	433,662
Short-term investments	(32,281)	(284,735)	(2,154,221)	(366,519)
Dividends received	345,877	150,218	-	-
Purchase of property, plant and equipment	(321)	(103)	(76,798)	(105,402)
Purchase of intangible assets	(404)	(897)	(25,432)	(33,517)
Net cash provided by (used in) investing activities	509,533	181,580	1,085,877	(172,942)
Cash flow from financing activities				
Capital increase	-	-	86,081	103,625
Capital stock reduce	-	-	(450)	-
Advance for future capital increase received	-	(21,737)	-	6,860
Dividends paid	(96,702)	(131,867)	(430,075)	(257,685)
Lease paid	(476)	-	(6,684)	-
Debts	(72)	-	490,997	518,571
Interest on loans and debentures	(23,724)	(25,170)	(340,240)	(312,016)
Payment of principal of loans and debentures	(158,605)	(22,525)	(680,383)	(560,565)
Net cash used in financing activities	(279,579)	(201,299)	(880,754)	(501,210)
Exchange rate changes on cash and cash equivalents	-	-	10,801	(5,597)
Net (decrease) increase in cash and cash equivalents	152,277	(62,558)	(392,908)	(537,157)
(Decrease) increase in cash and cash equivalents				
Balance at the beginning of the period	39,474	231,878	1,025,204	2,975,423
Balance at the end of the period	191,751	169,320	632,296	2,438,266
Net (decrease) increase in cash and cash equivalents	152,277	(62,558)	(392,908)	(537,157)

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

Alupar Investimento S.A.

Statements of Value Added

Nine-month periods ended September 30, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Revenues				
Operation and maintenance revenue	-	-	214,292	401,034
Infrastructure revenue	-	-	2,474,733	2,323,079
Concession financial asset payment	-	-	967,377	270,235
Power supply	80,267	172,451	450,656	535,025
Revenue associated with the construction of own assets	-	-	95,070	-
Other revenues	(20)	-	3,852	1,994
	<u>80,247</u>	<u>172,451</u>	<u>4,205,980</u>	<u>3,531,367</u>
(-) Inputs from third parties				
Power purchased for resale	(108,872)	(168,599)	(93,860)	(188,308)
Power grid charges	-	-	(24,307)	(22,578)
Financial Compensation for the Use of Water Resources	-	-	(7,300)	(9,306)
Infrastructure cost	-	-	(1,472,152)	(968,328)
Outsourced services	(10,875)	(6,714)	(71,209)	(70,770)
Materials	(115)	(100)	(15,785)	(9,344)
Other costs	(1,978)	(2,242)	(17,148)	(15,545)
	<u>(121,840)</u>	<u>(177,655)</u>	<u>(1,701,761)</u>	<u>(1,284,179)</u>
(-) Depreciation and amortization	(2,418)	(931)	(106,900)	(80,858)
Wealth received in transfer				
Share of profit (loss) of subsidiaries	522,533	785,230	(86)	44,846
Finance income	20,965	33,893	74,382	67,660
	<u>543,498</u>	<u>819,123</u>	<u>74,296</u>	<u>112,506</u>
Wealth for distribution	499,487	812,988	2,471,615	2,278,836
Wealth distributed				
Personnel				
Direct compensation	13,237	11,858	83,817	55,175
Benefits	1,549	1,540	19,060	11,474
F.G.T.S	636	804	5,736	3,496
	<u>15,422</u>	<u>14,202</u>	<u>108,613</u>	<u>70,145</u>
Taxes, rates and contributions				
Federal	10,569	15,334	763,651	648,947
State	-	-	35,933	178
Municipal	121	171	727	514
	<u>10,690</u>	<u>15,505</u>	<u>800,311</u>	<u>649,639</u>
Lenders and lessors				
Interest and changes in exchange rates	39,687	57,804	516,443	243,105
Rentals	226	1,056	4,793	8,430
Other costs	990	460	18,863	14,480
	<u>40,903</u>	<u>59,320</u>	<u>540,099</u>	<u>266,015</u>
Shareholders				
Earnings reserves	432,472	723,961	432,472	723,961
Non-controlling interest	-	-	590,120	569,076
	<u>432,472</u>	<u>723,961</u>	<u>1,022,592</u>	<u>1,293,037</u>
	499,487	812,988	2,471,615	2,278,836

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

Notes to the interim financial information

1. Operations

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

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

• Electric energy transmission:

Companies (abbreviation)	Localization/connection	Concession Agreement nº	Concession period (start/end)	Start date of operation	Line extension (km)	Tension (Kv)	Contract adjustment rate	50% reduction of APR beginning 16th year of operation	Expected taxation review
Subsidiaries:									
Empresa Paraense de Transmissão de Energia S.A. ('EETEP')	Tucuruí (PA) - Vila Conde (PA)	043/2001	06/12/01 06/12/31	08/25/02	323	500	IGP-M	Yes	No
Empresa Yesrte de Transmissão de Energia S.A. ('ENTE')	Tucuruí (PA) - Açailândia (MA)	085/2002	12/11/02 12/11/32	02/12/05	464	500	IGP-M	Yes	No
Empresa Regional de Transmissão de Energia S.A. ('ERTE')	Vila Conde (PA) - Santa Maria (PA)	083/2002	12/11/02 12/11/32	09/15/04	179	230	IGP-M	Yes	No
Empresa Amazonense de Transmissão de Energia S.A. ('EATE')	Tucuruí (PA) - Presidente Dutra (PA)	042/2001	06/12/01 06/12/31	03/10/03	924	500	IGP-M	Yes	No (*)
Empresa Catarinense de Transmissão de Energia S.A. ('ECTE')	Campos Yesvos (SC) - Blumenau (SC)	088/2000	11/01/00 11/01/30	03/26/02	253	525	IGP-M	Yes	No
Sistema de Transmissão Yesrdeste S.A. ('STN')	Teresina (PI) - Fortaleza (CE)	005/2004	02/18/04 02/18/34	01/01/06	541	500	IGP-M	Yes	No
Companhia Transleste de Transmissão ('Transleste')	Irapé (MG) - Montes Claros (MG)	009/2004	02/18/04 02/18/34	12/18/05	150	345	IGP-M	Yes	No
Companhia Transsudeste de Transmissão ('Transsudeste')	Itutinga (MG) - Juiz de Fora (MG)	005/2005	03/04/05 03/04/35	02/23/07	140	345	IGP-M	Yes	No
Companhia Transirapé de Transmissão ('Transirapé')	Irapé (MG) - Araçuí (MG)	012/2005	03/15/05 03/15/35	05/23/07	65	230	IGP-M	Yes	No
Sistema de Transmissão Catarinense S.A. ('STC')	Barra Grande (SC) - Lages (SC) - Rio Sul (SC)	006/2006	04/27/06 04/27/36	11/08/07	195	230	IPCA	Yes	No
Lumitrans - Companhia Transmissora de Energia Elétrica ('Lumitrans')	Machadinho (SC) - Campos Yesvos (SC)	007/2004	02/18/04 02/18/34	10/03/07	51	525	IGP-M	Yes	No
Empresa de Transmissão do Espírito Santo S.A. ('ETES')	Verona (ES) - Mascarenhas (ES)	006/2007	04/20/07 04/20/37	12/12/08	107	230	IPCA	Yes	Yes
Empresa Brasileira de Transmissão de Energia S.A. ('EBTE')	Juba (MG) - Juína (MG)	011/2008	10/16/08 10/16/38	06/30/11	775	230	IPCA	No	Yes
Empresa Santos Dumont de Energia S.A. ('ESDE')	Subestação Santos Dummond (MG)	025/2009	11/19/09 11/19/39	02/06/13	Substation	138/345	IPCA	No	Yes
Empresa de Transmissão de Energia do Mato Grosso S.A. ('ETEM')	Yesva Mutum (MT) - Yesbres (MT) - Cuiabá (MT)	005/2010	07/12/10 07/12/40	12/16/11	235	230	IPCA	No	Yes
Empresa de Transmissão de Varzea Grande S.A. ('ETVG')	Subestação Várzea Grande (MT)	018/2010	12/23/10 12/12/40	12/23/12	Substation	138/230	IPCA	No	Yes
Empresa de Transmissão Serrana S.A. ('ETSE')	Subestação Abdon Batista / Gaspar (SC)	006/2012	05/10/12 05/10/42	01/19/15	Substation	230/525 138/230	IPCA	No	Yes
Empresa Litorânea de Transmissão de Energia S.A. ('ELTE')	Henry Borden (SP) - MaYesel da Nóbrega (SP)	016/2014	09/05/14 09/05/44	Pre-operating	SE+40 Km	230/345	IPCA	No	Yes
Empresa Transmissora Agreste Potiguar S.A. ('ETAP')	Rio Grande do Yesrte (RN)	013/2016	09/02/16 09/02/46	04/06/19	10	500/230	IPCA	No	Yes
Empresa Transmissora Capixaba S.A. ('ETC')	Subestação Rio Yesvo do Sul (ES)	020/2016	09/02/16 09/02/46	09/23/19	Substation	345/138	IPCA	No	Yes
Transmissora Caminho do Café S.A. ('TCC')	Minas Gerais (MG) - Espírito Santo (ES)	006/2017	02/10/17 02/10/47	Pre-operating	288	500	IPCA	No	Yes
Transmissora Paraíso De Energia S.A. ('TPE')	Bahia (BA) - Minas Gerais (MG)	002/2017	02/10/17 02/10/47	10/25/20	541	500	IPCA	No	Yes
Empresa Sudeste de Transmissão de Energia S.A. ('ESTE')	Mesquita (MG) - João Neiva (ES)	019/2017	02/10/17 02/10/47	Pre-operating	236	500	IPCA	No	Yes
Transmissora Serra da Mantiqueira S.A. ('TSM')	São Paulo (SP) - Rio de Janeiro (RJ)	037/2017	08/11/17 08/11/47	Pre-operating	330	500	IPCA	No	Yes

Notes to the interim financial information

Companies (abbreviation)	Localization/connection	Concession Agreement nº	Concession period (start/end)	Start date of operation	Line extension (km)	Tension (Kv)	Contract adjustment rate	50% reduction of APR beginning 16th year of operation	Expected taxation review
Subsidiaries:									
Transmissora Colombiana de Energia S.A.S ESP (**) ('TCE')	Virginia-Nueva Esperanza - Colombia	UPME 07-2016	11/28/16 Indefinite	Pre-operating	200	500	IPP	No	Yes
Empresa Diamantina de Transmissão de Energia S.A. ('EDTE')	Ibicoara (BA) - Ibicoara (BA)	015/2016	12/01/16 12/01/46	01/20/20	170	500	IPCA	No	Yes
Amazônia - EletroYesrte Transmissora de Energia S.A. ('AETE')	Rondonópolis (MT) - Cuiabá (MT)	008/2004	02/18/04 03/18/34	08/24/05	188	230	IGP-M	Yes	No
Transmissora Matogrossense de Energia S.A. ('TME')	Jauru (MT) - Cuiabá (MT)	023/2009	11/19/09 11/19/39	11/22/11	348	500/230	IPCA	No	Yes
ETB - Empresa de Transmissão Baiana S.A ('ETB')	Bom Jesus da Lapa (BA)	011/2016	09/29/16 09/29/46	07/24/20	446	500	IPCA	No	Yes
Joint ventures:									
TransYesrte Energia S.A. (***) ('TNE')	Boa Vista (RR) - Equador (RR) - Lechuga (AM)	003/2012	01/25/12 01/25/42	Pre-operating	715	500	IPCA	No	Yes
Total under operation					6,105				
Total under construction					1,769				

(*) The EATE has tariff review for the period to RBNI. (**) Concession of TCE is located in Colombia, the applicable regulatory rules in this country differ from the rules applicable in Brazil. (***) The TNE partially entered into commercial operation, see note 10.

Electric energy generation:

Companies (abbreviation)	Location	Concession Agreement/Authorization nº	Concession Term		Start date of operation	Installed capacity - MW	Guaranteed energy - MW
			Start	End			
Subsidiaries:							
Foz do Rio Claro Energia S.A. ('Foz')	Rio Claro - Caçu (GO) e São Simão (GO)	005/2006	08/15/06	08/15/41	08/05/10	68.4	41.0
Ijuí Energia S.A. ('Ijuí')	Rio Ijuí - Rolador (RS) e Salvador das Mi:	006/2006	08/15/06	08/15/41	03/29/11	51.0	30.4
Usina Paulista Lavrinhas de Energia S.A. ('Lavrinhas')	Rio Paraíba do Sul - Lavrinhas (SP)	138/2004 and 716/2006	04/07/04	04/07/34	09/03/11	30.0	21.4
Usina Paulista Queluz de Energia S.A. ('Queluz')	Rio Paraíba do Sul - Queluz (SP)	139/2004 and 715/2006	04/07/04	04/07/34	08/12/11	30.0	21.4
Ferreira Gomes Energia S.A. ('Ferreira Gomes')	Rio Araguari - Ferreira Gomes (AP)	002/2010	11/09/10	11/09/45	11/04/14	252.0	153.1
Energia dos Ventos I S.A. ('EDV I')	Aracati (CE)	Ordinance 431/12	07/17/12	07/17/47	04/22/16	23.1	11.8
Energia dos Ventos II S.A. ('EDV II')	Aracati (CE)	Ordinance 428/12	07/16/12	07/16/47	05/13/16	12.6	6.0
Energia dos Ventos III S.A. ('EDV III')	Aracati (CE)	Ordinance 433/12	07/19/12	07/19/47	03/03/16	18.9	9.6
Energia dos Ventos IV S.A. ('EDV IV')	Aracati (CE)	Ordinance 442/12	07/24/12	07/24/47	03/02/16	27.3	14.8
Energia dos Ventos X S.A. ('EDV X')	Aracati (CE)	Ordinance 435/12	07/19/12	07/19/47	03/02/16	16.8	8.7
Geração de Energia Termoeletrica e Participações S.A. ('GET')	Rio de Janeiro (RJ)	-	-	-	-	-	-
Risaralda Energia S.A.S.E.S.P. (*) ('Risaralda')	Rio Risaralda (PCH Morro Azul) - Colômbia	-	09/06/11	Indefinite	09/10/16	19.9	13.2
Verde 8 Energia S.A. ('Verde 8')	Rio Verde - Santa Helena de Goiás (GO)	3.702/12; 4.684/14 and 5.953/16	10/24/12	06/15/44	03/31/19	30.0	18.7
Agua Limpa S.A. ('Agua Limpa')	Rio Piracicaba - Antônio Dias (MG)	Ordinance 346/14	07/18/14	07/18/49	Pre-operating	23.0	11.9
La Virgen S.A.C. (*) ('La Virgen')	Rio Tarma - Perú	253/2005 - 313/2008	10/12/05	Indefinite	Pre-operating	84.0	49.3
Eolica do Agreste Potiguar I S.A. ('EAP I')	Jandaira (RN)	-	-	-	Pre-operating	25.2	-
Eolica do Agreste Potiguar II S.A. ('EAP II')	Jandaira (RN)	-	-	-	Pre-operating	37.8	-
Eolica do Agreste Potiguar III S.A. ('EAP III')	Jandaira (RN)	-	-	-	Pre-operating	29.4	-
Eolica do Agreste Potiguar IV S.A. ('EAP IV')	Jandaira (RN)	-	-	-	Pre-operating	37.8	-
Eolica do Agreste Potiguar V S.A. ('EAP V')	Jandaira (RN)	-	-	-	Pre-operating	25.2	-
Eolica do Agreste Potiguar VI S.A. ('EAP VI')	Jandaira (RN)	-	-	-	Pre-operating	21.0	-
Eolica do Agreste Potiguar VII S.A. ('EAP VII')	Jandaira (RN)	-	-	-	Pre-operating	37.8	-
Total under operation						580.0	350.1
Total under construction						321.2	61.2

(*) The concessions of Risaralda and La Virgen are located in Colombia and Peru, respectively; therefore, the applicable regulatory rules in these countries differ from the rules applicable in Brazil. (**) Subsidiaries established on September 16, 2020 to implement the Jandaira (RN) project and which are awaiting ANEEL's agreement to succeed Alupar in the respective authorizations.

Holdings and other industries:

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

Notes to the interim financial information

1.1. Impacts of COVID-19

In view of the pandemic reported by the World Health Organization (WHO) related to the dissemination of Covid-19, Alupar adopted monitoring and prevention procedures in order to protect its employees and the communities in which it operates, in order to maintain the operational continuity of its transmission lines and plants, and observing the recommendations of health authorities.

In view of the spread of the virus, an Emergency Crisis Committee was created, responsible for Contingency Planning to deal with the present situation, and an Internal Commission for Infection Control, with the hiring of a specialized professional (infectologist doctor) to help us, advise and establish protocols. Both the Committee and the Internal Commission have followed the evolution of the situation and taken preventive procedures, such as: suspension of international and national travels; quarantine period for all employees returning from international travels, even for those who do not show symptoms of the disease; restriction of face-to-face meetings, prioritizing the use of technology to make it viable remotely; institution of the home office work regime, with all employees of the corporate office qualified to carry out their activities remotely, in order to avoid the concentration of people; expansion of the home office to operational lines and construction plants, for all functions whose nature of work can be performed remotely; intensifying communication about the pandemic to employees; availability of hand sanitizer and masks in all plants; contingency plan at the Operations Centers, Substations and Construction Plants; intensification of asepsis in all environments in offices, operations centers, substations and construction plants; suspension of visits by employees or external persons to the Company's business plants; online training for the use of tools that promote and guarantee the continuity of deliveries, bringing people together, so that they adapt more quickly to the integral phase of remote work.

Additionally, the possible impacts in relation to the accounting balances, disclosed below, were evaluated:

Regarding their investments, no devaluation was identified, the Company and its subsidiaries mitigate the risks of volatility in the financial market by investing in investments that have a fixed remuneration, in view of their conservative profile.

The businesses of Alupar's subsidiaries have predictable revenue, readjusted by inflation and long-term, ensured by the regulatory models of our segments, with no risk of demand, as it does not depend on the volume of electricity consumed or on energy prices. Accordingly, the management of the Company and its subsidiaries does not consider that there is a risk of realization of its receivables. There was no significant variation in defaults as a result of COVID-19 in the nine-month periods ended September 30, 2020.

On May 18, 2020, ANEEL published Decree No. 10,350/2020, which creates the Conta-COVID, a measure to help the electric sector from the impacts of the crisis caused by the coronavirus. This account will receive funds from bank loans contracted by the Electric Energy Trading Chamber and destined to cover deficits or to anticipate revenues, total or partial, from the distributors, in order to balance their cash. This ensures the maintenance of the flow of funds to generators and transmitters, mitigating the risk of future default. On June 23, 2020, ANEEL approved the regulation of the COVID-Account.

In order to guarantee working capital, some Alupar subsidiaries, based on Ordinances No. 139 and No. 245, issued by the Ministry of Economy, on April 3, 2020 and June 15, 2020, respectively, extended the payment of the Contribution for PIS/PASEP and the Contribution for the Financing of Social Security - COFINS related to the competences from March to May 2020, they were paid in the same maturity terms of the contributions due in the competences from July to October 2020.

Additionally, in early June 2020, Alupar's subsidiaries: Foz do Rio Claro; Ijuí Energia; Ferreira Gomes; EDVs I, II, III, IV and V signed amendments to their respective financing contracts with the BNDES, with the objective of suspending payments of principal and interest amounts of their financing for 6 months from June 15, 2020 to October 15, 2020. These additives aim at increasing the working capital of these subsidiaries and were granted by BNDES to combat the impacts of the COVID-19 pandemic in the country.

Currently, with the exception of the construction of the plant of the indirect subsidiary La Virgen, located in Peru, and the completion of construction works for the transmission line of the subsidiary ETB, which partially went into operation

Notes to the interim financial information

on July 24, 2020, there is no forecast of a delay in construction in progress that could affect the infrastructure revenues included in its estimates for recoverability of the consolidated deferred income tax and for the analysis impairment of its subsidiaries. Regarding the La Virgen plant, as it is a long-term investment and has an indefinite concession period, the Company's management did not identify any impacts on the realization of its fixed assets due to the delay in its construction. In the case of ETB, the Company's management will request to the regulatory agency to disregard any penalty due to the delay generated by COVID-19. In addition, all projects under implementation in Brazil have already made their respective long-term funding, with no new funding required in the short term.

Based on the above assessment, on September 30, 2020 and until the date of issuance of this interim financial information, no significant impacts were identified on the business of the Company and its subsidiaries that could require disclosure.

2. Presentation of interim financial information

2.1. Basis of preparation

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

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

The interim financial information was approved by the Company's Management and authorized for issuance on November 11, 2020.

2.2. Measurement basis

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

2.3. Key estimates and critical accounting assumptions

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

The key estimates and critical accounting assumptions used in the preparation of the interim financial information are consistent with those applied and described in note 2.6 to the annual financial statements for the year ended December 31, 2019.

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

2.4.1. Functional and reporting currency

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

Notes to the interim financial information

2.4.2. Balances and transactions in foreign currency

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

2.5. Consolidation criteria

The consolidation criteria used in the preparation of the interim financial information are consistent to those applied and described in note 2.5 to the annual financial statements for the year ended December 31, 2019.

As at September 30, 2020 and as at December 31, 2019, the Company's interest in subsidiaries and joint venture is broken down as follows:

Notes to the interim financial information

Company	Activity	Interest 3/31/2020 (%)		Interest 12/31/2019 (%)	
		Direct	Indirect	Direct	Indirect
Subsidiaries:					
ACE	Sales	100.00	-	100.00	-
AETE	Transmission	-	32.06	-	22.12
AF Energia	Provision of services	100.00	-	100.00	-
Agua Limpia	Generation	99.99	-	99.99	-
Alupar Chile	Holding	100.00	-	100.00	-
Alupar Colombia	Holding	100.00	-	100.00	-
Alupar Peru	Holding	100.00	-	100.00	-
Apaete	Holding	36.96	-	25.50	-
EAP I	Generation	99.90	-	99.90	-
EAP II	Generation	99.90	-	99.90	-
EAP III (x)	Generation	99.90	-	99.90	-
EAP IV (x)	Generation	99.90	-	99.90	-
EAP V (x)	Generation	99.90	-	99.90	-
EAP VI (x)	Generation	99.90	-	99.90	-
EAP VII (x)	Generation	99.90	-	99.90	-
EATE	Transmission	50.02	-	50.02	-
EBTE (i)	Transmission	-	25.51	-	25.51
ECTE	Transmission	50.02	-	50.02	-
EDTE (vi)	Transmission	-	25.06	-	25.06
EDV I (iv)	Generation	-	100.00	-	100.00
EDV II (iv)	Generation	-	100.00	-	100.00
EDV III (iv)	Generation	-	100.00	-	100.00
EDV IV (iv)	Generation	-	100.00	-	100.00
EDV X (iv)	Generation	-	100.00	-	100.00
ELTE	Transmission	99.99	-	99.99	-
ENTE	Transmission	50.01	-	50.01	-
ERTE	Transmission	21.96	28.05	21.96	28.05
ESDE (iii)	Transmission	-	50.02	-	50.02
ESTE (i)	Transmission	-	50.02	-	50.02
ETAP	Transmission	100.00	-	100.00	-
ETB	Transmission	51.00	-	51.00	-
ETC	Transmission	100.00	-	100.00	-
ETEM	Transmission	62.79	-	62.79	-
ETEP	Transmission	50.02	-	50.02	-
ETES	Transmission	100.00	-	100.00	-
ETSE (iv)	Transmission	-	50.02	-	50.02
ETVG	Transmission	100.00	-	100.00	-
Ferreira Gomes	Generation	100.00	-	100.00	-
Foz	Generation	69.83	-	69.83	-
GET	Generation	51.00	-	51.00	-
Ijui	Generation	86.66	-	86.66	-
La Virgen (viii)	Generation	3.67	86.07	5.52	79.06
Lavrinhas	Generation	61.00	-	61.00	-
Lumitrans (i)	Transmission	15.00	40.01	15.00	40.01
Queluz	Generation	68.83	-	68.83	-
Reunidas	Holding	99.99	-	99.99	-
Risaralda (vii)	Generation	0.34	99.62	0.34	99.62
STC (i)	Transmission	20.00	40.01	20.00	40.01
STN	Transmission	51.00	-	51.00	-
TCC	Transmission	51.00	-	51.00	-
TCE (vii)	Transmission	-	99.99	-	99.99
TME	Transmission	60.00	-	60.00	-
TPE	Transmission	51.00	-	51.00	-
Transirapé (ii) (v)	Transmission	-	33.71	-	33.71
Transleste (ii) (v)	Transmission	-	33.71	-	33.71
Transminas	Holding	70.02	-	70.02	-
Transudeste (ii) (v)	Transmission	-	33.71	-	33.71
TSM	Transmission	51.00	-	51.00	-
Verde 8	Generation	85.00	-	85.00	-
Windepar	Holding	100.00	-	100.00	-
Joint venture:					
TNE (*)	Transmission	51.00	-	51.00	-

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

Notes to the interim financial information

Perú. (iv) Indirect interest through Windepar. (x) Subsidiaries established on September 16, 2020. (*) TNE is jointly controlled as relevant decisions on business are approved by the unanimous decision of the shareholders holding the voting shares.

3. Significant accounting policies

The accounting policies adopted in the preparation of this individual and consolidated interim financial information are consistent with those adopted and described in note 3 to the annual financial statements for the year ended December 31, 2019, issued on March 11, 2020, except for the adoption of the standards and pronouncements in effect from January 1, 2020, as described in note 4.

4. New standards and interpretations revised

The following amended rules and interpretations are effective for the year beginning on January 1, 2020:

- Changes in the references to the conceptual framework in the IFRS standards (CPC 00);
- Definition of a business (changes to CPC 15/IFRS 3); and
- Definition of materiality (amendments to CPC 26/IAS 1 and CPC 23/IAS 8).

The Company and its subsidiaries evaluated the changes in the above pronouncements and no relevant impacts were identified in the interim accounting information.

5. Cash and cash equivalents

Cash and cash equivalents	Average compensation - % CDI		Company		Average compensation - % CDI		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Cash available (cash and banks)	-	-	504	204	-	-	24,943	67,982
Bank deposit certificates	95.00%	-	191,247	-	96.85%	90.00%	418,317	320,891
Repurchase agreements	-	94.57%	-	38,976	-	95.00%	-	38,976
Investment funds	-	-	-	-	94.17%	98.20%	133,640	568,626
Automatic investments	20.00%	20.00%	-	294	20.00%	20.00%	55,396	28,729
Total			191,751	39,474			632,296	1,025,204

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

6. Short-term investments

	Company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Portfolio composition				
Government brazilian bonds – Financial Treasury Bills	139,963	406,689	194,279	1,368,202
Government brazilian bonds	488,442	533,722	1,431,548	1,349,326
Private notes	29,717	42,725	101,325	146,918
Other	(1)	(33)	34	(98)
Total	658,121	983,103	1,727,186	2,864,348

The Company and its subsidiaries invest funds in three exclusive funds, are measured at fair value through profit or loss and yield average interest of 59.62% of CDI as at September 30, 2020 (97.49% of CDI as at December 31, 2019).

Notes to the interim financial information

7. Marketable securities

Marketable securities	Average appreciation - % CDI		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Investment funds	98.00%	98.00%	108,090	104,963
Current			2,805	4,470
Non-current			105,285	100,493

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

8. Trade receivables

	Company		Consolidated					9/30/2020	12/31/2019
	Falling due		Falling due	Overdue					
	9/30/2020	12/31/2019		Up to 30 days	From 31 to 60 days	From 61 to 360 days	More than 361 days		
Power transmission system									
Transmission charges billed	-	-	151,492	3,484	66	1,976	14,952	171,970	142,370
	-	-	151,492	3,484	66	1,976	14,952	171,970	142,370
Power generation system									
Regulated environment	-	-	34,292	-	-	-	-	34,292	35,174
Free environment	18,659	35,834	31,042	-	-	27,768	-	58,810	80,623
MRE and Spot (short-term energy)	18,660	15,814	120,494	-	-	-	-	120,494	100,619
	37,319	51,648	185,828	-	-	27,768	-	213,596	216,416
	37,319	51,648	337,320	3,484	66	29,744	14,952	385,566	358,786
Current	37,319	51,648						365,380	346,258
Non-current	-	-						20,186	12,528

During the nine-month period ended September 30, 2020, no allowance for doubtful debts was recorded, due to the non-recognition of historical losses and/or loss expectations on trade receivables, evaluation and monitoring of credit risk and that they are guaranteed by the National Electric System Operator (ONS).

As of September 30, 2020 of the outstanding amount of MRE and Spot (short-term energy), R\$62,387 (R\$49,466 on December 31, 2019) refers to accounts receivable resulting from the temporary situation of the Energy Trading Chamber Electric - CCEE due to judicial injunctions of generators, due to the hydrological scenario and its financial impacts for free market hiring's that took place from July 1, 2015 to February 7, 2018. The Company and its subsidiaries understand that there are no risks in the realization of these assets and, consequently, no provision was recorded for this purpose.

9. Contractual concession asset

Changes in concession asset	Consolidated	
	9/30/2020	12/31/2019
Opening balance	9,959,154	5,531,458
Operation and maintenance revenue	214,292	461,143
Concession asset payment	967,377	432,406
Infrastructure revenue	2,474,733	3,393,000
Concession asset from acquisition of subsidiaries	-	1,356,493
Concession asset performance	(1,043,794)	(1,215,346)
Closing balance	12,571,762	9,959,154
Current	1,033,622	951,888
Non-current	11,538,140	9,007,266

Notes to the interim financial information

The Annual Permitted Revenue (APR) of the Company's subsidiaries, in accordance with Approving Resolution number 2,725, of July 14, 2020, effective since July, 2020, is being carried out as follows:

Cycle 2020 ~2021	Basic grid			Basic grid - frontier		DIT ^(e) (exclusive)		Total	Calculation of adjustment amount (PA)	Total net
	RBL ^(a)	RBNI ^(b)	RMEL ^(f)	RBL ^(a)	RBNI ^(b)	RPEC ^(c)	RCDM ^(d)			
EATE	249,272	8,878	34	-	-	-	-	258,185	6,614	264,799
ENTE	134,549	18	12	-	-	-	-	134,579	(2,169)	132,410
STN	157,720	1,737	-	-	-	-	-	159,458	(2,266)	157,192
ETEP	58,581	15	192	-	-	-	-	58,788	(461)	58,327
ECTE	56,783	11	31	-	-	-	-	56,825	(542)	56,283
ERTE	23,777	6,870	-	-	-	-	-	30,648	(12,395)	18,253
EBTE	41,370	4,360	9	2,719	-	432	-	48,889	1,223	50,112
STC	30,443	1,975	-	8,280	2,587	371	4,477	48,133	(769)	47,364
Transleste	35,664	-	-	-	-	-	-	35,664	(472)	35,192
Transirapé	20,815	9,512	-	4,742	4,311	387	1,282	41,048	1,774	42,822
Lumitrans	31,818	22	-	-	-	-	-	31,841	(346)	31,495
Transudeste	30,231	-	-	-	-	-	-	30,231	(324)	29,908
ETSE	16,034	2,107	-	2,458	1,894	1,021	-	23,513	(142)	23,371
ETES	8,836	3,226	-	-	4,470	-	2,057	18,589	(217)	18,372
ESDE	9,242	-	2	4,114	-	1,005	-	14,363	(482)	13,881
ETAP	57,319	-	-	-	-	-	-	57,319	(754)	56,565
TME	47,779	7,137	32	-	-	-	-	54,948	(545)	54,403
ETC	10,338	-	-	19,512	-	3,424	-	33,274	(2,696)	30,578
ETEM	13,700	-	55	-	-	-	-	13,755	(144)	13,611
ETVG	1,358	208	-	2,844	6,013	496	848	11,767	(12)	11,756
AETE	32,175	-	30	-	-	-	-	32,205	(588)	31,617
EDTE	65,952	-	-	-	-	-	-	65,952	(875)	65,078
ETB	55,881	-	-	-	-	-	-	55,881	-	55,881
Total	1,189,639	46,077	397	44,668	19,275	7,136	8,663	1,315,856	(16,588)	1,299,267

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

- Empresa Transmissora Capixaba – ETC**

Since the start of its operation, which took place on September 23, 2019, with the obtaining of the Provisional Release Term, the subsidiary ETC was receiving 90% of the RAP defined in the concession contract, as a result of the existence of its non-impedic pendency related to the non-implantation of the OPGW cable on the Rio Novo do Sul - Vitória Transmission Line, which was being evaluated by the ANEEL. According to the sectorial regulation, 12 months after the issuance of the Provisional Release Term, there is a further reduction in revenue and ETC then started to receive 80% of the RAP defined in the concession contract. This fact generated a reduction on remeasurement of the concession's contractual assets, initially estimated in the amount of R\$33,017 (note 9) and, consequently, in the remuneration revenue of the contractual asset (note 24) for the nine months ended September 30, 2020. Currently, ETC is working on finalizing the construction works for the OPGW cable to then request the Definitive Release Term in order to receive 100% of the RAP.

Notes to the interim financial information

10. Investments in subsidiaries and joint venture

Variation in investments	Balance as at 12/31/2019	Additions (write-offs) (iv)	Amortization of intangible	Adjustment to cumulative conversion	Share of profit (loss) of subsidiaries	Dividends (iii)	Balance as at 9/30/2020
Subsidiaries							
ACE	23	-	-	-	(7)	-	16
AF	789	-	-	-	1,952	-	2,741
Agua Limpa	7,878	-	-	-	(16)	-	7,862
Alupar Colômbia	46,380	3,407	-	9,784	(1,382)	-	58,189
Alupar Chile	(1,521)	-	-	-	-	-	(1,521)
Alupar Peru	96,064	145,839	-	46,291	(68,784)	-	219,410
Apaeete	36,227	22,665	-	-	10,084	(2,180)	66,796
EAP I	(42)	-	-	-	(25)	-	(67)
EAP II	(42)	-	-	-	(22)	-	(64)
EAP III	-	1	-	-	-	-	1
EAP IV	-	1	-	-	-	-	1
EAP V	-	1	-	-	-	-	1
EAP VI	-	1	-	-	-	-	1
EAP VII	-	1	-	-	-	-	1
EATE	490,542	-	-	-	163,362	(111,449)	542,455
ECTE	106,101	-	-	-	24,482	(34,000)	96,583
ELTE	15,079	-	-	-	23	-	15,102
ENTE	271,312	-	-	-	55,036	(69,266)	257,082
ERTE	35,264	-	-	-	(4,539)	-	30,725
ETAP	188,890	-	-	-	51,127	-	240,017
ETB (ii)	107,397	-	(1,716)	-	21,400	13,348	140,429
ETC	78,502	-	-	-	(26,015)	-	52,487
ETEM	55,849	-	-	-	3,308	-	59,157
ETEP	145,743	-	-	-	24,317	(46,620)	123,440
ETES	53,945	-	-	-	9,479	-	63,424
ETVG	64,771	-	-	-	5,112	-	69,883
Ferreira Gomes	892,360	-	-	-	14,249	226	906,835
Foz	160,561	-	-	-	15,955	-	176,516
GET	(548)	-	-	-	-	-	(548)
Ijuí	285,056	-	-	-	6,459	-	291,515
La Virgen (i)	21,970	-	-	6,957	(1,347)	-	27,580
Lavrinhas	99,189	-	-	-	8,357	-	107,546
Lumitrans	15,907	(1,350)	-	-	2,799	(1,461)	15,895
Queluz	128,251	-	-	-	8,468	-	136,719
Risaralda	63	-	-	8	(1)	-	70
STC	44,731	-	-	-	1,688	(2,675)	43,744
STN	230,659	-	-	-	43,312	(12,775)	261,196
TCC	80,444	-	-	-	45,530	21,474	147,448
TME	194,710	-	-	-	13,159	(75,677)	132,192
TPE	114,102	64,260	-	-	46,117	30,396	254,875
Transminas	88,381	-	-	-	25,012	(12,842)	100,551
Transmissoras Reunidas	(2)	-	-	-	(9)	-	(11)
TSM	27,961	-	-	-	32,353	2,622	62,936
Verde 8	86,367	-	-	-	(815)	-	85,552
Windepar	133,799	33,530	-	-	(7,559)	-	159,770
Subtotal	4,403,112	268,356	(1,716)	63,040	522,619	(300,879)	4,954,532
Joint ventures							
TNE	136,958	-	-	-	(86)	-	136,872
Total Consolidated	136,958	-	-	-	(86)	-	136,872
Total Company	4,540,070	268,356	(1,716)	63,040	522,533	(300,879)	5,091,404

(i) La Virgen recognized intangible assets of R\$6,164 reclassified to intangible assets for purposes of consolidation. (ii) ETB recognized intangible assets of R\$28,400 reclassified to intangible assets for purposes of consolidation. (iii) The positive values refer to the uncovered transfer of the mandatory minimum dividends declared in 2019 to the unrealized profit reserve of the subsidiaries. (iv) the positive values refer to payments and capital increases, with the exception of the amount of APAETE, which also comprises the acquisition of equity interest, in the amount of R\$16,186 and the capital gain determined in this operation, in the amount of R\$4,031 (see item (e) below).

Notes to the interim financial information

Changes in investments are demonstrated as follows:

Companies	Information on subsidiaries				9/30/2020			12/31/2019		
	9/30/2020				Number of total common shares or quotas	Interest (%)		Number of total common shares or quotas	Interest (%)	
	Assets	Liabilities	Equity	Profit or loss		Voting	Total		Voting	Total
Subsidiaries:										
ACE	14	(1)	15	(8)	3,420,644	100.00	100.00	3,420,644	100.00	100.00
AF Energia	8,612	5,872	2,740	1,950	7,370,000	100.00	100.00	7,370,000	100.00	100.00
Agua Limpa	7,930	67	7,863	(16)	7,947,090	99.99	99.99	7,947,090	99.99	99.99
Alupar Chile	1,329	2,850	(1,521)	-	5,000,000	100.00	100.00	5,000,000	100.00	100.00
Alupar Colombia	76,673	18,485	58,188	(1,384)	58,596,603,000	100.00	100.00	55,801,860,000	100.00	100.00
Alupar Peru	527,876	308,467	219,409	(68,784)	254,466,812	100.00	100.00	152,231,612	100.00	100.00
APAETE	181,598	847	180,751	29,051	76,297,851	51.00	36.96	71,497,851	51.00	25.50
EAP I	1,263	1,330	(67)	(25)	1,000	99.90	99.90	1,000	99.90	99.90
EAP II	830	889	(59)	(22)	1,000	99.90	99.90	1,000	99.90	99.90
EAP III	1	-	1	-	1,000	99.90	99.90	-	-	-
EAP IV	1	-	1	-	1,000	99.90	99.90	-	-	-
EAP V	1	-	1	-	1,000	99.90	99.90	-	-	-
EAP VI	1	-	1	-	1,000	99.90	99.90	-	-	-
EAP VII	1	-	1	-	1,000	99.90	99.90	-	-	-
EATE	2,091,875	1,007,347	1,084,528	326,611	92,000,000	50.02	50.02	92,000,000	50.02	50.02
ECTE	494,499	301,418	193,081	48,944	42,095,000	50.02	50.02	42,095,000	50.02	50.02
ELTE	18,751	3,649	15,102	27	15,467,000	100.00	100.00	15,467,000	100.00	100.00
ENTE	878,633	364,582	514,051	110,046	100,840,000	50.01	50.01	100,840,000	50.01	50.01
ERTE	159,064	19,150	139,914	(20,667)	84,133,970	21.96	21.96	84,133,970	21.96	21.96
ETAP	591,190	351,171	240,019	51,128	10,481,000	100.00	100.00	10,481,000	100.00	100.00
ETC	240,218	187,730	52,488	(26,015)	6,151,000	100.00	100.00	6,151,000	100.00	100.00
ETEM	149,412	55,199	94,213	5,270	43,000,000	62.79	62.79	43,000,000	62.79	62.79
ETEP	493,457	246,652	246,805	48,620	27,000,000	50.02	50.02	27,000,000	50.02	50.02
ETES	154,446	91,022	63,424	9,477	29,064,000	100.00	100.00	29,064,000	100.00	100.00
ETVG	131,402	61,521	69,881	5,111	34,847,722	100.00	100.00	34,847,722	100.00	100.00
Ferreira Gomes	1,554,881	648,047	906,834	15,200	807,080,529	100.00	100.00	807,080,529	100.00	100.00
Foz	389,360	136,594	252,766	22,847	67,717,178	100.00	69.83	67,717,178	100.00	69.83
GET	30	1,104	(1,074)	-	1,200	51.00	51.00	1,200	51.00	51.00
Ijuí	458,178	121,780	336,398	7,455	273,064,862	100.00	86.66	273,064,862	100.00	86.66
La Virgen	1,049,867	466,508	583,359	(36,696)	384,236,203	3.67	3.67	255,585,903	5.52	5.52
Lavrinhas	312,585	136,270	176,315	13,699	70,910,870	61.00	61.00	70,910,870	61.00	61.00
Lumitrans	119,337	13,361	105,976	18,659	72,012,095	15.00	15.00	72,012,095	15.00	15.00
Queluz	358,547	159,915	198,632	12,301	96,782,146	68.83	68.83	96,782,146	68.83	68.83
Risaralda	215,890	195,919	19,971	(239)	29,093	0.34	0.34	29,093	0.34	0.34
STC	245,016	26,301	218,715	8,439	211,003,246	20.00	20.00	211,003,246	20.00	20.00
STN	663,464	151,316	512,148	84,925	198,000,000	51.00	51.00	198,000,000	51.00	51.00
TCC	1,260,552	971,438	289,114	89,274	22,728,926	51.00	51.00	22,728,926	51.00	51.00
TPE	1,980,398	1,480,645	499,753	90,425	31,553,107	51.00	51.00	31,553,107	51.00	51.00
Transminas	143,614	6	143,608	35,723	44,860,000	70.02	70.02	44,860,000	70.02	70.02
Transmissoras Reunidas	1	12	(11)	(9)	25,780	100.00	100.00	25,780	100.00	100.00
TSM	749,794	626,389	123,405	63,438	37,631,994	51.00	51.00	37,631,994	51.00	51.00
Verde 8	287,950	187,293	100,657	(1,094)	107,660,380	85.00	85.00	107,660,380	85.00	85.00
Windepar	315,788	156,020	159,768	(7,561)	164,832,956	100.00	100.00	164,832,956	100.00	100.00
TME	595,571	375,047	220,524	20,167	109,793,590	60.00	60.00	109,793,590	60.00	60.00
ETB	1,226,648	984,975	241,673	41,960	222,958	51.00	51.00	222,958	51.00	51.00
Joint venture:										
TNE	304,503	36,201	268,302	(169)	298,705,100	51.00	51.00	298,705,100	51.00	51.00

a) TNE – Transnorte Energia S.A.

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

Notes to the interim financial information

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

On December 19, 2016, ANEEL Order 3265 was published, based on the decision undertaken by the executive board, at the meeting held on December 13, 2016, which addresses the amicable termination of the concession agreement entered into by TNE, including the recommendations to: (i) accept the TNE's request and, in the merit, partially recognize the elements for termination of the Concession Agreement 003/2012 - ANEEL; and (ii) submit the court records of the Administrative Proceeding to the Ministry of Mines and Energy, including the recommendations to: (a) terminate such Concession Agreement, under the terms of article 472 of the Civil Code, or through another means deemed appropriate; (b) in the event of termination of the Concession Agreement, indicate the federal administration body or entity, in this case, Eletronorte, to provide the public transmission service relating to the CER of SE Boa Vista, until the subsequent decision determines the reversal of the assets in use, and the Granting Authority may grant the concession without the previous reversal of the assets bound to the respective public service; and (c) in the event of termination of the Agreement, consider as a reference for the indemnity of assets in use the new replacement value, less depreciation for the period, in the accounting report to be monitored by ANEEL; the assets not in use are not subject to indemnity.

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

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

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

On September 10, 2019, the 33th Meeting of ANEEL's Executive Board resolved the following: (i) authorize the amendment to the Concession Agreement 003/2012, which must provide for the economic and financial balance and the CER value of SE Boa Vista, an integral part of the scope of the Invitation to Bid, totaling APR of R\$560,772, as at October 31, 2019; (ii) redefine the implementation term for 36 months, counted as from the signature of the Contractual Amendment; and (iii) request the contracted party to sign the amendment through October 31, 2019. This decision is included in ANEEL Order 2502/2019.

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

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

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

Notes to the interim financial information

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

The information regarding the ELTE project and the entire process that this subsidiary went through to obtain the proposal submitted by ANEEL to add its concession contract, the acceptance of the proposal and the waiting time for receipt of the contract addendum, are detailed in the note 10 - item (b) to the annual financial statements for the year ended December 31, 2019.

Upon ANEEL's failure to respond, on January 22, 2020, ELTE filed a security mandate No. 1003014-91.2020.4.01.3400, so that ANEEL could provide the addendum to the concession contract or the full termination of the contract. At an extraordinary meeting held on February 27, 2020, ANEEL announced that a new project, prepared by the Energy Research Company - EPE and presented to the Regional Flight Protection Service of São Paulo - SRPV-SP, could make the northern section - Domenico Rangoni. Thus, ANEEL suspended for 90 days or until the manifestation of SRPV-SP, whichever comes first, the decision for the request submitted by ELTE, for amicable termination of the concession contract or celebration of the addendum term for the implementation of the southern section - Manoel da Nóbrega. Then, ELTE filed an appeal against ANEEL against this decision, requesting a manifestation within 30 days. At a board meeting held on May 5, 2020, ANEEL denied ELTE's appeal and maintained the previous order, that is, suspension for 90 days (counted from the extraordinary meeting held on February 27, 2020) or until the manifestation of SRPV-SP (whichever comes first), to return to analyze the theme.

At an ANEEL board meeting, held on May 26, 2020, it was decided to dismiss the Administrative Request filed by ELTE claiming the economic and financial rebalancing of Concession Agreement No. 16/2014, with reduction of the object, referring to the works of the set Domenico Rangoni Substation, with 345/138 kV, maintaining the Manoel da Nóbrega Substation, with 230/138-88 kV. Upon this decision, on June 10, 2020, ELTE filed an appeal for reconsideration with ANEEL Order No. 1485/2020 to the Agency. Until the date of approval of this interim financial information, ELTE was awaiting the return of this resource.

c) Empresa Diamantina de Transmissão de Energia S.A. - EDTE

On January 20, 2020, EDTE, the Company's indirect subsidiary, was authorized to start-up operations. EDTE is responsible for the development, construction and operation of Lot M of the 1st Stage of the Transmission Auction 013/2015, held in April 2016, composed of the following facilities: LT 500 kV Ibicoara - Poções III | Extension 165 Km; SE 500/230 kV Poções III | Power 600 MVA; and LT 230kV Poções III – Poções II | Extension 5 Km. EDTE will contribute to the expansion of the transmission system in the South region of the State of Bahia to ensure the proper electric energy supply to the consumers in such region.

d) Empresa de Transmissão Baiana S.A. – ETB

On July 24, 2020, the Company's subsidiary, ETB obtained authorization to start the commercial operation of the stretch comprising the 500 kV Transmission Line Juazeiro III - Ourolândia II, adding an Allowed Annual Revenue - RAP of R\$55,881 thousand for the cycle 2020_2021. ETB is responsible for implementing lot E, from the 1st Stage of Transmission Auction No. 013/2015, held in April 2016. ETB will contribute to increase the transmission capacity of the Northeast - Southeast interconnection, aiming at the adequate flow of the current ones and future generation projects planned to be implemented in the Northeast region.

e) APAETE Participações em Transmissão S.A - APAETE

On August 20, 2020, Alupar and CSHG Perfin Apollo 16 Multi-Strategic Equity Investment Fund ("Apollo 16"), shareholders of APAETE, signed the Private Instrument of Contract for the Purchase and Sale of Shares and Other Covenants, where the Alupar acquired 17,033,814 nominal preferred shares with no par value, subscribed and paid in from APAETE and Apollo 16 would transfer to Alupar, at no additional cost, 446,529 nominal preferred shares with no par value subscribed from APAETE and which had not yet been paid up, totaling 23% of APAETE's preferred actions. The effects of this purchase, sale and transfer of shares were conditioned to a precedent condition and only became effective from the 1st. September 2020, with the payment of the acquisition in the amount of R\$16,186. This transaction between shareholders generated a capital gain in the amount of R\$4,031, which was recorded in shareholders' equity, under the caption "Capital reserve", and changed Alupar's total equity interest in APAETE from 25.50% to 36.96%, considering the number of common shares and preferences, which in turn also changed Alupar's indirect ownership interest in AETE, APAETE's direct subsidiary, from 22.12% to 32.06%.

Notes to the interim financial information

f) Eólicas do Agreste Potiguar III, IV, V, VI e VII - EAP III, EAP IV, EAP V, EAP VI e EAP VII or Companies

On September 16, 2020, Alupar and its subsidiary AF Energia formed the following companies: Eólica do Agreste Potiguar III SA, Eólica do Agreste Potiguar IV SA, Eólica do Agreste Potiguar V SA, Eólica do Agreste Potiguar VI SA and Eólica do Agreste Potiguar VII SA. These companies are engaged in the implementation, operation, maintenance and operation of wind generation facilities, their associated electricity transmission system and other complementary works, are located in the municipality of Jandaíra, State of Rio Grande do Norte and will be used for the implementation of the Jandaíra project whose total power to be installed in these companies will be 151.2 MWh. The paid-in capital for each of the Companies on the date of incorporation was R\$1,000.00, with Alupar being the parent company, with a 99.90% interest.

g) Empresa de Transmissão do Espírito Santo S.A. – ETES

On September 22, 2020, ETES received from the National Electric System Operator - ONS, the Definitive Release Term, authorizing, as of September 15, 2020, the beginning of the commercial operation of the Reinforcement of the Verona Substation Installations, according to ANEEL Authorizing Resolution No. 7,545/2019, dated January 22, 2019. This Reinforcement will add a RAP of R\$3,100, base value cycle 2020_2021. The investment in the facilities to be unitized was approximately R\$23,500.

11. Interests of non-controlling shareholders

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

Non-controlling interest in subsidiaries	9/30/2020			12/31/2019		
	Non-controlling interest (%)	Non-controlling interest (carrying amount)	Income (loss) from non-controlling interest	Non-controlling interest (%)	Non-controlling interest (carrying amount)	Income (loss) from non-controlling interest
Subsidiaries						
Transminas	29.98	43,057	10,711	29.98	37,845	10,827
EATE	49.98	542,073	163,248	49.98	490,162	170,077
ENTE	49.99	256,969	55,011	49.99	271,193	104,789
ECTE	49.98	96,498	24,461	49.98	106,007	24,049
ERTE	21.95	30,711	(4,536)	21.95	35,248	9,358
ETEP	49.98	123,364	24,302	49.98	145,654	37,361
STN	49.00	250,953	41,613	49.00	221,613	37,463
EBTE	49.00	154,926	18,150	49.00	138,177	16,909
EDTE	49.90	94,018	26,728	49.90	72,279	51,603
Lumitrans	5.00	5,299	933	5.00	5,303	1,296
Ijuí	13.34	44,882	995	13.34	43,887	2,962
Foz	30.17	76,250	6,892	30.17	69,358	8,151
Lavrinhas	39.00	68,763	5,343	39.00	63,419	7,002
Queluz	31.17	61,914	3,834	31.17	58,079	5,872
ETEM	37.21	35,056	1,961	37.21	33,095	(2,934)
GET	49.00	(526)	-	49.00	(526)	-
Risaralda	0.03	7	-	0.03	6	1
Verde 08	15.00	15,119	(164)	15.00	15,243	(943)
La Virgen	10.26	53,514	(2,692)	15.42	44,168	(1,230)
TPE	49.00	244,879	44,308	49.00	109,627	119,759
TCC	49.00	141,666	43,744	49.00	77,289	84,660
TSM	49.00	60,468	31,085	49.00	26,866	10,607
Apaete	63.04	113,954	18,967	74.50	112,231	8,937
AETE	13.25	20,150	4,424	13.25	31,276	1,068
Transleste	49.00	38,411	9,265	49.00	32,545	13,195
Transudeste	49.00	27,903	6,767	49.00	25,792	11,166
Transirapé	49.00	88,369	26,640	49.00	65,077	17,967
TME	40.00	88,707	7,570	40.00	130,607	3,710
ETB	49.00	127,187	20,560	49.00	76,356	(2,569)
		2,904,541	590,120		2,537,876	751,113

Notes to the interim financial information

In the nine-month period ended September 30, 2020, non-controlling shareholders increased their capital by R\$86,081 in the companies Apaete, ETB and TPE.

There was also the distribution of dividends to non-controlling shareholders in the total amount of R\$362,786 and the transfer of mandatory dividends in the total amount of R\$65,179 from the subsidiaries TCC, TPE, TSM and ETB to the unrealized earnings reserve account, in view of cash management by the construction stage of these subsidiaries.

12. Property, plant and equipment

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

Consolidated							
Annual average depreciation rate	12/31/2019	Additions	Write-offs	Transfers	Gain (loss) on conversion of balances	Other	9/30/2020
In service							
Historical cost							
Land	88,062	-	-	-	885	-	88,947
Reservoirs, dams and feeders	1,577,606	-	-	6,395	-	-	1,584,001
Buildings, civil construction and improvements	478,998	490	-	50,810	25,175	(33)	555,440
Machinery and equipment	1,858,764	1,316	(31)	17,860	9,503	79	1,887,491
Vehicles	3,225	-	(5)	-	251	(178)	3,293
Furniture and fixtures	7,843	525	(113)	43	542	21	8,861
Lease use right	34,327	3,621	(8)	-	293	1,181	39,414
Total	4,048,825	5,952	(157)	75,108	36,649	1,070	4,167,447
Depreciation							
Reservoirs, dams and feeders	7.54%	(205,046)	(28,918)	-	-	(1)	(233,965)
Buildings, civil construction and improvements	18.49%	(60,688)	(20,755)	290	(1,096)	753	(81,496)
Machinery and equipment	10.80%	(304,901)	(48,287)	11	(1,198)	(883)	(355,258)
Vehicles	26.17%	(1,749)	(193)	5	(62)	(171)	(2,170)
Furniture and fixtures	36.92%	(4,005)	(641)	85	(295)	(33)	(4,889)
Lease use right	55.13%	(3,353)	(3,983)	-	(89)	(1,507)	(8,932)
Total depreciation		(579,742)	(102,777)	391	(2,740)	(1,842)	(686,710)
Total in service		3,469,083	(96,825)	234	75,108	(772)	3,480,737
In progress							
		956,943	121,693	(96)	(75,099)	234,403	(5,694)
Total property, plant and equipment		4,426,026	24,868	138	9	268,312	(6,466)
Consolidated							
Annual average depreciation rate	12/31/2018	Additions	Write-offs	Transfers	Gain (loss) on conversion of balances	Property, plant and equipment acquired from capital transaction	9/30/2019
In service							
Historical cost							
Land	87,521	1,963	(1,645)	-	50	-	87,889
Reservoirs, dams and feeders	1,540,083	51	-	37,455	-	-	1,577,589
Buildings, civil construction and improvements	466,527	1	-	8,018	322	283	475,151
Machinery and equipment	1,761,123	930	(16)	83,217	156	-	1,845,410
Vehicles	3,195	-	-	-	12	-	3,207
Furniture and fixtures	7,312	305	-	15	8	-	7,640
Total	3,865,761	3,250	(1,661)	128,705	548	283	3,996,886
Depreciation							
Reservoirs, dams and feeders	2.04%	(170,895)	(25,709)	-	-	-	(196,604)
Buildings, civil construction and improvements	2.19%	(49,733)	(8,106)	-	(10)	-	(57,849)
Machinery and equipment	3.10%	(246,353)	(43,298)	15	(27)	-	(289,663)
Vehicles	11.74%	(1,477)	(135)	-	(67)	-	(1,679)
Furniture and fixtures	11.07%	(3,274)	(470)	29	(59)	-	(3,774)
Total depreciation		(471,732)	(77,718)	44	(163)	-	(549,569)
Total in service		3,394,029	(74,468)	(1,617)	128,705	385	3,447,317
In progress							
		889,453	102,152	(4,861)	(128,705)	45,166	903,205
Total property, plant and equipment		4,283,482	27,684	(6,478)	-	45,551	4,350,522

- a) The balance of construction in progress refers to costs incurred for construction of hydroelectric power plants and transmission lines, mainly subsidiaries La Virgen (R\$997,180), TCE (R\$165,766), Foz (R\$32,247), EDVs (R\$12,271) and Água Limpa (R\$7,847), Ijuí (R\$ 4,270) and Ferreira Gomes (R\$ 3,974).

Notes to the interim financial information

b) Capitalization of charges

The subsidiaries in pre-operating stage capitalize interest on loans, financing and debentures at the construction cost of construction in progress. As at September 30, 2020, net capitalized financial charges totaled R\$22,822 (R\$6,288 as at December 31, 2019). The interest rate adopted to determine the loan costs subject to capitalization represents the effective rate of loans, financing and debentures of such subsidiaries in pre-operating stage, as described in notes 19 and 20.

c) The Company tested its PP&E items for impairment and did not find information, either through internal or external sources, which would be indicative of impairment.

d) Collaterals or guarantees

The Company and its subsidiaries have not pledged any PP&E items as collateral or guarantee, with the exception of the assets of subsidiary La Virgen which provided them as collateral for its loan agreement.

13. Intangible assets

Intangible assets are demonstrated as follows:

Company					
Annual average amortization rate	12/31/2019	Additions	Write-offs	9/30/2020	
Cost					
Other intangible concession assets	813	112	-	925	
Exploration rights	8,156	-	-	8,156	
	8,969	112	-	9,081	
Amortization					
Other intangible concession assets	20.00%	(676)	(38)	-	(714)
Exploration rights	3.33%	(2,743)	(271)	-	(3,014)
		(3,419)	(309)	-	(3,728)
Projects in progress		66,144	292	(18,283)	48,153
Total intangible assets		71,694	95	(18,283)	53,506

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

Consolidated						
Annual average amortization rate	12/31/2019	Additions	Write-offs	Transfers	Gain (loss) on conversion of balances	9/30/2020
Cost						
Other intangible concession assets	39,531	25,056	(1)	6,919	5,736	77,242
Use of public asset	16,348	-	-	260	-	16,608
Exploration rights	88,081	-	-	-	-	88,081
	143,960	25,056	(1)	7,179	5,736	181,931
Amortization						
Other concession intangible assets	8.22%	(13,692)	(788)	-	(478)	(14,958)
Use of public assets	10.10%	(4,362)	(398)	-	-	(4,760)
Exploration rights	15.82%	(15,774)	(3,294)	-	-	(19,068)
		(33,828)	(4,480)	-	(478)	(38,786)
Project in progress		74,040	376	(18,283)	(7,188)	(106)
Total intangible assets		184,172	20,952	(18,284)	(9)	191,981

Consolidated						
Annual average amortization rate	12/31/2018	Additions	Write-offs	Gain (loss) on conversion of balances	9/30/2019	
Cost						
Other intangible concession assets	24,512	5,238	(3)	22	29,769	
Use of public asset	16,348	-	-	-	16,348	
Exploration rights	66,373	24,105	-	-	90,478	
	107,233	29,343	(3)	22	136,595	
Amortização						
Other intangible concession assets	25.86%	(12,683)	(1,306)	-	60	(13,929)
Use of public asset	3.18%	(3,839)	(392)	-	-	(4,231)
Exploration rights	3.60%	(13,668)	(1,579)	-	-	(15,247)
		(30,190)	(3,277)	-	60	(33,407)
Project in progress		71,168	4,174	-	-	75,342
Total intangible assets		148,211	30,240	(3)	82	178,530

In the period ended on September 30, 2020, a transfer in the amount of R\$9 was made from projects under development to fixed assets in progress, for better presentation.

Notes to the interim financial information

a) Exploration rights

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

	Annual average amortization rate	Concession period		Company		Consolidated	
		Start	End	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Cost							
Queluz	4.58%	4/6/2004	4/6/2034	2,665	2,665	2,665	2,665
Lavrinhas	4.55%	4/6/2004	4/6/2034	5,245	5,245	5,245	5,245
ETB	3.69%	9/29/2016	9/29/2046	-	-	28,400	28,400
La Virgen	-	-	-	-	-	6,164	6,164
EDV I (**)	3.33%	7/17/2012	7/17/2047	-	-	3,006	3,006
EDV II (**)	3.33%	7/16/2012	7/16/2047	-	-	1,847	1,847
EDV III (**)	3.33%	7/19/2012	7/19/2047	-	-	2,714	2,714
EDV IV (**)	3.33%	7/24/2012	7/24/2047	-	-	3,933	3,933
EDV X (**)	3.33%	7/19/2012	7/19/2047	-	-	2,420	2,420
STC (*)	3.47%	4/27/2006	4/27/2036	-	-	8,942	8,942
Lumitrans (*)	4.10%	2/18/2004	2/18/2034	-	-	9,766	9,766
Transleste (*)	4.92%	2/18/2004	2/18/2034	-	-	3,814	3,814
Transudeste (*)	4.88%	3/4/2005	3/4/2035	-	-	2,767	2,767
Transirapé (*)	4.67%	3/15/2005	3/15/2035	-	-	4,391	4,391
EDTE (***)	2.87%	12/1/2016	12/1/2046	-	-	1,752	1,752
Other	-	-	-	246	246	255	255
				8,156	8,156	88,081	88,081
Amortization							
Queluz				(1,151)	(971)	(1,151)	(971)
Lavrinhas				(1,863)	(1,772)	(1,863)	(1,772)
ETB				-	-	(1,716)	-
EDV I (**)				-	-	(432)	(360)
EDV II (**)				-	-	(261)	(217)
EDV III (**)				-	-	(413)	(348)
EDV IV (**)				-	-	(563)	(470)
EDV X (**)				-	-	(347)	(289)
STC (*)				-	-	(3,719)	(3,486)
Lumitrans (*)				-	-	(4,803)	(4,503)
Transleste (*)				-	-	(1,297)	(1,157)
Transudeste (*)				-	-	(932)	(830)
Transirapé (*)				-	-	(1,418)	(1,264)
EDTE (***)				-	-	(153)	(107)
				(3,014)	(2,743)	(19,068)	(15,774)
Total net				5,142	5,413	69,013	72,307

(*) Exploration right generated by the acquisition of shares by the subsidiary EATE. (**) Exploration right generated by the acquisition of shares by the subsidiary Windepar. (***) Exploration right generated by the acquisition of shares by the subsidiary ENTE.

b) Project under development

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

c) Collaterals or guarantees

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

Notes to the interim financial information

d) Impairment of intangible assets

The Company assessed the recovery of the book value of intangible assets as of December 31, 2019, and no information was identified through internal or external sources that would result in the risk of recovering these assets. We evaluated the current scenario, as described in note 1.1., And until the issuance of this interim financial information, we did not identify any indications that would result in the risk of recovering these intangible assets.

14. Trade payables

	Company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Transmission use charges	-	-	2,559	2,414
Electric energy supply (a)	9,040	10,571	127,907	147,059
Materials and services	16,490	31,175	236,216	251,897
Related parties	5,805	36,120	-	-
Total	31,335	77,866	366,682	401,370

The balance of transmission service use charges, materials and services and electric energy supply, except for item (a) are payable within three months, on average, as at September 30, 2020 and December 31, 2019.

- (a) As at September 30, 2020, a portion of the outstanding balance, R\$116,903 (R\$108,381 as at December 31, 2019) refers to amounts payable relating to the Generation Scaling Factor (GSF), between July 1, 2015 and February 7, 2018, which payment was suspended by virtue of the preliminary injunction granted by the Superior Court of Justice (STJ).

15. Provisions for environmental expenses

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

Changes in provision for environmental costs	Consolidated	
	9/30/2020	12/31/2019
Opening balance	20,672	24,134
Realization	(521)	(4,364)
Write-offs	-	(20)
Additions	12,184	201
Adjustment	(246)	721
Closing balance	32,089	20,672
Current	13,607	19,938
Non-current	18,482	734

Notes to the interim financial information

16. Provisions for assets

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

Changes in the provision for the constitution of assets	Consolidated	
	9/30/2020	12/31/2019
Opening balance	80,271	86,019
Realization	(8,424)	(72,145)
Write-offs	(7,856)	(3,225)
Additions	33,464	69,622
Closing balance	97,455	80,271
Current	90,778	73,594
Non-current	6,677	6,677

17. Regulatory charges

	Consolidated	
	9/30/2020	12/31/2019
ANEEL inspection fee (TFSEE)	3,357	2,884
Quota for Global Reversal Reserve (RGR)	3,989	3,407
Financial Compensation for the Use of Water Resources (CFURH)	1,264	1,078
Research and Development (R&D)	53,519	51,244
National Fund for Scientific and Technological Development (FNDCT)	892	940
Ministry of Mines and Energy (MME)	446	520
	63,467	60,073

18. Deferred social contributions and regulatory charges

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

	Consolidated	
	9/30/2020	12/31/2019
Deferred TFSEE and RGR	182,964	180,947
Deferred PIS and COFINS	896,109	658,180
	1,079,073	839,127
Current	77,331	63,105
Non-current	1,001,742	776,022

Notes to the interim financial information

19. Loans and financing

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

Financing agents	Companies	Contractual conditions of loans and financing						Consolidated				
		Contracting date	Maturity	Principal	Financial charges p.a.		Amortization frequency	9/30/2020				12/31/2019
					Index	Interest (%)		Unamortized costs	Charges	Principal	Total	Total
Domestic currency - Brazilian reais												
Operating												
BNDES - A - nº 11.2.1030.1	ETEM	Dec-11	Apr-26	44,700	TJLP	2.44	Monthly	-	55	18,617	18,672	21,463
BNDES - B - nº 11.2.1030.1	ETEM	Dec-11	Apr-26	2,100	TJLP	2.04	Monthly	-	4	856	860	698
BNDES - A - nº 13.2.1413.1	ETSE	Dec-13	Nov-28	27,446	TJLP	2.02	Monthly	-	85	26,478	26,563	29,003
BNDES (FINAME) - B - nº 13.2.1413.1	ETSE	Dec-13	Nov-23	34,254	-	3.50	Monthly	-	20	14,054	14,074	17,408
BNDES - A - nº 12.2.1390.1	FGE	Dec-12	Apr-31	198,420	TJLP	2.34	Monthly	-	492	168,526	169,018	169,068
BNDES - B - nº 12.2.1390.1	FGE	Dec-12	Apr-31	78,540	TJLP	2.34	Monthly	-	195	66,701	66,896	66,917
BNDES - C - nº 12.2.1390.1	FGE	Dec-12	Apr-31	9,500	TJLP	2.34	Monthly	-	22	7,526	7,548	7,551
BNDES - D - nº 12.2.1390.1	FGE	Dec-12	Dec-22	181,850	-	2.50	Monthly	(2,526)	57	55,586	53,117	71,483
BNDES - E - nº 12.2.1390.1	FGE	Dec-12	Apr-31	2,300	TJLP	-	Monthly	-	4	1,996	2,000	2,024
BNDES - nº 08.2.0070.1	Foz	Apr-08	Mar-27	201,630	TJLP	2.44	Monthly	-	330	111,337	111,667	113,594
BNDES - nº 08.2.0071.1	Ijuí	Apr-08	Sep-27	168,200	TJLP	3.17	Monthly	-	331	101,963	102,294	103,438
BNDES - nº 08.2.0976.1	Lavrinhas	Mar-09	Apr-25	111,185	TJLP	1.93	Monthly	-	120	43,725	43,845	51,033
BNDES - nº 10.2.0477.1	Lavrinhas	Aug-10	Apr-25	16,875	TJLP	2.22	Monthly	-	18	5,938	5,956	6,932
BNDES - nº 08.2.0975.1	Queluz	Mar-09	Jan-25	114,647	TJLP	1.93	Monthly	-	116	41,980	42,096	49,394
BNDES - nº 10.2.0478.1	Queluz	Aug-10	Jan-25	27,716	TJLP	2.22	Monthly	-	25	9,194	9,219	10,818
BNDES - nº 15.2.0778.1	EDV I	Mar-16	Oct-32	57,990	TJLP	2.18	Monthly	(65)	107	53,353	53,395	52,744
BNDES - nº 19.2.0598.1	EDV I	Dec-19	Oct-32	11,145	IPCA	1.68 +1.99	Monthly	-	69	14,739	14,808	11,351
BNDES - nº 15.2.0778.1	EDV II	Mar-16	Oct-32	32,220	TJLP	2.18	Monthly	(41)	134	30,020	30,113	29,773
BNDES - nº 19.2.0598.1	EDV II	Dec-19	Oct-32	4,850	IPCA	1.68 +1.99	Monthly	-	8	8,468	8,476	4,810
BNDES - nº 15.2.0778.1	EDV III	Mar-16	Oct-32	49,007	TJLP	2.18	Monthly	(47)	129	45,909	45,991	45,509
BNDES - nº 19.2.0598.1	EDV III	Dec-19	Oct-32	9,067	IPCA	1.68 +1.99	Monthly	-	19	10,528	10,547	9,024
BNDES - nº 15.2.0778.1	EDV IV	Mar-16	Oct-32	81,041	TJLP	2.18	Monthly	(55)	214	70,511	70,670	69,822
BNDES - nº 19.2.0598.1	EDV IV	Dec-19	Oct-32	7,857	IPCA	1.68 +1.99	Monthly	-	6	11,584	11,590	7,804
BNDES - nº 15.2.0778.1	EDV X	Mar-16	Oct-32	41,042	TJLP	2.18	Monthly	(53)	80	38,601	38,628	38,162
BNDES - nº 19.2.0598.1	EDV X	Dec-19	Oct-32	11,206	IPCA	1.68 +1.99	Monthly	-	52	12,944	12,996	11,158
BNB - s nº A400000101001 and 1002	STN	Jun-04	Jun-24	299,995	-	10.00	Monthly	-	-	-	-	76,856
BDMG (FINAME) - nº 147068	Transirapé	Jun-10	Jul-20	1,187	-	4.50	Monthly	-	-	-	-	77
BDMG (FINAME PSI) - nº 177906	Transirapé	Dec-13	Jan-24	19,761	-	3.50	Monthly	-	11	7,941	7,952	9,742
BDMG (FINEM) - nº 193.292	Transirapé	Oct-14	Oct-29	5,893	TJLP	3.50	Monthly	-	163	3,824	3,987	4,317
BDMG - nº 215.411/16	Transirapé	Apr-16	Apr-26	4,000	TJLP	6.00	Monthly	-	178	3,027	3,205	2,047
BDMG - nº 215.485/16	Transirapé	Apr-16	Apr-21	4,469	TJLP	4.50	Monthly	-	84	1,657	1,741	3,166
BDMG - nº 127.315	Transleste	Mar-05	Mar-25	47,029	-	9.50	Monthly	-	55	10,870	10,925	12,783
BNB - nº 05974828-A	Transleste	Mar-05	Mar-25	15,000	-	9.50	Monthly	-	160	3,594	3,754	3,951
Banco do Brasil - FCO - nº 20/00474-5	TME	Feb-11	Feb-29	80,000	-	10.00	Monthly	-	-	-	-	56,854
BNDES - Agreement nº 20/00487-7	TME	Feb-12	May-26	87,300	TJLP	3.60	Monthly	-	-	-	-	41,418
Santander - CCB	TME	May-20	May-22	200,000	DI	3.30	Single installment	(649)	3,851	200,000	203,202	-
Santander - CCB	ETEP	Jul-20	Jul-25	90,000	CDI	2.90	Monthly	(724)	1,095	90,000	90,371	-
Santander - CCB	ECTE	Jul-20	Jul-25	80,000	CDI	2.90	Monthly	(657)	974	80,000	80,317	-
Santander - CCB	ENTE	Jul-20	Jul-25	100,000	CDI	2.90	Monthly	(803)	1,217	100,000	100,414	-
Itaú Unibanco S.A.	ETES	Sep-20	Sep-23	10,000	CDI	2.68	Semiannual	-	6	10,000	10,006	-
Subtotal								(5,620)	10,486	1,482,047	1,486,913	1,212,192
Current								(1,426)	6,629	141,371	146,574	256,716
Non-current								(4,194)	3,857	1,340,676	1,340,339	955,476

Notes to the interim financial information

Financing agents	Companies	Contractual conditions of loans and financing						Consolidated				
		Contracting date	Maturity	Principal	Financial charges p.a.		Amortization frequency	9/30/2020				12/31/2019
					Index	Interest (%)		Unamortized costs	Charges	Principal	Total	Total
Foreign currency												
Operating												
Itau Corpbanca	Risaralda	May-18	May-25	COP 120,000,000	IBR(**)	4.93	Quarterly	(1,752)	1,155	161,957	161,360	146,892
Itau Coprbanca New York Branch	Alupar Peru	Sep-17	Sep-20	USD 30,000	-	5.85	Quarterly	-	-	87,111	87,111	73,660
Itau Coprbanca New York Branch	Alupar Peru	Nov-19	Nov-20	USD 2,766	-	4.80	Annual	-	-	101,888	101,888	11,158
Banco Santander Brasil	Alupar Peru	Dec-18	Dec-21	USD 17,500	Libor (*)	3.42	Annual	-	-	119,077	119,077	70,587
Banco Santander Brasil	Alupar Peru	Mar-19	Mar-22	USD 17,500	Libor (*)	3.42	Annual	-	-	-	-	73,984
Banco Itaú	Alupar Colômbia	Jun-20	Jul-20	COP 29.649	-	24.05	Monthly	-	-	-	-	-
Pre-operating												
Itau Coprbanca Colombia Prenda	TCE	Jul-17	Jul-20	COP 200,000	IBR(**)	4.44	Monthly	-	-	-	-	53
Itau Coprbanca Colombia Leasing	TCE	Jul-17	Jul-20	COP 330,000	-	10.32	Monthly	-	-	-	-	91
Santander Brasil - Capital de trabajo	TCE	May-18	Apr-21	USD 30,000	Libor (*)	3.70	Annual	(119)	5,346	170,712	175,939	125,042
Itau Corpbanca Colombia S.A.	TCE	Sep-20	Oct-20	COP 209.251	-	24.05	Monthly	-	-	307	307	-
Corporacion Andina de Fomento CAF	La Virgen	Mar-17	Mar-32	USD 50,000	Libor (*)	Float: up to five years 3.9%/after 5.7%; Fixed: up to five years 5%/after 10.27%	Semiannual	-	-	258,717	258,717	193,743
Deg Deutsche Investitions	La Virgen	Mar-17	Mar-32	USD 30,000	Libor (*)	Up to five years 3.70; after five years 4.50	Semiannual	-	-	154,136	154,136	116,455
Subtotal								(1,871)	6,501	1,053,905	1,058,535	811,665
Current								(516)	6,501	320,407	326,392	131,346
Non-current								(1,355)	-	733,498	732,143	680,319
Total								(7,491)	16,987	2,535,952	2,545,448	2,023,857
Current								(1,942)	13,130	461,778	472,966	388,062
Non-current								(5,549)	3,857	2,074,174	2,072,482	1,635,795

(*) The Libor rate is a reference interest rate adopted by several banks operating in the London market. (**) Reference Bank Indicator (IBR). The IBR rate is calculated on a monthly basis.

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

The Management of the Company, its subsidiaries and joint ventures monitors the financial ratios established in the agreements. Non-compliance with the financing agreement terms not resolved or waived could result in accelerated maturity of the related debt and of other financing agreements, in addition to interest and fines. As at December 31, 2019 these ratios, which are required to be measured annually, were being met, in line with the provisions in the debt agreements entered into by its subsidiaries and joint ventures.

Notes to the interim financial information

As at September 30, 2020, certain subsidiaries' loans and financing have guarantees deposited in reserve accounts, in the amount of R\$108,090 (R\$104,963 as at December 31, 2019), as described in note 7.

Variation in loans and financing	Consolidated					
	Domestic currency		Foreign currency		Total	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Opening balance	1,212,192	1,216,142	811,665	644,339	2,023,857	1,860,481
Debts (unamortized cost)	492,097	44,925	578	150,032	492,675	194,957
Accrued charges	64,661	87,368	45,074	62,286	109,735	149,654
Adjustment for inflation and exchange rate changes	270	2,776	84,113	(5,283)	84,383	(2,507)
Gain (loss) on conversion	-	-	210,275	30,177	210,275	30,177
Principal paid	(245,006)	(152,253)	(48,129)	(28,947)	(293,135)	(181,200)
Charges paid	(37,301)	(87,155)	(45,041)	(40,939)	(82,342)	(128,094)
Loan acquired from business combination	-	100,389	-	-	-	100,389
Closing balance	1,486,913	1,212,192	1,058,535	811,665	2,545,448	2,023,857

In the nine-month period ended September 30, 2020, loans were contracted with Itaú Unibanco and Santander through Bank Credit Notes in the amount of R\$478,535 by subsidiaries TME, ECTE, ENTE, ETEP and ETES. Additionally, the BNDES released financing obtained by EDVs in December 2019, in the amount of R\$13,562.

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

Falling due installments, by currency and index	9/30/2020							
	Consolidated							
	R\$							
	2020	2021	2022	2023	2024	2025	After 2025	Total
Foreign currency								
US dollar	116,588	303,020	127,311	35,437	36,259	31,914	246,458	896,987
Colombian peso	4,103	12,675	15,492	18,308	21,125	91,716	-	163,419
(-) Unamortized costs	(122)	(465)	(387)	(364)	(299)	(234)	-	(1,871)
	120,569	315,230	142,416	53,381	57,085	123,396	246,458	1,058,535
Domestic currency								
CDI	1,248	6,024	213,821	66,438	107,625	91,987	-	487,143
TJLP	26,594	100,455	99,095	100,132	101,198	83,980	339,966	851,420
Fixed rate	8,905	35,582	35,371	10,330	4,035	1,150	180	95,553
IPCA	1,222	5,076	5,528	5,967	6,443	6,956	27,225	58,417
(-) Unamortized costs	(551)	(1,166)	(977)	(762)	(578)	(319)	(1,267)	(5,620)
	37,418	145,971	352,838	182,105	218,723	183,754	366,104	1,486,913
	157,987	461,201	495,254	235,486	275,808	307,150	612,562	2,545,448

Notes to the interim financial information

20. Debentures

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

Financing agents	Companies	Consolidated							Company					Consolidated				
		Contractual conditions of debentures							9/30/2020				12/31/2019	9/30/2020				12/31/2019
		Contracting date	Maturity	Principal	Effective rate p.a.		Amortization		Unamortized costs	Charges	Principal	Total	Total	Unamortized costs	Charges	Principal	Total	Total
					Index	Interest (%)	Principal	Charges										
Operating																		
6th Issuance	Alupar	Apr-15	Apr-21	250,000	IPCA	7.33	Annual	Semiannual	(737)	5,263	159,071	163,597	315,788	(737)	5,263	159,071	163,597	315,788
7th Issuance	Alupar	Dec-19	Oct-25	648,500	CDI	1.40	Single installment	Semiannual	(1,696)	11,431	648,500	658,235	648,842	(1,696)	11,431	648,500	658,235	648,842
1st Issuance	Windepar	Dec-16	Dec-28	67,500	IPCA	7.63	Semiannual	Semiannual	-	-	-	-	-	(4,310)	1,626	72,528	69,844	68,216
3rd Issuance	EATE	Mar-14	Mar-19	270,000	CDI	1.15	Quarterly	Quarterly	-	-	-	-	-	-	-	-	-	-
4th Issuance	EATE	Aug-14	Aug-20	159,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	-	-	-	-	28,260
5th Issuance - I	EATE	Sep-16	Sep-19	126,000	CDI	113.00	Monthly	Monthly	-	-	-	-	-	-	-	-	-	-
5th Issuance - II	EATE	Sep-16	Sep-21	54,000	CDI	116.00	Monthly	Monthly	-	-	-	-	-	(33)	75	54,000	54,042	54,149
6th Issuance	EATE	Sep-17	Sep-22	70,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(94)	5	30,545	30,456	41,901
7th Issuance	EATE	Jun-18	Jun-23	85,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(179)	9	51,000	50,830	64,712
8th Issuance	EATE	Jul-19	Jul-24	270,000	CDI	108.60	Single installment	Semiannual	-	-	-	-	-	(592)	1,181	270,000	270,589	276,019
3rd Issuance	ECTE	May-15	Feb-20	70,000	CDI	2.15	Quarterly	Quarterly	-	-	-	-	-	-	-	-	-	2,007
4th Issuance	ECTE	Sep-17	Sep-22	75,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(138)	10	62,068	61,940	74,861
5th Issuance	ECTE	Jul-19	Jul-24	50,000	CDI	108.60	Single installment	Semiannual	-	-	-	-	-	(192)	219	50,000	50,027	51,022
2nd Issuance	ENTE	Aug-14	Aug-20	248,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	-	-	-	-	44,078
3rd Issuance - I	ENTE	Sep-16	Sep-19	28,000	CDI	113.00	Monthly	Monthly	-	-	-	-	-	-	-	-	-	-
3rd Issuance - II	ENTE	Sep-16	Sep-21	12,000	CDI	116.00	Monthly	Monthly	-	-	-	-	-	-	-	-	-	12,022
4th Issuance	ENTE	Jul-19	Jul-24	50,000	CDI	108.60	Single installment	Semiannual	-	-	-	-	-	(200)	219	50,000	50,019	51,012
2nd Issuance	ETEP	Aug-14	Aug-20	69,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	-	-	-	-	12,263
3rd Issuance	ETEP	Jun-18	Jun-23	45,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(110)	5	30,306	30,201	38,451
3rd Issuance	Ferreira Gomes	Jun-14	Dec-27	210,900	IPCA	6.47	Semiannual	Semiannual	-	-	-	-	-	(9,565)	5,691	298,116	294,242	290,621
1st Issuance	STN	Aug-14	Aug-20	101,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	-	-	-	-	17,953
2nd Issuance	Transirapé	Sep-17	Sep-22	30,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(53)	3	19,460	19,410	26,635
1st Issuance	Transleste	Aug-14	Aug-20	55,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	-	-	-	-	9,916
2nd Issuance	Transleste	Sep-17	Jun-22	30,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(72)	5	28,800	28,733	29,875
2nd Issuance	Transudeste	Sep-17	Sep-22	50,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(67)	4	24,490	24,427	33,495
1st Issuance	EBTE	Jun-18	Jun-23	110,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(221)	10	60,502	60,291	76,755
1st Issuance	ETES	Jun-18	Jun-23	40,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(134)	4	22,001	21,871	27,847
2nd Issuance - I	ETAP	Sep-18	Sep-23	41,300	CDI	112.00	Single installment	Semiannual	-	-	-	-	-	(731)	37	41,300	40,606	41,059
2nd Issuance - II	ETAP	Sep-18	Sep-25	114,700	IPCA	6.17	Annual	Semiannual	-	-	-	-	-	(2,431)	630	121,465	119,664	119,281
1st Issuance	ETVG	Jun-18	Jun-23	38,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(112)	3	20,901	20,792	26,473
2nd Issuance	Verde 08	Jul-18	Jul-25	140,000	IPCA	5.96	Single installment	Semiannual	-	-	-	-	-	(2,273)	1,725	149,252	148,704	148,185
2nd Issuance - I	ETC	Sep-18	Sep-23	30,700	CDI	113.50	Single installment	Semiannual	-	-	-	-	-	(539)	28	30,700	30,189	30,534
2nd Issuance - II	ETC	Sep-18	Sep-25	85,300	IPCA	6.17	Annual	Semiannual	-	-	-	-	-	(1,790)	468	90,331	89,009	88,667
2nd Issuance	EDTE	Dec-18	Dec-28	315,000	IPCA	NTN-B + 0,5%	Semiannual	Semiannual	-	-	-	-	-	(9,079)	22,257	315,000	328,178	317,832
1st Issuance	ETB	Dec-18	Feb-29	715,000	IPCA	5.34	Semiannual	Semiannual	-	-	-	-	-	(20,090)	43,480	715,000	738,390	734,831
Pre-operating																		
1st Issuance	TCC	Sep-18	Sep-28	680,000	IPCA	6.53	Semiannual	Semiannual	-	-	-	-	-	(19,817)	40,556	680,000	700,739	698,938
1st Issuance	TPE	Sep-18	Sep-28	1,070,000	IPCA	6.53	Semiannual	Semiannual	-	-	-	-	-	(31,114)	63,816	1,070,000	1,102,702	1,099,875
1st Issuance	TSM	Dec-19	Dec-44	530,000	IPCA	4.50	Semiannual	Semiannual	-	-	-	-	-	(32,950)	27,355	530,000	524,405	497,458
1st Issuance	ESTE	Dec-19	Dec-44	415,000	IPCA	4.50	Semiannual	Semiannual	-	-	-	-	-	(24,793)	21,419	415,000	411,626	390,465
TOTAL									(2,433)	16,694	807,571	821,832	964,630	(164,112)	247,534	6,110,336	6,193,758	6,490,298
Current									(1,102)	16,694	159,071	174,663	161,714	(16,922)	43,810	382,874	409,762	479,525
Non-current									(1,331)	-	648,500	647,169	802,916	(147,190)	203,724	5,727,462	5,783,996	6,010,773

Notes to the interim financial information

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

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

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

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

As at September 30, 2020 and December 31, 2019, all covenants were met and these ratios were within the limits established in the debt agreements of the Company, its subsidiaries and joint ventures.

Debentures of the Company and its subsidiaries are nonconvertible.

Changes in debentures	Company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Opening balance	964,630	679,990	6,490,298	4,542,789
Debts (unamortized cost)	(72)	646,576	(1,678)	1,901,535
Accrued charges	17,447	46,322	321,326	399,688
Adjustment for inflation and exchange rate changes	22,156	29,347	28,958	54,019
Principal paid	(158,605)	(385,703)	(387,248)	(848,705)
Charges paid	(23,724)	(51,902)	(257,898)	(284,073)
Debentures acquired in business combination	-	-	-	725,045
Closing balance	821,832	964,630	6,193,758	6,490,298

In the nine-month period ended on September 30, 2020, the 1st issue of STN and Transleste's simple debentures were settled, in the amount of R\$27,701; the 2nd issue of simple debentures by ENTE and ETEP, in the amount of R\$55,939; the 3rd issue of simple debentures by ECTE and the second series by ENTE, in the amount of R\$14,000; the 4th issue of simple debentures from EATE, in the amount of R\$28,058; and Alupar's 6th issue of simple debentures in the amount of R\$158,605.

The unpaid debentures, by index, as follows:

Falling due installments by index	9/30/2020							
	Company							
	2020	2021	2022	2023	2024	2025	After 2025	Total
CDI	11,431	-	-	-	324,250	324,250	-	659,931
IPCA	5,264	159,070	-	-	-	-	-	164,334
(-) unamortized costs	(391)	(711)	(337)	(337)	(337)	(320)	-	(2,433)
	16,304	158,359	(337)	(337)	323,913	323,930	-	821,832

Falling due installments by index	9/30/2020							
	Consolidated							
	2020	2021	2022	2023	2024	2025	After 2025	Total
CDI	57,050	202,562	124,311	105,398	694,250	324,250	-	1,507,821
IPCA	30,730	197,444	56,994	198,300	421,038	682,972	3,262,571	4,850,049
(-) unamortized costs	(4,509)	(16,797)	(16,875)	(16,675)	(16,140)	(15,175)	(77,941)	(164,112)
	83,271	383,209	164,430	287,023	1,099,148	992,047	3,184,630	6,193,758

Notes to the interim financial information

21. Provision for contingencies

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

Company				Consolidated			
Liabilities		Assets		Liabilities		Assets	
Provisions		Escrow deposits		Provisions		Escrow deposits	
9/30/2020	12/31/2019	9/30/2020	12/31/2019	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Lawsuits							
Tax	-	-	-	-	1	3,953	3,951
Civil	6	-	5	10	7,616	6,122	8,838
Severance	-	-	-	-	-	718	78
Labor	6,697	5,933	753	668	9,091	9,044	2,455
Administrative proceedings							
Regulatory (ANEEL)	-	-	-	-	-	27	27
	6,703	5,933	758	678	16,707	15,167	15,349
Current	-	-	-	-	305	323	384
Non-current	6,703	5,933	758	678	16,402	14,844	14,965

- b) Changes in the provision for contingencies:

Company			
12/31/2019	Filing	Reversals	9/30/2020
Lawsuits			
Civil	-	6	6
Labor	5,933	764	6,697
	5,933	770	6,703
Consolidated			
12/31/2019	Filing	Reversals	9/30/2020
Tax	1	579	(580)
Civil	6,122	1,595	(7,606)
Labor	9,044	979	(1,015)
	15,167	3,153	(9,201)
			16,707

As of September 30, 2020, the Company's and its subsidiaries' lawsuits whose likelihood of loss was probable referred to the following main matters:

Tax

The Company's subsidiaries are parties to administrative lawsuits regarding the withholding of ISS on services contracted for the implementation of power plants and transmission towers.

Civil

The Company's subsidiaries are parties to lawsuits arising from the collection of additional services, originating from turn-key agreements, in order to correct the supposed economic and financial unbalance of the agreements.

Labor

The Company and its subsidiaries are parties to certain labor lawsuits mostly claiming wage parity, overtime, health hazard and hazardous duty premiums, among others, involving former employees.

Notes to the interim financial information

c) Contingent liabilities – possible likelihood of loss

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

As at September 30, 2020, the Company's and its subsidiaries' lawsuits whose likelihood of loss is possible are demonstrated as follows:

	9/30/2020		12/31/2019	
	Quantity	Value	Quantity	Value
<u>Lawsuits</u>				
Tax	45	62,341	46	51,359
Environmental and civil	55	190,989	46	114,164
Labor	56	13,108	62	15,665
Regulatory	8	29	8	29
	164	266,467	162	181,217

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

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

(i) Tax:

- Tax Enforcement nº 08094733820178230010 - filed against jointly controlled Transnorte Energia S.A. (TNE), in progress before the 2nd Public Finance Court of Boa Vista. This is a lawsuit filed for ICMS collection purposes initially ascertained in the Notice of Default No. 492/2015, whose value at risk is approximately R\$17,509 (R\$17,177 as at December 31, 2019); and
- Administrative Proceeding nº 10480729854201815 – filed against subsidiary Sistema de Transmissão do Nordeste S.A. (STN), in progress before the Federal Revenue Office of the City of Recife, State of Pernambuco. This lawsuit refers to the recognition of income tax and social contribution due to the disallowance of finance costs from the payment of interest related to the debentures issued. The value at risk is approximately R\$15,891 (R\$15,586 as at December 31, 2019).

(ii) Environmental and civil:

- Environmental Notice of Default nº 014689-A – filed by Instituto do Meio Ambiente e Ordenamento Territorial no Estado do Amapá – IMAP, against subsidiary Ferreira Gomes Energia S.A., as such subsidiary would supposedly have caused significant changes in the environment, causing the death of aquatic fauna species in Araguari river. The value at risk is approximately R\$30,000 (R\$30,000 as at December 31, 2019);
The subsidiary Ferreira Gomes signed a Conduct Adjustment Term (TAC 2), in which it suspended the administrative proceeding in progress at IMAP until its full compliance. In the end, after fulfilling the obligations assumed, the procedure will be terminated.
- Environmental Notice of Default nº 013596-A – filed by Instituto do Meio Ambiente e Ordenamento Territorial no Estado do Amapá – IMAP, against subsidiary Ferreira Gomes, as such subsidiary would supposedly have caused significant changes in the environment. The value at risk is approximately R\$20.000 (R\$20.000 as at December 31, 2019);

Notes to the interim financial information

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

- Collection Action nº 00316184620178160001 – filed by Construtora Triunfo S.A. against subsidiary Foz do Rio Claro Energia S.A., whereby the plaintiff requests the conviction regarding the fine by contractual termination and loss of profits. The value at risk is approximately R\$15,280 (R\$13,390 as at December 31, 2019);
- Execution Action nº 00002067420208030006 – filed by the State Public Prosecution Office against subsidiary Ferreira Gomes for supposed violation of Clause 2.9, items 'f' and 'g', of TAC approved in the court records of Public Civil Action nº 001385-48.2016.8.03.00006. The value at risk is approximately R\$8,889 (R\$8,635 as at December 31, 2019);
- Environmental Notice of Default nº 016154 – filed by Instituto do Meio Ambiente e Ordenamento Territorial no Estado do Amapá – IMAO, against subsidiary Ferreira Gomes Energia S.A., as such subsidiary would supposedly have caused significant changes in the environment, causing the death of aquatic fauna species in Araguari river. The value at risk is approximately R\$7,000 (R\$7,000 as at December 31, 2019);
- Public Civil Action nº 00099563820104013100 – filed by the Federal Public Prosecution Office and the Public Prosecution Office of the State of Amapá against the Company, ANEEL, CEO of IMAO (Instituto de Meio Ambiente e Ordenamento Territorial do Amapá) and SEMA/AP - Secretaria do Estado do Meio Ambiente do Estado do Amapá. The purpose of this action is to prevent environmental damages involving the environmental licensing. The value at risk was not estimated;
- Public Civil Action nº 00016274120158030006 – proposed by the Public Ministry of the State of Amapá, in the face of Ferreira Gomes Energia S.A., in which it claims indemnity due to alleged material and moral damages caused to the environment. With the signature of the Conduct Adjustment Term (TAC) the process was suspended, and the movement results only from the gathering of the supporting documents of compliance. The value at risk was not estimated;
- Public Civil Action nº 00184082320134013200 – filed by the Federal Public Prosecution Office against subsidiary Transporte for the preservation of allegedly offended indigenous rights. The value at risk is approximately R\$1,211 (R\$1,211 as at December 31, 2019);
- Public Civil Action nº 00013863320168030006 – filed by the Public Prosecution Office of the State of Amapá, against subsidiary Ferreira Gomes Energia S.A. and others, with the purpose of compelling the defendants to promote the full recovery of all environmental damages caused in the Municipality of Ferreira Gomes/AP by the flood, due to flooding caused by third parties, as well as to adopt the measures to reduce the effects from the event. This action was suspended by virtue of the Preliminary Injunction 00005352820158030006, the purpose of which is the advanced provision of proof, as requested by the Public Prosecution Office. The preliminary injunction was appealed. By virtue of this, the Public Prosecution Office filed the Criminal Action 00002968220198030006 against FGE and other companies to determine the occurrence of eventual environmental crimes of destruction/damage of permanent preservation forest. Such action is being appealed. The value at risk was not estimated; and
- Public Civil Action nº 00180326620154013200 – filed by the Federal Public Prosecution Office against subsidiary Transporte Energia S.A. for the preservation of allegedly offended indigenous rights. The value at risk is approximately R\$0,100 (R\$0,100 as at December 31, 2019).
- Advanced Protection Proceeding No. 10398954420208260100 filed by Grid Solutions Transmissão de Energia Ltda. against subsidiary ETB, seeking a precautionary protection to suspend the execution of the Bank Guarantee Letters provided to ETB, as a guarantee of the faithful performance of the Contract for Supply and Fixed Term Project No. ETB_JU_COM_0021-18. After the initial petition was amended, Grid Solutions seeks to extend the effects of the injunction until the judgment on the merits of the claim, in which there was a request to include the decision awarded unfavorably to ETB demanding payment of contractual fines and other contractual claims. The approximate amount at risk corresponds to R\$23,000.

Notes to the interim financial information

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

- Ordinary Actions with Preliminary Injunction nº 0076295-10.2014.4.01.3400 and nº 0003995-79.2016.4.01.3400 – filed by the Company and subsidiaries Ferreira Gomes Energia S.A., ACE Comercializadora LTDA., Energia dos Ventos I S.A., Energia dos Ventos II S.A., Energia dos Ventos III S.A., Energia dos Ventos IV S.A. and Energia dos Ventos X S.A., against the Federal Government, aiming at the nullity of the application of the effects of CNPE Resolution No. 3, which, in short, aimed at including the hydroelectric generators in the apportionment of the cost of the dispatch of the Thermoelectric Power Plants outside the order of economic merit to guarantee the energy supply. Currently, the Company and subsidiaries are benefited by a preliminary injunction preventing the application of the effects of this resolution. If the ruling is unfavorable, the System Service Charges to be recognized by the Company and subsidiaries totals approximately R\$6,558 (R\$6,540 as at December 31, 2019).

(iv) Arbitration:

- Arbitration Procedure nº 32/2020/SEC7: instituted by ICSK Brasil Construção Ltda. in face of ETB, before the Arbitration and Mediation Center of the Brazil - Canada Chamber of Commerce. This is an arbitral proceeding instituted to settle a dispute arising from the Contract at a Unit Price and Fixed Term nº ETB_JU_COM_0015-18. The approximate value at risk is R\$38,200; and
- Procedimento Arbitral nº CMA 652-20-JCA: instituted by Teixeira Duarte - Engenharia e Construções S.A. against the subsidiary ETC, before the CIESP/FIESP Conciliation, Mediation and Arbitration Center. This is an arbitral proceeding instituted to settle a dispute arising from the Contract at a Unit Price and Fixed Term nº ETC_JU_COM_0023-18. The approximate value at risk is R\$10,400.

The explanatory notes do not include legal claims whose likelihood of loss is remote, except for those that, in the opinion of Management, are important for the business of the Company and its subsidiaries, as described below:

(i) Arbitration:

- Process 10.2020 and Process 11.2020: the subsidiaries Usina Paulista Lavrinhas de Energia S.A. and Usina Paulista Queluz de Energia S.A. entered into separate energy supply contracts, through which they should supply certain amounts of energy per month. Such contracts were partially assigned to third parties, who defaulted with their payment obligations. As a result of these facts, Lavrinhas and Queluz filed enforcement actions against the assigning companies and assignees, which are jointly and severally liable for the contractual obligations.

Considering that the energy supply contracts had an arbitration clause, the assignors, in order to be able to present their debtor embargoes, instituted arbitration procedures, requiring the rebalancing of the contracts or their resolutions for all purposes. In this sense, although Lavrinhas and Queluz appear in the passive pole of these arbitrations, they are also the creditors of the energy supply contracts, being certain that the chance of loss of these arbitrations is pointed out by our lawyers as remote. There is no calculable value at risk at this stage of the process.

22. Equity

a) Authorized capital

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

b) Capital

As at September 30, 2020 and December 31, 2019, the Company's subscribed and paid-in capital totaled R\$2,981,996, represented by 596,955,970 common shares and 282,155,299 preferred shares, as follows:

Notes to the interim financial information

9/30/2020 and 12/31/2019				
Common		Preferred		
Number	%	Number	%	
Guarupart	445,995,367	74.71	5,471,128	1.94
FI - FGTS	35,162,754	5.89	70,325,508	24.92
Other	115,797,849	19.40	206,358,663	73.14
Total shares	596,955,970	100.00	282,155,299	100.00

Shareholders

c) Capital reserve

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

	Company	
	9/30/2020	12/31/2019
Gain (loss) on capital transaction		
EATE	86,821	86,821
ECTE	(3,915)	(3,915)
APAETE	4,643	612
Lavrinhas	(4,747)	(4,747)
Queluz	(3,000)	(3,000)
Foz	(31,987)	(31,987)
TME	(28,857)	(28,857)
	<u>18,958</u>	<u>14,927</u>
Reinvestment reserve		
ENTE	466	466
ETEP	57	57
	<u>523</u>	<u>523</u>
	<u>19,481</u>	<u>15,450</u>

d) Retained earnings

Refers to the amounts of Legal Reserve (R\$182,686), Unrealized Earnings Reserve (R\$220,689) and Investment Reserve (R\$1,628,067) on September 30, 2020 and December 31, 2019.

e) Other comprehensive income

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

	Company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Balance at the beginning of the period	38,526	24,228	38,526	24,228
Exchange differences from conversion of assets overseas				
Subsidiaries:				
La Virgen	6,957	894	15,283	894
Risaralda	8	3	8	3
Alupar Peru	46,291	12,207	46,291	12,207
Alupar Colombia	9,784	1,194	9,784	1,194
Balance at the end of the period	<u>101,566</u>	<u>38,526</u>	<u>109,892</u>	<u>38,526</u>

Notes to the interim financial information

23. Earnings per share

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

The table below shows the calculation of the weighted average of outstanding shares and earnings per share of the Company for the three and nine-month periods ended September 30, 2020 and 2019:

Consolidated			
Quarter ended		Period ended	
9/30/2020	9/30/2019	9/30/2020	9/30/2019

Numerator:

Net profit for the period attributed to controlling shareholders	181,214	212,545	432,472	723,961
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Denominator (in thousands of shares)

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

Earnings per share

Basic and diluted earnings per common share (*)	0.20613	0.24177	0.49194	0.82351
Basic and diluted earnings per preferred shares (*)	0.20613	0.24177	0.49194	0.82351

(*) The Company does not have diluting instruments, such as, convertible instruments, options or subscription warrants.

24. Net operating revenue

	Company				Consolidated			
	Quarter ended		Period ended		Quarter ended		Period ended	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Gross operating revenue								
Power transmission system								
Operation and maintenance revenue	-	-	-	-	80,994	61,046	214,292	401,034
Infrastructure revenue	-	-	-	-	980,233	1,012,432	2,474,733	2,323,079
Concession asset payment	-	-	-	-	423,869	139,030	967,377	270,235
	-	-	-	-	1,485,096	1,212,508	3,656,402	2,994,348
Power generation system								
Power supply (note 26)	27,949	42,233	80,267	172,451	152,402	164,763	450,656	535,025
	27,949	42,233	80,267	172,451	152,402	164,763	450,656	535,025
Total gross operating revenue	27,949	42,233	80,267	172,451	1,637,498	1,377,271	4,107,058	3,529,373
Taxes on gross operating revenue								
PIS	(462)	(687)	(1,280)	(3,937)	(5,078)	(5,093)	(14,941)	(15,866)
COFINS	(2,124)	(3,161)	(5,894)	(8,628)	(23,419)	(22,820)	(68,940)	(62,704)
Deferred PIS and COFINS	-	-	-	-	(98,641)	(74,879)	(238,169)	(177,543)
ISS	-	-	-	-	(90)	(59)	(296)	(222)
VAT	-	-	-	-	284	(101)	-	(465)
	(2,586)	(3,848)	(7,174)	(12,565)	(127,238)	(102,952)	(323,683)	(256,800)
Regulatory charges								
RGR	-	-	-	-	(7,331)	(8,143)	(23,240)	(22,576)
R&D	-	-	-	-	(1,534)	(1,709)	(4,753)	(4,529)
FNDCT	-	-	-	-	(1,534)	(1,377)	(4,694)	(4,197)
MME	-	-	-	-	(769)	(686)	(2,348)	(2,098)
TFSEE	-	-	-	-	(1,764)	(1,774)	(5,394)	(4,934)
Deferred TFSEE and RGR	-	-	-	-	(6,005)	(1,604)	(7,720)	(11,552)
	-	-	-	-	(18,937)	(15,293)	(48,149)	(49,886)
Total deductions on gross operating revenue	(2,586)	(3,848)	(7,174)	(12,565)	(146,175)	(118,245)	(371,832)	(306,686)
Total net operating revenue	25,363	38,385	73,093	159,886	1,491,323	1,259,026	3,735,226	3,222,687

25. Power supply and electric energy purchased for resale

Company						Consolidated					
Quarter ended						Quarter ended					
9/30/2020			9/30/2019			9/30/2020			9/30/2019		
MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value
Power supply											
Free market	-	-	-	-	-	118,044	290.74	34,320	107,407	293.94	31,571
Free market - trading	182,736	136.46	24,936	187,103	182.48	34,143	240,264	128.71	30,925	231,023	193.62
Free market - related parties	13,651	168.19	2,296	-	-	-	-	-	-	-	-
Regulated market	-	-	-	-	-	460,761	168.01	77,412	464,110	161.00	74,721
MRE and Spot (short term)	-	-	717	-	-	-	-	9,745	-	-	13,741
Total gross operating revenue		27,949			42,233			152,402			164,763
Power purchased for resale											
Free market	(108,288)	200.71	(21,735)	(123,648)	233.96	(28,929)	(255,598)	152.79	(39,054)	(130,272)	236.31
Free market - related parties	(88,099)	200.55	(17,668)	(94,724)	196.44	(18,608)	-	-	-	-	-
MRE and Spot (short term)	-	-	(1)	-	-	(640)	-	-	(696)	-	(8,462)
(-) PIS/COFINS credits	-	-	3,584	-	-	3,978	-	-	4,688	-	3,978
		(35,820)			(44,199)			(35,062)			(35,268)

Company						Consolidated					
Period ended						Period ended					
9/30/2020			9/30/2019			9/30/2020			9/30/2019		
MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value
Power supply											
Free market	-	-	-	-	-	349,285	283.90	99,163	516,092	259.48	133,917
Free market - trading	388,570	156.53	60,821	447,970	218.50	97,880	524,268	165.59	86,813	576,321	221.17
Free market - related parties	152,284	77.61	11,818	558,822	89.22	49,856	-	-	-	-	-
Regulated market	-	-	-	-	-	1,397,056	165.27	230,898	1,390,198	158.83	220,801
MRE and Spot (short term)	-	-	7,628	-	-	24,715	-	-	33,782	-	52,843
Total gross operating revenue		80,267			172,451			450,656			535,025
Power purchased for resale											
Free market	(291,744)	205.10	(59,838)	(871,703)	105.58	(92,036)	(636,646)	153.46	(97,700)	(1,100,753)	112.94
Free market - related parties	(294,833)	201.44	(59,390)	(310,809)	193.91	(54,514)	-	-	-	-	-
MRE and Spot (short term)	-	-	(2,716)	-	-	(36,746)	-	-	(12,888)	-	(82,977)
(-) PIS/COFINS credits	-	-	13,072	-	-	14,697	-	-	16,728	-	18,991
		(108,872)			(168,599)			(93,860)			(188,308)

(*) Information not reviewed by independent auditors

26. Costs and expenses

	Company					
	Quarter ended					
	9/30/2020			9/30/2019		
	Expenses	Cost of services	Total	Expenses	Cost of services	Total
General and administrative	General and administrative					
Personnel	(3,782)	(220)	(4,002)	(2,746)	(171)	(2,917)
Management fees	(1,836)	-	(1,836)	(1,678)	-	(1,678)
Material	(50)	-	(50)	(34)	-	(34)
Services	(93)	(7)	(100)	(1,958)	(233)	(2,191)
Depreciation and amortization	39	-	39	(312)	-	(312)
Provision for contingencies	(765)	-	(765)	-	-	-
Rentals	(39)	-	(39)	14	-	14
Insurance	(4)	-	(4)	(16)	-	(16)
Donations, contributions and grants	(58)	(52)	(110)	(131)	-	(131)
Taxes and rates	(185)	-	(185)	(350)	-	(350)
Other	-	-	-	1	-	1
Total	(6,773)	(279)	(7,052)	(7,210)	(404)	(7,614)

	Company					
	Period ended					
	9/30/2020			9/30/2019		
	Expenses	Cost of services	Total	Expenses	Cost of services	Total
General and administrative	General and administrative					
Personnel	(8,304)	(482)	(8,786)	(7,914)	(448)	(8,362)
Management fees	(8,680)	-	(8,680)	(7,846)	-	(7,846)
Material	(115)	-	(115)	(100)	-	(100)
Services	(10,595)	(280)	(10,875)	(6,367)	(343)	(6,710)
Depreciation and amortization	(2,418)	-	(2,418)	(930)	-	(930)
Rentals	(226)	-	(226)	(1,056)	-	(1,056)
Insurance	(168)	-	(168)	(46)	-	(46)
Donations, contributions and grants	(844)	(195)	(1,039)	(210)	-	(210)
Taxes and rates	(436)	(60)	(496)	(935)	-	(935)
Other	(2)	-	(2)	(29)	-	(29)
Total	(32,558)	(1,017)	(33,575)	(25,433)	(791)	(26,224)

Notes to the interim financial information

	Consolidated							
	Quarter ended							
	9/30/2020				9/30/2019			
	Cost of services		Expenses		Cost of services		Expenses	
Services provided	Infrastructure cost	General and administrative	Total	Services provided	Infrastructure cost	General and administrative	Total	
Personnel	(14,592)	(10,512)	(10,223)	(35,327)	(12,260)	(23,065)	(9,789)	(45,114)
Management fees	-	-	(4,007)	(4,007)	-	-	(4,326)	(4,326)
Material	(8,667)	(222,339)	(257)	(231,263)	(2,641)	(501,986)	(174)	(504,801)
Services	(13,162)	(307,611)	(6,259)	(327,032)	(14,836)	(93,066)	(10,576)	(118,478)
Depreciation and amortization	(27,382)	-	(1,073)	(28,455)	(26,119)	-	(780)	(26,899)
Provision	(307)	(799)	(833)	(1,939)	(813)	-	-	(813)
Rentals and leases	(526)	(186)	(637)	(1,349)	(1,749)	(93)	(469)	(2,311)
Insurance	(4,256)	(450)	(175)	(4,881)	(3,180)	-	(92)	(3,272)
Donations, contributions and grants	(191)	-	(905)	(1,096)	(128)	-	(302)	(430)
Taxes and rates	(714)	(12,555)	(423)	(13,692)	(66)	(21,915)	(1,132)	(23,113)
Other	(423)	(99,347)	(88)	(99,858)	(4,097)	93,787	(1,787)	87,903
Total	(70,220)	(653,799)	(24,880)	(748,899)	(65,889)	(546,338)	(29,427)	(641,654)

	Consolidated							
	Period ended							
	9/30/2020				9/30/2019			
	Cost of services		Expenses		Cost of services		Expenses	
Services provided	Infrastructure cost	General and administrative	Total	Services provided	Infrastructure cost	General and administrative	Total	
Personnel	(42,502)	(29,930)	(27,277)	(99,709)	(35,935)	(30,609)	(27,135)	(93,679)
Management fees	-	-	(17,432)	(17,432)	-	-	(16,862)	(16,862)
Material	(15,059)	(584,757)	(726)	(600,542)	(8,840)	(472,402)	(504)	(481,746)
Services	(40,508)	(745,338)	(30,701)	(816,547)	(40,455)	(341,426)	(25,961)	(407,842)
Depreciation and amortization	(100,655)	-	(5,751)	(106,406)	(77,042)	-	(3,816)	(80,858)
Provision	(267)	(37,327)	(400)	(37,994)	(1,870)	-	141	(1,729)
Rentals and leases	(3,009)	(375)	(812)	(4,196)	(5,375)	(244)	(2,811)	(8,430)
Insurance	(10,506)	(1,410)	(477)	(12,393)	(10,220)	(493)	(337)	(11,050)
Donations, contributions and grants	(852)	-	(2,462)	(3,314)	(349)	-	(796)	(1,145)
Taxes and rates	(1,813)	(34,261)	(1,412)	(37,486)	(740)	(21,915)	(2,150)	(24,805)
Other	(1,734)	(221,030)	(707)	(223,471)	(4,118)	(101,239)	(1,823)	(107,180)
Total	(216,905)	(1,654,428)	(88,157)	(1,959,490)	(184,944)	(968,328)	(82,054)	(1,235,326)

The value of "Others" in Infrastructure cost basically refers to the cost of debt considered as construction cost, expenses with easements and other expenses.

27. Finance income (costs)

	Company				Consolidated			
	Quarter ended		Period ended		Quarter ended		Period ended	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Finance income								
Income from short-term investments	2,537	9,387	16,845	29,934	6,595	23,280	34,205	62,245
Adjustment for inflation	158	-	806	-	329	-	4,505	-
Other	375	1,238	2,339	3,959	758	(448)	2,383	5,415
Total	3,070	10,625	19,990	33,893	7,682	22,832	41,093	67,660
Finance costs								
Debt charges	(10,965)	(15,563)	(39,603)	(57,814)	(80,573)	(74,798)	(221,559)	(244,060)
Gain (loss) on exchange rate changes	6	-	59	-	(13,231)	(9,072)	(57,230)	(32)
Adjustment for inflation	-	12	-	10	(8,381)	(4,923)	(10,541)	(1,931)
Interest on leases	(35)	-	(143)	-	(922)	-	(4,230)	-
Bank expenses	(212)	-	(581)	-	(1,062)	-	(1,635)	-
Other	(48)	(131)	(409)	(460)	(627)	(5,010)	(4,353)	(11,562)
Total	(11,254)	(15,682)	(40,677)	(58,264)	(104,796)	(93,803)	(299,548)	(257,585)
Total net	(8,184)	(5,057)	(20,687)	(24,371)	(97,114)	(70,971)	(258,455)	(189,925)

Notes to the interim financial information

28. Income tax and social contribution

a) Composition of the current income tax and social contribution balance recorded in the balance sheet:

	Company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Corporate Income Tax (IRPJ)	38,075	37,648	79,583	78,441
Social Contribution on Net Income (CSLL)	-	-	8,215	1,928
Withholding Income Tax (IRRF)	437	437	28,135	20,067
Total income tax and social contribution to be offset	38,512	38,085	115,933	100,436
Current	38,512	38,085	112,743	97,249
Non-current	-	-	3,187	3,187

	Company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Corporate Income Tax (IRPJ)	-	-	26,560	27,188
Social Contribution on Net Income (CSLL)	-	-	37,740	33,445
Total income tax and social contribution	-	-	64,300	60,633

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

Deferred income tax and social contribution	Consolidated	
	9/30/2020	12/31/2019
Deferred income tax - assets	4,887	4,057
Deferred social contribution - assets	2,945	2,951
Total assets	7,832	7,008
Deferred income tax - liabilities	(1,048,623)	(840,683)
Deferred social contribution - liabilities	(474,221)	(388,816)
Total liabilities	(1,522,844)	(1,229,499)

Companies under taxable income regime impacted by Law 12973: EBTE, EATE, ETEP, ECTE, ENTE, ETES, ETEM, STN, ELTE and ETVG. Companies EBTE, FOZ, FGE, ELTE, ETES, Verde 8 and Risaralda recorded deferred assets on the recognition of tax losses.

Deferred income tax and social contribution are demonstrated as follows:

	Consolidated			
	Balance sheet		Profit or loss	
	9/30/2020	12/31/2019	9/30/2020	9/30/2019
Tax loss carryforwards	7,832	7,008	1,506	10,990
Concession Agreement	(1,520,155)	(1,228,517)	(291,413)	(266,630)
Deferred revenue for public bodies	(2,689)	(982)	(2,689)	-

Tax credits to be offset

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

Notes to the interim financial information

As at September 30, 2020, Alupar recorded tax loss carryforwards that would generate potential tax credits, as described below. These credits were not recognized, as the Company's operations will not generate taxable income for realization of these credits.

	Company	
	9/30/2020	12/31/2019
Unrecognized tax credit		
Tax losses	612,241	515,341
Tax loss carryforwards	635,499	535,050

- c) Reconciliation of the effective nominal rate for the three and nine-month periods ended September 30, 2020 and 2019 is as follows:

	Consolidated		Consolidated	
	Quarter ended		Period ended	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
a) Variation of taxes on profit or loss:				
Current income tax and social contribution	(22,199)	(27,386)	(80,240)	(73,366)
Deferred income tax and social contribution	(133,555)	(93,637)	(292,596)	(255,640)
Total	(155,754)	(121,023)	(372,836)	(329,006)
b) Tax calculation - expenses:				
Income (loss) before taxation	602,836	522,267	1,395,428	1,622,043
Nominal rate	34%	34%	34%	34%
Expected tax expenses at nominal rates	(204,965)	(177,571)	(474,446)	(551,495)
Conciliation for calculation of effective income tax and social contribution:				
Tax incentive (*)	32,231	20,857	84,021	65,220
Donations - Rouanet Law/Sports/FIA	-	-	-	1,100
Compensation for tax loss carryforwards and negative basis	624	-	1,882	-
Non-deductible expenses and provisions	(576)	-	1,337	(694)
Share of profit (loss) of subsidiaries	(427)	(7,731)	86	15,248
(-) Exclusion - Financial revenue from the concession - Art. 84 item II IN nº 1515/14	134,881	7,388	351,988	91,880
(+) Addition "AVP" - Art. 84 item II IN nº 1515/14	(59,288)	98,375	(179,079)	106,049
Reversal of deemed profit rate	4,735	32,616	45,376	110,401
Exclusion of CPC effects 47	(43,280)	1,109	(138,292)	(75,377)
Deferral of public bodies	(87)	-	(2,689)	-
Others	(20,520)	(96,066)	(63,938)	(91,338)
Effective income tax and social contribution expenses	(155,754)	(121,023)	(372,836)	(329,006)
c) Effective rate	25.8%	23.2%	26.7%	20.3%

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

Notes to the interim financial information

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

Companies	Fiscal year 2020				Tax regime
	PIS and COFINS rate	REIDI incentive through:	Sudam/Sudene incentive through:	ICMS incentive through:	
Subsidiaries					
Alupar Peru	Not applicable	-	-	-	Not applicable
Transminas	9.25%	-	-	-	Taxable income
Alupar Chile	Not applicable	-	-	-	Not applicable
Foz	3.65%	-	-	-	Deemed profit
Ijuí	3.65%	-	-	-	Deemed profit
Lavrinhas	3.65%	-	-	-	Deemed profit
Queluz	3.65%	-	-	-	Deemed profit
Ferreira Gomes (**)	9.25%	-	2026	-	Taxable income
GET	9.25%	-	-	-	Taxable income
Risaralda	Not applicable	-	-	-	Not applicable
Alupar Colombia	Not applicable	-	-	-	Not applicable
Verde 8	9.25%	-	-	-	Taxable income
Agua Limpa	9.25%	-	-	-	Taxable income
La Virgen	Not applicable	-	-	-	Not applicable
EATE (*)	Mixed regime - Bid 3.65% and RBNI 9.25%	-	2023	-	Taxable income
STN (*)	3.65%	-	2025	-	Taxable income
ETES	9.25%	2021	-	-	Taxable income
ETEP (*)	3.65%	-	2025	-	Taxable income
ENTE (*)	3.65%	-	2025	-	Taxable income
ERTE (*)	3.65%	-	2024	-	Deemed profit
ECTE (*)	3.65%	-	-	-	Taxable income
ETEM	9.25%	-	2024	-	Taxable income
ETVG	9.25%	-	2024	-	Taxable income
ELTE	9.25%	2020	-	-	Taxable income
Lumitrans	3.65%	-	-	-	Deemed profit
STC	3.65%	-	-	-	Deemed profit
ACE	9.25%	-	-	-	Taxable income
AF	9.25%	-	-	-	Taxable income
Windepar	9.25%	-	-	-	Taxable income
ETAP	9.25%	-	2029	-	Taxable income
ETC	3.65%	-	-	-	Deemed profit
TCC	9.25%	2022	-	2020	Taxable income
TPE	9.25%	2022	-	2020	Taxable income
TSM	9.25%	2022	-	-	Taxable income
Transmissoras Reunidas	9.25%	-	-	-	Taxable income
AETE	3.65%	-	-	-	Taxable income
EBTE	9.25%	-	2020	-	Taxable income
Transleste	3.65%	-	-	-	Deemed profit
Transudeste	3.65%	-	-	-	Deemed profit
Transirapé	3.65%	-	-	-	Deemed profit
ESDE	3.65%	-	-	-	Deemed profit
ETSE	3.65%	-	-	-	Deemed profit
ESTE	9.25%	-	-	-	Taxable income
EDV I	3.65%	-	-	-	Deemed profit
EDV II	3.65%	-	-	-	Deemed profit
EDV III	3.65%	-	-	-	Deemed profit
EDV IV	3.65%	-	-	-	Deemed profit
EDV X	3.65%	-	-	-	Deemed profit
TCE	Not applicable	-	-	-	Not applicable
EDTE	9.25%	-	-	-	Taxable income
TME	9.25%	-	2024	-	Taxable income
ETB	9.25%	2022	-	2020	Taxable income
EAP I	9.25%	-	-	-	Taxable income
EAP II	9.25%	-	-	-	Taxable income
EAP III	9.25%	-	-	-	Taxable income
EAP IV	9.25%	-	-	-	Taxable income
EAP V	9.25%	-	-	-	Taxable income
EAP VI	9.25%	-	-	-	Taxable income
EAP VII	9.25%	-	-	-	Taxable income
Joint venture					
TNE	9.25%	-	-	-	Taxable income

(*) In accordance with Law 10637/2002, the concession contracts of electric utilities entered into before October 31, 2003 are subject to the deduction of 3.65% PIS/COFINS. (**) On October 8, 2018, the Official Gazette published the recognition of the special taxation

Notes to the interim financial information

regime applicable to companies belonging to the Electric Energy Trading Chamber (CCEE), introduced by article 47, of Law 10637/002, in which the company started to tax the revenues from these transactions at the rate of cumulative regime (3.65%) in the PIS and COFINS contributions.

29. Related parties

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

Related party/transaction	Company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Balance sheet				
Assets				
Short-term investment	257,880	253,563	326,281	303,509
Brazil's Federal Savings and Loans Bank (i)	257,880	253,563	326,281	303,509
Other assets	13,263	69,476	-	-
Verde 8 - Reembolso de despesas (ii)	13,263	13,476	-	-
Windepar - Mútuos (iii)	-	56,000	-	-
Dividends receivable (v)	241,473	286,469	75	75
Transminas	-	6,003	-	-
EATE	80,220	33,045	-	-
ENTE	14,381	15,130	-	-
ECTE	-	6,018	-	-
ERTE	-	2,223	-	-
ETEP	9,003	8,397	-	-
STC	485	-	-	-
Lumitrans	371	-	-	-
ETES	12,736	12,736	-	-
Ijuí	4,570	4,570	-	-
Foz	4,481	4,481	-	-
Lavrinhas	10,431	10,431	-	-
Queluz	23,009	23,009	-	-
TME	12,075	19,315	-	-
ETEM	1,081	1,081	-	-
ETVG	7,504	7,504	-	-
Ferreira Gomes	7,474	10,308	-	-
TNE	75	75	75	75
ETAP	36,117	36,117	-	-
ETC	17,460	17,460	-	-
TPE	-	30,396	-	-
TCC	-	21,474	-	-
TSM	-	2,622	-	-
ETB	-	13,347	-	-
APAETE	-	727	-	-
Advance for future capital increase (vi)	119,233	161,630	-	-
Alupar Peru	-	68,624	-	-
GET	695	695	-	-
Transmissoras reunidas	12	3	-	-
Água Limpa	50	-	-	-
Alupar Chile	2,850	2,850	-	-
Windepar	86,171	85,991	-	-
Alupar Colombia	16,949	3,407	-	-
EAP I	1,119	30	-	-
EAP II	887	30	-	-
Liabilities				
Trade payables	5,805	36,120	-	-
Ferreira Gomes - power purchased in free market (vii)	5,805	23,652	-	-
ETB - payment commitment (viii)	-	12,000	-	-
Verde 8 - power purchased in free market (vii)	-	468	-	-
Dividends payable (ix)	105,495	202,197	105,495	202,197
Guarupart	101,404	151,065	101,404	151,065
Other non-controlling interest	4,091	51,132	4,091	51,132

Related party/transaction	Company			
	Quarter ended		Period ended	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Statement of profit and loss				
Revenue - power supply (ii)	2,296	-	11,818	49,856
Ferreira Gomes	348	-	9,289	22,996
Queluz	815	-	815	8,921
Lavrinhas	1,080	-	1,080	8,921
Foz do Rio Claro	53	-	53	1,610
Ijuí	-	-	581	38
Verde 8	-	-	-	7,370
Cost - power purchased for resale (vii)	(17,668)	(18,608)	(59,390)	(54,514)
Ferreira Gomes	(17,668)	(17,219)	(59,390)	(50,392)
Verde 8	-	(1,389)	-	(4,122)
Finance income	11,216	(54,071)	19,025	34,786
Brazil's Federal Savings and Loans Bank (*) - short-term investments (i)	10,903	(56,439)	17,820	31,525
Verde 8 Energia S.A. - interest on project sold (iii)	-	-	324	893
Windepar - loan (iv)	313	2,368	881	2,368
Finance costs	-	(8,393)	-	(31,440)
FI FGTS - 5th Issuance (i)	-	(8,393)	-	(31,440)

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

- i) Refers to short-term investments performed by Caixa Econômica Federal, which manages FI-FGTS, the Company's shareholder, at market rates;
- ii) Refers to the apportionment of water, light and condominium expenses between the Company and its subsidiaries;
- iii) Refers to the loan agreements entered into between parent company Alupar and its direct subsidiary Windepar. The agreements were subject to 100% of the CDI rate p.a. On September 30, 2020, Windepar partially settled the loan amount in the amount of R\$23,212. And on July 1, 2020, Alupar converted the remaining loan balance into a capital increase at Windepar, in the amount of R\$33,530;
- iv) Refers to dividends receivable for 2019/2018 and prior years of the Company's subsidiaries, to be settled through March 2021;
- v) Refers to advance for future capital increase (AFAC) performed by the Company on behalf of its subsidiaries for cash increase, payable through December 2020;
- vi) Refers to the purchase of electric energy from subsidiaries to meet the supply agreements entered into with other subsidiaries; the average purchase price was R\$200.55 (3th quarter of 2020) and R\$201.44 (nine-month period ended on September 30, 2020);
- vii) Refers to the capital payment commitment assumed by Alupar with ETB, in the amount of R\$12,000. This amount was paid in on September 3, 2020;
- viii) Refers to dividends payable for 2019 and prior years. On June 17, 2020, the Company made a partial payment of dividends in the amount of R\$96,702;
- ix) Refers to the sale of energy from Alupar to its subsidiaries due to the necessity to purchase energy in the short-term market to fulfill its contracts, the average sale price was R\$168.19 (3th quarter of 2020) and R\$77.61 (nine-month period ended on September 30, 2020); and
- x) Refers to interest on the 5th issue of debentures issued by Alupar and acquired by FI-FGTS. These debentures were settled on December 16, 2019.

Notes to the interim financial information

b) Guarantees

The effective guarantees relating to loan agreements, financing, debentures, supply agreements, assembly supervision, commissioning supervision, pledge and non-residential building rental between the Company and its subsidiaries are disclosed in note 30 to the annual financial statements for the year ended December 31, 2019. In the nine-month period ended September 30, 2020, the guarantees were demonstrated as follows:

• Guarantees terminated:

Authorization date	Authorizing body	Guaranteed company	Guarantor	Agreement	Collateral	Agreement value	Effective date	Termination date	Outstanding balance as at 9/30/2020
-	-	Alupar Peru	Alupar	Pledge	Guarantee the obligations arising from the letter of guarantee issued in favor of "La Agencia de promoción de La Inversión Privada - Proinversión, to guarantee the validity, validity and serenity of the offer.	US\$ 4.000.000	10/17/19	03/05/20	-
02/05/2016	Extraordinary general meeting	Cavan Rocbra	Guarupart (Guarantor) e Cavan Pré	Debentures	Guarantee	35,000	05/20/16	06/20/20	-
-	-	Ferreira Gomes	Alupar	Letter of Guarantee	Private Instrument of Constitution of Guarantee by Pledge of Guarantee nº 180220317 - O.N.S	3,186,467	07/04/18	06/20/20	-
-	-	Alupar Peru	Alupar	Letter of Guarantee	Guarantor at PAGARE	US\$ 2,766,206	01/03/20	06/03/20	-
-	Conselho de Administração	Alupar Inversiones Peru S.A.C.	Alupar	Carta de Fiança	Fiadora	US\$ 30.000.000	22/09/17	22/09/20	-
-	-	EDV I	Alupar	Carta Fiança	Instrumento Particular de Constituição de Garantia por Prestação de Fiança nº 1001418090004800 - ONS	40,389	17/09/2018	10/09/2020	-
-	-	EDV III	Alupar	Carta Fiança	Instrumento Particular de Constituição de Garantia por Prestação de Fiança nº 1001418090005000 - ONS	31,277	17/09/2018	10/09/2020	-
-	-	EDV X	Alupar	Carta Fiança	Instrumento Particular de Constituição de Garantia por Prestação de Fiança nº 1001418090005200 - ONS	26,763	17/09/2018	10/09/2020	-

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

Authorization date	Authorizing body	Guaranteed company	Guarantor	Agreement	Collateral	Agreement value	Effective date	Termination date	Outstanding balance as at 9/30/2020
-	-	Foz	Alupar	Pledge	Guarantee the payment of the value executed in the court records nº 0119265.58.8.09.0173, in progress before the Civil Court of the City of São Simão	R\$ 1,271,976	03/15/19	03/16/20	Pledge subject to termination after decision is rendered
11/06/19	Extraordinary Shareholders' Meeting	EDV I	Alupar/ Windepar	Financing Agreement - BNDES - nº 19.2.0598.1	I. by EDV1, EDV2, EDV3, EDV4 and EDV10: the credit rights: (a) CCEARS, between the BENEFICIARIES and the distributors listed in Appendix I of the CONCESSION AGREEMENT; b) the CCVEs to be (in) executed (s) between BENEFICIARIES and ALUPAR, at least 3.2 MW average; c) other CCVEE in the ACL or ACB; d) other rights and / or revenues, including those relating to short-term market operations and / or operation under test and e) rights over the CENTRALIZING ACCOUNTS, O&M RESERVE ACCOUNTS, BNDES DEBT SERVICE ACCOUNT ACCOUNTS and SPE SPECIAL RESERVE ACCOUNTS, including credits that may be deposited therein; II. by WINDEPAR: a) the rights on the RESERVA ESPECIAL HOLDING ACCOUNT, including the credits that may be deposited therein; b) credit rights arising from loan agreements entered into and to be entered into with BENEFICIARIES; and c) any other rights and / or revenues arising from the PROJECT, including those relating to short-term market operations and / or operation under test.	R\$ 14,700	12/10/19	10/15/32	R\$ 14,799
11/06/19	Extraordinary Shareholders' Meeting	EDV II	Alupar/ Windepar	Financing Agreement - BNDES - nº 19.2.0598.1		R\$ 10,100	12/10/19	10/15/32	R\$ 8,448
11/06/19	Extraordinary Shareholders' Meeting	EDV III	Alupar/ Windepar	Financing Agreement - BNDES - nº 19.2.0598.1		R\$ 10,400	12/10/19	10/15/32	R\$ 10,464
11/06/19	Extraordinary Shareholders' Meeting	EDV IV	Alupar/ Windepar	Financing Agreement - BNDES - nº 19.2.0598.1		R\$ 11,900	12/10/19	10/15/32	R\$ 11,583
11/06/19	Extraordinary Shareholders' Meeting	EDV X	Alupar/ Windepar	Financing Agreement - BNDES - nº 19.2.0598.1		R\$ 12,900	12/10/19	10/15/32	R\$ 12,978
-	-	Risaralda	Alupar	Letter of Guarantee	Guarantor in case the Bank Guarantee is executed (Contract of Suministro de Energia con EMCAL)	COP \$15,217,604,400	02/29/20	02/28/21	-
-	-	Alupar Peru	Alupar	Letter of Guarantee	Guarantor in the Loan Agreement	US\$ 17,500,000	12/21/18	12/20/21	US\$ 17,500,000
-	-	Alupar Peru	Alupar	Letter of Guarantee	Guarantor in the Loan Agreement	US\$ 17,500,000	03/18/19	03/17/22	US\$ 17,500,000

c) Key management personnel compensation

At the Extraordinary General Meeting held on April 27, 2020, the Company's shareholders approved the global compensation of the Board of Directors' and Executive Board's members for the year to be ended 2020 up to R\$11,711, out of which R\$1,104 refers to compensation of the Board of Directors' members and R\$10,607 refers to the compensation of the Executive Board's members:

	Company				Consolidated			
	Quarter ended		Period ended		Quarter ended		Period ended	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Benefits (i)	1,609	1,451	8,005	7,167	3,525	3,797	15,554	15,361
Management compensation	227	227	675	679	482	529	1,878	1,501
Total	1,836	1,678	8,680	7,846	4,007	4,326	17,432	16,862

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

Notes to the interim financial information

30. Financial instruments and risk management

30.1. General considerations

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

30.2. Fair value

Below is a summary of the book value and fair value of the financial instruments of the Company and its subsidiaries for the period ended September 30, 2020 and the year ended December 31, 2019. The Company and its subsidiaries classify and disclose the fair value of financial instruments based on the following measurement techniques:

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

	Consolidated				Classification	Level
	9/30/2020		12/31/2019			
	Carrying amount	Fair value	Carrying amount	Fair value		
Financial assets						
Cash and banks	24,943	24,943	67,982	67,982	Amortized cost	-
Cash equivalents	607,353	607,353	957,222	957,222	Fair value through profit or loss	2
Short-term investments	1,727,186	1,727,186	2,864,348	2,864,348	Fair value through profit or loss	2
Marketable securities	108,090	108,090	104,963	104,963	Fair value through profit or loss	2
Trade receivables	385,566	385,566	358,786	358,786	Amortized cost	-
	2,853,138	2,853,138	4,353,301	4,353,301		
Financial liabilities						
Trade payables	366,682	366,682	401,370	401,370	Amortized cost	-
Loans and financing	2,545,448	2,545,448	2,023,857	2,023,857	Amortized cost	-
Debentures	6,193,758	6,189,346	6,490,298	6,485,886	Amortized cost	-
Lease liability	37,286	37,286	33,963	33,963	Amortized cost	-
	9,143,174	9,138,762	8,949,488	8,945,076		

In the nine-month period ended September 30, 2020, there were no transfers between level I and level II fair value measurements, or transfers between level II and level III fair value measurements.

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

- Cash and cash equivalents, trade receivables, concession asset and trade payables approximate respective carrying amount.
- Loans, financing and debt charges (net of unamortized costs):
 - i) BNDES/BNB/FINAME/FINEM: since this is a long-term agreement, it is not included within the scope of CPC 12, which defines that this type of liability is not subject to application of the present value concept at rates other than those to which these loans and financing are already subject, due to the fact that Brazil does not have a consolidated market for this type of long-term debt, and the offer of loans is restricted to one government agency only. In view of the foregoing, the Company and its subsidiaries used the same concept for determining fair value for these loans, financing and debt charges.
 - ii) FCO Banco do Brasil: since the amounts payable are adjusted by reference to the TJLP (reference interest rate of the Federal Government), the fair value of this debt is its carrying amount, since market rates are reflected for this financial instrument.

Notes to the interim financial information

- Debentures: the fair value of debentures with an active market does not significantly differ from the carrying amount, as the variation of the unit price value in the secondary market disclosed at www.debentures.com.br approximates the carrying amount.

For the debentures of the subsidiaries that are not priced in the active market, the Company, based on its debentures and on the debentures of its subsidiaries and joint ventures with similar characteristics, calculated the fair value and did not identify any significant differences. The financial instruments were not reclassified as at September 30, 2020.

30.3. Liquidity information

The liquidity information and policies adopted by the Company and its subsidiaries are disclosed in note 31.3 to the annual financial statements for the year ended December 31, 2019.

As at September 30, 2020, the Company's consolidated capital structure is comprised of 40.4% of own funds against 59.6% of third-party capital (61.1% of own funds and 38.9% of third-party capital as at December 31, 2019).

In addition, the Company and its subsidiaries have a debt-to-equity ratio of 104% as at September 30, 2020 (112.9% as at December 31, 2019).

30.4. Qualitative and quantitative information on financial instruments

Sensitivity analysis of short-term investments

In order to analyze the sensitivity of the short-term investment rate to which the Company and subsidiaries were exposed as at September 30, 2020, five different scenarios were defined. The SELIC/CDI projected rates were obtained based on the FOCUS report of September 25, 2020 and defined as a probable scenario, based on which the variations of 25% and 50% were calculated.

Gross finance income was calculated for each scenario, not taking into consideration the taxes levied on yield from these investments. The portfolio base date used was September 30, 2020, with a one-year projection and checking CDI sensitivity in each scenario.

Short-term investments - Consolidated	Index	Position as at 6.30.2020	Projected finance income - one year				
			Probable scenario	Reduction risk		Increase risk	
				Scenario I (-50%)	Scenario II (-25%)	Scenario III (+25%)	Scenario IV (+50%)
			2.38%	1.19%	1.79%	2.98%	3.57%
Cash equivalents	CDI	607,353	14,455	7,228	10,841	18,069	21,683
Short-term investments	CDI	1,727,186	41,107	20,554	30,830	51,384	61,661
Marketable securities	CDI	108,090	2,573	1,286	1,929	3,216	3,859
Total		2,442,629	58,135	29,067	43,601	72,668	87,202

Sensitivity analysis of interest rate risk

For the purpose of assessing the sensitivity of the debt rates to which the Company and its subsidiaries were subject at base date September 30, 2020, 5 scenarios were defined. As a probable scenario, adopted by the Company, projected CDI and IPCA were obtained based on the FOCUS report of September 25, 2020. In the case of TJLP, the rate used was the last one published by the National Monetary Council (CMN), based on which scenarios I and II with 25% and 50% decrease in risk and scenarios III and IV with 25% and 50% increase in risk, respectively, were calculated.

For each scenario, gross finance costs were calculated, not taking into consideration the taxes levied, and the maturity flow of each agreement over a year. The portfolio base date used was September 30, 2020, with a one-year projection and checking sensitivity of the rates in each scenario.

Notes to the interim financial information

Loans, financing and debentures - Consolidated	Index	Average interest rate p.a.	Position as at 6.30.2020 (*)	Projected finance costs - one year				
				Probable scenario	Reduction risk		Increase risk	
					Scenario I (-50%)	Scenario II (-25%)	Scenario III (+25%)	Scenario IV (+50%)
Loans and financing				4.55%	2.28%	3.41%	5.69%	6.83%
	TJLP +	2.36%	851,420	59,753	39,926	49,840	69,667	79,580
	IPCA +	1.68%	58,417	2,437	1,709	2,073	2,800	3,164
	CDI +	3.06%	487,143	27,217	21,067	24,142	30,292	33,367
Debentures				2.38%	1.19%	1.79%	2.98%	3.57%
	CDI +	109.99%	1,507,821	1,000,137	970,987	985,562	1,014,713	1,029,288
	IPCA +	5.51%	4,850,049	392,850	330,161	361,506	424,195	455,540
Total			7,267,707	1,455,178	1,342,782	1,398,980	1,511,375	1,567,573

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

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

The main risk factors that may affect the Company's and its subsidiaries' businesses are disclosed in note 31.5 to the annual financial statements for the year ended December 31, 2019. There was no change in these risk factors on September 30, 2020, with the exception of that disclosed in note 1.1.

31. Segment information

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

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

Notes to the interim financial information

The information for the quarters ended September 30, 2020 and 2019, by segment, in accordance with the criteria established by the Company's Management, as follows:

	Quarter ended				Subtotal	Eliminations - shared control	Eliminations - intercompany	Total Consolidated
	9/30/2020							
	Transmission	Generation	Holding (a)	Other (b)				
Gross operating revenue	1,487,235	144,682	-	30,207	1,662,124	(2,139)	(22,487)	1,637,498
Revenue from operation and maintenance	81,292	-	-	-	81,292	(298)	-	80,994
Infrastructure revenue	980,596	-	-	-	980,596	(363)	-	980,233
Concession asset payment	425,347	-	-	-	425,347	(1,478)	-	423,869
Power supply	-	144,682	-	27,949	172,631	-	(20,229)	152,402
Operation and maintenance services	-	-	-	2,258	2,258	-	(2,258)	-
Deductions from gross operating revenue	(133,672)	(9,764)	-	(2,886)	(146,322)	147	-	(146,175)
Net operating revenue	1,353,563	134,918	-	27,321	1,515,802	(1,992)	(22,487)	1,491,323
Cost of services								
Electric energy cost								
Power purchased for resale	-	(19,471)	-	(35,820)	(55,291)	-	20,229	(35,062)
Power grid charges (CUST)	-	(8,319)	-	-	(8,319)	-	-	(8,319)
CFURH	-	(2,261)	-	-	(2,261)	-	-	(2,261)
Operational cost								
Services provided	(28,679)	(15,321)	-	(1,498)	(45,498)	402	2,258	(42,838)
Infrastructure cost	(654,122)	-	-	-	(654,122)	323	-	(653,799)
Depreciation/amortization	(740)	(26,635)	-	(19)	(27,394)	12	-	(27,382)
	(683,541)	(72,007)	-	(37,337)	(792,885)	737	22,487	(769,661)
Gross profit	670,022	62,911	-	(10,016)	722,917	(1,255)	-	721,662
Operating revenues (expenses)								
General and administrative	(11,037)	(6,400)	(7,502)	-	(24,939)	59	-	(24,880)
Equity pick up of subsidiaries	-	-	221,281	-	221,281	-	(220,854)	427
Other revenues	1,986	426	(19)	-	2,393	-	-	2,393
Other expenses	(26)	374	-	-	348	-	-	348
	(9,077)	(5,600)	213,760	-	199,083	59	(220,854)	(21,712)
EBIT	660,945	57,311	213,760	(10,016)	922,000	(1,196)	(220,854)	699,950
Depreciation/amortization	1,332	26,946	170	19	28,467	(12)	-	28,455
EBITDA	662,277	84,257	213,930	(9,997)	950,467	(1,208)	(220,854)	728,405
Finance income (costs)								
Finance costs	(40,851)	(41,076)	(23,199)	(98)	(105,224)	3	425	(104,796)
Debt charges	(32,135)	(31,370)	(17,949)	(97)	(81,551)	3	53	(81,495)
Exchange rate changes	(29)	(8,142)	(5,060)	-	(13,231)	-	-	(13,231)
Other	(8,687)	(1,564)	(190)	(1)	(10,442)	-	372	(10,070)
Finance income	3,282	1,369	3,381	105	8,137	(30)	(425)	7,682
Income from short-term investments	2,622	1,198	2,795	5	6,620	(25)	-	6,595
Other	660	171	586	100	1,517	(5)	(425)	1,087
	(37,569)	(39,707)	(19,818)	7	(97,087)	(27)	-	(97,114)
EBIT	623,376	17,604	193,942	(10,009)	824,913	(1,223)	(220,854)	602,836
Current income tax and social contribution	(19,833)	(2,274)	(20)	(118)	(22,245)	46	-	(22,199)
Deferred income tax and social contribution	(134,703)	807	-	-	(133,896)	341	-	(133,555)
	(154,536)	(1,467)	(20)	(118)	(156,141)	387	-	(155,754)
Consolidated net profit	468,840	16,137	193,922	(10,127)	668,772	(836)	(220,854)	447,082
Interest of non-controlling	-	-	-	-	-	-	(265,868)	(265,868)
Net profit controlling shareholder's	468,840	16,137	193,922	(10,127)	668,772	(836)	(486,722)	181,214
Operating assets	377,304	4,696,308	66,757	1,172	5,141,541	(1,194)	(33,650)	5,106,697
Operating liabilities	342,205	296,997	38,903	947	679,052	(642)	(37,110)	641,300

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

Notes to the interim financial information

The information for the periods ended September 30, 2020 and 2019, by segment, in accordance with the criteria established by the Company's Management, as follows:

	Period ended				Subtotal	Eliminations - shared control	Eliminations - intercompany	Total Consolidated
	9/30/2020							
	Transmission	Generation	Holding (a)	Other (b)				
Gross operating revenue	3,885,275	442,901	-	87,025	4,415,201	(228,873)	(79,270)	4,107,058
Revenue from operation and maintenance	214,983	-	-	-	214,983	(691)	-	214,292
Infrastructure revenue	2,698,864	-	-	-	2,698,864	(224,131)	-	2,474,733
Concession asset payment	971,428	-	-	-	971,428	(4,051)	-	967,377
Power supply	-	442,901	-	80,267	523,168	-	(72,512)	450,656
Operation and maintenance services	-	-	-	6,758	6,758	-	(6,758)	-
Deductions from gross operating revenue	(359,982)	(31,830)	-	(8,096)	(399,908)	28,076	-	(371,832)
Net operating revenue	3,525,293	411,071	-	78,929	4,015,293	(200,797)	(79,270)	3,735,226
Cost of services								
Electric energy cost								
Power purchased for resale	-	(57,500)	-	(108,872)	(166,372)	-	72,512	(93,860)
Power grid charges (CUST)	-	(24,307)	-	-	(24,307)	-	-	(24,307)
CFURH	-	(7,300)	-	-	(7,300)	-	-	(7,300)
Operational cost								
Services provided	(75,815)	(44,257)	-	(4,476)	(124,548)	1,540	6,758	(116,250)
Infrastructure cost	(1,852,419)	-	-	-	(1,852,419)	197,991	-	(1,654,428)
Depreciation/amortization	(2,103)	(98,537)	-	(51)	(100,691)	36	-	(100,655)
	(1,930,337)	(231,901)	-	(113,399)	(2,275,637)	199,567	79,270	(1,996,800)
Gross profit	1,594,956	179,170	-	(34,470)	1,739,656	(1,230)	-	1,738,426
Operating revenues (expenses)								
General and administrative	(34,489)	(18,563)	(35,354)	-	(88,406)	249	-	(88,157)
Equity pick up of subsidiaries	-	-	553,744	-	553,744	-	(553,830)	(86)
Other revenues	2,123	1,501	(19)	-	3,605	-	-	3,605
Other expenses	(279)	374	-	-	95	-	-	95
	(32,645)	(16,688)	518,371	-	469,038	249	(553,830)	(84,543)
EBIT	1,562,311	162,482	518,371	(34,470)	2,208,694	(981)	(553,830)	1,653,883
Depreciation/amortization	3,947	99,438	3,006	51	106,442	(36)	-	106,406
EBITDA	1,566,258	261,920	521,377	(34,419)	2,315,136	(1,017)	(553,830)	1,760,289
Finance income (costs)								
Finance costs	(89,845)	(128,913)	(83,739)	(311)	(302,808)	20	3,240	(299,548)
Debt charges	(79,743)	(87,476)	(59,182)	(302)	(226,703)	6	908	(225,789)
Exchange rate changes	1,400	(35,612)	(23,018)	-	(57,230)	-	-	(57,230)
Other	(11,502)	(5,825)	(1,539)	(9)	(18,875)	14	2,332	(16,529)
Finance income	15,731	6,869	21,696	333	44,629	(296)	(3,240)	41,093
Income from short-term investments	10,190	6,424	17,632	19	34,265	(60)	-	34,205
Other	5,541	445	4,064	314	10,364	(236)	(3,240)	6,888
	(74,114)	(122,044)	(62,043)	22	(258,179)	(276)	-	(258,455)
EBIT	1,488,197	40,438	456,328	(34,448)	1,950,515	(1,257)	(553,830)	1,395,428
Current income tax and social contribution	(70,268)	(9,660)	(24)	(406)	(80,358)	118	-	(80,240)
Deferred income tax and social contribution	(295,410)	1,506	-	-	(293,904)	1,308	-	(292,596)
	(365,678)	(8,154)	(24)	(406)	(374,262)	1,426	-	(372,836)
Consolidated net profit	1,122,519	32,284	456,304	(34,854)	1,576,253	169	(553,830)	1,022,592
Interest of non-controlling	-	-	-	-	-	-	(590,120)	(590,120)
Net profit controlling shareholder's	1,122,519	32,284	456,304	(34,854)	1,576,253	169	(1,143,950)	432,472
Operating assets	377,304	4,696,308	66,757	1,172	5,141,541	(1,194)	(33,650)	5,106,697
Operating liabilities	342,205	296,997	38,903	947	679,052	(642)	(37,110)	641,300

Notes to the interim financial information

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

Notes to the interim financial information

32. Employee benefits

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

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

	Consolidated			
	Quarter ended		Period ended	
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Health care plan and transportation voucher	6,082	3,966	8,225	5,481
Private pension plan (*)	1,191	764	1,806	1,119
Education	391	-	423	-
Meal ticket	4,459	2,985	5,979	3,941
Other	2,454	682	2,627	933
Total	14,577	8,397	19,060	11,474

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

33. Commitments

As at September 30, 2020, the subsidiaries in the pre-operational phase maintained contracts for the provision of services, environmental expenses and supply of materials for the construction of the respective projects, as follows:

Subsidiaries	Value
ELTE	7,019
ESTE	250,003
ETB	55,630
ETSE	6,027
TCC	102,090
TPE	203,888
TSM	238,332
Transirapé	5,160
Total	868,149

Notes to the interim financial information

34. Subsequent events

- **Empresa de Transmissão Baiana S.A. - ETB**

According to a relevant fact issued on October 23, 2020, the subsidiary ETB received from the ONS, on the same date, the Definitive Release Term, authorizing the beginning of the commercial operation of the section comprising the 500 kV Bom Jesus da Lapa II - Gentio do Ouro II, from October 16, 2020. With this ONS release, a RAP of R\$87,900 will be added for the 2020_2021 cycle. ETB is responsible for implementing lot E, from the 1st Stage of Transmission Auction No. 013/2015, held in April 2016.

- **Transmissora Paraíso de Energia S.A. - TPE**

According to a relevant fact issued on October 30, 2020, the subsidiary TPE, obtained, on the same date, the Revenue Release Term, which authorized the receipt of revenue from October 25, 2020, due to the availability of the payment facilities transmission to the National Interconnected System, anticipating the beginning of the receipt of the RAP in approximately 16 months of the schedule of ANEEL, scheduled for February 9, 2022. This project will add a RAP of R\$243,400 per year. Transmitter TPE is responsible for the development, construction and operation of lot two of the 2nd Stage of Transmission Auction No. 013/2015 held in October 2016.

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José Luiz Godoy Pereira
Vice President, Chief Financial Officer
and Investor Relations Officer

Daniela Ribeiro Mendes
Accountant
CRC 1SP199348/O-0