



Quarterly Information

Alupar Investimento S.A.

June 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\$ 1.027,0 mm** in 2Q20, against **R\$ 817,9 mm** in 2Q19.

	Net Revenue (R\$ MM)					Net Revenue (R\$ MM)		
	1Q20	2Q20	2Q19	Var.%		6M20	6M19	Var.%
Energy Transmission Revenue	54.5	78.8	169.6	(53.6%)	133.3	340.0	(60.8%)	
Infrastructure Revenue	778.2	716.3	609.5	17.5%	1,494.5	1,310.6	14.0%	
Remuneration of Concession Assets	326.4	217.1	(2.3)	-	543.5	131.2	314.2%	
Energy Supply	179.0	119.2	139.6	(14.6%)	298.3	370.3	(19.4%)	
Gross Revenue – IFRS	1,338.2	1,131.3	916.3	23.5%	2,469.6	2,152.1	14.8%	
Deductions	121.3	104.4	98.5	6.0%	225.7	188.4	19.7%	
Net Revenue – IFRS	1,216.9	1,027.0	817.9	25.6%	2,243.9	1,963.7	14.3%	

The **R\$ 209.1 million** growth in **Net Revenue** is mainly explained by:

(a) an increase of **R\$ 235.4 million** in revenue of the transmission companies, as detailed below:

(i) an increase of **R\$ 114.4 million** as the TME and ETB transmission companies began to be accounted for in 4Q19, and the AETE transmission company in 3Q19; and

(ii) investments made in transmission projects being implemented in Brazil.

(b) a reduction of **R\$ 20.4 million** in **Energy Supply Revenue**, as detailed below:

Energy Supply	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	2Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
ACR (Long Term Contract)		459,369	164.26	75,456							459,369	164.26	75,456
ACL (Short Term Contract)		192,069	242.90	46,654				(87,142)	197.52	(17,212)	104,927	280.60	29,442
Trading		41,479	54.82	2,274	149,421	52.17	7,796	(139,565)	45.97	(6,416)	51,335	71.19	3,654
Reclassification		15,624	302.71	(4,730)							15,624	302.71	(4,730)
CCEE				11,387			3,769						15,156
Tax				236									236
Total				131,278			11,565			(23,628)			119,215

Energy Supply	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	2Q19	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
ACR (Long Term Contract)		455,254	158.37	72,098							455,254	158.37	72,098
ACL (Short Term Contract)		239,189	244.91	58,580				(93,694)	192.63	(18,048)	145,495	278.58	40,532
Trading		6,552	209.71	1,374	283,513	89.18	25,285	(182,832)	46.93	(8,580)	107,233	168.59	18,079
Reclassification											-		-
CCEE				9,085			(202)				-		8,883
Tax													
Total				141,137			25,083			(26,629)			139,592
Variations				(9,859)			(13,518)			3,001			(20,376)



Cost of Services - IFRS

In 2Q20, Cost of Services totaled **R\$ 623.1 million**, against **R\$ 347.4 million** reported in 2Q19.

Below are the main variations for this accounting line:

(a) an increase of **R\$ 253.3 million** in **Infrastructure Costs**, due to the R\$ 252.7 million growth the implementation of transmission assets in Brazil (ETAP, ETC, TPE, TCC, ESTE, EDTE, ETB and TSM). We highlight that **R\$ 91.6 million** refers to the ETB transmission company, which was not consolidated in 2Q19;

(b) an increase (non-cash) of **R\$ 21.4 million** in the **Depreciation/Amortization** line, mainly due to the breakdown of assets that were recorded as “property, plant and equipment in progress” and reclassified “fixed assets in service”. Consequently, their respective accumulated depreciations were included. The main variations were in the Ijuí (+R\$ 9.6 million), Ferreira Gomes (+R\$ 3.1 million), Queluz (+R\$ 4.2 million) and Lavrinhas (+R\$ 2.9 million) plants.

(c) a reduction of **R\$ 3.1 million** in **Energy Purchased for Resale**, as detailed below:

Energy Purchase	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	2Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
Trading	(301,043)	63.44	(19,097)	(178,869)	202.73	(36,263)	226,707	104.22	23,628	(253,205)	125.32	(31,733)	
CCEE			(107)			(54)						(161)	
Reclassification													-
Taxes			1,842			3,953							5,795
Total			(17,362)			(32,364)			23,628				(26,098)

Energy Purchase	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	2Q19	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
Trading	(223,600)	93.42	(20,889)	(367,054)	116.18	(42,644)	276,526	96.30	26,629	(314,128)	117.48	(36,904)	
CCEE			(1,701)			1,846				-		145	
Reclassification													-
Taxes			2,666			4,867							7,533
Total			(19,924)			(35,931)			26,629				(29,226)
Variações			2,562			3,567			(3,001)				3,128

(d) an increase of **R\$ 0.6 million** in **Charges of Electric Grid – CUST**, being: (i) a **R\$ 0.3 million** growth in Ferreira Gomes HPP and **R\$ 0.2 million** growth in Queluz and Lavrinhas SHPPs, arising from arising from the readjustments in TUSTs charges for the 2019-2020 cycle (Aneel Resolutions 2,562 of June 25, 2019 and 2,629 of October 22, 2019);

(e) a reduction of **R\$ 0.6 million** in the **Water Resources - CFURH** charges due to lower energy generation in this quarter arising from lower water flows when compared to 2Q19, which impacted the Foz do Rio Claro (-R\$ 0.2 million) and Ijuí (-R\$ 0.4 million) plants; and

(f) an increase of **R\$ 4.2 million** increase in **Costs of Services Rendered**, mainly as a result of:

(i) a **R\$ 0.8 million** increase in the Energia dos Ventos wind farm, since the O&M contracts for the EDV I and II wind generators with WEG was under the technical warranty period in 2Q19, in which the full value of the contract was not charged;

(ii) an increase of **R\$ 1.1 million** in the ETC and EDTE transmission companies due to their commercial start-ups;



(iii) a **R\$ 1.1 million** growth in the AETE, ETB and TME transmission companies given that these assets were not consolidated in 2Q19.

Cash costs, excluding infrastructure cost (Capex) and depreciation/amortization, totaled **R\$ 75.7 million** (7.4% of Net Revenue), versus the **R\$ 74.6 million** (9.1% of Net Revenue) recorded in the same period of last year.

Operating Costs	Operating Costs R\$ (MM)				6M20	6M19	Var.%
	1Q20	2Q20	2Q19	Var.%			
Cost of Services Rendered	34.8	38.6	34.4	12.1%	73.4	68.1	7.7%
Energy Purchased for Resale	32.7	26.1	29.2	(10.7%)	58.8	153.0	(61.6%)
Charges of Electric Grid - CUST	8.0	8.0	7.5	7.4%	16.0	14.7	8.6%
Hydro Resources - CFURH	2.1	3.0	3.5	(16.1%)	5.0	7.0	(27.8%)
Infrastructure Cost	500.1	500.5	247.3	102.4%	1,000.6	422.0	137.1%
Depreciation / Amortization	26.4	46.9	25.4	84.3%	73.3	50.9	43.9%
Total	604.0	623.1	347.4	79.4%	1,227.1	715.8	71.4%

Operating Expenses - IFRS

In 2Q20, Operating Expenses totaled **R\$ 31.7 million**, 46.9% lower than the **R\$ 59.8 million** reported in 2Q19.

The **R\$ 28.1 million** reduction in this accounting group was due to:

(a) an increase of **R\$ 2.2 million** increase in **General and Administrative** expenses:

(i) increase of **R\$ 6.7 million** at Alupar - Holding, basically due to the write-off, in this quarter, of generation projects that were discontinued;

(ii) a reduction of **R\$ 1.5 million** in the Ferreira Gomes HPP, basically due to the drop in legal advisory expenses (-R\$ 1.2 million) and travel expenses (-R\$ 0.1 million);

(iii) a reduction of **R\$ 1.5 million** in the Verde 8 SHPP, due to the reversal of a provision referring to a lawsuit classified as probable which was reclassified as possible in this quarter;

(iv) a reduction of **R\$ 0.6 million** in the La Virgen HPP, resulting from lower costs with legal advisory fees; and

(v) a reduction of **R\$ 0.3 million** in the EATE transmission company since legal publication expenses in 2020 were accounted for in the March and, in 2019, these expenses were accounted in April.

(b) a reduction of **R\$ 2.3 million** in the **Personnel and Management** expense line:

(i) reductions of **R\$ 0.6 million** in the ENTE transmission company, **R\$ 0.2 million** in the ETEP transmission company and **R\$ 0.9 million** in the EATE transmission company, given that the employee profit sharing was paid in the first quarter of 2020, while in 2019 this payment was done in the second quarter and;

(ii) a reduction of **R\$ 0.4 million** at Alupar Holding, since the provision for profit sharing was done in 2Q19, while in 2020 this provision will be done in 3Q20.



(c) an increase of **R\$ 1.8 million** in the **Depreciation/Amortization** line, due to:

(i) a **R\$ 0.2 million** increase at Alupar – Holding, arising from the depreciation of the right of use, due to the accounting of IFRS 16 (CPC 06 - R2) - Leasing;

(ii) an increase of **R\$ 1.5 million** at Alupar - Holding, due to the amortization of the exploration right of the ETB transmitter, as a result of the acquisition of control in 4Q19.

(d) a reduction of **R\$ 30.3 million** increase in **Equity Pickup**, which had a positive balance of **R\$ 0.9 million** in 2Q20, against an expense of **R\$ 29.3 million** in 2Q19. The result in 2Q19 is mainly explained by the Equity Pickup for the ETB transmission company, which had an expense of **R\$ 22.6 million** in that quarter. In 2Q20, the positive balance of **R\$ 0.9 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	1Q20	2Q20	2Q19	Var.%	6M20	6M19	Var.%
General and Administrative	14.4	13.8	11.5	19.2%	28.1	20.2	39.4%
Personnel and Management	14.4	16.1	18.4	(12.3%)	30.5	29.9	1.9%
Equity Pickup	1.5	(0.9)	29.3	-	0.5	(23.0)	-
Others	(0.7)	(0.3)	(0.7)	(56.9%)	(1.0)	(0.5)	88.4%
Depreciation / Amortization	1.6	3.1	1.3	143.8%	4.7	2.6	82.8%
Total	31.1	31.7	59.8	(46.9%)	62.8	29.1	115.6%

EBITDA - IFRS

In 2Q20, EBITDA totaled **R\$ 422.1 million**, versus **R\$ 437.4 million** reported in 2Q19.

Adjusted EBITDA margin reached 80.2%, 3.5 p.p. higher than the 76.7% reported in 2Q19.

The change in EBITDA was due to:

(a) a **R\$ 215.0 million** increase in **Revenue**, due to:

(i) an increase of **R\$ 235.4 million** in **Energy Transmission Revenue**; and

(ii) a decrease of **R\$ 20.4 million** in **Energy Supply Revenue**. For more information on changes in Revenue, please refer to the “Net Revenue - IFRS” section.

(b) an increase of **R\$ 253.3 million** in **Infrastructure Costs**, due to the R\$ 252.7 million growth the implementation of transmission assets in Brazil (ETAP, ETC, TPE, TCC, ESTE, EDTE, ETB and TSM). We highlight that **R\$ 91.6 million** refers to the ETB transmission company, which was not consolidated in 2Q19;

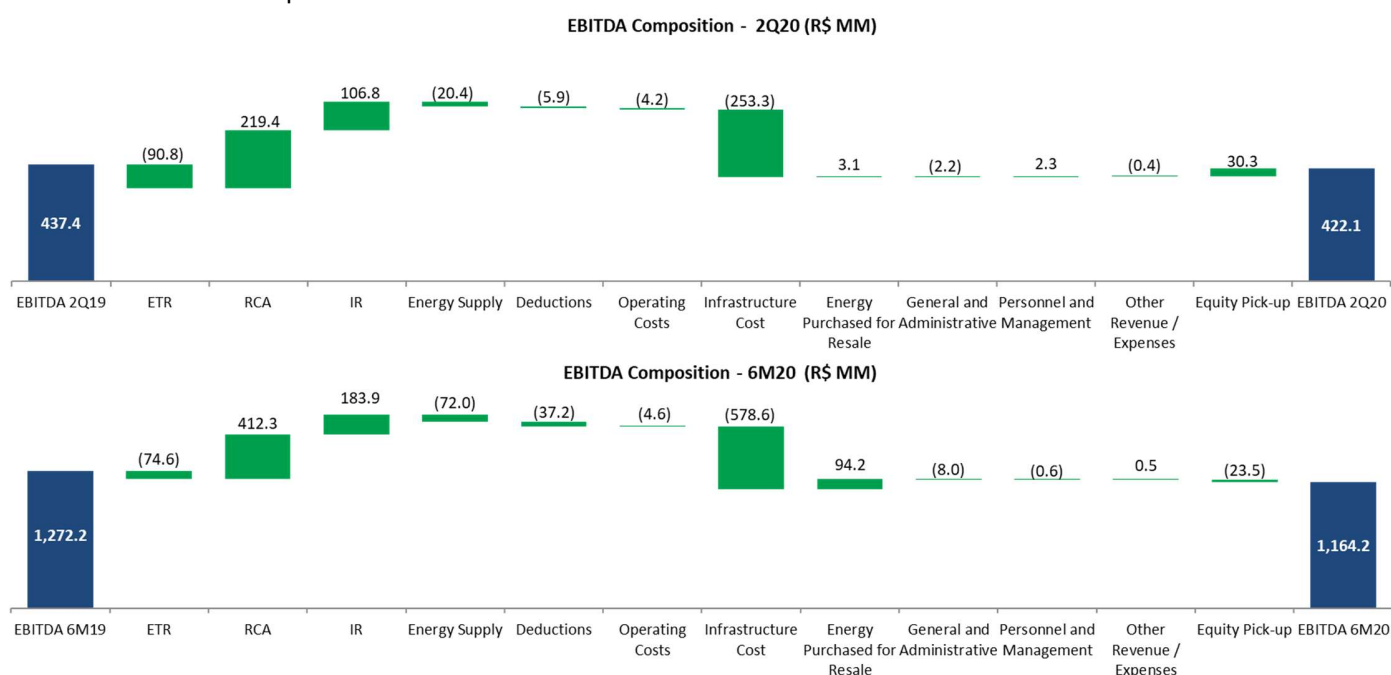


(c) a reduction of **R\$ 30.3 million** increase in **Equity Pickup**, which had a positive balance of **R\$ 0.9 million** in 2Q20, against an expense of **R\$ 29.3 million** in 2Q19. The result in 2Q19 is mainly explained by the Equity Pickup for the ETB transmission company, which had an expense of **R\$ 22.6 million** in that quarter. In 2Q20, the positive balance of **R\$ 0.9 million** refers exclusively to equity pickup in the TNE transmission company since the TME and ETB transmission companies only began to be accounted for in 4Q19.

	EBITDA - IFRS (R\$ MM)					EBITDA - IFRS (R\$ MM)		
	1T20	2Q20	2Q19	Var.%		6M20	6M19	
Net Revenue - IFRS	1,216.9	1,027.0	817.9	25.6%	2,243.9	1,963.7	14.3%	
Operating Costs	(44.9)	(49.6)	(45.4)	9.2%	(94.4)	(89.8)	5.1%	
Infrastructure Costs	(500.1)	(500.5)	(247.3)	102.4%	(1,000.6)	(422.0)	137.1%	
Energy Purchase	(32.7)	(26.1)	(29.2)	(10.7%)	(58.8)	(153.0)	(61.6%)	
Operating Expenses	(28.1)	(29.6)	(29.2)	1.2%	(57.6)	(49.6)	16.3%	
Equity Pickup	(1.5)	0.9	(29.3)	-	(0.5)	23.0	-	
EBITDA	609.8	422.1	437.4	(3.5%)	1,031.9	1,272.2	(18.9%)	
EBITDA Margin	50.1%	41.1%	53.5%	(12.4 p.p)	46.0%	64.8%	(18.8 p.p)	
Adjusted EBITDA Margin*	85.1%	80.2%	76.7%	3.5 p.p	83.0%	82.5%	0.5 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

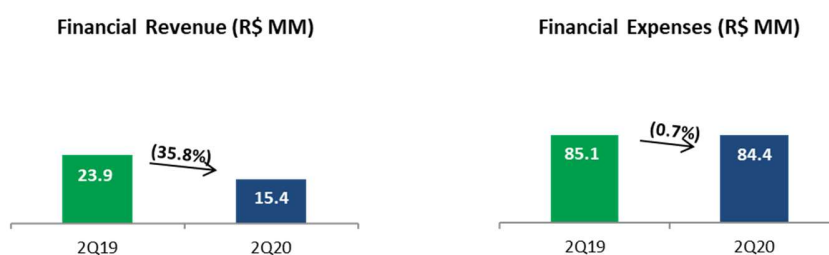


Financial Result

Totaled **R\$ (69.1) million** in 2Q20, compared to **R\$ (61.1) million** in 2Q19.

This variation in the financial result is mainly explained by:

(a) a reduction of **R\$ 8.6 million** 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 0.73% year-to-date in 2Q20, compared to 1.54% year-to-date in 2Q19. The main impact was at Alupar - Holding, which decreased by R\$ 5.6 million.



Net Income – IFRS

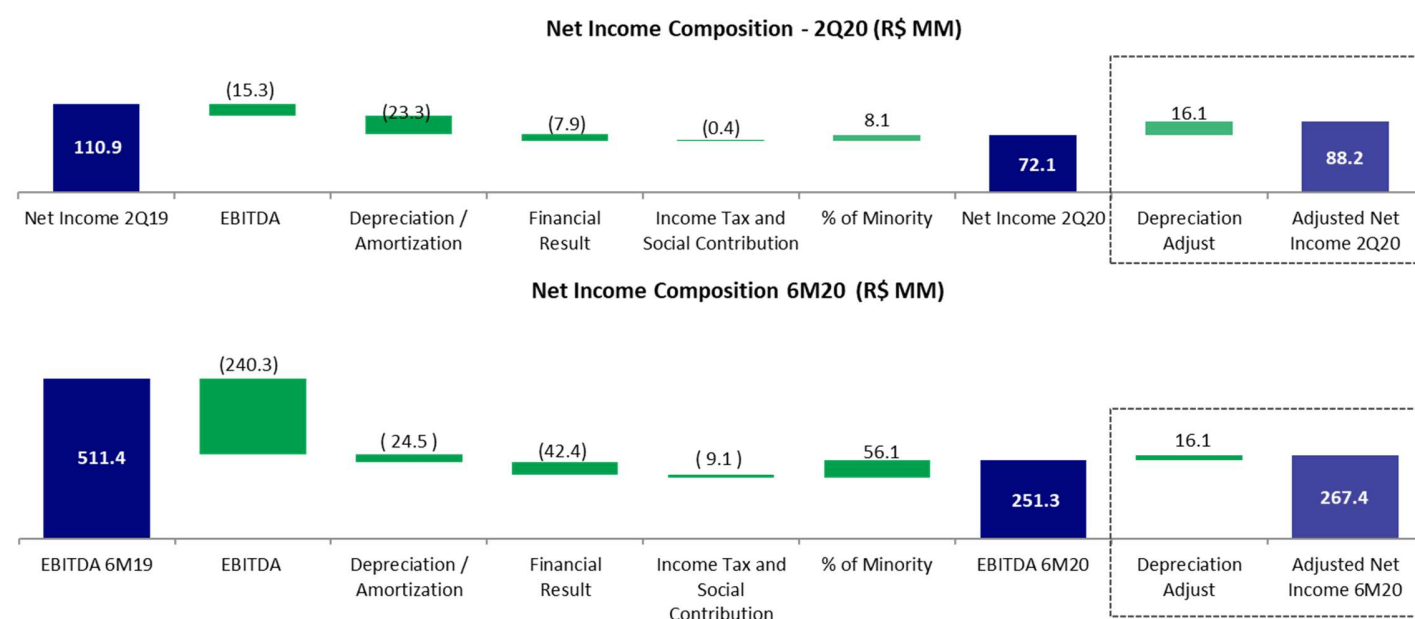
In 2Q20, Net Income totaled **R\$ 72.1 million**, versus **R\$ 110.9 million** reported in 2Q19.

This variation was due to:

(a) a **R\$ 15.3 million** reduction in **EBITDA**, as previously explained in the "EBITDA - IFRS" section.

(b) an increase (non-cash) of **R\$ 23.3 million** in the **Depreciation/Amortization** line, mainly due to the breakdown of assets that were recorded as “property, plant and equipment in progress” and reclassified, in 2Q20, as “fixed assets in service”. Consequently, their respective accumulated depreciations were included. The main variations were in the Ijuí (+R\$ 9.6 million), Ferreira Gomes (+R\$ 3.1 million), Queluz (+R\$ 4.2 million) and Lavrinhas (+R\$ 2.9 million) plants.

(c) an increase of **R\$ 7.9 million** in **Financial Results**, as explained in the previous section.





Investments

In 2Q20, total investments of **R\$ 529.6 million** were carried out in our companies, of which R\$ 509.5 million was allocated to the transmission segment, R\$ 20.0 million in the generation segment, and R\$ 0.1 million in the development of new businesses, against **R\$ 235.4 million** reported in 2Q19, which had R\$ 243.4 million invested in the transmission segment, R\$ (8.6) million invested in the generation segment and R\$ 0.5 million in the development of new businesses.

The volume of investments in 2Q20 mainly reflects the implementation of transmission assets TPE, TCC, TCE, ETB, ESTE and TSM which together totaled **R\$ 506.2 million** in this quarter, against **R\$ 102.8 million** in 2Q19.

	Investments (R\$ MM)			
	2Q20	2Q19	6M20	6M19
Transmission*	509.5	243.4	1,056.9	422.4
ELTE	0.3	2.8	0.4	2.8
ETAP	-	24.7	-	67.4
ETC	-	30.6	-	58.0
TCC	103.5	29.4	198.4	45.8
TPE	194.7	69.8	374.2	124.5
TCE	9.0	(3.9)	56.3	0.4
ESTE	61.6	1.3	104.5	2.8
TSM	45.7	6.2	65.7	11.6
EDTE	-	82.4	40.9	109.0
ETB	91.6	-	209.1	-
ETES	2.3	-	5.8	-
Other	0.8	0.1	1.6	0.2
Generation	20.0	(8.6)	38.5	12.5
Energia dos Ventos**	(0.2)	(3.1)	-	4.2
La Virgen***	10.6	(12.0)	27.5	-
Other	9.6	6.5	11.0	8.3
Holding	0.1	0.5	0.3	0.8
Total	529.6	235.3	1,095.7	435.7

*With the exception of TCE, the investment value of the transmission companies is exactly the amount recorded as infrastructure cost. ** Reversal in 2Q19 due to the adjustment of the provision for unitization. *** Reversal in 2Q19 of provisions made during the construction phase that did not occur.



Indebtedness

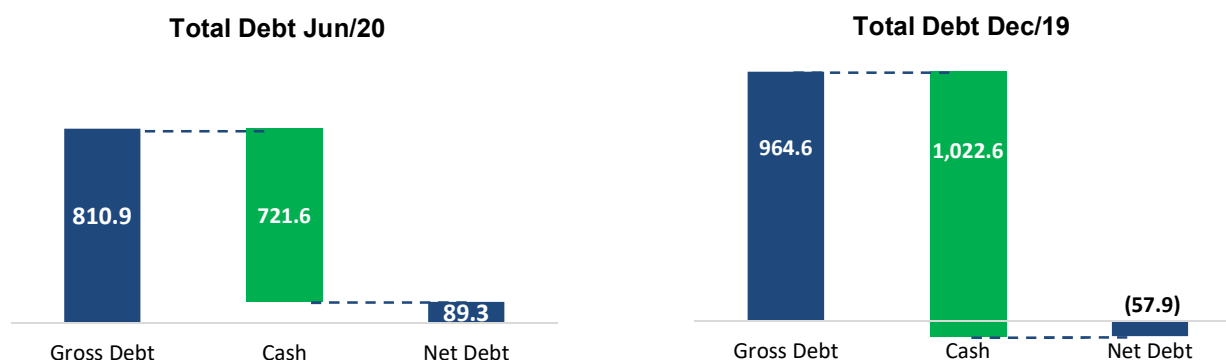
Alupar - Holding:

In 2Q20, Alupar - Holding's gross debt totaled **R\$ 810.9 million**, against **R\$ 964.6 million** in December 2019. This change is explained by:

- (i) provision for charges, totaling **R\$ 12.0 million**;
- (ii) provision for monetary variations, in the amount of **R\$ 16.5 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\$ 721.6 million**, reducing by R\$ 301.0 million over 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\$ 77.3 million**;
- (ii) contributions of **R\$ 81.3 million** towards projects being implemented, of which the main ones are:
 - (ii.i) **R\$ 60.8 million** to Alupar Peru, responsible for implementing the La Virgen HPP project;
 - (ii.ii) **R\$ 15.9 million** for the implementation of the TCE transmission company;
- (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 CDI and IPCA, with a very long profile, with approximately 80% maturing in 2024 and 2025.

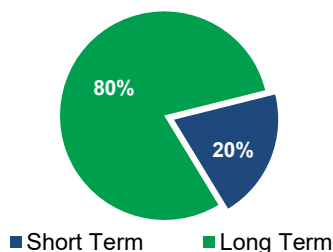
Short-term debt totaled **R\$ 163.8 million**, against **R\$ 161.7 million** in December 2019. This amount refers to the 2nd installment of the 6th Debentures Issue, maturing on April 15, 2021.



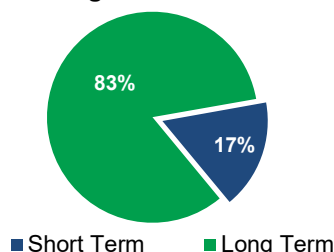
For more information on the Indebtedness of Alupar - Holding, please refer to Explanatory Note 19 “Loans and Financing” and Note 20 “Debentures” in the 2Q20 financial statements.

Below is the debt profile of Alupar - Holding:

Alupar Holding Debt Profile - Jun/20



Alupar Holding Debt Profile - Dec/19



Consolidated:

Consolidated gross debt for Alupar and its subsidiaries totaled **R\$ 8,470.6 million** in 2Q20, against **R\$ 8,514.2 million** reported in Dec/19. This change is mainly explained by:

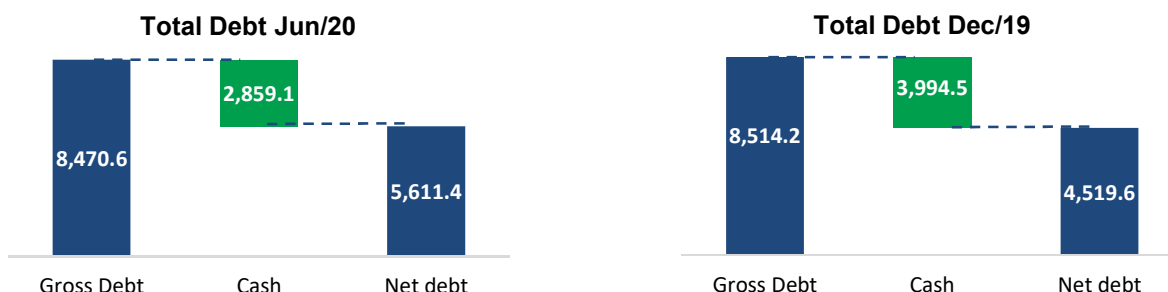
- (i) a reduction of **R\$ 153.8 million** at Alupar - Holding, as previously explained;
- (ii) provisions for charges and monetary variations of subsidiaries, totaling **R\$ 256.0 million**;
- (iii) payment of subsidiary debt charges, in the amount of **R\$ 197.7 million**;
- (iv) amortization of principal for subsidiary debts, in the amount of **R\$ 421.3 million**;
- (v) an increase of **R\$ 267.2 million**, due to the exchange rate variation in debts for La Virgen HPP and Morro Azul SHPP; and
- (vi) new funding, in the amount of **R\$ 206.0 million**, the main one for the TME transmission company, in the amount of **R\$ 200.0 million**.

Cash (cash equivalents / short term investment / marketable securities) totaled **R\$ 2,859.1 million** in 2Q20, versus **R\$ 3,994.5 million** in December 2019. This variation of **R\$ 1,135.4 million** in cash was mainly due to:

- (i) a reduction of **R\$ 301.0 million** at Alupar - Holding, as previously explained;
- (ii) a reduction of **R\$ 900.3 million** in the cash balance of transmission assets being implemented (ETB, TPE, TCC, ESTE and TSM), due to the investments carried out;
- (iii) an increase of **R\$ 41.2 million** in the cash balance of the Ferreira Gomes HPP:
 - (iii.i) increase in revenue in 4Q19, due to the energy allocation strategy, with **R\$ 31.1 million** received in 1Q20;
 - (iii.ii) an increase of **R\$ 6.4 million** due to the temporary suspension for 6 months, initiated in May/2020, of payments of principal and interest on financing from BNDES (Standstill mechanism, granted with the aim of mitigating impacts the COVID-19 pandemic).



Net debt recorded in 2Q20 totaled **R\$ 5,611.4 million**, compared to **R\$ 4,519.6 million** reported in Dec/19.



In 2Q20, short-term debt totaled **R\$ 855.7 million** (10.1% of total debt), compared to **R\$ 867.6 million** in December 2019.

This 10.1% of short-term debt, 31.6% or R\$ 270.4 mm are bridge loans maturing by June 2021.

Out of the consolidated gross debt: (i) **R\$ 810.9 million** refers to Alupar - Holding; (ii) **R\$ 3,318.6 million** was allocated to operating companies whose account payables are compatible with the respective cash generation, and (iii) **R\$ 4,341.1 million** refers to projects under implementation, being:

R\$ 707.4 million to Alupar Peru, responsible for implementing the La Virgen HPP project;

R\$ 167.3 million for the implementation of the TCE transmission company (Colombia);

R\$ 704.1 million for the implementation of the TCC transmission company;

R\$ 1,108.0 million for the implementation of the TPE transmission company;

R\$ 402.3 million for the implementation of the ESTE transmission company;

R\$ 512.4 million for the implementation of the TSM transmission company; and

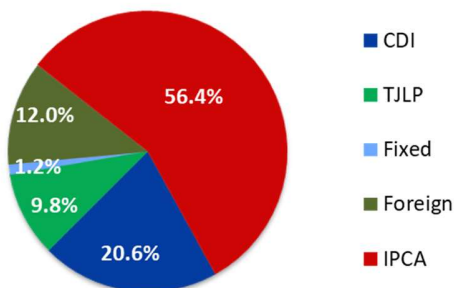
R\$ 739.6 million for the implementation of the ETB transmission company.

In 2Q20, the issues of debenture corresponded to **R\$ 6,231.2 million**, or 74% of total debt. The debentures issued by: (i) Alupar - Holding have a balance of **R\$ 810.9 million**; (ii) the operating subsidiaries totaled **R\$ 1,953.9 million**; and (iii) projects under implementation had a balance of **R\$ 3,466.4 million**.

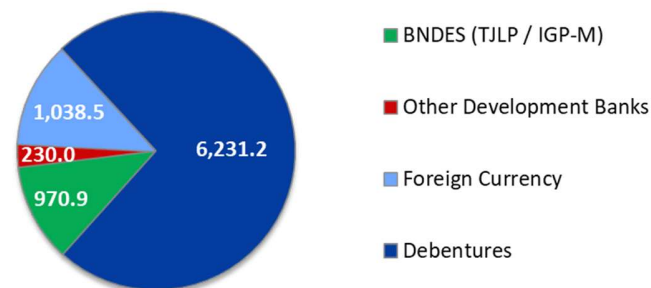


Debt in foreign currency totaled **R\$ 1,038.5 million**, or 12% of total debt, and are allocated to generation and transmission projects in Peru and Colombia.

Gross Debt by Index (%)

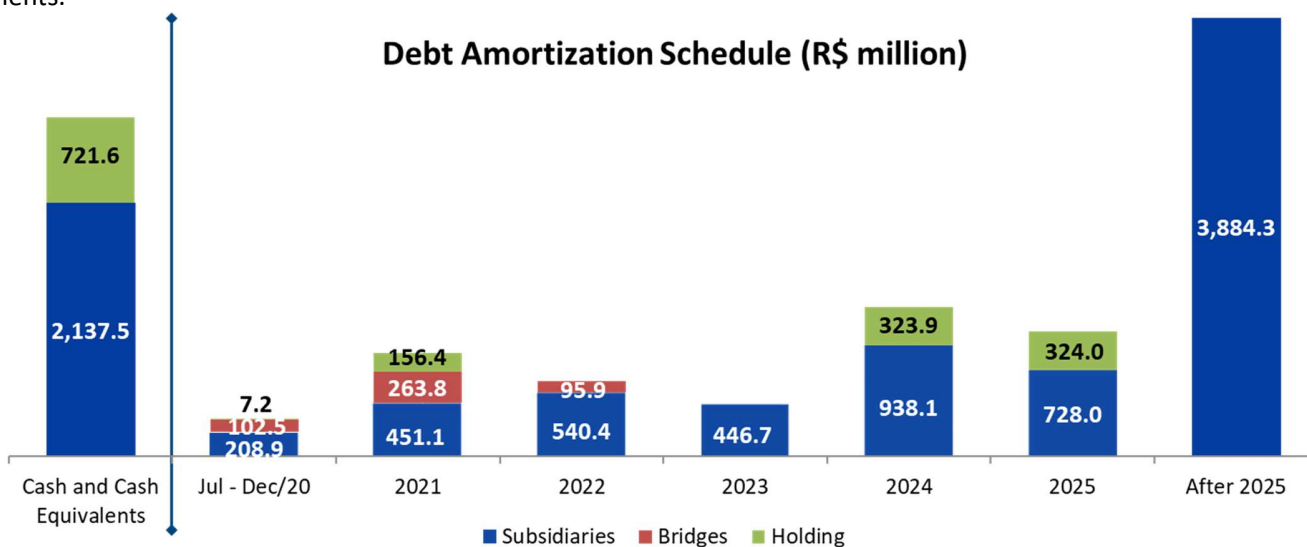


Total Debt Composition (in millions of R\$)



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

Debt Amortization Schedule (R\$ million)



BRIDGES (MM)	2020	2021	2022
La Virgen / Alupar Inversiones	R\$ 101.6	R\$ 97.4	R\$ 95.9
TCE (Colombia)	R\$ 0.9	R\$ 166.4	-
TOTAL	R\$ 102.5	R\$ 263.8	R\$ 95.9

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 CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and specific CVM rules.

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

The Shareholders, Board of Directors and Officers

Alupar Investimento S.A.

São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Alupar Investimento S.A. (the "Company"), for the quarter ended June 30, 2020, comprising the statement of financial position as of June 30, 2020 and the related statements of profit or loss and of comprehensive income for the three and six-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 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 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 June 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, August 12, 2020.

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

Rita de C. S. Freitas
Accountant CRC 1SP214160/O-5

Balance Sheets

As at June 30, 2020 and December 31, 2019

(All amounts in thousands of reais)

	Note	Company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Assets					
Current assets		1,224,217	1,475,760	4,288,475	5,441,876
Cash and cash equivalents	5	65,620	39,474	606,617	1,025,204
Short-term investments	6	655,981	983,103	2,154,637	2,864,348
Marketable securities	7	-	-	753	4,470
Trade receivables	8	30,678	51,648	328,061	346,258
Dividends receivable	29	366,662	286,469	75	75
Income tax and social contribution to be offset	28	38,683	38,085	112,960	97,249
Other taxes to be offset		4,220	105	53,806	37,714
Inventories		-	-	8,082	10,445
Prepaid expenses		38	77	1,454	5,639
Collaterals and escrow deposits	21	-	-	384	384
Contractual concession asset	9	-	-	920,963	951,888
Other receivables		62,335	76,799	100,683	98,202
Non-current assets		5,061,347	4,784,279	15,713,153	13,927,856
<u>Long-term receivables</u>		<u>108,513</u>	<u>162,308</u>	<u>10,699,619</u>	<u>9,172,874</u>
Trade receivables	8	-	-	23,230	12,528
Marketable securities	7	-	-	97,122	100,493
Income tax and social contribution to be offset	28	-	-	3,187	3,187
Other taxes to be offset		-	-	2,774	2,774
Deferred income tax and social contribution	28	-	-	6,154	7,008
Prepaid expenses		-	-	11,584	12,220
Collaterals and escrow deposits	21	737	678	14,247	14,965
Contractual concession asset	9	-	-	10,524,564	9,007,266
Advance for future capital increase	29	107,695	161,630	-	-
Other receivables		81	-	16,757	12,433
Investments in subsidiaries	10	4,753,454	4,403,112	-	-
Investments in joint ventures	10	136,445	136,958	136,445	136,958
Investment properties		7,826	7,826	7,826	7,826
Property, plant and equipment	12	1,895	2,381	4,689,746	4,426,026
Intangible assets	13	53,214	71,694	179,517	184,172
Total assets		6,285,564	6,260,039	20,001,628	19,369,732

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

Alupar Investimento S.A.

Balance Sheets

As at June 30, 2020 and December 31, 2019

(All amounts in thousands of reais)

Note	Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Liabilities				
Current liabilities	319,727	447,314	1,977,844	2,085,695
Loans and financing	19	-	439,012	388,062
Debentures	20	163,782	161,714	416,672
Trade payables	14	46,168	77,866	360,587
Payroll, vacations and related charges		3,697	4,929	30,365
Income tax and social contribution	28	-	-	49,526
Regulatory charges	17	-	-	66,348
Other taxes payable		71	111	62,682
Leases		491	473	7,883
Deferred social contribution and regulatory charges	18	-	-	64,856
Dividends payable	29	105,495	202,197	373,673
Advances from customers		-	-	247
Provision for environmental costs	15	-	-	13,617
Provision for asset recognition	16	-	-	61,676
Provision for contingencies	21	-	-	218
Other payables		23	24	30,482
Non-current liabilities	654,429	810,536	10,016,658	9,743,972
Loans and financing	19	-	-	1,800,373
Debentures	20	647,085	802,916	5,814,509
Leases		1,406	1,687	30,269
Advance for future capital increase		-	-	293
Deferred income tax and social contribution	28	-	-	1,387,454
Deferred social contribution and regulatory charges	18	-	-	909,569
Provision for environmental costs	15	-	-	18,345
Provision for asset recognition	16	-	-	6,677
Provision for contingencies	21	5,938	5,933	15,351
Other payables		-	-	33,818
Total liabilities	974,156	1,257,850	11,994,502	11,829,667
Equity	22	5,311,408	5,002,189	8,007,126
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		15,450	15,450	15,450
Earnings reserves		2,031,442	2,031,442	2,031,442
Retained earnings		251,258	-	251,258
Other comprehensive income		96,487	38,526	96,487
Non-controlling interest	11	-	-	2,695,718
Total liabilities and equity		6,285,564	6,260,039	20,001,628
		19,369,732		

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

Statements of Profit and Loss
Three and six-month periods ended June 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		
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	
Net operating revenue	10,501	22,592	47,730	121,501	1,026,976	817,866	2,243,903	1,963,661	
Power purchased for resale	25	(32,364)	(35,931)	(73,052)	(124,400)	(26,099)	(29,226)	(58,798)	(153,040)
Power grid charges (CUST)		-	-	-	-	(8,012)	(7,458)	(15,988)	(14,727)
Financial Compensation for the Use of Water Resources (CFURH)		-	-	-	-	(2,975)	(3,544)	(5,039)	(6,980)
Services provided	26	(246)	(201)	(738)	(387)	(85,466)	(59,852)	(146,685)	(119,055)
Infrastructure cost	26	-	-	-	-	(500,547)	(247,287)	(1,000,629)	(421,990)
Cost of services		(32,610)	(36,132)	(73,790)	(124,787)	(623,099)	(347,367)	(1,227,139)	(715,792)
Gross profit (loss)		(22,109)	(13,540)	(26,060)	(3,286)	403,877	470,499	1,016,764	1,247,869
Operating revenues (expenses)									
General and administrative expenses	26	(18,040)	(10,055)	(25,785)	(18,223)	(32,983)	(31,190)	(63,277)	(52,627)
Other revenues		-	-	-	-	551	1,224	1,212	1,459
Other expenses		-	(518)	-	(937)	(250)	(526)	(253)	(950)
Equity pick up of subsidiaries	10	115,180	145,739	315,606	553,176	938	(29,327)	(513)	22,979
		97,140	135,166	289,821	534,016	(31,744)	(59,819)	(62,831)	(29,139)
Income before finance income (costs) and taxes		75,031	121,626	263,761	530,730	372,133	410,680	953,933	1,218,730
Finance costs		(9,351)	(22,760)	(29,423)	(42,582)	(84,432)	(85,067)	(194,752)	(163,782)
Finance income		6,429	12,047	16,920	23,268	15,361	23,933	33,411	44,828
Finance income (costs)	27	(2,922)	(10,713)	(12,503)	(19,314)	(69,071)	(61,134)	(161,341)	(118,954)
Income before taxation		72,109	110,913	251,258	511,416	303,062	349,546	792,592	1,099,776
Current income tax and social contribution		-	-	-	-	(23,317)	(24,950)	(58,041)	(45,980)
Deferred income tax and social contribution		-	-	-	-	(81,768)	(79,724)	(159,041)	(162,003)
Taxes on income	28	-	-	-	-	(105,085)	(104,674)	(217,082)	(207,983)
Net profit for the period		72,109	110,913	251,258	511,416	197,977	244,872	575,510	891,793
Attributed to controlling shareholders						72,109	110,913	251,258	511,416
Attributed to non-controlling interest	11					125,868	133,959	324,252	380,377
Basic and diluted earnings per common share	23					0.08202	0.12616	0.28581	0.58174
Basic and diluted earnings per preferred share	23					0.08202	0.12616	0.28581	0.58174

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

Alupar Investimento S.A.

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

Note	Company				Consolidated			
	Quarter ended		Period ended		Quarter ended		Period ended	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Net profit for the period	72,109	110,913	251,258	511,416	197,977	244,872	575,510	891,793
Other comprehensive income to be reclassified to profit or loss for the year in subsequent periods - accumulated conversion adjustments	33,088	965	57,961	2,227	33,088	965	57,961	2,227
Comprehensive income for the period	105,197	111,878	309,219	513,643	231,065	245,837	633,471	894,020
Attributed to controlling shareholders					105,197	111,878	309,219	513,643
Attributed to non-controlling interest					125,868	133,959	324,252	380,377

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

Alupar Investimento S.A.

Statements of Changes in Equity

Six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais)

Period ended June 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	12,542,254
<u>Comprehensive income (loss)</u>												
Net income for the period		-	-	-	-	-	-	251,258	-	251,258	324,252	575,510
Accumulated conversion adjustments for the period		-	-	-	-	-	-	-	57,961	57,961	-	57,961
<u>Capital transaction with partners</u>												
Capital increase		-	-	-	-	-	-	-	-	-	7,152	7,152
Dividends		-	-	-	-	-	-	-	-	-	(173,562)	(173,562)
BALANCES AS AT JUNE 30, 2020		2,981,996	(65,225)	15,450	182,686	220,689	1,628,067	251,258	96,487	5,311,408	2,695,718	13,009,315

Period ended on June 30, 2019		Share capital	(-) Share issuance costs	Capital reserve	Earnings reserves		Retained earnings	Other comprehensive income	Total parent company	Interest of non-controlling shareholders	Total consolidated
Description	Legal reserve				Investments reserve (income)						
BALANCES AS AT JANUARY 1, 2019		2,981,996	(65,225)	43,695	138,172	1,205,182	-	24,228	4,328,048	1,933,661	6,261,709
<u>Comprehensive income</u>											
Net income for the period		-	-	-	-	-	511,416	-	511,416	380,377	891,793
Cumulative conversion adjustments for the year		-	-	-	-	-	-	2,227	2,227	-	2,227
<u>Capital Transactions with Shareholders</u>											
Capital increase – non-controlling shareholders		-	-	-	-	-	-	-	-	88,877	88,877
Payment of proposed additional dividends		-	-	-	-	-	-	-	-	(105,456)	(105,456)
Variation in non-controlling interest		-	-	-	-	-	-	-	-	(75,664)	(75,664)
BALANCES AS AT JUNE 30, 2019		2,981,996	(65,225)	43,695	138,172	1,205,182	511,416	26,455	4,841,691	2,221,795	7,063,486

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

Alupar Investimento S.A.

Statements of Cash Flows

Six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Cash flow from operating activities				
Income before taxation	251,258	511,416	792,592	1,099,776
Adjustments to profit to:				
Depreciation and amortization	2,457	619	77,951	53,482
Share of profit (loss) of subsidiaries	(315,606)	(553,176)	513	(22,979)
Debt and leases charges	28,746	41,576	289,701	284,743
Other adjustments for inflation and exchange rate changes, net	(2,609)	40	64,766	1,553
Finance income	(14,748)	(23,608)	(44,176)	(27,934)
Derecognition of property, plant and equipment and intangible assets	6,294	2	7,924	6,503
Others	(5)	-	2,462	-
Taxes on revenues (PIS and COFINS) and deferred regulatory charges	-	-	141,243	66,262
	(44,213)	(23,131)	1,332,976	1,461,406
(Increase) decrease in assets				
Trade receivables	20,970	19,098	5,453	36,024
Concession financial asset	-	-	(1,512,437)	(1,217,841)
Related parties	-	2,753	-	-
Recoverable taxes	(3,363)	1,453	(32,057)	(18,779)
Advance to suppliers	-	(106)	-	(18,736)
Inventories	-	-	1,762	(17,530)
Other	4,606	(3,788)	2,298	(20,510)
	22,213	19,410	(1,534,981)	(1,257,372)
Increase (decrease) in liabilities				
Trade payables	(31,693)	(13,873)	(45,145)	9,823
Regulatory and sector fees	-	-	4,801	7,563
Payroll, vacations and other charges	(1,232)	108	(9,838)	(2,856)
Contributions and taxes payable	-	(3,679)	23,486	(10,437)
Provisions for asset recognition and environmental costs	-	-	7,628	7,171
Advances from customers	-	-	3,509	(1,110)
Other	4	1,559	(13,853)	34,221
	(32,921)	(15,885)	(29,412)	44,375
Net cash used in operating activities	(54,921)	(19,606)	(231,417)	248,409
Income tax and social contribution	-	-	(66,411)	(57,659)
Net cash used in operating activities	(54,921)	(19,606)	(297,828)	190,750
Cash flow from investing activities				
Capital increase in investees	(2,448)	(35,216)	-	-
Payment for acquisition of subsidiaries	-	-	(14,454)	-
Loan agreements with related parties	22,844	-	-	-
Advance for future capital increase paid	(78,842)	(13,479)	-	-
Redemption of short-term investments	374,151	152,785	2,602,409	177,427
Short-term investments	(32,281)	(199,551)	(1,837,965)	(243,681)
Dividends received	77,311	57,087	-	-
Purchase of property, plant and equipment	(279)	(82)	(83,243)	(10,342)
Purchase of intangible assets	(7)	(754)	(11,854)	(3,365)
Net cash provided by (used in) investing activities	360,449	(39,210)	654,893	(79,961)
Cash flow from financing activities				
Capital increase	-	-	7,152	88,877
Dividends paid	(96,702)	-	(192,286)	(28,096)
Lease paid	(351)	-	(4,377)	-
Debts	-	-	205,993	136,738
Interest on loans and debentures	(23,724)	(25,170)	(221,419)	(193,592)
Payment of principal of loans and debentures	(158,605)	(22,525)	(579,933)	(272,936)
Net cash used in financing activities	(279,382)	(47,695)	(784,870)	(269,009)
Exchange rate changes on cash and cash equivalents	-	-	9,218	7,042
Net (decrease) increase in cash and cash equivalents	26,146	(106,511)	(418,587)	(151,178)
(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	65,620	125,367	606,617	2,824,245
Net (decrease) increase in cash and cash equivalents	26,146	(106,511)	(418,587)	(151,178)

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

Alupar Investimento S.A.

Statements of Value Added

Six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Revenues				
Operation and maintenance revenue	-	-	133,298	339,988
Infrastructure revenue	-	-	1,494,500	1,310,647
Concession financial asset payment	-	-	543,508	131,205
Power supply	52,318	130,218	298,254	370,262
Revenue associated with the construction of own assets	-	-	72,258	-
Other revenues	-	-	1,212	1,459
	<u>52,318</u>	<u>130,218</u>	<u>2,543,030</u>	<u>2,153,561</u>
(-) Inputs from third parties				
Power purchased for resale	(73,052)	(124,400)	(58,798)	(153,040)
Power grid charges	-	-	(15,988)	(14,727)
Financial Compensation for the Use of Water Resources	-	-	(5,039)	(6,980)
Infrastructure cost	-	-	(907,241)	(421,990)
Outsourced services	(10,775)	(4,518)	(51,788)	(41,123)
Materials	(65)	(66)	(6,861)	(6,529)
Other costs	(1,099)	(1,076)	(10,323)	(9,926)
	<u>(84,991)</u>	<u>(130,060)</u>	<u>(1,056,038)</u>	<u>(654,315)</u>
(-) Depreciation and amortization				
	(2,457)	(619)	(78,282)	(53,482)
Wealth received in transfer				
Share of profit (loss) of subsidiaries	315,606	553,176	(513)	22,979
Finance income	17,745	23,268	62,435	44,828
	<u>333,351</u>	<u>576,444</u>	<u>61,922</u>	<u>67,807</u>
Wealth for distribution				
	<u>298,221</u>	<u>575,983</u>	<u>1,470,632</u>	<u>1,513,571</u>
Wealth distributed				
Personnel				
Direct compensation	8,821	8,998	56,326	36,880
Benefits	1,050	888	13,010	7,381
F.G.T.S	419	408	3,962	2,219
	<u>10,290</u>	<u>10,294</u>	<u>73,298</u>	<u>46,480</u>
Taxes, rates and contributions				
Federal	6,967	10,521	455,942	405,074
State	-	-	22,480	133
Municipal	96	100	510	341
	<u>7,063</u>	<u>10,621</u>	<u>478,932</u>	<u>405,548</u>
Lenders and lessors				
Interest and changes in exchange rates	28,693	42,251	331,184	155,507
Rentals	187	1,070	3,285	5,968
Other costs	730	331	8,423	8,275
	<u>29,610</u>	<u>43,652</u>	<u>342,892</u>	<u>169,750</u>
Shareholders				
Earnings reserves	251,258	511,416	251,258	511,416
Non-controlling interest	-	-	324,252	380,377
	<u>251,258</u>	<u>511,416</u>	<u>575,510</u>	<u>891,793</u>
	<u>298,221</u>	<u>575,983</u>	<u>1,470,632</u>	<u>1,513,571</u>

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 n ^o	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. ('ETEP')	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 Transudeste de Transmissão ('Transudeste')	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) - Araçuaí (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	Pre-operating	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	Pre-operating	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					5,118				
Total under construction					2,756				

(*) 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 Mis	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 Termoeétrica e Participações S.A. ('GET')	Rio de Janeiro (RJ)	-	-	-	-	-	-
Risaralda Energía 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
Água Limpa S.A. ('Água Limpa')	Rio Piracicaba - Antônio Dias (MG)	Ordinance 346/14	07/18/14	07/18/49	Pre-operating	23.0	11.9
La Virgen S.A.C. (*) ('La Virgen')	Rio Tarma - Perú	253/2005 - 313/2008	10/12/05	Indefinite	Pre-operating	84.0	49.3
Eólica do Agreste Potiguar I S.A. ('EAP I')	Jandaira (RN)	-	-	-	Pre-operating	35.7	-
Eólica do Agreste Potiguar II S.A. ('EAP II')	Jandaira (RN)	-	-	-	Pre-operating	23.1	-
Total under operation						580.0	350.1
Total under construction						165.8	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.

• 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, once 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 first semester of 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, postponed 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 will be 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 Standstill Agreements 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. The purpose of these Standstill Agreements is to increase the working capital of these subsidiaries and were granted by BNDES to reduce the financial impacts of the Covid-19 pandemic in the country.

Notes to the interim financial information

Currently, with the exception of the construction of the plant of the indirect subsidiary La Virgen, located in Peru, 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 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 June 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 August 12, 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.

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

Notes to the interim financial information

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 June 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	-	22.12	-	22.12
AF Energia	Provision of services	100.00	-	100.00	-
Agua Limpá	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	25.50	-	25.50	-
EAP I	Generation	99.90	-	99.90	-
EAP II	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	-

Notes to the interim financial information

(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 Perú. (iv) Indirect interest through Windepar. (*) 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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash available (cash and banks)	-	-	367	204	-	-	54,491	67,982
Bank deposit certificates	95.00%	-	65,250	-	96.85%	90.00%	315,648	320,891
Repurchase agreements	-	94.57%	-	38,976	-	95.00%	-	38,976
Investment funds	-	-	-	-	94.17%	98.20%	165,459	568,626
Automatic investments	20.00%	20.00%	3	294	20.00%	20.00%	71,019	28,729
Total			65,620	39,474			606,617	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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Portfolio composition				
Government brazilian bonds – Financial Treasury Bills	102,452	406,689	393,524	1,368,202
Government brazilian bonds	515,131	533,722	1,596,651	1,349,326
Private notes	38,394	42,725	164,538	146,918
Other	4	(33)	(76)	(98)
Total	655,981	983,103	2,154,637	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 94.31% of CDI as at June 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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Investment funds	98.00%	98.00%	97,875	104,963
			97,875	104,963
Current			753	4,470
Non-current			97,122	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						
	Falling due		Falling due	Overdue				6/30/2020	12/31/2019
	6/30/2020	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	-	-	134,139	251	614	2,129	15,375	152,508	142,370
	-	-	134,139	251	614	2,129	15,375	152,508	142,370
Power generation system									
Regulated environment	-	-	33,126	-	-	-	-	33,126	35,174
Free environment	11,899	35,834	23,568	-	-	27,767	-	51,335	80,623
MRE and Spot (short-term energy)	18,779	15,814	114,322	-	-	-	-	114,322	100,619
	30,678	51,648	171,016	-	-	27,767	-	198,783	216,416
	30,678	51,648	305,155	251	614	29,896	15,375	351,291	358,786
Current	30,678	51,648						328,061	346,258
Non-current	-	-						23,230	12,528

During the period ended June 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 June 30, 2020 of the outstanding amount of MRE and Spot (short-term energy), R\$57,828 (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 hirings 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	
	6/30/2020	12/31/2019
Opening balance	9,959,154	5,531,458
Operation and maintenance revenue	133,298	461,143
Concession asset payment	543,508	432,406
Infrastructure revenue	1,494,500	3,393,000
Concession asset from acquisition of subsidiaries	-	1,356,493
Concession asset performance	(684,933)	(1,215,346)
Closing balance	11,445,527	9,959,154
Current	920,963	951,888
Non-current	10,524,564	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 2725, of July 14, 2020, beginning effective on July, 2020, which will be performed 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.

Notes to the interim financial information

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

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

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

10. Investments in subsidiaries and joint venture

Variation in investments	Balance as at 12/31/2019	Additions (write-offs)	Amortization of intangible	Adjustment to cumulative conversion	Share of profit (loss) of subsidiaries	Dividends (***)	Balance as at 6/30/2020
Subsidiaries							
ACE	23	-	-	-	(2)	-	21
AF	789	-	-	-	1,335	-	2,124
Agua Limpa	7,878	-	-	-	-	-	7,878
Alupar Colômbia	46,380	3,407	-	9,198	(3,238)	-	55,747
Alupar Chile	(1,521)	-	-	-	-	-	(1,521)
Alupar Peru	96,064	129,369	-	42,709	(43,805)	-	224,337
Apaete	36,227	2,448	-	-	6,885	(2,180)	43,380
EAP I	(42)	-	-	-	(11)	-	(53)
EAP II	(42)	-	-	-	(4)	-	(46)
EATE	490,542	-	-	-	90,697	(111,449)	469,790
ECTE	106,101	-	-	-	12,739	-	118,840
ELTE	15,079	-	-	-	(57)	-	15,022
ENTE	271,312	-	-	-	31,740	(69,266)	233,786
ERTE	35,264	-	-	-	(4,116)	-	31,148
ETAP	188,890	-	-	-	40,499	-	229,389
ETC	78,502	-	-	-	4,523	-	83,025
ETEM	55,849	-	-	-	2,111	-	57,960
ETEP	145,743	-	-	-	14,377	(25,190)	134,930
ETES	53,945	-	-	-	2,566	-	56,511
ETVG	64,771	-	-	-	2,982	-	67,753
Ferreira Gomes	892,360	-	-	-	9,431	226	902,017
Foz	160,561	-	-	-	10,760	-	171,321
GET	(548)	-	-	-	-	-	(548)
Ijuí	285,056	-	-	-	581	-	285,637
La Virgen (*)	21,970	-	-	6,048	(1,058)	-	26,960
Lavrinhas	99,189	-	-	-	6,902	-	106,091
Lumitrans	15,907	-	-	-	1,591	(1,461)	16,037
Queluz	128,251	-	-	-	6,187	-	134,438
Risaralda	63	-	-	6	(10)	-	59
STC	44,731	-	-	-	1,503	(2,675)	43,559
STN	230,659	-	-	-	23,470	(12,775)	241,354
TCC	80,444	-	-	-	19,630	21,474	121,548
TPE	114,102	-	-	-	44,232	30,396	188,730
Transminas	88,381	-	-	-	13,258	(318)	101,321
Transmissoras Reunidas	(2)	-	-	-	(8)	-	(10)
TSM	27,961	-	-	-	10,961	2,622	41,544
Verde 8	86,367	-	-	-	2,124	-	88,491
Windepar	133,799	-	-	-	(5,293)	-	128,506
TME	194,710	-	-	-	8,176	(256)	202,630
ETB (**)	107,397	-	(1,458)	-	4,461	13,348	123,748
Subtotal	4,403,112	135,224	(1,458)	57,961	316,119	(157,504)	4,753,454
Joint ventures							
TNE	136,958	-	-	-	(513)	-	136,445
Total Consolidated	136,958	-	-	-	(513)	-	136,445
Total Company	4,540,070	135,224	(1,458)	57,961	315,606	(157,504)	4,889,899

In the six-months period ended June 30, 2020, occurred the capital paid up in the amount of R\$129,369 at the subsidiary Alupar Perú.

(*) La Virgen recognized intangible assets of R\$6,164 reclassified to intangible assets for purposes of consolidation.

(**) ETB recognized intangible assets of R\$28,400 reclassified to intangible assets for purposes of consolidation.

(***) The positive values refer to the uncovered transfer of the mandatory minimum dividends declared in 2019 to the unrealized profit reserve of the subsidiaries.

Notes to the interim financial information

Changes in investments are demonstrated as follows:

Companies	Information on subsidiaries				6/30/2020			12/31/2019		
	6/30/2020				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	21	1	20	(3)	3,420,644	100.00	100.00	3,420,644	100.00	100.00
AF Energia	8,121	5,995	2,126	1,336	7,370,000	100.00	100.00	7,370,000	100.00	100.00
Agua Limpa	7,935	56	7,879	-	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	73,433	17,631	55,802	(3,185)	58,596,603,000	100.00	100.00	55,801,860,000	100.00	100.00
Alupar Peru	519,586	295,250	224,336	(43,805)	254,466,812	100.00	100.00	152,231,612	100.00	100.00
APAETE	170,955	836	170,119	18,420	76,297,851	51.00	25.50	71,497,851	51.00	25.50
EAP I	1,248	1,300	(52)	(10)	1,000	99.90	99.90	1,000	99.90	99.90
EAP II	846	892	(46)	(4)	1,000	99.90	99.90	1,000	99.90	99.90
EATE	2,002,516	1,063,267	939,249	181,331	92,000,000	50.02	50.02	92,000,000	50.02	50.02
ECTE	468,002	230,427	237,575	25,464	42,095,000	50.02	50.02	42,095,000	50.02	50.02
ELTE	16,641	1,619	15,022	(53)	15,467,000	100.00	100.00	15,467,000	100.00	100.00
ENTE	852,930	385,459	467,471	63,464	100,840,000	50.01	50.01	100,840,000	50.01	50.01
ERTE	162,212	20,374	141,838	(18,745)	84,133,970	21.96	21.96	84,133,970	21.96	21.96
ETAP	580,880	351,491	229,389	40,498	10,481,000	100.00	100.00	10,481,000	100.00	100.00
ETC	267,150	184,122	83,028	4,525	6,151,000	100.00	100.00	6,151,000	100.00	100.00
ETEM	146,935	54,632	92,303	3,360	43,000,000	62.79	62.79	43,000,000	62.79	62.79
ETEP	468,232	198,452	269,780	28,747	27,000,000	50.02	50.02	27,000,000	50.02	50.02
ETES	128,495	71,984	56,511	2,564	29,064,000	100.00	100.00	29,064,000	100.00	100.00
ETVG	130,646	62,893	67,753	2,983	34,847,722	100.00	100.00	34,847,722	100.00	100.00
Ferreira Gomes	1,544,310	642,291	902,019	10,385	807,080,529	100.00	100.00	807,080,529	100.00	100.00
Foz	377,703	132,375	245,328	15,409	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	449,858	120,246	329,612	669	273,064,862	100.00	86.66	273,064,862	100.00	86.66
La Virgen	1,022,930	456,487	566,443	(28,811)	384,236,203	3.67	3.67	255,585,903	5.52	5.52
Lavrinhas	312,880	138,949	173,931	11,315	70,910,870	61.00	61.00	70,910,870	61.00	61.00
Lumitrans	120,106	13,182	106,924	10,605	72,012,095	15.00	15.00	72,012,095	15.00	15.00
Queluz	359,628	164,309	195,319	8,988	96,782,146	68.83	68.83	96,782,146	68.83	68.83
Risaralda	214,947	198,072	16,875	(2,846)	29,093	0.34	0.34	29,093	0.34	0.34
STC	244,353	26,565	217,788	7,513	211,003,246	20.00	20.00	211,003,246	20.00	20.00
STN	623,824	150,580	473,244	46,021	198,000,000	51.00	51.00	198,000,000	51.00	51.00
TCC	1,164,204	925,873	238,331	38,491	22,728,926	51.00	51.00	22,728,926	51.00	51.00
TPE	1,865,649	1,495,593	370,056	86,728	31,553,107	51.00	51.00	31,553,107	51.00	51.00
Transminas	153,752	9,043	144,709	18,935	44,860,000	70.02	70.02	44,860,000	70.02	70.02
Transmissoras Reunidas	-	10	(10)	(8)	25,780	100.00	100.00	25,780	100.00	100.00
TSM	642,420	560,961	81,459	21,492	37,631,994	51.00	51.00	37,631,994	51.00	51.00
Verde 8	294,695	190,582	104,113	2,362	107,660,380	85.00	85.00	107,660,380	85.00	85.00
Windepar	316,636	188,130	128,506	(5,293)	164,832,956	100.00	100.00	164,832,956	100.00	100.00
TME	728,178	390,260	337,918	11,859	109,793,590	60.00	60.00	109,793,590	60.00	60.00
ETB	1,100,123	908,854	191,269	8,745	222,958	51.00	51.00	222,958	51.00	51.00
Joint venture:										
TNE	303,777	36,311	267,466	(1,005)	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).

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.

Notes to the interim financial information

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

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

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

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

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

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

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

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

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 reject 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 construction 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 appeal.

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.

Notes to the interim financial information

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	Non-controlling interest (%)	6/30/2020		12/31/2019	
		Non-controlling interest (carrying amount)	Income (loss) from non-controlling interest	Non-controlling interest (carrying amount)	Income (loss) from non-controlling interest
Subsidiaries					
Transminas	29.98	43,387	5,677	37,845	10,827
EATE	49.98	469,459	90,954	490,162	170,077
ENTE	49.99	233,684	31,725	271,193	104,789
ECTE	49.98	118,735	12,726	106,007	24,049
ERTE	21.95	31,133	(4,115)	35,248	9,358
ETEP	49.98	134,848	14,369	145,654	37,361
STN	49.00	231,890	22,550	221,613	37,463
EBTE	49.00	145,399	8,621	138,177	16,909
EDTE	49.90	93,069	20,788	72,279	51,603
Lumitrans	5.00	5,346	530	5,303	1,296
Ijuí	13.34	43,977	89	43,887	2,962
Foz	30.17	74,006	4,648	69,358	8,151
Lavrinhas	39.00	67,833	4,413	63,419	7,002
Queluz	31.17	60,881	2,802	58,079	5,872
ETEM	37.21	34,345	1,250	33,095	(2,934)
GET	49.00	(526)	-	(526)	-
RisaraIda	0.03	6	(1)	6	1
Verde 08	15.00	15,637	334	15,243	(943)
La Virgen	10.26	44,508	(10,600)	44,168	(1,230)
TPE	49.00	181,327	42,497	109,627	119,759
TCC	49.00	116,782	18,861	77,289	84,660
TSM	49.00	39,915	10,531	26,866	10,607
Apaete	74.50	128,927	11,535	112,231	8,937
AETE	13.25	18,535	2,812	31,276	1,068
Transleste	49.00	33,509	4,362	32,545	13,195
Transudeste	49.00	24,692	3,554	25,792	11,166
Transirapé	49.00	76,537	14,808	65,077	17,967
TME	40.00	135,664	4,247	130,607	3,710
ETB	49.00	92,213	4,285	76,356	(2,569)
		2,695,718	324,252	2,537,876	751,113

In the period ended June 30, 2020, there was a capital increase in the total amount of R\$9,600 at Apaete, of which R\$7,152 was paid in by non-controlling shareholders.

There was also the distribution of dividends to non-controlling shareholders in the total amount of R\$173,562 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.

Notes to the interim financial information

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	6/30/2020
In service							
Historical cost							
Land	88,062	-	-	-	864	-	88,926
Reservoirs, dams and feeders	1,577,606	-	-	6,395	-	-	1,584,001
Buildings, civil construction and improvements	478,998	354	-	50,810	24,745	(33)	554,874
Machinery and equipment	1,858,764	1,126	(19)	17,116	9,336	78	1,886,401
Vehicles	3,225	-	-	-	245	(178)	3,292
Furniture and fixtures	7,843	75	(105)	43	516	20	8,392
Lease use right	34,327	3,239	-	-	288	1,172	39,026
Total	4,048,825	4,794	(124)	74,364	35,994	1,059	4,164,912
Depreciation							
Reservoirs, dams and feeders	5.28%	(205,046)	(20,441)	-	-	(1)	(225,488)
Buildings, civil construction and improvements	16.03%	(60,688)	(18,143)	-	(1,112)	753	(79,190)
Machinery and equipment	7.34%	(304,901)	(33,195)	-	(1,206)	(887)	(340,189)
Vehicles	16.99%	(1,749)	(129)	-	(62)	(171)	(2,111)
Furniture and fixtures	22.61%	(4,005)	(410)	79	(301)	(34)	(4,671)
Lease use right	33.99%	(3,353)	(2,605)	-	(96)	(1,517)	(7,571)
Total depreciation		(579,742)	(74,923)	79	(2,777)	(1,857)	(659,220)
Total in service		3,469,083	(70,129)	(45)	74,364	(798)	3,505,692
In progress							
		956,943	81,688	(96)	(74,355)	223,578	(3,704)
Total property, plant and equipment		4,426,026	11,559	(141)	9	256,795	(4,502)

Consolidated						
Average annual depreciation rate	12/31/2018	Additions	Write-offs	Transfers	Profit/loss from the balance calculation	6/30/2019
On service						
Historical cost						
Land	87,521	633	(1,249)	(2,550)	13	84,368
Reservoirs, bus and water mains	1,540,083	-	-	-	-	1,540,083
Buildings, civil works and improvements	466,527	1	-	8,016	107	474,651
Machinery and equipment	1,761,123	526	(11)	82,721	39	1,844,398
Vehicles	3,195	-	-	-	26	3,221
Furniture and fixtures	7,312	191	(3)	11	5	7,516
Total	3,865,761	1,351	(1,263)	88,198	190	3,954,237
Depreciation						
Reservoirs, bus and water mains	2.04%	(170,895)	(16,516)	-	-	(187,411)
Buildings, civil works and improvements	2.19%	(49,733)	(5,488)	-	7	(55,214)
Machinery and equipment	3.10%	(246,353)	(28,949)	11	(1)	(275,292)
Vehicles	11.74%	(1,477)	(99)	-	(21)	(1,597)
Furniture and fixtures	11.07%	(3,274)	(304)	-	(15)	(3,593)
Total Depreciation		(471,732)	(51,356)	11	(30)	(523,107)
Total in service		3,394,029	(50,005)	(1,252)	88,198	160
In progress						
		889,453	8,991	(5,222)	(88,198)	11,351
Total property, plant and equipment		4,283,482	(41,014)	(6,474)	-	11,511

Notes to the interim financial information

- 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\$970,469), TCE (R\$144,665), Foz (R\$30,574), EDVs (R\$14,242) and Água Limpa (R\$7,839).
- 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 June 30, 2020, net capitalized financial charges totaled R\$15,097 (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	Other	6/30/2020
Cost					
Other intangible concession assets	813	7	-	-	820
Exploration rights	8,156	-	-	-	8,156
	8,969	7	-	-	8,976
Amortization					
Other intangible concession assets	20.00%	(676)	(24)	-	(700)
Exploration rights	3.33%	(2,743)	(180)	-	(2,923)
		(3,419)	(204)	-	(3,623)
Projects in progress		66,144	-	(18,283)	47,861
Total intangible assets		71,694	(197)	(18,283)	53,214

Parent company					
Amortization annual average rate	12/31/2018	Additions	Write-offs	6/30/2019	
Cost					
Other intangible from the concession	813	-	(2)	811	
Exploration rights	14,838	-	-	14,838	
	15,651	-	(2)	15,649	
Amortization					
Other intangible from the concession	24.17%	(629)	(23)	(652)	
Exploration rights	3.48%	(2,383)	(180)	(2,563)	
		(3,012)	(203)	(3,215)	
Projects in progress		66,792	755	67,547	
Total intangible		79,431	552	(2)	79,981

Consolidated							
Annual average amortization rate	12/31/2019	Additions	Write-offs	Transfers	Gain (loss) on conversion of balances	6/30/2020	
Cost							
Other intangible concession assets	39,531	11,825	(1)	6,919	5,822	64,096	
Use of public asset	16,348	-	-	260	-	16,608	
Exploration rights	88,081	-	-	-	-	88,081	
	143,960	11,825	(1)	7,179	5,822	168,785	
Amortization							
Other concession intangible assets	6.43%	(13,692)	(621)	-	-	(481)	(14,794)
Use of public assets	6.72%	(4,362)	(268)	-	-	-	(4,630)
Exploration rights	12.17%	(15,774)	(2,566)	-	-	-	(18,340)
		(33,828)	(3,455)	-	-	(481)	(37,764)
Project in progress		74,040	29	(18,286)	(7,188)	(99)	48,496
Total intangible assets		184,172	8,399	(18,287)	(9)	5,242	179,517

Consolidated							
Amortization annual average rate	12/31/2018	Additions	Write-offs	Gain (loss) on conversion of balances	Others	6/30/2019	
Cost							
Other intangible from the concession	24,512	199	-	4	-	24,715	
Use of public facilities	16,348	-	-	-	-	16,348	
Exploration rights	62,419	130	(29)	-	3,824	66,344	
	103,279	329	(29)	4	3,824	107,407	
Amortization							
Other intangible from the concession	24.29%	(12,683)	(653)	-	171	-	(13,165)
Use of public facilities	3.18%	(3,839)	(260)	-	-	-	(4,099)
Exploration rights	4.06%	(9,714)	(460)	-	-	(3,824)	(13,998)
		(26,236)	(1,373)	-	171	(3,824)	(31,262)
Projects in progress		71,168	3,036	-	-	-	74,204
Total intangible		148,211	1,992	(29)	175	-	150,349

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

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:

Notes to the interim financial information

	Annual average amortization rate	Concession period		Company		Consolidated	
		Start	End	6/30/2020	12/31/2019	6/30/2020	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
				<u>8,156</u>	<u>8,156</u>	<u>88,081</u>	<u>88,081</u>
Amortization							
Queluz				(1,091)	(971)	(1,091)	(971)
Lavrinhas				(1,832)	(1,772)	(1,832)	(1,772)
ETB				-	-	(1,458)	-
EDV I (**)				-	-	(408)	(360)
EDV II (**)				-	-	(246)	(217)
EDV III (**)				-	-	(391)	(348)
EDV IV (**)				-	-	(532)	(470)
EDV X (**)				-	-	(327)	(289)
STC (*)				-	-	(3,641)	(3,486)
Lumitrans (*)				-	-	(4,703)	(4,503)
Transleste (*)				-	-	(1,250)	(1,157)
Transudeste (*)				-	-	(898)	(830)
Transirapé (*)				-	-	(1,367)	(1,264)
EDTE (***)				-	-	(196)	(107)
				<u>(2,923)</u>	<u>(2,743)</u>	<u>(18,340)</u>	<u>(15,774)</u>
Total net				<u>5,233</u>	<u>5,413</u>	<u>69,741</u>	<u>72,307</u>

(*) 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.

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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Transmission use charges	-	-	2,492	2,414
Electric energy supply (a)	11,922	10,571	121,359	147,059
Materials and services	13,028	31,175	236,736	251,897
Related parties	21,218	36,120	-	-
Total	46,168	77,866	360,587	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 June 30, 2020 and December 31, 2019.

- (a) As at June 30, 2020, out of the outstanding balance, R\$115,796 (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 effected during the implementation of these programs.

Changes in provision for environmental costs	Consolidated	
	6/30/2020	12/31/2019
Opening balance	20,672	24,134
Realization	(423)	(4,364)
Write-offs	-	(20)
Additions	12,109	201
Adjustment	(396)	721
Closing balance	31,962	20,672
Current	13,617	19,938
Non-current	18,345	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	
	6/30/2020	12/31/2019
Opening balance	80,271	86,019
Realization	(8,226)	(72,145)
Write-offs	(3,693)	(3,225)
Additions	1	69,622
Closing balance	68,353	80,271
Current	61,676	73,594
Non-current	6,677	6,677

17. Regulatory charges

	Consolidated	
	6/30/2020	12/31/2019
ANEEL inspection fee (TFSEE)	3,252	2,884
Quota for Global Reversal Reserve (RGR)	3,634	3,407
Financial Compensation for the Use of Water Resources (CFURH)	2,119	1,078
Research and Development (R&D)	55,853	51,244
National Fund for Scientific and Technological Development (FNDCT)	1,001	940
Ministry of Mines and Energy (MME)	489	520
	66,348	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	
	6/30/2020	12/31/2019
Deferred TFSEE and RGR	176,967	180,947
Deferred PIS and COFINS	797,458	658,180
	974,425	839,127
Current	64,856	63,105
Non-current	909,569	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	6/30/2020				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	-	57	19,449	19,506	21,463
BNDES - B - nº 11.2.1030.1	ETEM	Dec-11	Apr-26	2,100	TJLP	2.04	Monthly	-	3	897	900	698
BNDES - A - nº 13.2.1413.1	ETSE	Dec-13	Nov-28	27,446	TJLP	2.02	Monthly	-	88	27,289	27,377	29,003
BNDES (FINAME) - B - nº 13.2.1413.1	ETSE	Dec-13	Nov-23	34,254	-	3.50	Monthly	-	22	15,163	15,185	17,408
BNDES - A - nº 12.2.1390.1	FGE	Dec-12	Apr-31	198,420	TJLP	2.34	Monthly	-	482	165,539	166,021	169,068
BNDES - B - nº 12.2.1390.1	FGE	Dec-12	Apr-31	78,540	TJLP	2.34	Monthly	-	192	65,518	65,710	66,917
BNDES - C - nº 12.2.1390.1	FGE	Dec-12	Apr-31	9,500	TJLP	2.34	Monthly	-	21	7,392	7,413	7,551
BNDES - D - nº 12.2.1390.1	FGE	Dec-12	Dec-22	181,850	-	2.50	Monthly	(2,608)	65	61,762	59,219	71,483
BNDES - E - nº 12.2.1390.1	FGE	Dec-12	Apr-31	2,300	TJLP	-	Monthly	-	4	1,976	1,980	2,024
BNDES - nº 08.2.0070.1	Foz	Apr-08	Mar-27	201,630	TJLP	2.44	Monthly	-	325	109,335	109,660	113,594
BNDES - nº 08.2.0071.1	Ijuí	Apr-08	Sep-27	168,200	TJLP	3.17	Monthly	-	325	99,957	100,282	103,438
BNDES - nº 08.2.0976.1	Lavrinhas	Mar-09	Apr-25	111,185	TJLP	1.93	Monthly	-	128	46,110	46,238	51,033
BNDES - nº 10.2.0477.1	Lavrinhas	Aug-10	Apr-25	16,875	TJLP	2.22	Monthly	-	18	6,262	6,280	6,932
BNDES - nº 08.2.0975.1	Queluz	Mar-09	Jan-25	114,647	TJLP	1.93	Monthly	-	123	44,401	44,524	49,394
BNDES - nº 10.2.0478.1	Queluz	Aug-10	Jan-25	27,716	TJLP	2.22	Monthly	-	28	9,725	9,753	10,818
BNDES - nº 15.2.0778.1	EDV I	Mar-16	Oct-32	57,990	TJLP	2.18	Monthly	(66)	105	52,418	52,457	52,744
BNDES - nº 19.2.0598.1	EDV I	Dec-19	Oct-32	11,145	IPCA	1.68 +1.99	Monthly	-	68	14,276	14,344	11,351
BNDES - nº 15.2.0778.1	EDV II	Mar-16	Oct-32	32,220	TJLP	2.18	Monthly	(42)	90	29,535	29,583	29,773
BNDES - nº 19.2.0598.1	EDV II	Dec-19	Oct-32	4,850	IPCA	1.68 +1.99	Monthly	-	7	7,911	7,918	4,810
BNDES - nº 15.2.0778.1	EDV III	Mar-16	Oct-32	49,007	TJLP	2.18	Monthly	(48)	127	45,132	45,211	45,509
BNDES - nº 19.2.0598.1	EDV III	Dec-19	Oct-32	9,067	IPCA	1.68 +1.99	Monthly	-	18	9,834	9,852	9,024
BNDES - nº 15.2.0778.1	EDV IV	Mar-16	Oct-32	81,041	TJLP	2.18	Monthly	(56)	211	69,264	69,419	69,822
BNDES - nº 19.2.0598.1	EDV IV	Dec-19	Oct-32	7,857	IPCA	1.68 +1.99	Monthly	-	2	9,109	9,111	7,804
BNDES - nº 15.2.0778.1	EDV X	Mar-16	Oct-32	41,042	TJLP	2.18	Monthly	(54)	116	37,856	37,918	38,162
BNDES - nº 19.2.0598.1	EDV X	Dec-19	Oct-32	11,206	IPCA	1.68 +1.99	Monthly	-	13	11,871	11,884	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	-	-	11	11	77
BDMG (FINAME PSI) - nº 177906	Transirapé	Dec-13	Jan-24	19,761	-	3.50	Monthly	-	12	8,536	8,548	9,742
BDMG (FINEM) - nº 193.292	Transirapé	Oct-14	Oct-29	5,893	TJLP	3.50	Monthly	-	168	3,929	4,097	4,317
BDMG - nº 215.411/16	Transirapé	Apr-16	Apr-26	4,000	TJLP	6.00	Monthly	-	95	3,027	3,122	2,047
BDMG - nº 215.485/16	Transirapé	Apr-16	Apr-21	4,469	TJLP	4.50	Monthly	-	45	1,657	1,702	3,166
BDMG - nº 127.315	Transleste	Mar-05	Mar-25	47,029	-	9.50	Monthly	-	58	11,485	11,543	12,783
BNB - nº 05974828-A	Transleste	Mar-05	Mar-25	15,000	-	9.50	Monthly	-	73	3,593	3,666	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	TME	May-20	May-22	200,000	DI	3.30	Único no final	(664)	1,119	200,000	200,455	-
Subtotal								(3,538)	4,208	1,200,219	1,200,889	1,212,192
Current								(838)	3,088	120,089	122,339	256,716
Non-current								(2,700)	1,120	1,080,130	1,078,550	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	6/30/2020				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	(1,818)	1,172	164,149	163,503	146,892
Banco Itaú	Risaralda	Jun-20	Jul-20	COP 163,657	-	24.05	Monthly	-	-	239	239	-
Itau Coprbanca New York Branch	Alupar Peru	Sep-17	Sep-20	USD 30,000	-	5.85	Quarterly	-	-	83,375	83,375	73,660
Itau Coprbanca New York Branch	Alupar Peru	Nov-19	Nov-20	USD 2,766	-	4.80	Annual	-	-	15,152	15,152	11,158
Banco Santander Brasil	Alupar Peru	Dec-18	Dec-21	USD 17,500	Libor (*)	3.42	Annual	-	-	98,936	98,936	70,587
Banco Santander Brasil	Alupar Peru	Mar-19	Mar-22	USD 17,500	Libor (*)	3.42	Annual	-	-	97,395	97,395	73,984
Banco Itaú	Alupar Colombia	Jun-20	Jul-20	COP 29,649	-	24.05	Monthly	-	-	43	43	-
Pre-operating												
Itau Coprbanca Colombia Prenda	TCE	Jul-17	Jul-20	COP 200,000	IBR(**)	4.44	Monthly	-	-	10	10	53
Itau Coprbanca Colombia Leasing	TCE	Jul-17	Jul-20	COP 330,000	-	10.32	Monthly	-	-	20	20	91
Santander Brasil - Capital de trabajo	TCE	May-18	Apr-21	USD 30,000	Libor (*)	3.70	Annual	(164)	2,450	164,978	167,264	125,042
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	-	-	259,489	259,489	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	-	-	153,070	153,070	116,455
Subtotal								(1,982)	3,622	1,036,856	1,038,496	811,665
Current								(560)	3,622	313,610	316,672	131,346
Non-current								(1,422)	-	723,246	721,824	680,319
Total								(5,520)	7,830	2,237,075	2,239,385	2,023,857
Current								(1,398)	6,710	433,699	439,011	388,062
Non-current								(4,122)	1,120	1,803,376	1,800,374	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 June 30, 2020, certain subsidiaries' loans and financing have guarantees deposited in reserve accounts, in the amount of R\$97,875 (R\$104,963 as at December 31, 2019), as described in note 7.

Variation in loans and financing	Consolidated					
	Domestic currency		Foreign currency		Total	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Opening balance	1,212,192	1,216,142	811,665	644,339	2,023,857	1,860,481
Debts (unamortized cost)	208,971	44,925	(1,372)	150,032	207,599	194,957
Accrued charges	41,690	87,368	29,762	62,286	71,452	149,654
Adjustment for inflation and exchange rate changes	(65)	2,776	64,743	(5,283)	64,678	(2,507)
Gain (loss) on conversion	-	-	202,491	30,177	202,491	30,177
Principal paid	(229,274)	(152,253)	(35,753)	(28,947)	(265,027)	(181,200)
Charges paid	(32,625)	(87,155)	(33,040)	(40,939)	(65,665)	(128,094)
Loan acquired from business combination	-	100,389	-	-	-	100,389
Closing balance	1,200,889	1,212,192	1,038,496	811,665	2,239,385	2,023,857

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

Falling due installments, by currency and index	6/30/2020							
	Consolidated							
	R\$							
	2020	2021	2022	2023	2024	2025	After 2025	Total
Foreign currency								
US dollar	116,188	288,807	122,637	33,510	35,597	31,564	246,542	874,845
Colombian peso	6,752	12,640	15,449	18,258	21,067	91,467	-	165,633
(-) Unamortized costs	(242)	(462)	(386)	(363)	(298)	(231)	-	(1,982)
	<u>122,698</u>	<u>300,985</u>	<u>137,700</u>	<u>51,405</u>	<u>56,366</u>	<u>122,800</u>	<u>246,542</u>	<u>1,038,496</u>
Domestic currency								
DI	-	-	201,119	-	-	-	-	201,119
TJLP	33,851	107,082	94,792	102,045	103,036	86,191	322,422	849,419
Fixed rate	17,706	28,192	41,007	9,791	3,476	608	-	100,780
IPCA	1,910	4,141	4,472	4,603	4,874	5,013	28,096	53,109
(-) Unamortized costs	(552)	(573)	(405)	(240)	(240)	(241)	(1,287)	(3,538)
	<u>52,915</u>	<u>138,842</u>	<u>340,985</u>	<u>116,199</u>	<u>111,146</u>	<u>91,571</u>	<u>349,231</u>	<u>1,200,889</u>
	175,613	439,827	478,685	167,604	167,512	214,371	595,773	2,239,385

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							6/30/2020				12/31/2019	6/30/2020				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	(1,044)	2,266	157,213	158,435	315,788	(1,044)	2,266	157,213	158,435	315,788
7th Issuance	Alupar	Dec-19	Oct-25	648,500	CDI	1.40	Single installment	Semiannual	(1,779)	5,711	648,500	652,432	648,842	(1,779)	5,711	648,500	652,432	648,842
1st Issuance	Windepar	Dec-16	Dec-28	67,500	IPCA	7.63	Semiannual	Semiannual	-	-	-	-	-	(4,441)	231	71,820	67,610	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	-	-	-	-	-	(1)	41	9,352	9,392	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	-	-	-	-	-	(41)	92	54,000	54,051	54,149
6th Issuance	EATE	Sep-17	Sep-22	70,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(117)	6	34,363	34,252	41,901
7th Issuance	EATE	Jun-18	Jun-23	85,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(211)	11	55,635	55,435	64,712
8th Issuance	EATE	Jul-19	Jul-24	270,000	CDI	108.60	Single installment	Semiannual	-	-	-	-	-	(625)	4,562	270,000	273,937	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	-	-	-	-	-	(174)	13	69,828	69,667	74,861
5th Issuance	ECTE	Jul-19	Jul-24	50,000	CDI	108.60	Single installment	Semiannual	-	-	-	-	-	(203)	845	50,000	50,642	51,022
2nd Issuance	ENTE	Aug-14	Aug-20	248,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	(2)	64	14,586	14,648	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	-	-	-	-	-	(211)	844	50,000	50,633	51,012
2nd Issuance	ETEP	Aug-14	Aug-20	69,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	-	18	4,058	4,076	12,263
3rd Issuance	ETEP	Jun-18	Jun-23	45,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(130)	6	33,061	32,937	38,451
3rd Issuance	Ferreira Gomes	Jun-14	Dec-27	210,900	IPCA	6.47	Semiannual	Semiannual	-	-	-	-	-	(9,895)	806	294,963	285,874	290,621
1st Issuance	STN	Aug-14	Aug-20	101,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	-	26	5,941	5,967	17,953
2nd Issuance	Transirapé	Sep-17	Sep-22	30,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(67)	4	21,892	21,829	26,635
1st Issuance	Transleste	Aug-14	Aug-20	55,000	CDI	109.75	Quarterly	Quarterly	-	-	-	-	-	(1)	15	3,235	3,249	9,916
2nd Issuance	Transleste	Sep-17	Jun-22	30,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(89)	5	30,000	29,916	29,875
2nd Issuance	Transudeste	Sep-17	Sep-22	50,000	CDI	107.75	Monthly	Monthly	-	-	-	-	-	(83)	5	27,551	27,473	33,495
1st Issuance	EBTE	Jun-18	Jun-23	110,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(262)	12	66,002	65,752	76,755
1st Issuance	ETES	Jun-18	Jun-23	40,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(146)	5	24,001	23,860	27,847
2nd Issuance - I	ETAP	Sep-18	Sep-23	41,300	CDI	112.00	Single installment	Semiannual	-	-	-	-	-	(793)	418	41,300	40,925	41,059
2nd Issuance - II	ETAP	Sep-18	Sep-25	114,700	IPCA	6.17	Annual	Semiannual	-	-	-	-	-	(2,553)	1,492	121,176	120,115	119,281
1st Issuance	ETVG	Jun-18	Jun-23	38,000	CDI	112.00	Monthly	Monthly	-	-	-	-	-	(123)	4	22,801	22,682	26,473
2nd Issuance	Verde 08	Jul-18	Jul-25	140,000	IPCA	5.96	Single installment	Semiannual	-	-	-	-	-	(2,391)	5,305	146,113	149,027	148,185
2nd Issuance - I	ETC	Sep-18	Sep-23	30,700	CDI	113.50	Single installment	Semiannual	-	-	-	-	-	(584)	315	30,699	30,430	30,534
2nd Issuance - II	ETC	Sep-18	Sep-25	85,300	IPCA	6.17	Annual	Semiannual	-	-	-	-	-	(1,880)	1,111	90,116	89,347	88,667
2nd Issuance	EDTE	Dec-18	Dec-28	315,000	IPCA	NTN-B + 0,5%	Semiannual	Semiannual	-	-	-	-	-	(9,355)	14,554	315,000	320,199	317,832
Pre-operating																		
1st Issuance	TCC	Sep-18	Sep-28	680,000	IPCA	6.53	Semiannual	Semiannual	-	-	-	-	-	(20,436)	44,545	680,000	704,109	698,938
1st Issuance	TPE	Sep-18	Sep-28	1,070,000	IPCA	6.53	Semiannual	Semiannual	-	-	-	-	-	(32,086)	70,092	1,070,000	1,108,006	1,099,875
1st Issuance	ETB	Dec-18	Feb-29	715,000	IPCA	5.34	Semiannual	Semiannual	-	-	-	-	-	(20,687)	45,285	715,000	739,598	734,831
1st Issuance	TSM	Dec-19	Dec-44	530,000	IPCA	4.50	Semiannual	Semiannual	-	-	-	-	-	(33,289)	15,689	530,000	512,400	497,458
1st Issuance	ESTE	Dec-19	Dec-44	415,000	IPCA	4.50	Semiannual	Semiannual	-	-	-	-	-	(25,007)	12,283	415,000	402,276	390,465
TOTAL									(2,823)	7,977	805,713	810,867	964,630	(168,706)	226,681	6,173,206	6,231,181	6,490,298
Current									(1,408)	7,977	157,213	163,782	161,714	(17,281)	72,378	361,575	416,672	479,525
Non-current									(1,415)	-	648,500	647,085	802,916	(151,425)	154,303	5,811,631	5,814,509	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 June 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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Opening balance	964,630	679,990	6,490,298	4,542,789
Debts (unamortized cost)	-	646,576	(1,606)	1,901,535
Accrued charges	12,049	46,322	193,504	399,688
Adjustment for inflation and exchange rate changes	16,517	29,347	19,645	54,019
Principal paid	(158,605)	(385,703)	(314,906)	(848,705)
Charges paid	(23,724)	(51,902)	(155,754)	(284,073)
Debentures acquired in business combination	-	-	-	725,045
Closing balance	810,867	964,630	6,231,181	6,490,298

In the six-month period ended on June 30, 2020, the 3rd issue of ENTE's second series of debentures and the 3rd issue of ECTE's debentures were settled, which totaled R\$14,000 and Alupar's 6th issue of common debentures in the amount of R\$158,605.

The unpaid debentures, by index, as follows:

Falling due installments by index	6/30/2020								
	Company							After 2025	Total
	2020	2021	2022	2023	2024	2025			
CDI	5,711	-	-	-	324,250	324,250	-	654,211	
IPCA	2,266	157,213	-	-	-	-	-	159,479	
(-) unamortized costs	(754)	(822)	(337)	(337)	(337)	(236)	-	(2,823)	
	7,223	156,391	(337)	(337)	323,913	324,014	-	810,867	

Notes to the interim financial information

Falling due installments by index	6/30/2020							
	Consolidated							
	2020	2021	2022	2023	2024	2025	After 2025	Total
CDI	120,114	219,767	120,492	100,954	694,250	324,250	-	1,579,827
IPCA	34,866	225,906	53,640	194,380	416,374	528,468	3,366,426	4,820,060
(-) unamortized costs	(8,228)	(17,934)	(16,850)	(16,611)	(16,098)	(15,087)	(77,898)	(168,706)
	146,752	427,739	157,282	278,723	1,094,526	837,631	3,288,528	6,231,181

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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Lawsuits								
Tax	-	-	-	-	-	1	3,953	3,951
Civil	5	-	10	10	7,344	6,122	8,212	8,838
Severance	-	-	-	-	-	-	718	78
Labor	5,933	5,933	727	668	8,225	9,044	1,721	2,455
Administrative proceedings								
Regulatory (ANEEL)	-	-	-	-	-	-	27	27
	5,938	5,933	737	678	15,569	15,167	14,631	15,349
Current	-	-	-	-	218	323	384	384
Non-current	5,938	5,933	737	678	15,351	14,844	14,247	14,965

- b) Changes in the provision for contingencies:

	Company			
	12/31/2019	Filing	Reversals	12/31/2019
Lawsuits				
Civil	-	5	-	5
Labor	5,933	-	-	5,933
	5,933	5	-	5,938
	Consolidated			
	12/31/2019	Filing	Reversals	6/30/2020
Lawsuits				
Tax	1	579	(580)	-
Civil	6,122	1,328	(106)	7,344
Labor	9,044	62	(881)	8,225
	15,167	1,969	(1,567)	15,569

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

Notes to the interim financial information

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.

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

	6/30/2020		12/31/2019	
	Quantity	Value	Quantity	Value
Lawsuits				
Tax	57	86,525	46	51,359
Environmental and civil	52	118,746	46	114,164
Labor	50	13,234	62	15,665
Regulatory	8	29	8	29
	167	218,534	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\$17,429 (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\$15,855 (R\$15,586 as at December 31, 2019).

Notes to the interim financial information

- Administrative Proceeding nº 10880983402200975 - filed by the Federal Government against the subsidiary EATE, pending before the Federal Revenue Service of São Paulo/SP. This is a Decree Order that did not ratify DCOMP of 09/15/2006, resulting from a negative balance referring to 2003 (calculation period 2002), in order to settle own IRPJ and CSLL debts. The approximate value at risk is R\$13,714 (R\$13,442 on 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);

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

- Collection Action nº 00316184620178160001 – filed by Construtora Triunfo S.A. against subsidiary Foz do Rio Claro Energia S.A., whereby the plaintiff requests the conviction regarding the fine by contractual termination and loss of profits. The value at risk is approximately R\$14,647 (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\$8,825 (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 – IMAP, against subsidiary Ferreira Gomes Energia S.A., as such subsidiary would supposedly have caused significant changes in the environment, causing the death of aquatic fauna species in Araguari river. The value at risk is approximately R\$7,000 (R\$7,000 as at December 31, 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 IMAP (Instituto de Meio Ambiente e Ordenamento Territorial do Amapá) and SEMA/AP - Secretaria do Estado do Meio Ambiente do Estado do Amapá. The purpose of this action is to prevent environmental damages involving the environmental licensing. The value at risk 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);

Notes to the interim financial information

- 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 Transnorte 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).

(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 Thermolectric 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).

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:

(iv) 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.

Notes to the interim financial information

b) Capital

As at June 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:

6/30/2020 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	
	6/30/2020	12/31/2019
Gain (loss) on capital transaction		
EATE	86,821	86,821
ECTE	(3,915)	(3,915)
APAETE	612	612
Lavrinhas	(4,747)	(4,747)
Queluz	(3,000)	(3,000)
Foz	(31,987)	(31,987)
TME	(28,857)	(28,857)
	<u>14,927</u>	<u>14,927</u>
Reinvestment reserve		
ENTE	466	466
ETEP	57	57
	<u>523</u>	<u>523</u>
	<u>15,450</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 June 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	
	6/30/2020	12/31/2019
Balance at the beginning of the period	38,526	24,228
Exchange differences from conversion of assets overseas		
Subsidiaries:		
La Virgen	6,048	894
Risaralda	6	3
Alupar Peru	42,709	12,207
Alupar Colombia	9,198	1,194
Balance at the end of the period	<u>96,487</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 six-month periods ended June 30, 2020 and 2019:

Consolidated			
Quarter ended		Period ended	
30/06/2020	30/06/2019	30/06/2020	30/06/2019

Numerator:

Net profit for the period attributed to controlling shareholders	72,109	110,913	251,258	511,416
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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 (*)	0.08202	0.12616	0.28581	0.58174
Basic and diluted earnings per preferred shares (*)	0.08202	0.12616	0.28581	0.58174

(*) 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	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Gross operating revenue								
Power transmission system								
Operation and maintenance revenue	-	-	-	-	78,752	169,584	133,298	339,988
Infrastructure revenue	-	-	-	-	716,276	609,479	1,494,500	1,310,647
Concession asset payment	-	-	-	-	217,093	(2,337)	543,508	131,205
	-	-	-	-	1,012,121	776,726	2,171,306	1,781,840
Power generation system								
Power supply (note 26)	11,565	25,083	52,318	130,218	119,215	139,591	298,254	370,262
	11,565	25,083	52,318	130,218	119,215	139,591	298,254	370,262
Total gross operating revenue	11,565	25,083	52,318	130,218	1,131,336	916,317	2,469,560	2,152,102
Taxes on gross operating revenue								
PIS	(189)	(444)	(818)	(3,250)	(4,512)	(4,432)	(9,863)	(10,773)
COFINS	(875)	(2,047)	(3,770)	(5,467)	(20,832)	(20,272)	(45,521)	(39,884)
Deferred PIS and COFINS	-	-	-	-	(64,579)	(53,440)	(139,528)	(102,664)
ISS	-	-	-	-	(91)	(116)	(206)	(163)
VAT	-	-	-	-	(187)	(259)	(284)	(364)
	(1,064)	(2,491)	(4,588)	(8,717)	(91,159)	(78,519)	(196,445)	(153,848)
Regulatory charges								
RGR	-	-	-	-	(7,933)	(7,205)	(15,909)	(14,433)
R&D	-	-	-	-	(1,573)	(1,361)	(3,219)	(2,820)
FNDCT	-	-	-	-	(1,573)	(1,361)	(3,160)	(2,820)
MME	-	-	-	-	(784)	(681)	(1,579)	(1,412)
TFSEE	-	-	-	-	(1,721)	(1,596)	(3,630)	(3,160)
Deferred TFSEE and RGR	-	-	-	-	383	(7,728)	(1,715)	(9,948)
	-	-	-	-	(13,201)	(19,932)	(29,212)	(34,593)
Total deductions on gross operating revenue	(1,064)	(2,491)	(4,588)	(8,717)	(104,360)	(98,451)	(225,657)	(188,441)
Total net operating revenue	10,501	22,592	47,730	121,501	1,026,976	817,866	2,243,903	1,963,661

Notes to the interim financial information

25. Power supply and electric energy purchased for resale

Company						Consolidated					
Quarter ended						Quarter ended					
6/30/2020			6/30/2019			6/30/2020			6/30/2019		
MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value
Power supply											
Free market	-	-	-	-	-	89,303	276.72	24,712	145,495	278.58	40,532
Free market - trading	31,448	70.92	2,230	100,681	165.64	16,677	51,336	71.20	3,655	107,232	168.61
Free market - related parties	118,173	47.11	5,567	182,833	47.09	8,609	-	-	-	-	-
Regulated market	-	-	-	-	-	459,370	164.77	75,692	455,255	158.37	72,098
MRE and Spot (short term)	-	-	3,768	-	-	-	-	15,156	-	-	8,881
Total gross operating revenue		11,565			25,083			119,215			139,591
Power purchased for resale											
Free market	(91,728)	207.69	(19,051)	(367,054)	116.18	(42,644)	(253,205)	125.32	(31,732)	(314,129)	117.48
Free market - related parties	(87,142)	197.52	(17,212)	-	-	-	-	-	-	-	-
MRE and Spot (short term)	-	-	(54)	-	-	1,846	-	(162)	-	-	144
(-) PIS/COFINS credits	-	-	3,953	-	-	4,867	-	5,795	-	-	7,533
		(32,364)			(35,931)			(26,099)			(29,226)

Company						Consolidated					
Period ended						Period ended					
6/30/2020			6/30/2019			6/30/2020			6/30/2019		
MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value	MWh (*)	Average price	Value
Power supply											
Free market	-	-	-	-	-	231,241	280.41	64,843	247,129	307.08	75,888
Free market - trading	205,834	174.34	35,885	260,867	244.33	63,737	284,004	196.79	55,888	477,169	228.84
Free market - related parties	138,633	68.68	9,522	558,822	89.22	49,856	-	-	-	-	-
Regulated market	-	-	-	-	-	936,295	163.93	153,486	926,262	157.71	146,080
MRE and Spot (short term)	-	-	6,911	-	-	-	-	24,037	-	-	39,098
Total gross operating revenue		52,318			130,218			298,254			370,262
Power purchased for resale											
Free market	(183,456)	207.70	(38,103)	(841,749)	96.41	(81,156)	(384,245)	152.63	(58,646)	(970,481)	96.38
Free market - related parties	(206,734)	201.81	(41,722)	(122,393)	145.90	(17,857)	-	-	-	-	-
MRE and Spot (short term)	-	-	(2,715)	-	-	(36,106)	-	(12,192)	-	-	(74,488)
(-) PIS/COFINS credits	-	-	9,488	-	-	10,719	-	12,040	-	-	14,986
		(73,052)			(124,400)			(58,798)			(153,040)

(*) Information not reviewed by independent auditors

26. Costs and expenses

Company					
Quarter ended					
6/30/2020			6/30/2019		
Expenses	Cost of services	Total	Expenses	Cost of services	Total
General and administrative			General and administrative		
Personnel	(2,196)	(128)	(2,324)	(3,086)	(152)
Management fees	(4,920)	-	(4,920)	(4,427)	-
Material	(37)	-	(37)	(30)	-
Services	(7,698)	(45)	(7,743)	(1,663)	(49)
Depreciation and amortization	(1,983)	-	(1,983)	(309)	-
Provision for contingencies	(5)	-	(5)	-	-
Rentals	(273)	-	(273)	(379)	-
Insurance	(147)	-	(147)	(15)	-
Donations, contributions and grants	(669)	(66)	(735)	(68)	-
Taxes and rates	(110)	(7)	(117)	(77)	-
Other	(2)	-	(2)	(1)	-
Total	(18,040)	(246)	(18,286)	(10,055)	(201)

	Company					
	Period ended					
	6/30/2020			6/30/2019		
	Expenses	Cost of services	Total	Expenses	Cost of services	Total
General and administrative	General and administrative					
Personnel	(4,522)	(262)	(4,784)	(5,168)	(277)	(5,445)
Management fees	(6,844)	-	(6,844)	(6,168)	-	(6,168)
Material	(65)	-	(65)	(66)	-	(66)
Services	(10,502)	(273)	(10,775)	(4,409)	(110)	(4,519)
Depreciation and amortization	(2,457)	-	(2,457)	(618)	-	(618)
Rentals	(187)	-	(187)	(1,070)	-	(1,070)
Insurance	(164)	-	(164)	(30)	-	(30)
Donations, contributions and grants	(786)	(143)	(929)	(79)	-	(79)
Taxes and rates	(251)	(60)	(311)	(585)	-	(585)
Other	(2)	-	(2)	(30)	-	(30)
Total	(25,785)	(738)	(26,523)	(18,223)	(387)	(18,610)

	Consolidated							
	Quarter ended							
	6/30/2020				6/30/2019			
	Cost of services		Expenses		Total	Cost of services		Expenses
Services provided	Infrastructure cost	General and administrative	Services provided	Infrastructure cost		General and administrative	Total	
Personnel	(13,927)	(8,220)	(8,592)	(30,739)	(12,352)	(1,059)	(9,712)	(23,123)
Management fees	-	-	(7,528)	(7,528)	-	-	(8,651)	(8,651)
Material	(4,310)	(212,633)	(261)	(217,204)	(1,533)	67,958	(164)	66,261
Services	(15,054)	(199,078)	(13,561)	(227,693)	(14,340)	(206,797)	(9,272)	(230,409)
Depreciation and amortization	(46,879)	-	(3,108)	(49,987)	(25,443)	-	(1,752)	(27,195)
Provision	553	(36,528)	1,578	(34,397)	(475)	-	144	(331)
Rentals and leases	(1,459)	(51)	(8)	(1,518)	(1,681)	(107)	(995)	(2,783)
Insurance	(3,023)	(941)	(217)	(4,181)	(3,638)	(493)	(149)	(4,280)
Donations, contributions and grants	(421)	-	(1,160)	(1,581)	(103)	-	(446)	(549)
Taxes and rates	(436)	(10,065)	(59)	(10,560)	(254)	980	(192)	534
Other	(510)	(33,031)	(67)	(33,608)	(33)	(107,769)	(1)	(107,803)
Total	(85,466)	(500,547)	(32,983)	(618,996)	(59,852)	(247,287)	(31,190)	(338,329)

	Consolidated							
	Period ended							
	6/30/2020				6/30/2019			
	Cost of services		Expenses		Total	Cost of services		Expenses
Services provided	Infrastructure cost	General and administrative	Services provided	Infrastructure cost		General and administrative	Total	
Personnel	(27,910)	(19,418)	(17,054)	(64,382)	(23,675)	(7,544)	(17,346)	(48,565)
Management fees	-	-	(13,425)	(13,425)	-	-	(12,536)	(12,536)
Material	(6,392)	(362,418)	(469)	(369,279)	(6,199)	29,584	(330)	23,055
Services	(27,346)	(437,727)	(24,442)	(489,515)	(25,619)	(248,360)	(15,385)	(289,364)
Depreciation and amortization	(73,273)	-	(4,678)	(77,951)	(50,923)	-	(3,036)	(53,959)
Provision	40	(36,528)	433	(36,055)	(1,057)	-	141	(916)
Rentals and leases	(2,483)	(189)	(175)	(2,847)	(3,626)	(151)	(2,342)	(6,119)
Insurance	(6,250)	(960)	(302)	(7,512)	(7,040)	(493)	(245)	(7,778)
Donations, contributions and grants	(661)	-	(1,557)	(2,218)	(221)	-	(494)	(715)
Taxes and rates	(1,099)	(21,706)	(989)	(23,794)	(674)	-	(1,018)	(1,692)
Other	(1,311)	(121,683)	(619)	(123,613)	(21)	(195,026)	(36)	(195,083)
Total	(146,685)	(1,000,629)	(63,277)	(1,210,591)	(119,055)	(421,990)	(52,627)	(593,672)

Notes to the interim financial information

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	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Finance income								
Income from short-term investments	5,126	10,339	14,308	20,547	11,241	20,533	27,610	38,965
Adjustment for inflation	235	(268)	648	-	3,038	-	4,176	-
Other	1,068	1,976	1,964	2,721	1,082	3,400	1,625	5,863
Total	6,429	12,047	16,920	23,268	15,361	23,933	33,411	44,828
Finance costs								
Debt charges	(9,003)	(22,578)	(28,638)	(42,251)	(55,748)	(86,700)	(140,986)	(169,262)
Gain (loss) on exchange rate changes	10	-	53	-	(22,012)	1,352	(43,999)	9,040
Adjustment for inflation	-	-	-	(2)	(1,998)	4,458	(2,160)	2,992
Interest on leases	(60)	-	(108)	-	(2,245)	-	(3,308)	-
Bank expenses	(206)	85	(369)	-	(234)	-	(573)	-
Other	(92)	(267)	(361)	(329)	(2,195)	(4,177)	(3,726)	(6,552)
Total	(9,351)	(22,760)	(29,423)	(42,582)	(84,432)	(85,067)	(194,752)	(163,782)
Total net	(2,922)	(10,713)	(12,503)	(19,314)	(69,071)	(61,134)	(161,341)	(118,954)

28. Income tax and social contribution

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

	Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Corporate Income Tax (IRPJ)	38,246	37,648	83,008	78,441
Social Contribution on Net Income (CSLL)	-	-	6,079	1,928
Withholding Income Tax (IRRF)	437	437	27,060	20,067
Total income tax and social contribution to be offset	38,683	38,085	116,147	100,436
Current	38,683	38,085	112,960	97,249
Non-current	-	-	3,187	3,187

	Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Corporate Income Tax (IRPJ)	-	-	23,088	27,188
Social Contribution on Net Income (CSLL)	-	-	26,438	33,445
Total income tax and social contribution	-	-	49,526	60,633

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

	Consolidated	
	6/30/2020	12/31/2019
Deferred income tax and social contribution		
Deferred income tax - assets	3,600	4,057
Deferred social contribution - assets	2,554	2,951
Total assets	6,154	7,008
Deferred income tax - liabilities	(953,498)	(840,683)
Deferred social contribution - liabilities	(433,956)	(388,816)
Total liabilities	(1,387,454)	(1,229,499)

Notes to the interim financial information

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	
	6/30/2020	12/31/2019	6/30/2020	6/30/2019
Tax loss carryforwards	6,154	7,008	699	10,273
Concession Agreement	(1,384,852)	(1,228,517)	(157,138)	(172,276)
Deferred revenue for public bodies	(2,602)	(982)	(2,602)	-

Tax credits to be offset

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

As at June 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.

<u>Unrecognized tax credit</u>	Company	
	6/30/2020	12/31/2019
Tax losses	579,331	515,341
Tax loss carryforwards	602,506	535,050

Notes to the interim financial information

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

	Consolidated		Consolidated	
	Quarter ended		Period ended	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
a) Variation of taxes on profit or loss:				
Current income tax and social contribution	(23,317)	(24,950)	(58,041)	(45,980)
Deferred income tax and social contribution	(81,768)	(79,724)	(159,041)	(162,003)
Total	(105,085)	(104,674)	(217,082)	(207,983)
b) Tax calculation - expenses:				
Income (loss) before taxation	303,062	349,546	792,592	1,099,776
Nominal rate	34%	34%	34%	34%
Expected tax expenses at nominal rates	(103,041)	(118,846)	(269,481)	(373,924)
Conciliation for calculation of effective income tax and social contribution:				
Tax incentive (*)	25,073	20,649	51,791	44,363
Donations - Rouanet Law/Sports/FIA	-	-	-	1,100
Compensation for tax loss carryforwards and negative basis	(245)	-	1,258	-
Non-deductible expenses and provisions	2,779	-	1,912	(694)
Share of profit (loss) of subsidiaries	(938)	(29,327)	513	22,979
(-) Exclusion - Financial revenue from the concession - Art. 84 item II IN nº 1515/14	108,448	(17,566)	217,107	84,492
(+) Addition "AVP" - Art. 84 item II IN nº 1515/14	(51,887)	(1,595)	(119,791)	7,674
Reversal of deemed profit rate	27,087	50,327	40,641	77,785
Exclusion of CPC effects 47	(85,785)	(9,497)	(95,012)	(76,486)
Deferral of public bodies	(1,149)	(813)	(2,602)	-
Others	(25,427)	1,994	(43,418)	4,728
Effective income tax and social contribution expenses	(105,085)	(104,674)	(217,082)	(207,983)
c) Effective rate	34.7%	29.9%	27.4%	18.9%

(*) 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
Joint venture					
TNE	9.25%	-	-	-	Taxable income

Notes to the interim financial information

(*) 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 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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Balance sheet				
Assets				
Short-term investment	257,107	253,563	298,381	303,509
Brazil's Federal Savings and Loans Bank (i)	257,107	253,563	298,381	303,509
Other assets	48,173	69,476	-	-
Verde 8 - Reembolso de despesas (ii)	14,233	13,476	-	-
Windepar - Mútuos (iii)	33,940	56,000	-	-
Dividends receivable (v)	366,662	286,469	75	75
Transminas	6,321	6,003	-	-
EATE	110,231	33,045	-	-
ENTE	71,894	15,130	-	-
ECTE	2,766	6,018	-	-
ERTE	-	2,223	-	-
ETEP	30,085	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	19,571	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)	107,695	161,630	-	-
Alupar Peru	-	68,624	-	-
GET	695	695	-	-
Transmissoras reunidas	3	3	-	-
Agua Limpa	40	-	-	-
Alupar Chile	2,850	2,850	-	-
Windepar	86,171	85,991	-	-
Alupar Colombia	15,930	3,407	-	-
EAP I	1,119	30	-	-
EAP II	887	30	-	-
Liabilities				
Trade payables	21,218	36,120	-	-
Ferreira Gomes - power purchased in free market (vii)	9,218	23,652	-	-
ETB - payment commitment (viii)	12,000	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	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Statement of profit and loss				
Revenue - power supply (ii)	5,567	8,609	9,522	49,856
Ferreira Gomes	5,567	7,941	8,941	22,996
Queluz	-	-	-	8,921
Lavrinhas	-	-	-	8,921
Foz do Rio Claro	-	600	-	1,610
Ijuí	-	38	581	38
Verde 8	-	30	-	7,370
Cost - power purchased for resale (vii)	(17,212)	-	(41,722)	(17,857)
Ferreira Gomes	(17,212)	-	(41,722)	(16,499)
Verde 8	-	-	-	(1,358)
Finance income	-	47,789	7,809	88,857
Brazil's Federal Savings and Loans Bank (*) - short-term investments (i)	-	47,466	6,917	87,964
Verde 8 Energia S.A. - interest on project sold (iii)	-	323	324	893
Windepar - loan (iv)	-	-	568	-
Finance costs	-	(12,750)	-	(23,047)
FI FGTS - 5th Issuance (i)	-	(12,750)	-	(23,047)

(*) 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, falling due in July 2020, to meet the cash needs. The agreements are subject to 100% of the CDI rate p.a. On June 30, 2020, Windepar partially settled the loan amount in the amount of R\$23,212;
- iv) Refers to dividends receivable for 2019/2018 and prior years of the Company's subsidiaries, to be settled through December 2019;
- v) Refers to advance for future capital increase (AFAC) performed by the Company on behalf of its subsidiaries for cash increase, payable through June 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\$197.52 (2st quarter of 2020) and R\$201.81 (1st semester of 2020);
- vii) Refers to the capital payment commitment assumed by Alupar with ETB, in the amount of R\$12,000, falling due in December 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 subsidiary due to the necessity to purchase energy in the short-term market to fulfill its contracts, the average sale price was R\$49.41 (2st quarter of 2020) and R\$68.68 (1st semester of 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.

b) Guarantees

The effective guarantees relating to loan agreements, financing, debentures, supply agreements, assembly supervision, commissioning supervision, pledge and non-residential building rental between the Company and its subsidiaries are disclosed in note 34 to the annual financial statements for the year ended December 31, 2019. In the six-month period ended June 30, 2020, the guarantees were demonstrated as follows:

Notes to the interim financial information

• Guarantees terminated:

Authorization date	Authorizing body	Guaranteed company	Guarantor	Agreement	Collateral	Agreement value	Effective date	Termination date	Outstanding balance as at 6/30/2020
-	-	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 - NOS	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	-

• 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 6/30/2020
-	-	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\$ 14,402
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\$ 8,028
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\$ 9,841
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\$ 9,129
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\$ 11,897
-	-	Risaralda	Alupar	Letter of Guarantee		Guarantor in case the Bank Guarantee is executed (Contract of Suministro de Energia con EMCALI)	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	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Benefits (i)	4,698	4,201	6,396	5,716	6,634	8,323	12,029	11,564
Management compensation	222	226	448	452	894	328	1,396	972
Total	4,920	4,427	6,844	6,168	7,528	8,651	13,425	12,536

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

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.

Notes to the interim financial information

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 June 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					
	6/30/2020		12/31/2019		Classification	Level
	Carrying amount	Fair value	Carrying amount	Fair value		
Financial assets						
Cash and banks	54,491	54,491	67,982	67,982	Amortized cost	-
Cash equivalents	552,126	552,126	957,222	957,222	Fair value through profit or loss	2
Short-term investments	2,154,637	2,154,637	2,864,348	2,864,348	Fair value through profit or loss	2
Marketable securities	97,875	97,875	104,963	104,963	Fair value through profit or loss	2
Trade receivables	351,291	351,291	358,786	358,786	Amortized cost	-
	3,210,420	3,210,420	4,353,301	4,353,301		
Financial liabilities						
Trade payables	360,587	360,587	401,370	401,370	Amortized cost	-
Loans and financing	2,239,385	2,239,385	2,023,857	2,023,857	Amortized cost	-
Debentures	6,231,181	6,226,769	6,490,298	6,485,886	Amortized cost	-
Lease liability	38,152	38,152	33,963	33,963	Amortized cost	-
	8,869,305	8,864,893	8,949,488	8,945,076		

In the six-month period ended June 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.
- 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.

Notes to the interim financial information

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 June 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 June 30, 2020, the Company's consolidated capital structure is comprised of 40.0% of own funds against 60.0% 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 105.8% as at June 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 June 30, 2020, five different scenarios were defined. The SELIC/CDI projected rates were obtained based on the FOCUS report of June 26, 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 June 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%)
			2.25%	1.13%	1.69%	2.81%	3.38%
Cash equivalents	CDI	552,126	12,423	6,211	9,317	15,529	18,634
Short-term investments	CDI	2,154,637	48,479	24,240	36,359	60,599	72,719
Marketable securities	CDI	97,875	2,202	1,101	1,652	2,753	3,303
Total		2,804,638	63,104	31,552	47,328	78,880	94,657

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 June 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 June 26, 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 June 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				4.91%	2.46%	3.68%	6.14%	7.37%
	TJLP +	2.36%	846,297	62,478	41,212	51,845	73,111	83,744
	IPCA +	1.68%	53,109	1,982	1,437	1,709	2,254	2,526
	CDI +	3.30%	201,119	10,828	8,733	9,781	11,876	12,924
Debentures				2.25%	1.13%	1.69%	2.81%	3.38%
	CDI +	109.96%	1,574,185	1,081,166	1,051,951	1,066,558	1,095,774	1,110,381
	IPCA +	5.53%	4,656,996	356,792	307,216	332,004	381,581	406,369
Total			7,130,587	1,502,418	1,401,815	1,452,117	1,552,719	1,603,021

(*) Refers to the principal amount of debts, excluding charges and also loans and financing, 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 June 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.

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

Notes to the interim financial information

	Quarter ended				Subtotal	Eliminations - shared control	Eliminations - intercompany	Total Consolidated
	6/30/2020							
	Transmission	Generation	Holding (a)	Other (b)				
Gross operating revenue	1,017,934	131,278	-	13,822	1,163,034	(5,813)	(25,885)	1,131,336
Revenue from operation and maintenance	78,950	-	-	-	78,950	(198)	-	78,752
Infrastructure revenue	721,257	-	-	-	721,257	(4,981)	-	716,276
Concession asset payment	217,727	-	-	-	217,727	(634)	-	217,093
Power supply	-	131,278	-	11,565	142,843	-	(23,628)	119,215
Operation and maintenance services	-	-	-	2,257	2,257	-	(2,257)	-
Deductions from gross operating revenue	(93,601)	(10,121)	-	(1,363)	(105,085)	725	-	(104,360)
Net operating revenue	924,333	121,157	-	12,459	1,057,949	(5,088)	(25,885)	1,026,976
Cost of services								
Electric energy cost								
Power purchased for resale	-	(17,363)	-	(32,364)	(49,727)	-	23,628	(26,099)
Power grid charges (CUST)	-	(8,012)	-	-	(8,012)	-	-	(8,012)
CFURH	-	(2,975)	-	-	(2,975)	-	-	(2,975)
Operational cost								
Services provided	(25,218)	(14,776)	-	(1,305)	(41,299)	455	2,257	(38,587)
Infrastructure cost	(501,024)	-	-	-	(501,024)	477	-	(500,547)
Depreciation/amortization	(688)	(46,185)	-	(18)	(46,891)	12	-	(46,879)
	(526,930)	(89,311)	-	(33,687)	(649,928)	944	25,885	(623,099)
Gross profit	397,403	31,846	-	(21,228)	408,021	(4,144)	-	403,877
Operating revenues (expenses)								
General and administrative	(10,426)	(3,597)	(19,024)	-	(33,047)	64	-	(32,983)
Equity pick up of subsidiaries	-	-	129,149	-	129,149	-	(128,211)	938
Other revenues	(3)	554	-	-	551	-	-	551
Other expenses	(251)	1	-	-	(250)	-	-	(250)
	(10,680)	(3,042)	110,125	-	96,403	64	(128,211)	(31,744)
EBIT	386,723	28,804	110,125	(21,228)	504,424	(4,080)	(128,211)	372,133
Depreciation/amortization	1,310	46,493	2,178	18	49,999	(12)	-	49,987
EBITDA	388,033	75,297	112,303	(21,210)	554,423	(4,092)	(128,211)	422,120
Finance income (costs)								
Finance costs	(21,440)	(39,797)	(24,427)	(205)	(85,869)	5	1,432	(84,432)
Debt charges	(19,636)	(23,622)	(14,895)	(205)	(58,358)	1	364	(57,993)
Exchange rate changes	205	(13,515)	(8,702)	-	(22,012)	-	-	(22,012)
Other	(2,009)	(2,660)	(830)	-	(5,499)	4	1,068	(4,427)
Finance income	7,021	2,487	7,086	217	16,811	(18)	(1,432)	15,361
Income from short-term investments	3,559	2,280	5,412	7	11,258	(17)	-	11,241
Other	3,462	207	1,674	210	5,553	(1)	(1,432)	4,120
	(14,419)	(37,310)	(17,341)	12	(69,058)	(13)	-	(69,071)
EBIT	372,304	(8,506)	92,784	(21,216)	435,366	(4,093)	(128,211)	303,062
Current income tax and social contribution	(20,755)	(2,457)	(3)	(123)	(23,338)	21	-	(23,317)
Deferred income tax and social contribution	(84,032)	33	-	-	(83,999)	2,231	-	(81,768)
	(104,787)	(2,424)	(3)	(123)	(107,337)	2,252	-	(105,085)
Consolidated net profit	267,517	(10,930)	92,781	(21,339)	328,029	(1,841)	(128,211)	197,977
Interest of non-controlling	-	-	-	-	-	-	(125,868)	(125,868)
Net profit controlling shareholder's	267,517	(10,930)	92,781	(21,339)	328,029	(1,841)	(254,079)	72,109
Operating assets	336,508	4,689,426	103,967	1,281	5,131,182	(1,011)	(81,052)	5,049,119
Operating liabilities	313,117	299,195	85,836	806	698,954	(690)	(52,398)	645,866

Notes to the interim financial information

	Quarter ended				Subtotal	Elimination - Shared control	Eliminations - Intercompanies	Total consolidated
	06/30/2019							
	Transmission	Generation	Holding (a)	Others (b)				
Gross operating revenue	839,208	141,137	-	27,970	1,008,315	(62,482)	(29,516)	916,317
Revenue from operation and maintenance	172,710	-	-	-	172,710	(3,126)	-	169,584
Infrastructure revenue	650,138	-	-	-	650,138	(40,659)	-	609,479
Concession asset payment	16,360	-	-	-	16,360	(18,697)	-	(2,337)
Power supply	-	141,137	-	25,083	166,220	-	(26,629)	139,591
Operation and maintenance services	-	-	-	2,887	2,887	-	(2,887)	-
Deduction from gross operating revenue	(90,135)	(12,028)	-	(2,875)	(105,038)	6,587	-	(98,451)
Net operating revenue	749,073	129,109	-	25,095	903,277	(55,895)	(29,516)	817,866
Cost of service								
Cost with electric power								
Purchased power for resale	-	(19,924)	-	(35,931)	(55,855)	-	26,629	(29,226)
Power grid charges (CUST)	-	(7,458)	-	-	(7,458)	-	-	(7,458)
CFURH	-	(3,544)	-	-	(3,544)	-	-	(3,544)
Cost of operation								
Service provided	(21,411)	(15,971)	-	(1,578)	(38,960)	1,664	2,887	(34,409)
Infrastructure cost	(350,059)	-	-	-	(350,059)	102,772	-	(247,287)
Depreciation / Amortization	(1)	(25,434)	-	(8)	(25,443)	-	-	(25,443)
	(371,471)	(72,331)	-	(37,517)	(481,319)	104,436	29,516	(347,367)
Gross profit	377,602	56,778	-	(12,422)	421,958	48,541	-	470,499
Operating expenses and revenues								
General and administrative	(13,616)	(7,502)	(11,192)	(1)	(32,311)	1,121	-	(31,190)
Equity pick up of subsidiaries	-	-	160,360	-	160,360	-	(189,687)	(29,327)
Other revenues	24	1,233	(9)	-	1,248	(24)	-	1,224
Other expenses	(2)	(6)	(518)	-	(526)	-	-	(526)
	(13,594)	(6,275)	148,641	(1)	128,771	1,097	(189,687)	(59,819)
EBIT	364,008	50,503	148,641	(12,423)	550,729	49,638	(189,687)	410,680
Depreciation / Amortization	603	25,684	422	9	26,718	-	-	26,718
EBITDA	364,611	76,187	149,063	(12,414)	577,447	49,638	(189,687)	437,398
Financial expenses and revenues								
Financial expenses	(25,547)	(34,793)	(27,308)	(3)	(87,651)	2,584	-	(85,067)
Debt charges	(24,982)	(35,015)	(29,210)	-	(89,207)	2,507	-	(86,700)
Exchange rate changes	1,145	2,569	2,096	-	5,810	-	-	5,810
Others	(1,710)	(2,347)	(194)	(3)	(4,254)	77	-	(4,177)
Financial revenues	6,500	4,858	13,302	13	24,673	(740)	-	23,933
Income from short-term investments	5,815	4,335	10,888	13	21,051	(518)	-	20,533
Others	685	523	2,414	-	3,622	(222)	-	3,400
	(19,047)	(29,935)	(14,006)	10	(62,978)	1,844	-	(61,134)
Pretax income	344,961	20,568	134,635	(12,413)	487,751	51,482	(189,687)	349,546
Current income tax and social contribution	(22,286)	(3,077)	(113)	42	(25,434)	484	-	(24,950)
Deferred income tax and social contribution	(68,480)	7,223	-	-	(61,257)	(18,467)	-	(79,724)
	(90,766)	4,146	(113)	42	(86,691)	(17,983)	-	(104,674)
Consolidated net profit	254,195	24,714	134,522	(12,371)	401,060	33,499	(189,687)	244,872
Interest of non-controlling	-	-	-	-	-	-	(133,959)	(133,959)
Net profit controlling shareholder's	254,195	24,714	134,522	(12,371)	401,060	33,499	(323,646)	110,913
Operating assets	21,212	(136,718)	(33,296)	(386)	(149,188)	(723)	5,111	(144,800)
Operating liabilities	57,752	(111,232)	(4,897)	(264)	(58,641)	(120)	4,432	(54,329)

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

Notes to the interim financial information

	Period ended				Subtotal	Eliminations - shared control	Eliminations - intercompany	Total Consolidated
	6/30/2020							
	Transmission	Generation	Holding (a)	Other (b)				
Gross operating revenue	2,398,040	298,219	-	56,818	2,753,077	(226,734)	(56,783)	2,469,560
Revenue from operation and maintenance	133,691	-	-	-	133,691	(393)	-	133,298
Infrastructure revenue	1,718,268	-	-	-	1,718,268	(223,768)	-	1,494,500
Concession asset payment	546,081	-	-	-	546,081	(2,573)	-	543,508
Power supply	-	298,219	-	52,318	350,537	-	(52,283)	298,254
Operation and maintenance services	-	-	-	4,500	4,500	-	(4,500)	-
Deductions from gross operating revenue	(226,310)	(22,066)	-	(5,210)	(253,586)	27,929	-	(225,657)
Net operating revenue	2,171,730	276,153	-	51,608	2,499,491	(198,805)	(56,783)	2,243,903
Cost of services								
Electric energy cost								
Power purchased for resale	-	(38,029)	-	(73,052)	(111,081)	-	52,283	(58,798)
Power grid charges (CUST)	-	(15,988)	-	-	(15,988)	-	-	(15,988)
CFURH	-	(5,039)	-	-	(5,039)	-	-	(5,039)
Operational cost								
Services provided	(47,136)	(28,936)	-	(2,978)	(79,050)	1,138	4,500	(73,412)
Infrastructure cost	(1,198,297)	-	-	-	(1,198,297)	197,668	-	(1,000,629)
Depreciation/amortization	(1,363)	(71,902)	-	(32)	(73,297)	24	-	(73,273)
	(1,246,796)	(159,894)	-	(76,062)	(1,482,752)	198,830	56,783	(1,227,139)
Gross profit	924,934	116,259	-	(24,454)	1,016,739	25	-	1,016,764
Operating revenues (expenses)								
General and administrative	(23,452)	(12,163)	(27,852)	-	(63,467)	190	-	(63,277)
Equity pick up of subsidiaries	-	-	332,463	-	332,463	-	(332,976)	(513)
Other revenues	137	1,075	-	-	1,212	-	-	1,212
Other expenses	(253)	-	-	-	(253)	-	-	(253)
	(23,568)	(11,088)	304,611	-	269,955	190	(332,976)	(62,831)
EBIT	901,366	105,171	304,611	(24,454)	1,286,694	215	(332,976)	953,933
Depreciation/amortization	2,615	72,492	2,836	32	77,975	(24)	-	77,951
EBITDA	903,981	177,663	307,447	(24,422)	1,364,669	191	(332,976)	1,031,884
Finance income (costs)								
Finance costs	(48,994)	(87,837)	(60,540)	(213)	(197,584)	17	2,815	(194,752)
Debt charges	(47,608)	(56,106)	(41,233)	(205)	(145,152)	3	855	(144,294)
Exchange rate changes	1,429	(27,470)	(17,958)	-	(43,999)	-	-	(43,999)
Other	(2,815)	(4,261)	(1,349)	(8)	(8,433)	14	1,960	(6,459)
Finance income	12,449	5,500	18,315	228	36,492	(266)	(2,815)	33,411
Income from short-term investments	7,568	5,226	14,837	14	27,645	(35)	-	27,610
Other	4,881	274	3,478	214	8,847	(231)	(2,815)	5,801
	(36,545)	(82,337)	(42,225)	15	(161,092)	(249)	-	(161,341)
EBIT	864,821	22,834	262,386	(24,439)	1,125,602	(34)	(332,976)	792,592
Current income tax and social contribution	(50,435)	(7,386)	(4)	(288)	(58,113)	72	-	(58,041)
Deferred income tax and social contribution	(160,707)	699	-	-	(160,008)	967	-	(159,041)
	(211,142)	(6,687)	(4)	(288)	(218,121)	1,039	-	(217,082)
Consolidated net profit	653,679	16,147	262,382	(24,727)	907,481	1,005	(332,976)	575,510
Interest of non-controlling	-	-	-	-	-	-	(324,252)	(324,252)
Net profit controlling shareholder's	653,679	16,147	262,382	(24,727)	907,481	1,005	(657,228)	251,258
Operating assets	336,508	4,689,426	103,967	1,281	5,131,182	(1,011)	(81,052)	5,049,119
Operating liabilities	313,117	299,195	85,836	806	698,954	(690)	(52,398)	645,866

Notes to the interim financial information

	Period ended				Subtotal	Elimination - Shared control	Eliminations - Intercompanies	Total consolidated
	06/30/2019							
	Transmission	Generation	Holding (a)	Others (b)				
Gross operating revenue	1,997,555	325,807	-	134,875	2,458,237	(215,715)	(90,420)	2,152,102
Revenue from operation and maintenance	343,460	-	-	-	343,460	(3,472)	-	339,988
Infrastructure revenue	1,610,659	-	-	-	1,610,659	(300,012)	-	1,310,647
Concession asset payment	43,436	-	-	-	43,436	87,769	-	131,205
Power supply	-	325,807	-	130,218	456,025	-	(85,763)	370,262
Consulting and advisory in regulatory area	-	-	-	-	-	-	-	-
Operation and maintenance services	-	-	-	4,657	4,657	-	(4,657)	-
Deduction from gross operating revenue	(178,152)	(21,961)	-	(9,311)	(209,424)	20,983	-	(188,441)
Net operating revenue	1,819,403	303,846	-	125,564	2,248,813	(194,732)	(90,420)	1,963,661
Cost of service								
Cost with electric power								
Purchased power for resale	-	(114,403)	-	(124,400)	(238,803)	-	85,763	(153,040)
Power grid charges (CUST)	-	(14,727)	-	-	(14,727)	-	-	(14,727)
CFURH	-	(6,980)	-	-	(6,980)	-	-	(6,980)
Cost of operation								
Service provided	(43,817)	(28,537)	-	(3,659)	(76,013)	3,224	4,657	(68,132)
Infrastructure cost	(551,150)	-	-	-	(551,150)	129,160	-	(421,990)
Depreciation / Amortization	(2)	(50,905)	-	(16)	(50,923)	-	-	(50,923)
	(594,969)	(215,552)	-	(128,075)	(938,596)	132,384	90,420	(715,792)
Gross profit	1,224,434	88,294	-	(2,511)	1,310,217	(62,348)	-	1,247,869
Operating expenses and revenues								
General and administrative	(22,278)	(11,820)	(20,074)	(5)	(54,177)	1,550	-	(52,627)
Equity pick up of subsidiaries	-	-	591,248	-	591,248	-	(568,269)	22,979
Other revenues	31	1,461	(9)	-	1,483	(24)	-	1,459
Other expenses	(6)	(7)	(937)	-	(950)	-	-	(950)
	(22,253)	(10,366)	570,228	(5)	537,604	1,526	(568,269)	(29,139)
EBIT	1,202,181	77,928	570,228	(2,516)	1,847,821	(60,822)	(568,269)	1,218,730
Depreciation / Amortization	1,220	51,402	843	17	53,482	-	-	53,482
EBITDA	1,203,401	129,330	571,071	(2,499)	1,901,303	(60,822)	(568,269)	1,272,212
Financial expenses and revenues								
Financial expenses	(51,817)	(67,171)	(50,100)	(10)	(169,098)	5,316	-	(163,782)
Debt charges	(49,130)	(71,528)	(53,661)	-	(174,319)	5,057	-	(169,262)
Exchange rate changes	618	7,489	3,925	-	12,032	-	-	12,032
Others	(3,305)	(3,132)	(364)	(10)	(6,811)	259	-	(6,552)
Financial revenues	11,262	9,458	25,514	28	46,262	(1,434)	-	44,828
Income from short-term investments	10,106	8,319	21,499	28	39,952	(987)	-	38,965
Others	1,156	1,139	4,015	-	6,310	(447)	-	5,863
	(40,555)	(57,713)	(24,586)	18	(122,836)	3,882	-	(118,954)
Pretax income	1,161,626	20,215	545,642	(2,498)	1,724,985	(56,940)	(568,269)	1,099,776
Current income tax and social contribution	(39,639)	(7,172)	(229)	-	(47,040)	1,060	-	(45,980)
Deferred income tax and social contribution	(186,569)	15,257	-	-	(171,312)	9,309	-	(162,003)
	(226,208)	8,085	(229)	-	(218,352)	10,369	-	(207,983)
Consolidated net profit	935,418	28,300	545,413	(2,498)	1,506,633	(46,571)	(568,269)	891,793
Interest of non-controlling	-	-	-	-	-	-	(380,377)	(380,377)
Net profit controlling shareholder's	935,418	28,300	545,413	(2,498)	1,506,633	(46,571)	(948,646)	511,416
Operating assets	438,769	4,340,341	137,680	250	4,917,040	(218,531)	(107,312)	4,591,197
Operating liabilities	246,386	330,122	91,379	1,008	668,895	(14,807)	(14,431)	639,657

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	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Health care plan and transportation voucher	3,297	2,091	5,440	3,606
Private pension plan (*)	651	281	1,266	636
Education	122	-	154	-
Meal ticket	2,519	1,669	4,039	2,625
Other	1,938	263	2,111	514
Total	8,527	4,304	13,010	7,381

(*) 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 June 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
EDTE	7,126
ELTE	283,445
ESTE	104,244
ETB	9,636
ETSE	192,647
TCC	284,397
TPE	301,678
TSM	1,183,173
Total	2,366,345

34. Subsequent events

- Issuance of Bank Credit Notes**

According to Material Facts issued on July 2, 2020, the subsidiaries of Alupar ECTE -, ENTE and ETEP issued bank credit notes in the amounts of R\$80,000, R\$100,000 and R\$90,000, respectively, in favor of the Bank Santander, maturing in five years. The funds raised through these loans will be used to increase the working capital of these Companies.

Notes to the interim financial information

- **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.

- **Financing Contract through Senior Financial Debt (Project Finance).**

On August 11, 2020, the Company's subsidiary, TCE signed the financing contract through the Senior Financial Debt (Project Finance), in the amount of US\$163,500, maturing on July 10, 2027 and with semiannual remuneration and amortization in January and July each year. The TCE transmitter is responsible for the development, construction and operation of the 500kV transmission line connecting the Nueva Esperanza Substation and the La Virginia Substation of the UPME 07-2016 bidding process in Colombia.

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

Daniela Ribeiro Mendes
Accountant
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