Eletrobras

PRESENTATION OF RESULTS **3Q19**

Disclaimer

This presentation may include **estimates and forecasts** that **are not statements of facts that happened in the past** they rather reflect **beliefs and expectations of our management** and may stand as estimates and forecasts about **future events** according to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended.

#DFR2019

The words “believes,” “may,” “can,” “estimates,” “continues,” “forecasts,” “intends,” “hopes,” and similar are targeted at pointing out to **estimates that necessarily imply risks and uncertainties, whether known or not.**

Risks and Uncertainties which are known include, without limitation: **economic, regulatory, political and commercial conditions** existing in Brazil and abroad, **changes in interest rates, inflation and value of Brazilian Reais, changes in volumes and standard for use of electric energy** by consumers, **competitive conditions,** our level of **indebtedness,** the likeliness that we receive **payments connected to our receivables, changes in our rainfall and water levels** in reservoirs used to operate our hydropower plants, our **plans concerning financing and capital investment, governmental regulations** in effect or subsequently established, as well as other risks described in our annual report and other documents registered with CVM and SEC.

The estimates and forecasts solely refer to the date on which they are stated, thus we do not undertake **any obligation to update any of these estimates or forecasts** as a result of new information or future events. The future results of the operations and efforts of the Companies may be different from the current expectations and **investors, then, should not rely solely on the information stated herein.**

This material includes **calculations that may not reflect accurate results owing to rounding-off performed.**

BUSINESS HIGHLIGHTS

Itaipu Hydropower plant / Itaipu Binacional

CORPORATE HIGHLIGHTS

PRIVATIZATION	**Bill 5877/2019** sent to the National Congress on 11/05/2019 **Next steps:** Discussion National Congress; privatization model defined by CPPI; Physical guarantee review by EPE; valuation of economic benefit (Grant) by CNPE
CAPITAL INCREASE	**Capital increase:** 175th EGM to be held on 11/14/2019 Subscription: Between 11/18 and 12/17 **Features** ON: R$ 35.72 PNB: R$ 37.50 Discount: 15% **Amount** Minimum: **R$ 4,054.0 million** Maximum: **R$ 9,987.7 million**
WORKFORCE	**Second PDC 2019** 1,681 employees target **R$ 510 million / year of Estimated Savings** **R$ 548 million Estimated Costs** **Outsourced Shutdown – Furnas** Dismissal of 1,041 outsourced **R$ 280 million Estimated savings** **R$ 437 million Estimated Costs**
NET DEBT/ EBITDA	**1,8 time** Net Debt / Adjusted EBITDA LTM Bonds settlement in July/2019 in the amount of **R$ 3.9 billion** **R$ 798 million** cash from the sale of SPES until September/19 **R$ 202 million** receivable until December/19

#DFR2019

CORPORATE HIGHLIGHTS

GENERATION

50,429 MW of installed capacity
1,035 MW of physical aggregation in 2019
4% MW growth compared to **3Q18.**

R$ 1.0 billion increase in revenue

TRANSMISSION

70,924 Km of Transmission Lines, **reduction of 105 km** in 3Q19, due to sale of SPEs.

R$ 24 million **RAP Aggregate in 3Q19**

GOVERNANCE

Increase in the rate of the Programa Destaque em Governança de Estatais of B.3 (Governance Program for State owned Companies) from **50** to **56** points, being **60** the highest score .

CCC CREDITS

R$ 690 million - Provision for CCC credits assigned by Amazonas D.

Up to R$ 3.5 billion – Eletrobras Bill reinforces the right to CCC credits related to economic and energy efficiency.

FINANCIAL HIGHLIGHTS

(R$ million)

GROSS REVENUE

IFRS

3Q18	3Q19
R$ 8,009	R$ 8,790

9.7% ↑

Recurrent

3Q18	3Q19
R$ 7,995	R$ 853

10.7% ↑

EBITDA

IFRS

3Q18	3Q19
R$ 686	R$ 2,766

303% ↑

Recurrent

3Q18	3Q19
R$ 3,205	R$ 3,962

24% ↑

NET PROFIT

IFRS

3Q18	3Q19
-R$ 2,260	R$716

132% ↑

Recurrent

3Q18	3Q19
R$1,469	R$ 2,097

43% ↑

EVOLUTION OF OUR BUSINESSES


Transmission towers/ Eletrobras Eletrosul

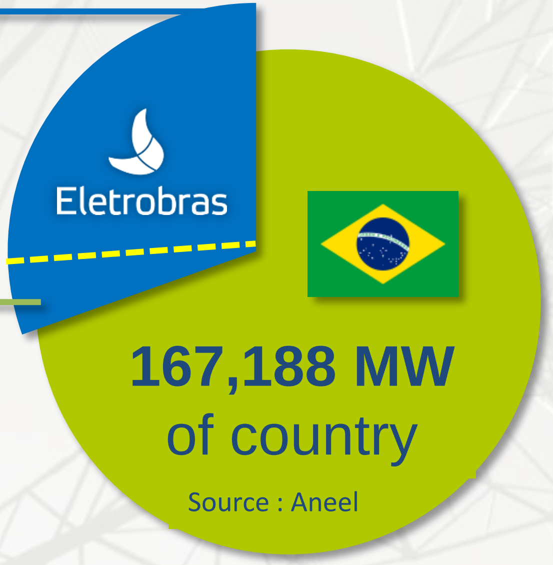
GENERATION

50,429 MW
Installed Capacity

30.2% of country

8,990 MW

Eletronuclear + **Itaipu**
5.4% of country

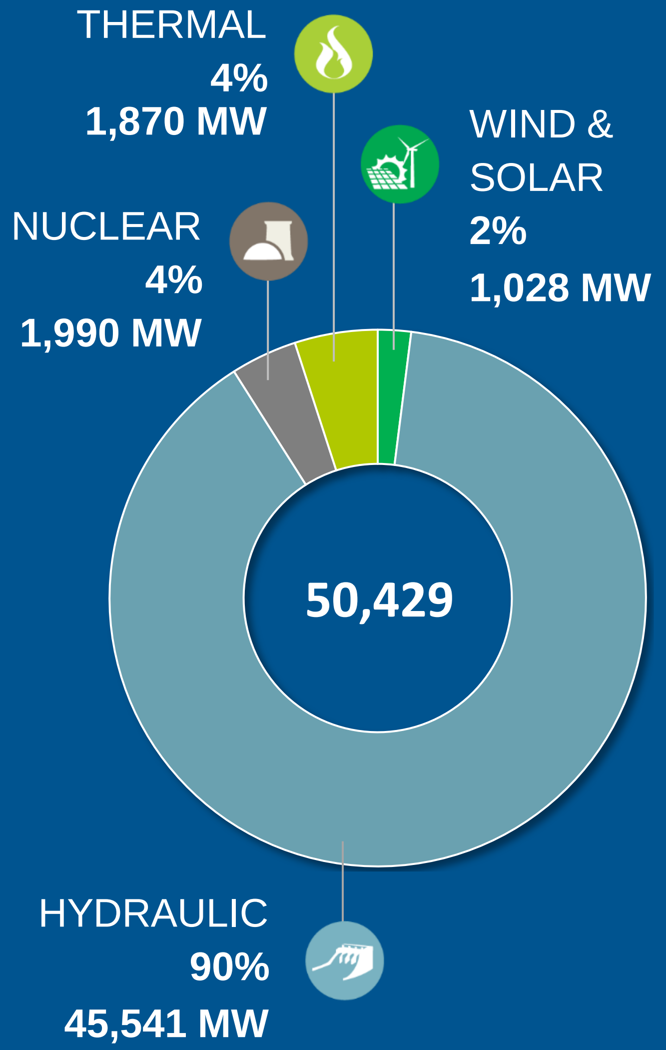


In 2019, there was aggregation of **1,035 MW**

Highlights:

- **Belo Monte**
entry of UGs 15 and 16 with 10,010 MW in 3Q19.
- **UHE Sinop**
beginning of commercial operation of 200 MW UG2.

96%
clean energy



+6,921 MW in Brazil compared to 3Q18

Of which +1,955 MW, 28% with participation of Eletrobras.

SECTORAL CONTEXT **AND PERFORMANCE**

Generation Revenue went from R$ 5.13 billion **to 6.12 billion, an increase of 19.3% over 3Q18**

Período	ACR (Regulated Market)				ACL (Free Market)			Generation Revenue (R$ million)
	Exploration		O&M Law nº 12,783/13		Bilateral Contract		CCEE	
	Revenue (R$ million)	$MW_{médio}$	Revenue (R$ million)	$MW_{médio}$	Receita (R$ million	$MW_{médio}$	Revenue (R$ million)	
3Q18	1,887	3,566	551	7,451	2,207	5,046	480	**5,126**
3Q19	2,724	4,360	925	7,451	2,098	5,179	367	**6,115**
%	44.4%	22.3%	67.8%	0%	-4.9%	2.64%	-23.4%	**19.3%**

ACR Exploration:
- Incorporation of PIES and 4 gas UTEs of AmGT, after sale of AmD and
home CCEARs Mauá 3: R $ 720 million.
- CCEARs Existing Energy Eletronorte: 30 million
- Resumed total amount CCEARs CGTEE after MCSD New Energy 2018: 67 million.

ACR O&M:
- Addition of GAG Improvements and readjustment for 2019-2020: 374 million.

ACL:
- Reduction in market prices influenced by lower PLDs.
- Larger hiring of Furnas and Eletronorte.

CCEE:
Composition of smaller PLD and GSF.

Market

GSF	PLD
3Q18: 58.4%	3Q18: R$ 494/MWh
3Q19: 52.2%	3Q19: R$ 208/MWh

Eletrobras Average Price:

ACL 3Q18: R$ 185.66/MWh
ACL 3Q19: R$ 178.15/MWh

ACR 3Q18: R$ 246.68/MWh
ACR 3Q19: R$ 288.79/MWh

GENERATION PROJECTS **UNDER CONSTRUCTION**

Eletrobras

UHE Belo Monte
Largest 100% Brazilian Hydroelectric Power Plant
Total capacity of the project: 11,233,1 MW
Commercial Operation Capacity 3Q19: 10,010.86 MW
SIN Aggregate Capacity in 2019: 2,444.44 MW
Eletrobras Participation: 49.98%

+ R$ 2,700 million/year ROL

UHE Sinop
Total capacity of the project: 401,88 MW
Commercial Operation Capacity 3Q19: 200.94 MW
Eletrobras Participation: 49.00%

+ R$ 142 million/year ROL

Implementation of **15 wind farms**
Total capacity of projects under implementation: 234 MW
Eletrobras participation: 231 MW
About 190 MW will start commercial operation in 2019

+ R$ 150 million/year Approx.

Santa Cruz Combined Cycle
Current Plant Capacity: 350 MW (Gas Turbines)
Additional cycle closing capacity: 150 MW (Steam Turbine)
Eletrobras Participation: 100%

UTN Angra 3
Total Capacity: 1,405 MW
Eletrobras Participation: 100%
Expected to commence commercial operation: January/2026

3,212.2 MW
Brazil to enter into operation with the participation from Eletrobras

2,495.6 MW
Eletrobras Participation

Entry in Commercial Operation

Until December 2021	2026
+ 1,091 MW	**+ 1,405 MW**

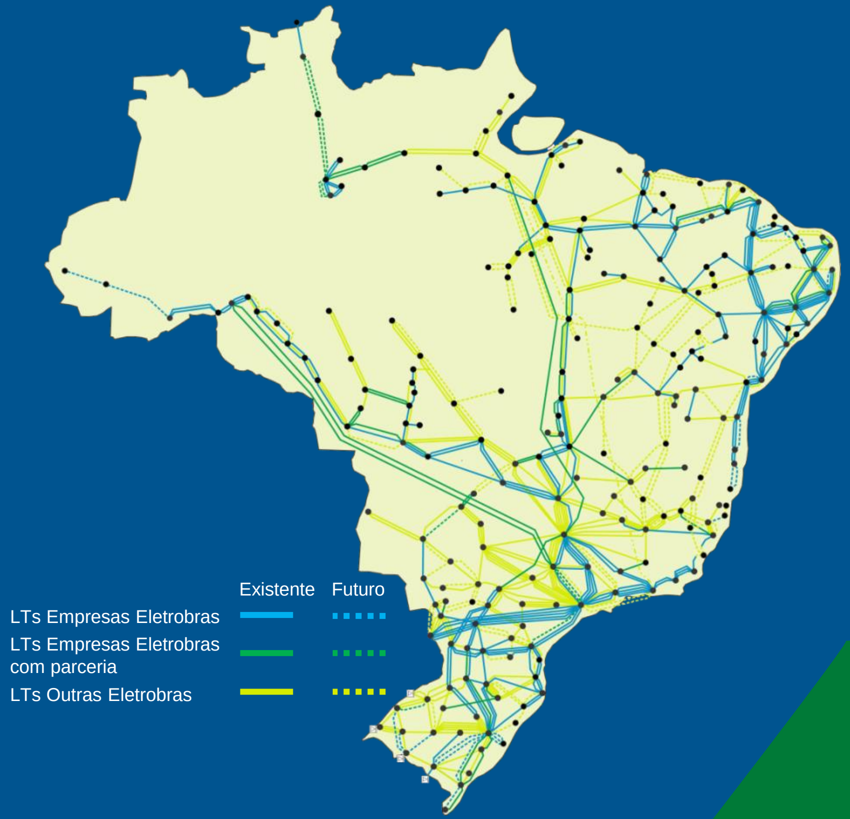
Reported revenues are estimated and proportional to Eletrobras participation in SPEs

TRANSMISSION

THE LARGEST TRANSMISSION COMPANY IN BRAZIL

70,924 km
Eletrobras transmission lines being
64,664 km ≥ 230 kV
45.2% of Brazil

2019



In 3Q19,
- 105 km
decrease with sale of SPEs

+ R$ 24 million
R$ 2.8 million (bid)
R$ 21.5 million O&M

RAP (annual allowed revenue) total aggregate Eletrobras companies in the **3Q19**, highlight Furnas with R$ 17.1 million.

+6,959 Km Brasil in relation to 3Q18

78 corporate works under construction with potential revenue of **R$ 300 million**

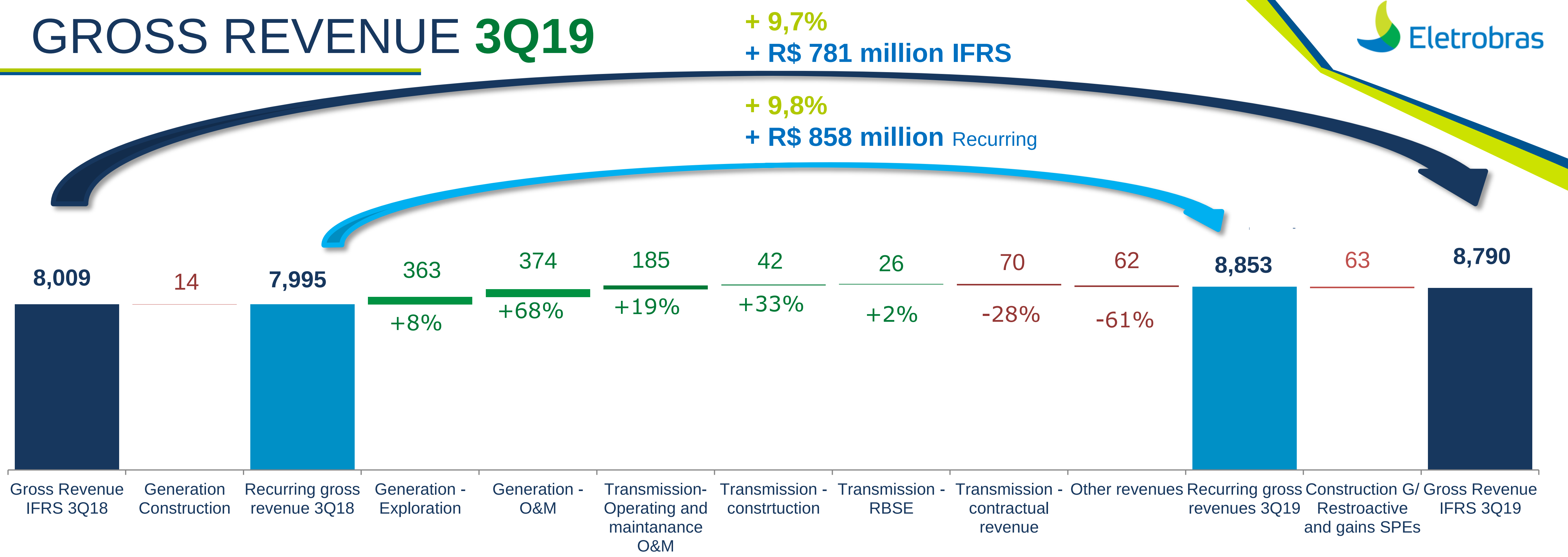
FINANCIAL PERFORMANCE 3Q19

TPP Candiota / Eletrobras CGTEE

STATEMENT OF INCOME 3Q19

	IFRS			Recurring			Recurringt: see Company Release
R$ million	**3Q18**	**3Q19**	**%**	**3Q18**	**3Q19**	**%**	
ROL	6,642	7,291	10%	6,628	7,279	10%	**+R$ 469 million** Amazonas GT - entrance of Mauá 3; sale of PIEs Energy **+R$ 250 million** GAG Improvement
(–) PMSO	-2,233	-2,037	-9%	-2,181	-1,810	-17%	**-R$ 140 million** PDC, **- R$ 66 million** Other Holding: Prescription of tax credit in 3Q18 of R$ 51 million; **- R$ 34 million** other Eletronorte: Reversal of lease of (R$ 10.6 million) due to adoption of IFRS 16 and TTP Araguaia demobilization
(–) Operating Costs and Expenses	-1,734	-1,868	8%	-1,720	-1,850	8%	**+R$ 141 million** Amazonas GT: UTE Mauá 3 Fuel and Energy Purchased for PIES Resale.
(–) Operating Provisions	-2,578	-1,092	-58%	-111	-75	-32%	**+R$ 690 million CCC**; **+ R$ 354 million** outsourced dismissals from Furnas; offset by**: - R$ 101 million** GSF Chesf (Sobradinho) and - R$ 154 million provisions by Eletronorte; Holding, lower provision for Compulsory Loan**.**
(+) Equity Interest	589	417	-29%	589	417	-29%	**-R$ 114 million** of the equivalance in Belo Monte Transmissora **-R$ 114 million** of Equivalence in coligated companies
Ebitda	**686**	**2,766**	**303%**	**3,205**	**3,962**	**24%**	
Depreciation and Amortization	-434	-439	1%	-434	-439	1%	
Financial Result	-1,246	-861	31%	-1,048	-675	36%	**+ R$ 542 million:** lower expense for fair value adjustment in RBSE by NTNB (5.68% to 2.6%)
Income Tax and Social Contribution	-255	-750	195%	-255	-750	195%	
Result of Discontinued Operations	-1,012	0	-100%	-	-	-	Stop Loss with Privatization of Distributors
Net Result	**-2,260**	**716**	**-132%**	**1,469**	**2,097**	**43%**	

GROSS REVENUE **3Q19**



GENERATION

- **Exploration: + R$ 468 million** Amazonas GT: Mauá 3 and PIES; -R$163 million Itaipu Transfer (U.S inflation)
- **O&M: + R$ 250 million** GAG Improvement; **+ R$ 124 million** of Aneel Adjustment according to the Resolution No. 2587/2019

TRANSMISSION

- **O&M:readjustment of RAP** – ANEEL's Approval Resolution 2,565 for 2019-2020 ;
- **Construction: + R$ 61 million in** Chesf's investments compensated by **– R$ 16 million in** Eletronorte and Furnas
- **RBSE:** readjustment through Approval Resolution No. 2,565 / 2019.
- **Contractual Revenue**: amortization and measurement by IFRS 15, highlighting **Chesf: -R$ 51 million**

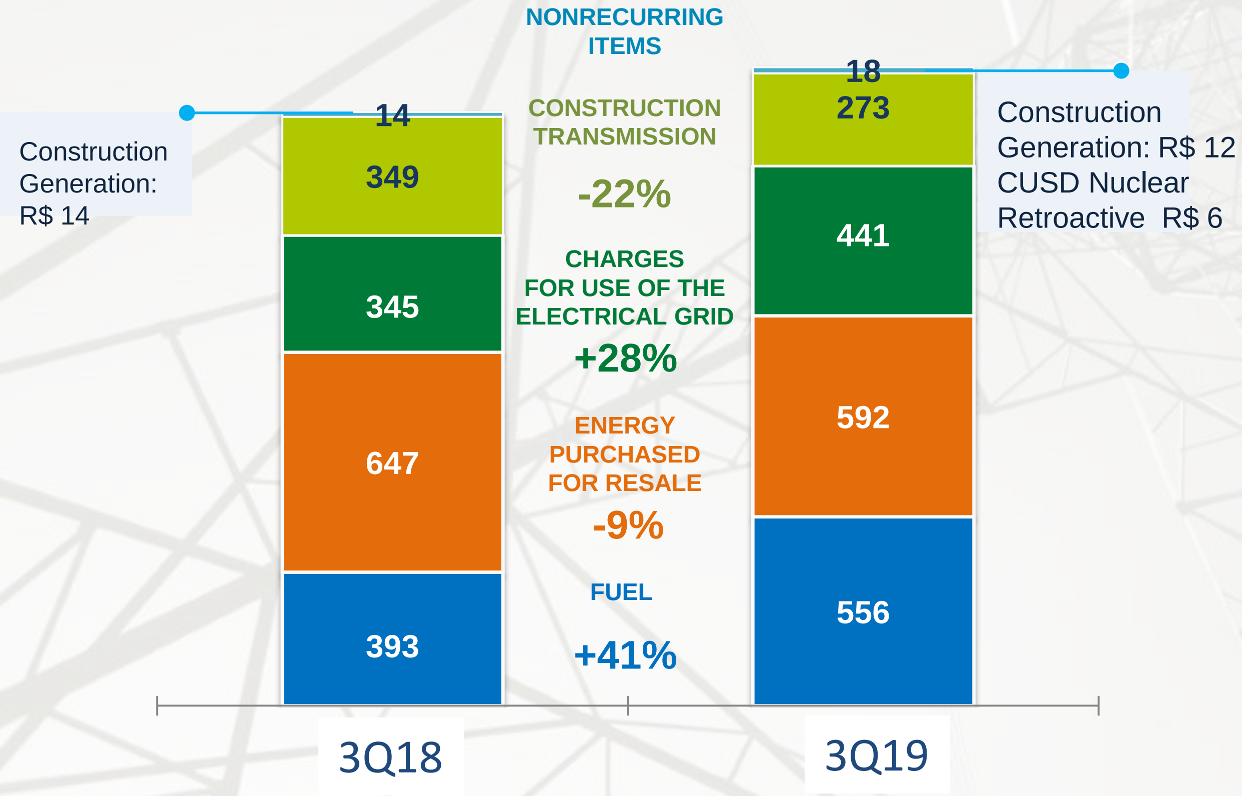
OTHERS REVENUE

- **Eletronorte (-R$ 15 million)** due to the reduction of Multimedia Communication services; and O&M Service Revenue from Belo Monte.

OPERATING COSTS

(R$ million)

Consolidated	3Q18	3Q19	%
IFRS Operating Costs	1,734	1,868	7.7%
Recurring Operating Costs	1,720	1,850	7.6%



*Retroactive Electronuclear Cost is accounted for in Charges on Use of Electric Network in 3Q18.

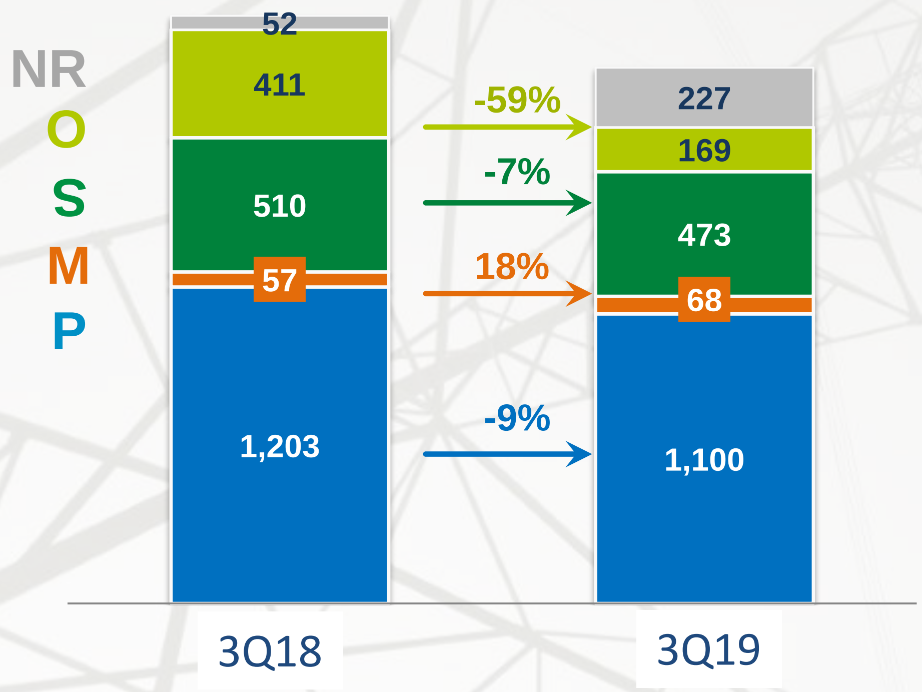
VARIATIONS IN **3Q19**

Transmission Construction	**- R$ 74 million:** lower level of investments
Charges for Use of the Electrical Grid	**+ R$ 96 million:** transmission tariff readjustment (TUST) in the 2019/2020 cycle.
Energy purchased for resale	**- R$ 55 million** **- R$ 100 million Eletronorte: (- R$ 63 million)** Lower purchase accounting at CCEE; e **(- R$ 40 milhões)** lower energy for Corpoelec; **+ R$ 43 million Amazonas GT:** Increase in Energy Purchased from Independent Producers.
Fuel	**+ R$ 163 million** **+ R$ 158 million Amazonas GT:** assumption of the gas contract with Petrobras, highlighting Mauá 3 and PIEs.

PERSONNEL, MATERIALS, SERVICES AND OTHER

(R$ million)

Consolidated	3Q18	3Q19	%
PMSO IFRS	2,233	2,037	-8.8%
Recurring PMSO	2,181	1,810	-17.0%



NR
- **+ R$ 125 million in Furnas:** Broad Indemnity and Inepar;
- **+ R$ 112 million:** retroactive accounting entries (CGTEE, Eletrobras, Chesf) and EUST in Eletrosul
- **- R$ 12 million** reversal PDC 19 (Dismissal Plan)

O
- R$ 242 million:
- **-R$ 66 million** Holding: Write-off of tax credit in 3Q18 of R$ 51 million
- **-R$ 34 million** Eletronorte: Reversal of lease of R $ 10.6 million due to adoption of IFRS 16; UTE Araguaia Demobilization
- **-R$ 24 million: SPE Santa Vitória do Palmar**

S
- R$ 37 million:
- **- R$ 68 million Chesf:** reclassification of expenses with benefits and health insurance from Service to Personnel account;
- **- R$ 27 million Furnas:** budget reduction initiatives (OBZ)
- **+ R$ 38 million: Eletronuclear -** differences dates for Angra 2 maintenance

M
+ R$ 11 million:
- **+ R$ 7,5 million** at Chesf: several maintenance material
- **+ R$ 2,3 million** in Amazonas GT: recurrent maintenance of plants.

P
-R$ 140 million partial 2018 and 2019 PDC partial effect
9M18: 15,019 employees without Distributors 9M19: 13,784 employees

+R$ 12 million Eletronuclear : Angra 3's work stop does not allow allocation of "P" costs as investments costs

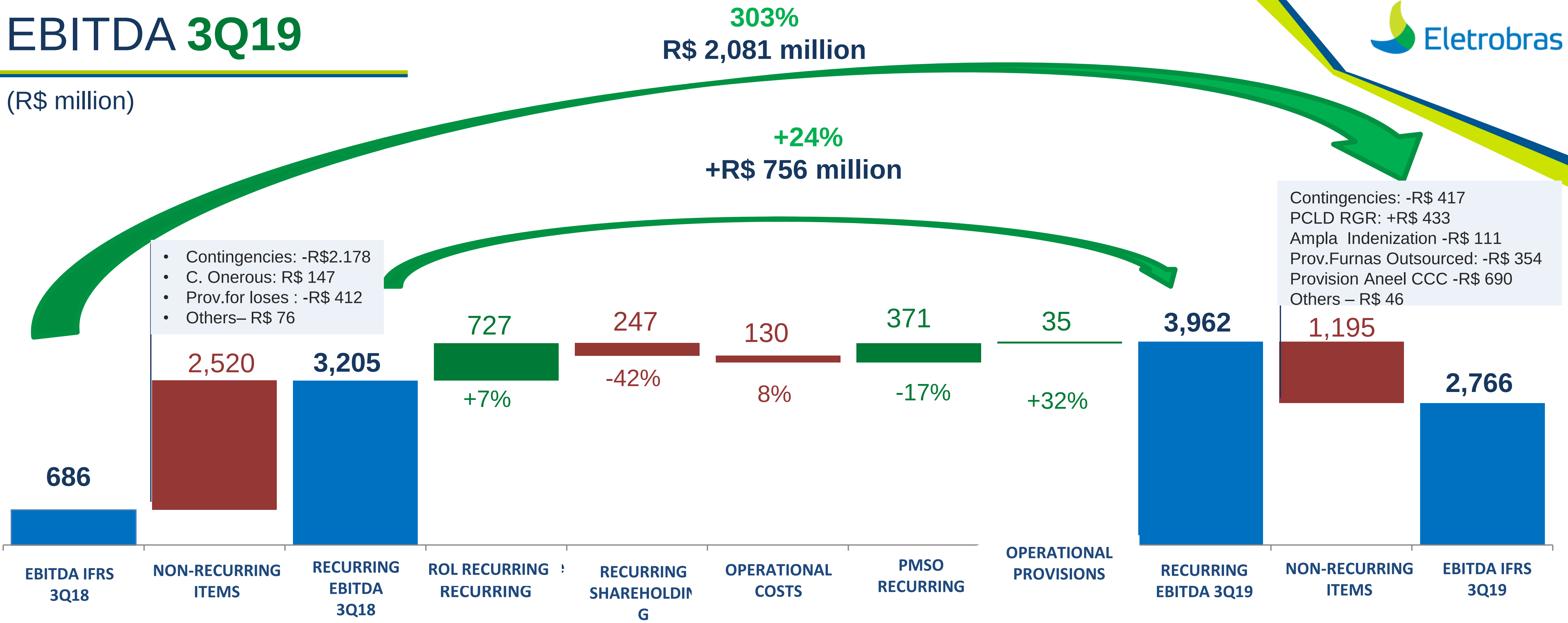
Recurring Values: Non-recurring items (NR) are disregarded

OPERATING PROVISIONS (R$ million)

	3Q18	3Q19	%	
Guarantees	10	19	89%	
Contingencies	-660	-148	-78%	Chesf: - R$101 million lower GSF provision
Compulsory Loan	-1,518	-269	-82%	3Q18 data review of compulsory loan"s law suits
PCLD - Consumers and Resellers	34	-82	-340%	
PCLD - Financings and Loans	-5	426	8664%	R$ 433 million reversal of PCLD of RGR Loan
Onerous Contracts	147	1	-99%	Onerous contract tests will be performed in 4Q19
Provision/(Reversal) for Losses with Investments	-412	-15	-96%	
Impairment of Long-term Assets	-21	0	-100%	Impairment tests will be performed in 4Q19
Lapse of Concession	0	25	-	
Provision Incentive Indemnity Outsourced	0	-354		**Judicial Agreement** to terminate **1,041 Furnas outsourced workforce**
ANEEL Provision- CCC	0,0	-690	-	**Provision of CCC credits assigned by Amazonas Energia** in the privatization process
Others	-153	-6	-96%	
Total	**-2,578**	**-1,092**	**-58%**	

EBITDA **3Q19**

(R$ million)



ROL Recurrent:

+ R$ 469 million from Amazonas GT
+ R$ 250 million GAG Improvement
+**R$ 182 million** Transmission
- R$ 163 million Itaipu Revenue

Recurring Shareholdings:

-**R$114 million**: Belo Monte Transmissora: increased financial charges
-R$ 114 million of equivalence in coligated companies

Recurring Operating Costs:

+R$ 158 million Amazonas GT: higher fuel consumption (gas contract with Petrobras)
+ R$ 96 million Transmission tariff adjustment (TUST) for 2019/2020.

PMSO Recurring :

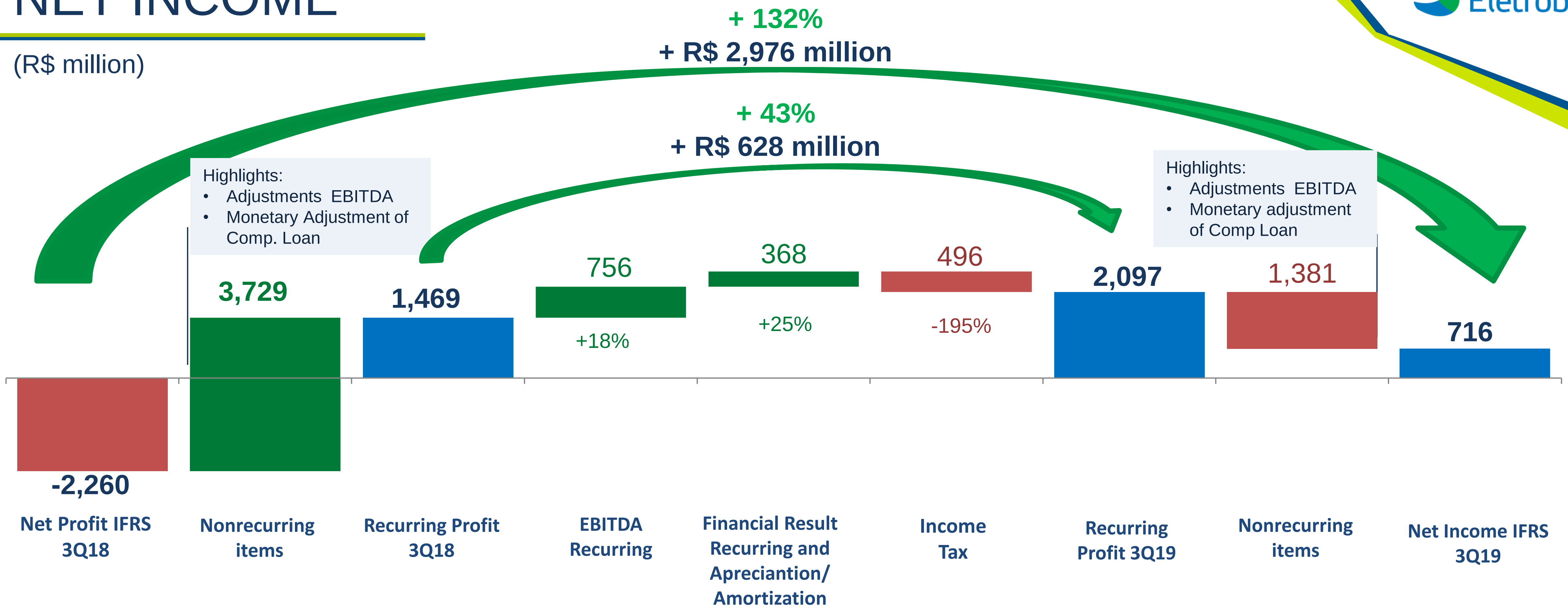
2018 and 2019 PDC partial effect
Zero base budget initiatives

Recurring Operating Provision

See slide 13

NET INCOME

(R$ million)



Financial Result

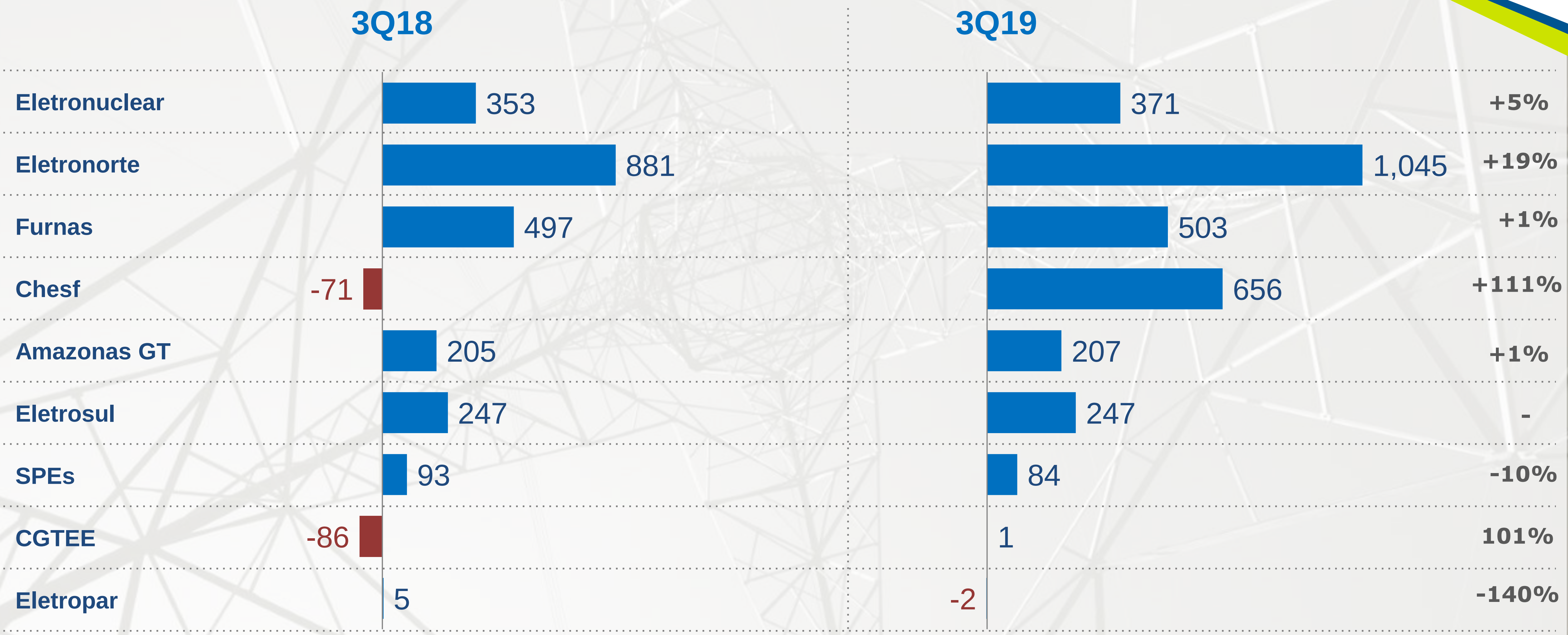
+R$ 542 million RBSE fair value, by reducing the NTN-B discount rate from 5.8% to 2.6%, reducing financial expenses.
-R$ 134 million due to charges of Angra III Plant could not be transferred to investments, as long as the work is untaken.

Non Recurring Adjustments

-R$ 1,295 million Ebitda adjustments = slide 18;
-R$ 186 million Monetary Adjustment of the Compulsory Loan lawsuits in 3Q19 and -R$ 198 million in 3Q18, due to the reduction in the Selic rate

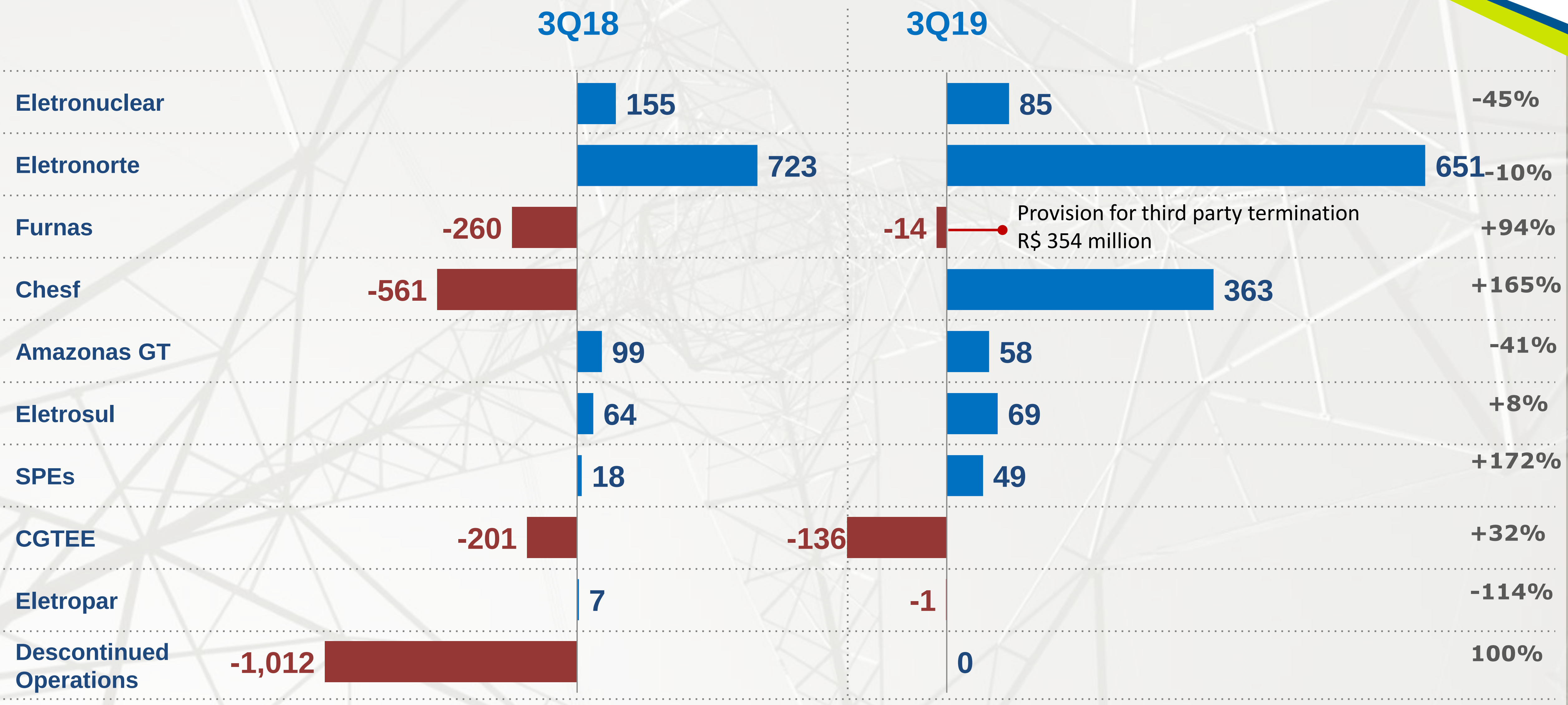
EBITDA BY COMPANY 3Q19

(R$ million)



RESULT BY COMPANY **3Q19**

(R$ million)

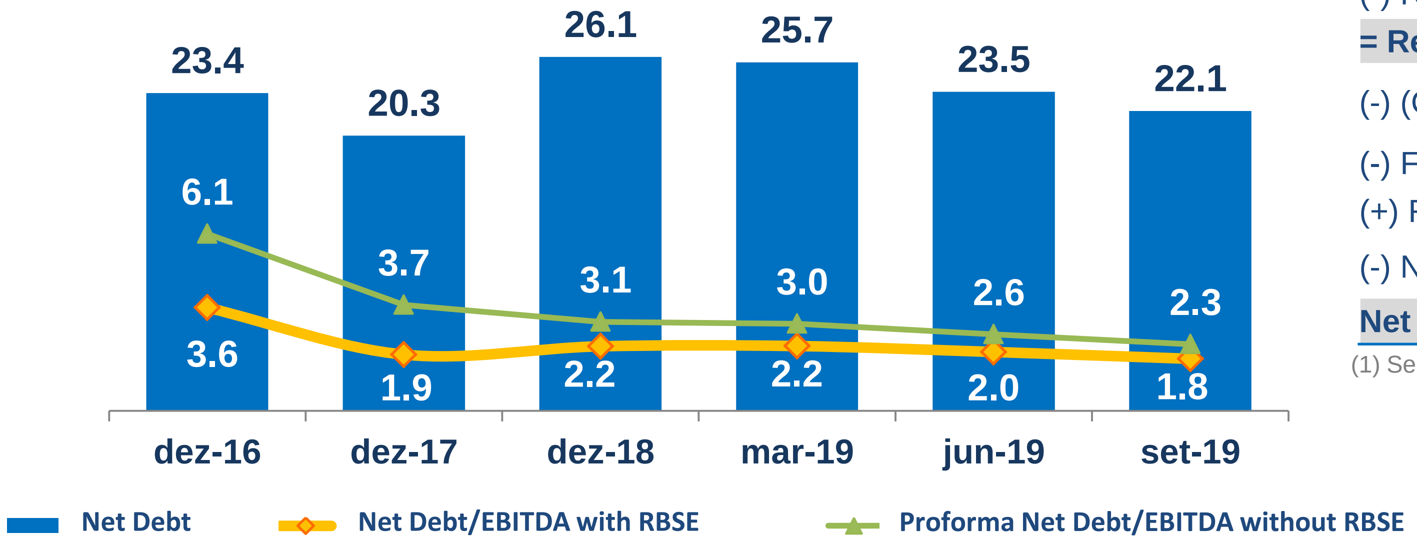


FINANCIAL DISCIPLINE

(R$ million)

Goal $\frac{\text{Net Debt}}{\text{Adjusted EBITDA}} < 3.0$

Net Debt/Ebitda

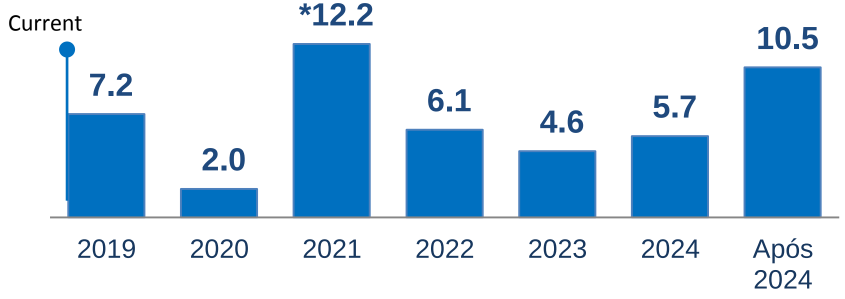


EBITDA C/ RBSE (LTM)	6,6	10,5	11,7	11,5	11,6	12,3

	09/30/2019
(+) Short Term Debt (Current Liabilities)	7,443
(+) Long Term Debt	41,844
GROSS DEBT	**49,287**
(-) RGR transfer to CCEE(1)	1,252
= Recurring Gross Debt	**48,035**
(-) (Cash and Cash Equivalent + Securities)	9,577
(-) Financing Receivable	15,736
(+) RGR transfer to CCEE(1)	1,252
(-) Net Balance of Itaipu Financial Assets	1,862
Net debt	**22,112**

(1) See Note 9, 19 and 20 to the 3Q19 financial statements.

Gross Debt without RGR from third-party (R$ billion)



* Bonus Expiration 2011

INVESTMENTS **REALIZED**

(R$ MILLION)

Investiments	Realized 3Q19	Realized 9M	Budgeted PDNG 9M	%9M	Highlight	
Generation	**338**	**1,068**	**1,830**	**58%**	Angra 3	R$ 200 million
Corporate under construction	87	219	521	42%	TPP Santa Cruz	R$ 68.8 million
Corporate Ampliation	35	70	198	35%	Sistema NE and Itaparica	R$ 29.3 million
Maintenance	75	368	676	54%	Angra 1 e 2	R$ 97.6 million
					Candiota 3	R$ 199.8 million
Expansion SPEs	142	412	435	95%	Sinop	R$ 230 million
Transmission	**196**	**584**	**1,249**	**47%**		
Corporate under construction	2	3	1	354%	Eletronorte	R$ 70 million
					Chesf	R$ 246.2 million
Ampliation, Reforcements and improvements	123	386	797	48%	Eletrosul	R$ 27.2 million
					Furnas	R$ 163 million
Manutenção	46	130	313	41%	Mata de Santa Genebra	R$ 65 million
Expansion SPEs	25	65	139	47%		
Other*	**40**	**103**	**247**	**42%**		
Total	**574**	**1,754**	**3,326**	**53%**		

* Environmental Quality, Infrastructure, Technological Development.

R$ 1,572
Investments not realized

R$ 170.3
Avoided

R$ 101.3
Norte Energia (Belo Monte)
Scrow account, debentures issued by SPE, anticipated energy

R$ 69
ESBR (Jirau)
Lower GSF and PLD

R$ 77
Antecipated

Candiota 3
Overhaul

R$ 1,415
Postponed

Highlights

R$ 236 **Angra 3** (depends on the resumption of the work)

R$ 116 **Santa Cruz**: replanning of equipments

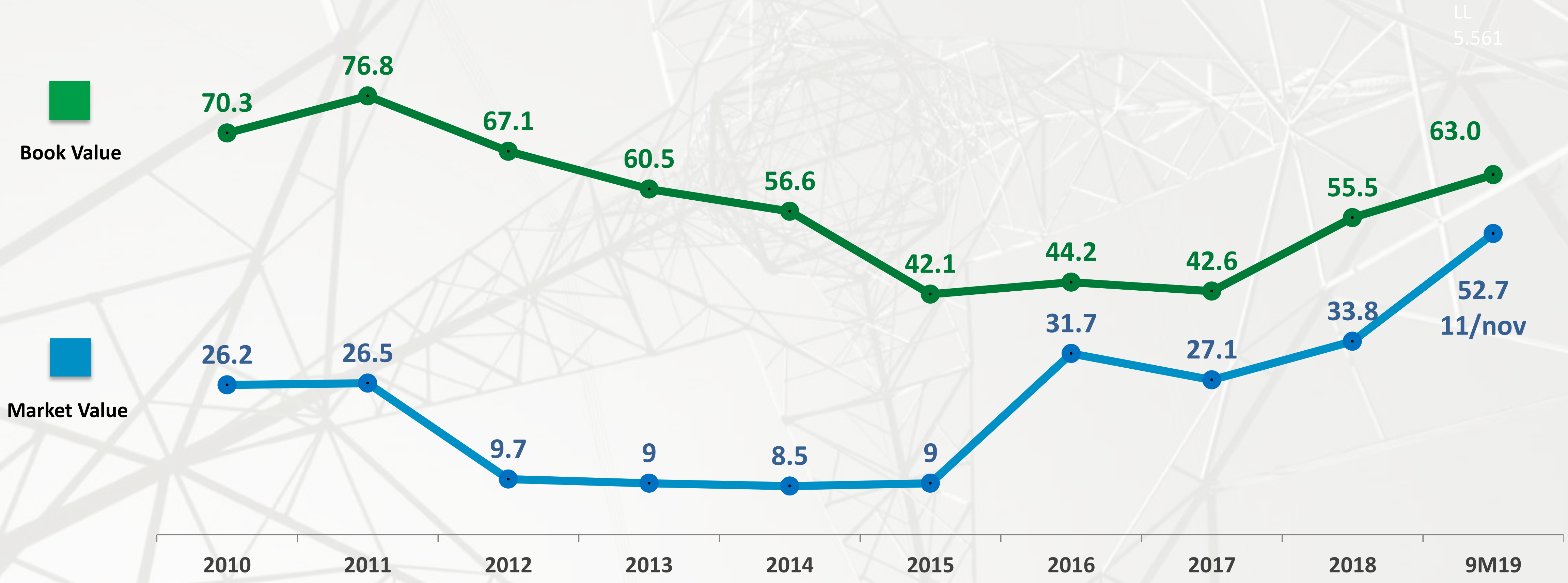
R$ 212 **Chesf** e **Furnas**: reforcements and improvements in T

R$ 165 **Chesf** e **Furnas**: maintenance in T

R$ 139 **TNE**: regulatory issues and environmental licenses delay

ELETROBRAS **MARKET**

Market value x Book Value
2010 to 2019 (R$ billion)



ELETROBRAS DESTATIZATION

HPP Belo Monte / Norte Energia

ELETROBRAS DESTATIZATION

Clarifications:
values informed by MME were only reference considering the need to include in the forecast budget of the Federal Government

Defined bby CNPE

NPV Dequoted Plants – **NPV Quoted Plants** – **Indemnification of unamortized investments (Quota concession)** = **Economic Benefit**

New Concession 30 years old

Current Award

Annual Net Revenue Discounted from PIS COFINS, R&D, TFSEE, TUST
R$ 1.9 billion
Annual Gross Revenue:
R$ 3.5 billion

Payment options

(-) R$ 3.5 billion (in 10 years): Investments of the São Francisco River;
(-) Up to R$ 3.5 billion Eletrobras receivables with CCC

= Subtotal of the Economic benefits

- 1/3 – CDE Transfer — To be paid in 30 years
- 2/3 – Federal Government

Federal Government Grant Resource Sources:
capital increase with Federal Government's stake dilution

DESTATIZATION CORPORATION MODEL

NEXT STEPS

	FORESEEN STEPS:	COMPETENCE:
1	**PL approval at the National Congress**	**Chamber of Deputies and Federal Senate** Approval by most of both houses
2	Definition Model Privatization	CPPI
3	Physical Guarantee Review	EPE
4	Calculation Value Grant / Economic Benefit	CNPE
5	Approval conditions decotization Extended plants	Eletrobras
6	Capital Increase with Federal Government Dilution	Eletrobras
7	**PRIVATIZATION**	

FUTURE PROSPECTS

- **Capital increase**
  EGM 175th to be held on November 14, 2019.
  Term to exercise the right - 11/18/2019 to 12/17/2019;
- **Entry into commercial operation** (proportional of Eletrobras stake)

610,86 MW	98,46 MW	~190 MW	1,056 km
Belo Monte	Sinop	Eólicas SPEs	LTs SPEs

- **Capitalization of Eletrobras**
  Approval of PL 5877/2019
  Definition of the grant amount by CNPE.
- **SPEs sales**
  Approval - December / 2019
- **Incorporation Eletrosul and CGTEE**
  AGE suspended by injunction: Appeal pending judgment, to take place on 13.11.2019
- **Amazonas GT**
  Transfer to Eletronorte expected for 1Q120
- **Angra 3**
  CPPI: Definition of business model by and process for selection of private partner.

Operating System Center/ Eletrobras Eletrosul

Investor Relations

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