

FOCUS HOLDING PARTICIPAÇÕES S.A.  
(Formerly named Focus Holding Participações Ltda.)

Independent auditor's review report

Individual and consolidated interim  
financial information  
As at March 31, 2020

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# FOCUS HOLDING PARTICIPAÇÕES S.A.

## MANAGEMENT REPORT

To the Shareholders,

The Management of Focus Holding Participações S.A. ("Focus" and/or "Company"), in compliance with the articles of incorporation and legal provisions, reports here some of the results of the Company and its controlled companies, and provides you with the individual and consolidated interim financial information and the independent auditor's review report for the three-month period ended March 31, 2020. We comment below on the items we deem to be the most relevant in the Company's performance.

### Regulatory environment

The Brazilian electric power industry is regulated by the Brazilian Electricity Regulatory Agency ("ANEEL"), which in turn has its guidelines established by the Ministry of Mines and Energy ("MME") and includes the participation of the following institutional agencies: the National Electrical System Operator ("ONS"), which has the attribution of coordinating and controlling the operation of the National Interconnected System ("SIN"); the Electric Power Trading Chamber ("CCEE"), which is responsible for the recording and settlement of transactions in the short-term market and, under designation of ANEEL, the organization of electric power auctions; and the Energy Research Office ("EPE"), which develops studies and research for the electric power industry.

With the purpose of assuring the supply of electric power and the reasonability of tariffs, a milestone of this operating model was the enactment of Law 10.848/2004, which regulates the agents engaged in the generation, distribution, transmission and trade of power in Brazil.

### Operations

Focus Holding Participações S.A. is a Brazilian company engaged in generating and trading electric power, as well as providing related services, taking advantage of its technical and managerial knowledge accumulated along 5 years of existence.

The public recognition of the quality of its services and the good relationship with consumers has been acknowledged by the awards the Company received from Exame Magazine, being included in its annual ranking called "Largest & Best Electric Power Companies in Brazil" in the years 2018 and 2019<sup>1</sup>.

### Performance of activities

For being a holding company, the performance of Focus is tied mostly to the activities of its controlled companies. Those enterprises, engaged in the generation and trading of power and provision of services, presented results that allow us to positively evaluate the R\$36,670 thousand invested in the first quarter of 2020 (in comparison to R\$29,545 thousand in the first quarter of 2019).

As a subsequent event, we report that the negative impacts on the world economy resulting from the novel coronavirus pandemic (COVID-19) have not significantly affected the operations of the Company or of its controlled companies.

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<sup>1</sup> Available for access at: <https://exame.com/revista-exame/o-foco-e-tornar-se-completa/> and <https://exame.com/revista-exame/melhor-que-uma-mina-de-ouro/>

The few requests of contract renegotiation were promptly addressed, and their positive result is already reflected in the financial information. Additionally, we believe that the electric power industry still has unexplored opportunities for Focus, as we project acceleration in the migration of consumers to the deregulated power market mainly due to an expected increase in power tariffs in the regulated market, as well as to possible price reductions in the deregulated market.

Different from what was observed in other industries, the default rate in the deregulated market was close to zero, and, in the case of Focus, we observed only a few cases of delinquency, with no relevant impact on the Company's results and performance, demonstrating the resilience of the industry in which we operate. The low default rate reflects the regulation system in place, which allows suppliers of power to interrupt the supply when there is default, as well as negotiation flexibility and bilateral guarantee instruments.

We understand that there is a trend of growth in the deregulated market, allowing consumers to freely choose their suppliers. Just like in other industries, the Brazilian electric power sector is gradually transitioning to a model where consumers will be able to make choices in a deregulated and digital environment.

#### Consolidated income for the quarter

(in thousands of BRL, except for values in %)	1st quarter of 2020	1st quarter of 2019	Variation 2020/2019
<b>Gross operating revenue</b>	<b>388,390</b>	<b>420,253</b>	<b>(7.6%)</b>
Deductions from the operating revenue	(70,214)	(63,041)	11.4%
<b>Net operating revenue</b>	<b>318,176</b>	<b>357,212</b>	<b>(10.9%)</b>
Operating costs	(306,121)	(324,547)	(5.7%)
Income (loss) from fair value of power supply contracts	62,446	19,444	221.2%
<b>Gross profit</b>	<b>74,501</b>	<b>52,109</b>	<b>43.0%</b>
Gross margin (%)	23.4%	14.6%	+8,8 p.p.
Operating (expenses)/ revenues	(7,243)	(7,529)	(3.8%)
<b>EBITDA (1)</b>	<b>67,837</b>	<b>45,909</b>	<b>47.8%</b>
EBITDA margin (%)	21.3%	12.9%	+8,4 p.p.
Net financial income (losses)	(1,419)	(273)	419.8%
Income and social contribution taxes	(21,563)	(14,711)	46.6%
<b>Net income</b>	<b>44,276</b>	<b>29,596</b>	<b>49.6%</b>
Net margin (%)	13.9%	8.3%	+5,6 p.p.
<b>Earnings/loss per share (R\$/share)</b>	<b>1.5</b>	<b>1.1</b>	<b>37.6%</b>

(1) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): operating performance measurement.

Consolidated net operating revenue for the first quarter of 2020 was R\$ 318,176 thousand, in comparison to the R\$ 357,212 thousand reported in 2019, representing a reduction of 10.9% in the period. Such decrease stems from the lower Settlement Price for Differences ("PLD") in the period in relation to the first quarter of 2019, and from a lower number of short-term power trading operations conducted by the Company as a result of the general conditions of the industry, which however did not affect its gross margin.

Operating costs in the first quarter of 2020 totaled R\$ 306,121 thousand, a reduction of 5.7% in relation to the same period of 2019. This reduction is associated with better average purchase prices, and also with the lower PLD in the period, which increases the value of short-term operations.

Consolidated Gross Profit in the first quarter of 2020 was R\$ 74,501 thousand, 43.0% higher in comparison to the same period of 2019, with a gross margin of 23.4%, compared to a gross margin of 14.6% in the same period of 2019.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") in the first quarter of 2020 corresponded to R\$ 67,837 thousand, an increase of 47.8% in comparison to the EBITDA of R\$ 45,909 thousand in the first quarter of 2019. This variation is a direct consequence of the improvement in gross margin in the quarter, according to the aforementioned factors.

Consolidated net income for the first quarter of 2020 was R\$ 44,276 thousand, an increase of 49.6% in relation to the same period of 2019.

#### EBITDA

(in thousands of BRL, except for values in %)	1st quarter of 2020	1st quarter of 2019	Variation 2020/2019
<b>Net income</b>	<b>44,276</b>	<b>29,596</b>	<b>49.6%</b>
(+) Income tax	21,563	14,711	46.6%
(+) Net financial income (loss)	1,419	273	419.8%
<b>EBIT (1)</b>	<b>67,258</b>	<b>44,580</b>	<b>50.9%</b>
(+) Depreciation and amortization	579	1,329	(56.4%)
<b>EBITDA (2)</b>	<b>67,837</b>	<b>45,909</b>	<b>47.8%</b>

(1) EBIT (Earnings Before Interest and Taxes): operating performance measurement.

(2) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): operating performance measurement.

#### Production and trading of power and provision of services

(in thousands of BRL, except for values in %)	Net operating revenue by segment			
Segments	1st quarter of 2020		1st quarter of 2019	
	R\$	%	R\$	%
Trading of power	302,061	95%	349,550	98%
Generation of power	14,616	5%	6,504	2%
Provision of services	1,499	0%	1,158	0%
<b>Consolidated</b>	<b>318,176</b>	<b>100%</b>	<b>357,212</b>	<b>100%</b>

The controlled company Focus Geração de Energia Ltda. has executed contracts for the sale of hydroelectric power in the deregulated market (ACL), whose supply was set to start on January 1, 2018 and end on December 31, 2026. The volume of supply of that operation in the quarter is as follows:

Sale Generation				Sale ACL			
Month	Mwmed	Mwh	Revenue in BRL	Month	Mwmed	Mwh	Revenue in BRL
January/20	2.82	2,098.080	496,762.40	January/20	24.85	18,484.171	7,797,186.74
February/20	2.82	1,962.720	464,713.22	February/20	17.67	12,295.051	4,734,830.96
March/20	2.82	2,098.080	496,762.40	March/20	7.37	5,484.171	1,618,125.70
Total	8.46	6,158.880	1,458,238.02	Total	30.49	22,544.791	8,758,662.36

## Investments

In the first quarter of 2020, investments were focused on the development and implementation of renewable power generation projects in two new main business areas: distributed generation and large-scale power generation projects for sale in the deregulated market.

In the first quarter of 2020, the investment in the development of projects of distributed generation corresponded to around R\$1.7 million.

## Reinvestment policy and shareholder return

The dividend distributed to shareholders is calculated on net income of the period and adjusted according to prevailing Brazilian corporate law.

Focus recognized a legal reserve of 5% of the quarter's net income, limited to 20% of the capital stock, and in order to meet its investment project, the Company retained the remaining balance of net income for the year as an Income Reserve for Expansion to ensure the execution of works in the following year, duly justified by the capital budget presented by Management.

## Capital stock

As at March 31, 2020, capital stock subscribed and paid corresponded to R\$ 23,601,011, divided into 23,601,011 shares.

## Investment in controlled and affiliated companies

During the quarter ended March 31, 2020, the Company acquired 92.94% ownership interest in Focus Holding Financeira Ltda.

## Human Resources

In the beginning of 2020, staff was adjusted to the new expected levels of production and services and the new business strategy. As at March 31, 2020, the Company had a total of 43 employees.

Concerned with the health and safety of its employees, in particular during the COVID-19 pandemic, the Company introduced several health safety measures at the office, as well as work from home in some cases. Even in that scenario, a positive level of productivity and of satisfaction of our employees was achieved.

## Research and development

The development of the various business areas of a power company requires appropriate information technology solutions. They permeate and support almost all activities of the Company through information systems (software), computer networks (logical communications) and customer services (processing, support and infrastructure).

During the quarter, the Company increased the use of its ERP system and began the process of contracting specific software to operate the distributed generation system.

## New products and services

Within the new business environment and market where the Company operates, it is essential to ensure more competitiveness and better quality, as well as meet the new needs of consumers. To achieve that purpose, Focus has adopted the strategy of increasing its investment capacity while at the same time offering more alternatives of products and services to consumers, such as the projects of generation of power for the deregulated market and the distributed generation system, in addition to obtaining operating synergy with the Company's assets already in operation or its accumulated knowledge. As a result of that strategy, Focus may already be considered an integrated platform of solutions for the power sector.

## Social responsibility

The Company conducts its operations while meeting social-environmental and legal requirements, reinforcing its corporate citizenship role.

From a social viewpoint, Focus has adopted environmental, social and governance (ESG) policies and guidelines, by means of policies, programs and practices aimed at the environment and the economic, social and cultural development of the community.

Activities have been kept within normal levels without, however, ignoring the necessary precautions to protect and preserve the health of employees.

## Relationship with external auditors

The policies of the Company in relation to the provision of services not related to audit by independent auditors is based on principles that preserve the auditor's independence. Those principles are: a) the auditor shall not audit his/her own work; (b) exercise managerial functions for his/her client; (c) or promote his/her client's interests. During the quarter ended 03/31/2020, BDO RCS Auditores Independientes S.S. has not provided, directly or through related parties, any other services to the Company other than the review of the individual and consolidated interim financial information.

## Management Statement

In compliance with CVM Instruction No. 480/09 article 25 - items V and VI, the Management of Focus declare that they have reviewed, discussed and agreed with the opinions stated in the Independent Auditor's Report and with the interim financial information for the quarter ended 03/31/2020.

## Management

## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the  
Shareholders and Management of  
Focus Holding Participações S.A.  
(Formerly named Focus Holding Participações Ltda.)  
São Paulo - SP

### Introduction

We have reviewed the individual and consolidated interim financial information of Focus Holding Participações S.A. ("Company"), identified as parent company and consolidated, respectively, included in the information for the quarter ended March 31, 2020, which comprises the individual and consolidated interim statement of financial position as at March 31, 2020, and the respective individual and consolidated interim statements of income, comprehensive income, changes in equity and cash flow for the three-month period then ended, including a summary of significant accounting policies and other notes.

The Company's and its controlled companies' Management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statements and with International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of this interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information. Our responsibility is to express a conclusion on the individual and consolidated interim financial information based on our review.

### Scope of the 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). An interim review consists principally of applying analytical and other review procedures and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

### Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information.



## Other matters


### Statements of value added

We also reviewed the individual and consolidated statements of value added for the three-month period ended March 31, 2020, prepared by the Company's and its controlled companies' Management, whose disclosure in the interim financial information is required in accordance with the standards issued by CVM and considered as supplementary information by the International Financial Reporting Standards (IFRS), which do not require disclosure of the statement of value added. These statements were submitted to review procedures carried out along with the review of the quarterly information, aiming to conclude if they are in accordance with the individual and consolidated interim financial information and accounting records, as applicable, and if its form and contents are in accordance with the criteria established in Technical Pronouncement CPC 09 - Statement of value added. Based on our review, we are not aware of any fact that would lead us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria established in this technical pronouncement and consistently with the individual and consolidated interim financial information taken as a whole.

São Paulo, October 5, 2020.



BDO RCS Auditores Independentes SS  
CRC 2 SP 013846/O-1



Jairo da Rocha Soares  
Accountant CRC 1 SP 120458/O-6

# FOCUS HOLDING PARTICIPAÇÕES S.A.

(Formerly named Focus Holding Participações Ltda.)

## Statements of financial position

As at March 31, 2020 and December 31, 2019

(In thousands of Brazilian reais)

Assets						Liabilities and equity					
		Parent company		Consolidated				Parent company		Consolidated	
	Note	03/31/2020	12/31/2019	03/31/2020	12/31/2019		Note	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current						Current					
Cash and cash equivalents	4	47	333	23,242	17,971	Loans and financing	12	-	-	12,595	13,483
Accounts receivable	5	-	-	135,135	136,590	Trade accounts payable	11	-	-	141,491	129,651
Recoverable taxes	6	-	-	29,428	24,548	Employees' pay and related charges	-	11	10	711	385
Advances to suppliers	8	2	-	31,123	29,082	Taxes payable	13	1	1	39,213	37,354
Fair value of power supply contracts	21	-	-	414,038	344,975	Fair value of power supply contracts	21	-	-	334,838	292,334
Other assets	-	-	765	4,391	6,227	Other payables	-	3,077	2,580	9,021	3,634
		49	1,098	637,357	559,393			3,089	2,591	537,869	476,841
Noncurrent						Noncurrent					
Advances to suppliers	8	-	-	22,293	19,006	Loans and financing	12	-	-	16,464	15,822
Other assets	-	-	-	3,127	3,562	Fair value of power supply contracts	21	-	-	32,643	53,044
Related-party transactions	7	5,671	3,581	3,324	4,963	Related-party transactions	7	2,067	2,304	21,420	22,480
Fair value of power supply contracts	21	-	-	263,481	247,995	Taxes payable	13	-	-	9,184	9,544
		5,671	3,581	292,225	275,526	Deferred tax liabilities	15	330	330	86,918	66,374
						Leases payable	-	-	-	3,027	-
						Provision for loss on investment	9	25,333	17,973	-	-
								27,730	20,607	169,656	167,264
Investments	9	239,339	197,721	-	-	Equity					
Fixed assets	10	-	-	30,416	24,652	Capital stock	16	23,601	23,601	23,601	23,601
Intangible assets	-	-	-	1,200	-	Retained earnings	-	190,639	155,601	190,639	155,601
Right of use	-	-	-	2,964	-			214,240	179,202	214,240	179,202
		239,339	197,721	34,580	24,652						
						Non-controlling interest	-	-	-	42,397	36,265
								214,240	179,202	256,637	215,467
Total assets		245,059	202,400	964,162	859,571	Total liabilities and equity		245,059	202,400	964,162	859,571

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

# FOCUS HOLDING PARTICIPAÇÕES S.A.

(Formerly named Focus Holding Participações Ltda.)

## Statements of income

Quarters ended March 31, 2020 and 2019

(In thousands of Brazilian reais)

	Note	Parent company		Consolidated	
		03/31/2020	03/31/2019	03/31/2020	03/31/2019
Net operating revenue	17	-	-	318,176	357,212
Operating costs	18	-	-	(306,121)	(324,547)
Income (loss) from fair value of power supply contracts	21	-	-	62,446	19,444
Gross profit		-	-	74,501	52,109
Operating revenues (expenses)					
General and administrative expenses	18	(68)	(1,144)	(6,102)	(5,215)
Equity in earnings (losses) of controlled companies	9	36,670	29,545	-	-
Other revenues and expenses	18	(408)	(2,601)	(1,141)	(2,314)
		36,194	25,800	(7,243)	(7,529)
Financial income (loss)					
Financial revenues	19	-	-	353	511
Financial expenses	19	(1)	(1)	(1,772)	(784)
		(1)	(1)	(1,419)	(273)
Income before income and social contribution taxes		36,193	25,799	65,839	44,307
Current income and social contribution taxes		-	-	(1,019)	(13,889)
Deferred income and social contribution taxes	15	-	-	(20,544)	(822)
Net income for the period		<u>36,193</u>	<u>25,799</u>	<u>44,276</u>	<u>29,596</u>
Attributed to					
Controlling shareholders				36,193	25,799
Non-controlling interest				8,083	3,797
Net income for the period				<u>44,276</u>	<u>29,596</u>
Basic and diluted earnings per thousand shares		<u>1.53</u>	<u>1.09</u>	<u>1.53</u>	<u>1.09</u>

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

# FOCUS HOLDING PARTICIPAÇÕES S.A.

(Formerly named Focus Holding Participações Ltda.)

## Statements of comprehensive income Quarters ended March 31, 2020 and 2019 (In thousands of Brazilian reais)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Net income for the period	36,193	25,799	44,276	29,596
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>36,193</u>	<u>25,799</u>	<u>44,276</u>	<u>29,596</u>
Attributed to				
Controlling shareholders			36,193	25,799
Non-controlling interest			8,083	3,797

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

# FOCUS HOLDING PARTICIPAÇÕES S.A.

(Formerly named Focus Holding Participações Ltda.)

## Statements of changes in equity (In thousands of Brazilian reais)

	Capital stock	Retained earnings	Total share of controlling shareholders	Non-controlling interest	Total equity
Balances as at January 1, 2019	23,601	109,799	133,400	23,172	156,571
Net income for the period	-	25,799	25,799	-	25,799
Profit distribution	-	(421)	(421)	-	(421)
Non-controlling interest	-	-	-	4,581	4,581
Balances as at March 31, 2019	23,601	135,176	158,777	27,753	186,530
Balances as at January 1, 2020	23,601	155,601	179,202	36,265	215,467
Net income for the period	-	36,193	36,193	-	36,193
Profit distribution	-	(1,155)	(1,155)	-	(1,155)
Non-controlling interest	-	-	-	6,132	6,132
Balances as at March 31, 2020	23,601	190,639	214,240	42,397	256,637

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

# FOCUS HOLDING PARTICIPAÇÕES S.A.

(Formerly named Focus Holding Participações Ltda.)

## Statements of cash flows

Quarters ended March 31, 2020 and 2019

(In thousands of Brazilian reais)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Cash flows from operating activities				
Net income for the period	36,193	25,799	44,276	29,596
Items not affecting operating cash:				
Depreciation and amortization	-	1,066	579	1,329
Income (loss) from fair value of power supply contracts	-	-	(62,446)	(19,444)
Deferred income and social contribution taxes	-	-	20,544	822
Interest incurred on leases and loans contracted	-	-	709	224
Other earnings (losses) from investees	233	2,598	(1,952)	783
Equity in earnings (losses) of controlled companies	(36,670)	(29,545)	-	-
Net increase/(decrease) in assets and liabilities				
Accounts receivable	-	-	1,455	21,266
Recoverable taxes	-	-	(4,880)	1,370
Advances to suppliers	(2)	-	(5,328)	(31,580)
Other assets	765	-	2,271	944
Trade accounts payable	-	4	11,840	(26,518)
Employees' pay and related charges	1	-	326	5
Taxes payable	-	1	3,221	14,143
Other payables	497	-	1,613	(2,393)
Cash from operating activities	1,017	(77)	12,228	(9,453)
Paid income and social contribution taxes	-	-	(1,722)	(3,179)
Cash from operating activities	1,017	(77)	10,506	(12,632)
Cash flows from investing activities				
Purchase of fixed and intangible assets	-	-	(3,727)	(250)
Capital contribution	(5,692)	-	-	-
Dividends received	7,871	600	-	-
Cash from investing activities	2,179	600	(3,727)	(250)
Cash flows from financing activities				
Related-party transactions	(2,327)	(109)	579	(1,986)
Repayment of loans	-	-	(932)	(636)
Profit distribution	(1,155)	(421)	(1,155)	(421)
Cash from financing activities	(3,482)	(530)	(1,508)	(3,043)
Net (decrease)/increase in cash and cash equivalents	(286)	(7)	5,271	(15,925)
Cash and cash equivalents at the beginning of period	333	12	17,971	28,663
Cash and cash equivalents at the end of period	47	5	23,242	12,738
Net (decrease)/increase in cash and cash equivalents	(286)	(7)	5,271	(15,925)

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

# FOCUS HOLDING PARTICIPAÇÕES S.A.

(Formerly named Focus Holding Participações Ltda.)

## Statements of value added

Quarters ended March 31, 2020 and 2019

(In thousands of Brazilian reais)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Revenues	-	-	423,337	428,878
Sale of power and provision of services	-	-	360,891	409,434
Income (loss) from fair value of power supply contracts	-	-	62,446	19,444
Inputs purchased from third parties (includes PIS, COFINS and ICMS)	(4)	(26)	(348,782)	(362,017)
Cost of products, merchandise and services sold	-	-	(344,380)	(358,828)
Materials, electric power, third-party services and others	(4)	(26)	(4,401)	(3,189)
Gross value added	(4)	(26)	74,555	66,860
Depreciation and amortization	-	(1,066)	(579)	(1,329)
Net value added produced by the entity	(4)	(1,092)	73,976	65,532
Value added received through transference	36,262	26,944	(788)	(1,803)
Equity in earnings (losses) of controlled companies	36,670	29,545	-	-
Financial revenues	-	-	353	511
Other income (loss) from investments	(408)	(2,601)	(1,141)	(2,314)
Total value added to be distributed	36,258	25,852	73,189	63,729
Distribution of value added				
Personnel and related charges	60	48	1,289	530
Direct compensation	24	18	841	348
Benefits	36	30	373	168
Contribution to the Severance Pay Fund (FGTS)	-	-	74	14
Taxation	4	4	25,672	30,856
Federal taxes	4	4	22,411	27,896
Local taxes	-	-	83	72
State taxes	-	-	3,179	2,888
Return on debt capital	1	1	1,952	2,747
Interest	1	1	1,772	2,648
Rent	-	-	180	99
Return on equity capital	36,193	25,799	44,276	29,596
Income attributed to non-controlling shareholders	-	-	8,083	3,797
Dividends	1,155	421	1,155	421
Income absorbed	35,038	25,378	35,038	25,378
Distribution of value added	36,258	25,852	73,189	63,728

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

FOCUS HOLDING PARTICIPAÇÕES S.A.  
(Formerly named Focus Holding Participações Ltda.)

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1. Operations

Focus Holding Participações S.A. ("Company" and/or "Focus Holding") is a closely held corporation organized on December 19, 2016, whose purpose is holding interests in financial and non-financial institutions. The Company is located in the city of São Paulo, state of São Paulo, at Rua Joaquim Floriano, No. 413 - CJ 161, Itaim Bibi, CEP 04534-011.

On February 21, 2020, it was converted from a limited liability company into a corporation called Focus Holding Participações S.A. The mentioned conversion aimed to improve the corporate governance of the economic group and also provide more exposure and transparency of its financial information and/or statements.

The Company holds ownership interest in the following companies:

Investee	Direct ownership interest	
	03/31/2020	12/31/2019
Focus Energia Ltda. (a)	85	85
Focus Inteligência em Energia Ltda. (b)	85	85
FC One Energia Ltda. (c)	85	85
FCPar Energia Participações Ltda. (d)	98	98
Focus Geração Projeto I Ltda. (e)	86	85
Central Técnica e Geração de Energias Ltda. (f)	76	85
Focus Geração Participação União da Vitória III Ltda. (g)	85	85
Focus Geração de Energia Ltda. (h)	48	48
FC Four Energia Participações Ltda. (i)	85	85
FC Three Energia Participações Ltda. (j)	85	85
Focus Geração Serra da Tormenta Participações Ltda. (k)	99	99
Focus Mais Geração Distribuída Participações S.A. (l)	90	90
Focus Geração One Holding Participações S.A. (m)	100	100
Focus Holding Financeira Ltda. (n)	93	93
Focus Holding Comercializadora Participações Eireli (o)	100	-
Platinum Comercializadora de Energia Participações Ltda. (p)	100	-

- (a) Focus Energia Ltda.: "Focus Energia" is a limited liability company organized on October 24, 2005, originally named Value Comercializadora de Energia Ltda. It is mainly engaged in the wholesale of electric power and the Brazilian Agency of Electric Power (ANEEL) authorized its operations through decision 2.281/2008. On July 30, 2015, by means of decision 2.281, ANEEL changed the corporate name from Value Comercializadora de Energia Ltda. to Focus Energia Ltda., authorizing it to act as an electric power selling agent.
- (b) Focus Inteligência em Energia Ltda.: Company organized on May 11, 2015, whose purpose is providing business administration consulting services, except for specific technical ones;
- (c) FC ONE Energia Ltda.: Company organized on September 9, 2014. It is engaged in the wholesale of electric power;
- (d) FC PAR Energia Participações Ltda.: Company organized on September 22, 2016, whose business purpose is holding interests in non-financial institutions;



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FC Par Energia Participações Ltda. holds ownership interest in the following companies:

Investees	Direct ownership interest	
	03/31/2020	12/31/2019
Focus Energia Ltda. (a)	11.12	11.12
Focus Inteligência em Energia Ltda. (b)	11.12	11.12
FC One Energia Ltda. (c)	15.00	15.00
Focus Geração One Holding Participações S.A. (m)	14.35	15.00
Central Técnica e Geração de Energias Ltda. (f)	24.18	15.00
Focus Geração Participação União da Vitória III Ltda. (g)	15.00	15.00
FC Four Energia Participações Ltda. (i)	11.12	11.12
FC Three Energia Participações Ltda. (j)	11.12	11.12
Focus Geração Serra da Tormenta Participações Ltda (k)	-	1.00

- (e) Focus Geração Projeto I Ltda.: Engaged in holding interests in non-financial institutions;
- (f) Central Técnica e Geração de Energias Ltda.: Provides business administration consulting services, except for specific technical ones, as well as activities of intermediation and representation of services and businesses in general, except for those related to the real estate sector and holding interest in non-financial institutions.
- (g) Focus Geração Participação União da Vitória III Ltda.: Engaged in holding interests in non-financial institutions;
- (h) Focus Geração de Energia Ltda.: "Focus Geração" was organized on May 31, 2017 as a limited liability company. It is headquartered at Via de acesso à Rodovia BR-265, Km 08, s/nº, District of Faria, in the City of Barbacena, state of Minas Gerais, CEP 36209-800, and is engaged in (i) hydroelectric power generation and (ii) sale of electric power.

Focus Geração has executed hydroelectric power sale contracts within the Deregulated Electric Power Market (ACL), with the supply of electric power scheduled to commence on January 1, 2018, and to end on December 31, 2026.

On November 3, 2010, the Superintendency of Generation Concessions and Permits ("SCG") authorized the company to settle as an independent producer of power and explore the hydroelectric power production potential of an area located at Rodovia BR-265, Km 8, in the District of Faria, Municipality of Barbacena, state of Minas Gerais, at the following geographic coordinates - Latitude: -21° 16' 21" Longitude: -43° 52' 59". The power will be produced by a hydroelectric power generation plant named CGH ILHÉUS, registered under Generation Sole Code (CEG): CGH.PH.MG.001122-3.02, with 2,560 kW of installed capacity and an average of 2,060 kW of assured power, provided by one Power Generating Unit. The electric power to be produced will be sold under the modality of Electric Power Independently Produced.

On November 3, 2010, the Superintendency of Generation Concessions and Permits (SCG) authorized the Company to settle as an independent producer of power and explore the hydroelectric power production potential of an area located at Rodovia BR-265, Km 8, in the District of Faria, Municipality of Barbacena, state of Minas Gerais, at the following geographic coordinates - Latitude: -21° 14' 34" Longitude: -43° 53' 51". The power will be produced by a hydroelectric power generation plant named CGH LAVRAS, registered under CEG: CGH.PH.MG. 028105-0.02, with 1,200 kW of installed capacity and average 760 kW of assured power, provided by one Power Generating Unit. The electric power to be produced will be sold under the modality of Electric Power Independently Produced.

We provide below the history of implementation of the Ilhéus Hydroelectric Power Plant:

- The implementation of Generation Device 1 occurred on December 1, 1918, with apparent power of 750 kVA, 2.20 kV voltage, power factor of 0.8 and active power of 600 kW;

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- The implementation of Generation Device 2 occurred on December 1, 1924, with apparent power of 750 kVA, 2.20 kV voltage, power factor of 0.8 and active power of 600 kW;
- The implementation of Generation Device 3 occurred on December 1, 1940, with apparent power of 850 kVA, 2.20 kV voltage, power factor of 0.8 and active power of 680 kW;
- The implementation of Generation Device 4 occurred on December 1, 1954, with apparent power of 850 kVA, 2.20 kV voltage, power factor of 0.8 and active power of 680 kW;

The implementation of the Lavras Generation Plant (Generation Device 1) occurred on December 1, 1975, with apparent power of 1,500 kVA, 2.20 kV voltage, power factor of 0.8 and active power of 1.200 kW.

- (i) FC Four Energia Participações Ltda.: Organized on April 5, 2019, as a limited liability company. Its purpose is wholesale of electric power and provision of advising and consulting services, as well as guidance and operating assistance in the management of power;
- (j) FC Three Energia Participações Ltda.: Organized on February 26, 2019, as a limited liability company, whose purpose is wholesale of electric power, holding interests in non-financial institutions and providing business administration consulting services, except for specific technical ones;
- (k) Focus Geração Serra da Tormenta Participações Ltda.: Organized on July 1, 2019, as a limited liability company. It is engaged in the generation of electric power, wholesale of electric power, and coordination and control of operations of generation and transmission of electric power, in addition to holding ownership interests in other institutions, except for holding companies;
- (l) Focus Mais Geração Distribuída Participações S.A.: Organized on March 12, 2019, as a corporation, with the purpose of holding interests in non-financial institutions;

Focus Mais Geração Distribuída Participações S.A holds ownership interest in the following companies:

Investees	Direct ownership interest	
	03/31/2020	12/31/2019
Espírito Santo Energética SPE	100.00	-
Focus Geração Camanducaia Participações Ltda.	80.00	-

- (m) Focus Geração Holding One Participações S.A.: Organized on June 28, 2019, as a corporation, with the purpose of holding interests in non-financial institutions;
- (n) Focus Holding Financeira Ltda.: Organized on November 14, 2019, as a limited liability company, with the purpose of holding interest in financial institutions;
- (o) Focus Holding Comercializadora Participações Eireli: Organized on April 10, 2019, with the purpose of holding interest in non-financial institutions;
- (p) Platinum Comercializadora de Energia Participações Ltda: Organized on October 5, 2019, as a limited liability company. Its purpose is wholesale of electric power and business administration consulting services, except for specific technical ones, in addition to holding ownership interests in other non-financial institutions, except for holding companies.

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1.1. Impacts of Covid-19:

On January 30, 2020, the World Health Organization ("WHO") announced a public health emergency of international concern due to a new outbreak of Coronavirus originating from Wuhan, China (the "COVID-19 outbreak") and its risks to the international community, considering the ability of the virus to spread globally, going beyond its point of origin. In March 2020, WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase of global exposure.

As a subsequent event, we report that the negative impacts to the world economy of the novel coronavirus pandemic (COVID-19) have not significantly affected the operations of the Company or of its controlled companies. The few requests of contract renegotiation were promptly addressed, and are duly reflected in the individual and consolidated interim financial information.

2. Bases of preparation and presentation of the individual and consolidated interim financial information

a) Statement of compliance

The Company's individual and consolidated interim financial information has been prepared and is being presented for the quarter ended March 31, 2020, according to CPC 21 - Interim Statements, as well as IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), in addition to guidelines issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information.

Except for the changes disclosed below, the Group's interim financial information was prepared based on the same accounting standards described in notes 3.1 to 3.15 disclosed in the individual and consolidated financial statements for the year ended December 31, 2019.

The individual and consolidated financial information was prepared assuming the Company will continue as a going concern. Management evaluates the capacity of the Company and its controlled companies to continue as a going concern during the preparation of the financial information.

Management has not identified any significant uncertainty relative to the Company's and its controlled companies' ability to continue as a going concern in the next 12 months.

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The Company's Management declares that all relevant information specific to the individual and consolidated interim financial information, and only such information, is being evidenced and correspond to that used by Management. This interim financial information was authorized by Management to be issued on October 2, 2020.

b) Measurement basis

The individual and consolidated financial information was prepared based on the historical cost, except for financial instruments designated at fair value through income (loss), measured at fair value.

c) Functional and reporting currency

This interim financial information is presented in Brazilian Reais, which is the functional currency of the Company and its controlled companies. All financial information is presented in Brazilian Reais, rounded to the nearest unit, unless otherwise stated.

As only the sum of the values is rounded, the amounts in thousands presented may not coincide with the respective already rounded totals when added together.

d) Use of estimates and judgment

The preparation of the individual and consolidated interim financial information in accordance with Brazilian accounting practices and the IFRS requires the Company's Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Actual results may differ from those estimates.

Estimates and assumptions are continuously reviewed. Reviews of accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Information on critical assumptions related to the adopted accounting practices that affect the values recognized in the interim financial information is included in the following notes:

- Note 5 - Accounts receivable (allowance for doubtful accounts);
- Note 10 - Fixed assets (applied useful lives and main assumptions in relation to recoverable amounts);
- Note 14 - Provision for contingencies (recognition and measurement: main assumptions on the probability and magnitude of the outflow of funds);

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- Note 15 - Realization of deferred income and social contribution taxes (availability of future taxable income to set them off);
- Note 21 - Fair value of power supply contracts (estimate of fair value of these financial instruments).

e) Basis of consolidation and investment in controlled companies

The individual ("Parent Company") and consolidated ("Consolidated") interim financial information for the quarter ended March 31, 2020, includes the financial information of the Company and its controlled companies (collectively referred to as Focus Holding Participações S.A., and individually referred to as "Company"). The consolidation of the controlled companies includes the total assets, liabilities and income accounts.

Transactions eliminated in consolidation

The main criteria used in the consolidation are described below:

- Intercompany balances and transactions, and any revenues or expenses arising from intercompany transactions are eliminated from the consolidated interim financial information;
- Unrealized gains from transactions with invested companies accounted for on an equity basis are eliminated against the investment;
- Unrealized losses are eliminated in the same manner as unrealized gains, but only to the extent they do not provide evidence of impairment.

3. Significant accounting policies adopted

3.1. IFRS 16/ CPC 06 (R2) - Leases

Lease contracts:

As from January 1, 2019, all leases are accounted for by means of recognition of a right-of-use asset and lease liability, except for:

- Leases of low-value assets;
- Leases with terms of 12 months or less.

Lease liabilities are measured at the present value of contractual payments due to the lessor during the lease term, the discount rate being determined by the rate inherent to the lease, unless (as is typically the case) it is not readily determinable, in which case the Company's incremental loan rate at the start of the lease term is used.

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Variable payments of lease are only included in the measurement of the lease liability if they are based on an index or rate. In that case, the initial measurement of the liability assumes that the variable element will remain unaffected during all the lease term. Other variable lease payments are recorded in the period in which the event or condition that triggers those payments occurs.

In 2020, the Company entered into a lease agreement for its "headquarters" office, in a new location. The main impacts are demonstrated below:

	R\$
Initial adoption of IFRS 16	3,006
(-) Depreciation of the right-of-use assets	(42)
Balance as at March 31, 2020	2,964
Initial adoption of IFRS 16 - Lease liabilities	4,098
Initial adoption of IFRS 16 - Discount to present value and lease liabilities	(1,092)
Balances as at February 20, 2020	3,006
Payment of principal	
Accrued interest	21
Balance as at March 31, 2020	3,027
Current liabilities	-
Noncurrent liabilities	3,027

#### 4. Cash and cash equivalents

	Parent company	
	03/31/2020	12/31/2019
Bank checking accounts	47	333
Total	47	333

	Consolidated	
	03/31/2020	12/31/2019
Cash	47	88
Bank checking accounts	6,839	2,167
Financial investments	16,356	15,716
Total	23,242	17,971

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments and they consist of the balance of cash, bank demand deposits, and financial investments of immediate liquidity with immaterial risk of change in their market value. They are classified as financial assets measured at amortized cost, recorded at cost value plus income earned until balance sheet date, which corresponds to the fair value of the financial instrument.

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Short-term financial investment represents operations with Bank Certificates of Deposit (CDBs) executed with top-rated financial institutions, or investment in conservative investment funds, whose return is based on an average value ranging from 90% to 105% of the Interbank Deposit Rate (CDI).

5. Accounts receivable

	Consolidated	
	03/31/2020	12/31/2019
Amounts billed	27,748	2,691
Amounts unbilled		
(*)	108,948	135,460
Allowance for doubtful accounts	(1,561)	(1,561)
Total	<u>135,135</u>	<u>136,590</u>

(\*) The balances of "Unbilled" amounts comprise provisions for sales of conventional and non-conventional power by means of short, medium and long term contracts in the deregulated market (ACL), occurred until the last day of each reference date and billed and paid in the following month.

Breakdown per maturity of overdue and falling due amounts:

	Consolidated	
	03/31/2020	12/31/2019
Overdue:		
01 - 30 days	1,118	-
31 - 60 days	-	-
61 - 90 days	-	-
Over 90 days	1,561	1,561
	<u>2,679</u>	<u>1,561</u>
Falling due:		
Over 15 days	24,130	-
0 - 15 days:	109,887	136,590
Total	<u>134,017</u>	<u>136,590</u>
	<u>136,696</u>	<u>138,151</u>

As at March 31, 2020 and December 31, 2019, all overdue trade accounts receivables were considered in the allowance for doubtful accounts and due dates did not exceed 90 days from reference dates.

We present below the changes in the allowance for doubtful accounts:

	Consolidated	
	03/31/2020	12/31/2019
Beginning balances	(1,561)	(249)
(-) Additions	-	(1,312)
Final balances	<u>(1,561)</u>	<u>(1,561)</u>

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6. Recoverable taxes

	Consolidated	
	03/31/2020	12/31/2019
State VAT (ICMS)	218	268
Withholding Income Tax (IRRF)	525	320
Contributions for the Social Integration Program (PIS) and for Social Security Funding (COFINS)	5,413	5,162
Withheld PIS, COFINS and Social Contribution Tax	906	143
Corporate Income Tax (IRPJ) and Social Contribution Tax (CSLL) (a)	22,030	18,319
Other recoverable taxes	336	336
Total	29,428	24,548

(a) The balance of IRPJ and CSLL refers to tax prepayments along the year and tax credits generated by overpaid amounts under the taxable income method.

7. Related-party transactions

Statement of financial position

	Parent company	
	03/31/2020	12/31/2019
Noncurrent assets (a)		
Focus Geração Camanducaia Participações S.A.	1,140	281
Focus Geração One Holding Participações S.A.	319	309
Focus Mais Geração Distribuída Participações S.A.	2,070	1,140
Focus Energia Ltda.	1,000	1,000
FC One Energia Ltda.	850	851
FC Four Energia Participações Ltda.	1	-
FC Three Energia Participações Ltda.	1	-
Central Técnica e Geração de Energias Ltda.	290	-
	5,671	3,581
Noncurrent liabilities (a)		
Focus Energia Ltda.	-	6
Focus Geração de Energia Ltda.	167	368
FC Four Energia Participações Ltda.	950	950
FC Three Energia Participações Ltda.	950	950
Focus Mais Geração Distribuída Participações S.A.	-	30
Total noncurrent liabilities	2,067	2,304
	Consolidated	
	03/31/2020	12/31/2019
Noncurrent assets		
Shareholder loans (b)	3,324	4,963
Total assets	3,324	4,963
Noncurrent liabilities		
Shareholder loans (b)	21,420	22,480
Total liabilities	21,420	22,480

The Company's controlling shareholder is: Mr. Alan Zelazo. All shareholders and the respective controlled companies are considered related parties. The main types of transactions among them are listed below:



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- (a) Intercompany loan transactions characterized as current account transactions between related companies as they involve cash centralization. Such contracts and/or agreements have no maturity date and are adjusted based on the Reference Rate (TR). These existing relations and the manner how they are developed are intended to protect the interest of shareholders;
- (b) It refers to transactions with shareholders under conditions of intercompany loans, in which the amounts are expected to be returned within two to six years. They are adjusted based on the Reference Rate (TR) to be calculated from the date of execution of the contract until final settlement of the debt.

#### Management compensation

In the quarter ended March 31, 2020, and year ended December 31, 2019, the total dividends paid to management corresponded to R\$ 1,155 and R\$ 26,500, respectively. Compensation to key personnel of the Group's Management includes fees and benefits, which corresponded to R\$ 41 as at March 31, 2020, and R\$ 33 as at March 31, 2019.

#### 8. Advances to suppliers

	Consolidated	
	03/31/2020	12/31/2019
Current	31,123	29,082
Noncurrent	22,293	19,006
Total	<u>53,416</u>	<u>48,088</u>

Advances to suppliers for purchase of electric power refer to prepayment in transactions where the supplier commits to supplying electric power to the Company for a certain period of time.

The projection of effects stemming from advances to suppliers would be the following:

	Consolidated			
	Up to 1 year	1 to 2 years	2 to 3 years	Total
Advances to suppliers	31,123	12,896	9,397	53,416
	<u>31,123</u>	<u>12,896</u>	<u>9,397</u>	<u>53,416</u>

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9. Investment

a) Breakdown

	%	Investment	
	2020	03/31/2020	12/31/2019
Assets			
Focus Energia Ltda.	85.00	180,376	151,358
Focus Inteligência em Energia Ltda.	85.00	665	644
Focus Geração de Energia Ltda.	48.07	31,348	27,018
Focus Geração Participação União da Vitória III Ltda.	85.00	7	7
FCPar Energia Participações Ltda.	98.40	19,751	16,975
FC Four Energia Participações Ltda.	85.00	845	849
FC Three Energia Participações Ltda.	85.00	848	849
Focus Geração One Holding Participações S.A.	100	19	20
Focus Holding Financeira Ltda.	92.94	4,482	-
Platinum Comercializadora De Energia Participações Ltda.	99.90	998	-
		<u>239,339</u>	<u>197,721</u>
	%	Investment	
	2020	03/31/2020	12/31/2019
Liabilities			
Central Técnica e Geração de Energias Ltda.	75.82%	(285)	(314)
Focus Geração Projeto I Ltda.	85.65%	(311)	(302)
FC One Energia Ltda.	85.00%	(22,355)	(16,804)
Focus Geração Serra da Tormenta Participações Ltda.	99.00%	(46)	(7)
Focus Holding Comercializadora Participações Eireli	100.00%	-	-
Focus Mais Geração Distribuída Participações S.A.	90.00%	(2,336)	(546)
		<u>(25,333)</u>	<u>(17,973)</u>

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b) Balance of investments

	03/31/2020			
	Assets	Liabilities	Equity	Result
Focus Energia Ltda.	924,852	712,645	212,207	37,960
Focus Inteligência em Energia Ltda.	1,016	234	782	1,078
Focus Geração de Energia Ltda.	69,177	3,965	65,212	13,057
Focus Geração Participação União da Vitória III Ltda.	9	-	9	-
FCPar Energia Participações Ltda.	24,203	4,130	20,073	4,371
FC Four Energia Participações Ltda.	994	1	993	(5)
FC Three Energia Participações Ltda.	999	1	998	(1)
Focus Geração One Holding Participações S.A.	20	-	19	(1)
Central Técnica e Geração de Energias Ltda.	9	388	(379)	(10)
Focus Geração Projeto I Ltda.	9	372	(363)	(8)
FC One Energia Ltda.	38,907	65,207	(26,300)	(5,830)
Focus Geração Serra da Tormenta Participações Ltda.	-	46	(46)	(40)
Focus Mais Geração Distribuída Participações S.A.	4,774	7,370	(2,596)	(2,069)
Focus Holding Financeira Ltda.	5,064	241	4,823	(226)
Focus Holding Comercializadora Participações Eireli	-	-	-	-
Platinum Comercializadora De Energia Participações Ltda.	998	-	998	(1)
	<u>1,071,032</u>	<u>794,600</u>	<u>276,431</u>	<u>48,275</u>

	12/31/2019			03/31/2019
	Assets	Liabilities	Equity	Result
Focus Energia Ltda.	816,092	638,024	178,068	15,330
Focus Inteligência em Energia Ltda.	996	239	757	949
Focus Geração de Energia Ltda.	59,487	3,282	56,205	5,984
Focus Geração Participação União da Vitória III Ltda.	9	-	9	-
FCPar Energia Participações Ltda.	20,357	3,105	17,251	3,638
FC Four Energia Participações Ltda.	999	1	999	-
FC Three Energia Participações Ltda.	1,000	1	999	-
Focus Geração One Holding Participações S.A.	20	-	20	-
Central Técnica e Geração de Energias Ltda.	10	379	- 370	(68)
Focus Geração Holding Participações Ltda.	8	363	(355)	(63)
FC One Energia Ltda.	44,367	64,137	(19,769)	11,016
Focus Geração Serra da Tormenta Participações Ltda.	-	6	(6)	-
Focus Mais Geração Distribuída Participações S.A.	11,821	12,428	(607)	-
	<u>955,166</u>	<u>721,965</u>	<u>233,201</u>	<u>36,786</u>

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c) Changes

	12/31/2019	Contribution	Others	Equity in earnings (losses) of controlled companies	Distribution of dividends	Disproportionate distribution	03/31/2020
Focus Energia Ltda.	151,358	-	-	32,266	(3,821)	573	180,376
Focus Inteligência em Energia Ltda.	644	-	-	916	-	(895)	665
Focus Geração de Energia Ltda.	27,018	-	-	6,277	(4,050)	2,103	31,348
Focus Geração Participação União da Vitória III Ltda.	7	-	-	-	-	-	7
FCPar Energia Participações Ltda.	16,975	-	-	4,301	-	(1,525)	19,751
FC Four Energia Participações Ltda.	849	-	-	(4)	-	-	845
FC Three Energia Participações Ltda.	849	-	-	(1)	-	-	848
Focus Geração One Holding Participações S.A.	20	-	-	(1)	-	-	19
Central Técnica e Geração de Energias Ltda.	(314)	-	36	(7)	-	-	(285)
Focus Geração Projeto I Ltda.	(302)	-	(2)	(7)	-	-	(311)
FC One Energia Ltda.	(16,804)	-	-	(4,956)	-	(595)	(22,355)
Focus Geração Serra da Tormenta Participações Ltda.	(7)	-	-	(40)	-	-	(46)
Focus Mais Geração Distribuída Participações S.A.	(546)	-	72	(1,862)	-	-	(2,336)
Focus Holding Financeira Ltda.	-	4,693	-	(211)	-	-	4,482
Platinum Comercializadora De Energia Participação Ltda.	-	999	-	(1)	-	-	998
	<u>179,747</u>	<u>5,692</u>	<u>107</u>	<u>36,670</u>	<u>(7,871)</u>	<u>(339)</u>	<u>214,006</u>

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10. Fixes assets

a) Breakdown of fixed assets (Consolidated)

	Consolidated			
	03/31/2020			12/31/2019
	Cost	Accumulated depreciation	Net	Net
Plots of land	2,789	-	2,789	2,639
Communication and IT equipment	459	(138)	321	291
Furniture and fixtures	633	(107)	526	522
Machinery and office equipment	-	-	-	8
Vehicles	1,650	(461)	1,189	1,179
Dams, water mains and machinery	22,072	(3,110)	18,962	17,678
Construction in progress (i)	6,629	-	6,629	1,420
Other fixed assets	-	-	-	915
Total	34,232	(3,816)	30,416	24,652

- (i) Works mainly related to Central Geradora Hidrelétrica Camanducaia (CGH), scheduled to be concluded in October 2020, amounting to R\$ 2,855, and to Espírito Santo Energética (CGH), investee of Focus Mais Geração Distribuidora Participações S.A., with works scheduled to be concluded in July 2021, amounting to R\$ 3,774.

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Changes in fixed assets:

	Depreciation rate %	12/31/2019	Additions	Write-offs	Depreciation	03/31/2020
Plots of land	-	2,639	150	-	-	2,789
Communication and IT equipment	20	290	48	-	(18)	321
Furniture and fixtures	10	522	19	-	(14)	526
Machinery and office equipment	5	8	-	(8)	-	-
Vehicles	20	1,180	31	-	(22)	1,189
Dams, water mains and machinery	2	17,678	1,301	-	(17)	18,962
Construction in progress	-	1,420	5,209	-	-	6,629
Other fixed assets	2	915	579	(1,028)	(466)	-
Total		<u>24,652</u>	<u>7,337</u>	<u>(1,036)</u>	<u>(537)</u>	<u>30,416</u>

Impairment test

The Company assessed any indications of devaluation of its assets that could generate the need for impairment testing. Testing was based on external and internal sources of information, taking into consideration variations in interest rates and changes in market conditions, among others. For the quarter ended March 31, 2020, and the year ended December 31, 2019, no provision for impairment was necessary.

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11. Trade accounts payable

	Consolidated	
	03/31/2020	12/31/2019
Electric power supply	58,798	23,825
Provision per accrual period (*)	80,747	105,197
Others	1,946	629
Total	141,491	129,651

(\*) The balance of the "provision per accrual period" is composed of short, medium and long-term purchase contracts of conventional and non-conventional power acquired in the deregulated market, whose related power consumption occurs until the last day of each base date, being billed and settled by the power supplier in the following month.

12. Loans and financing

Type	Interest	Consolidated	
		03/31/2020	12/31/2019
In domestic currency			
CCB	3.6% p.a. + 100% CDI	7,500	7,895
CCB	0.36% p.m. + 100% CDI	10,098	9,935
CDC	1.23% p.m.	161	175
CCB	0.69% p.m.	6,800	6,800
CCB	0.76% p.m.	4,500	4,500
Total		29,059	29,305

	Consolidated	
	03/31/2020	12/31/2019
Segregation		
Current liabilities	12,595	13,483
Noncurrent liabilities	16,464	15,822
Total	29,059	29,305

	Consolidated	
	03/31/2020	12/31/2019
Noncurrent liabilities mature as follows:		
2021	3,664	3,488
2022	3,665	3,485
2023	3,665	3,485
Maturity after 2023	5,470	5,364
Total	16,464	15,822

Changes in loans and financing (Consolidated):

Balance as at 12/31/2019	Interest	Payment of principal + interest	Balance as at 03/31/2020
29,304	686	(932)	29,059
29,305	686	(932)	29,059

Events that may cause early maturity of debt (covenants):

The Company is constantly monitoring the conditions to be met in order to prevent the triggering of existing covenants and the resulting early maturity of the debt:

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- The ratio of net debt to EBITDA should be lower or equal to (i) 3.5 in 2017; (ii) 3.0 in 2018; (iii) 2.5 in 2019 and (iv) 2.0 as from (and including) 2020, until full settlement of the obligations undertaken;
- The Debt-Service Coverage Ratio (DSCR) must be lower or equal to (i) 1.3 in 2017; (ii) 1.5 in 2018; (iii) 1.7 as from (and including) 2019, until full settlement of the obligations undertaken.

Guarantees provided for loans and financing:

Ownership interest, receivables and short-term financial investments of the Company and of shareholders were offered as guarantee. Information on bank guarantees is provided in note 22 "financial instruments".

### 13. Tax liabilities

	Consolidated	
	03/31/2020	12/31/2019
State VAT (ICMS) payable	1,049	304
Withholding of Income Tax (IRRF) and PIS, COFINS and CSLL (PCC) payable	128	22
PIS and COFINS payable	2,833	454
Tax on Services (ISS) payable	44	37
Provision for IRPJ and CSLL	33,201	32,187
ISS to be paid in installments (a)	11,141	11,501
Taxes on provision for sales (b)	-	2,347
Others	1	46
Total	<u>48,397</u>	<u>46,898</u>
Current liabilities	39,213	37,354
Noncurrent liabilities	9,184	9,544
Total	<u>48,397</u>	<u>46,898</u>

- (a) Tax on services (ISS) to be paid in installments coming from the debt transferred in the purchase of the company Iguazu Consultoria Ltda., whose corporate name was changed to FC Consultoria Ltda. in March 2018, and which Focus Energia Ltda. merged on September 28, 2018. The tax is set to be paid in 120 installments.
- (b) PIS and COFINS payable on sales of power arising from short, medium and long-term contracts for trade of conventional and non-conventional power in the deregulated market, whose sale and consumption occurs until December 31 of each period and is billed in the following month.

### 14. Contingencies

In the ordinary course of conducting its business, the Company is involved in tax, labor, social security and civil lawsuits.

Management, relying on its legal counsel's opinion or that of other specialists, when applicable, evaluates the possible outcome of ongoing lawsuits, and the need of setting up provisions for contingencies arising from them.



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As at March 31, 2020, and December 31, 2019, neither the Company nor its controlled companies had contingencies to be accrued for or disclosed in the interim financial information.

Review of calculation of taxes

Pursuant to the legislation in effect, the operations of the Company and its controlled companies are subject to review by tax authorities for a period of five years regarding tax, labor and social security charges (Income Tax, Social Contribution Tax, ISS, PIS, COFINS, Social Security Tax (INSS) and Severance Pay Fund (FGTS)). When these reviews take place, transactions and payments may be questioned by tax authorities. The Company's Management considers that those taxes were properly paid or provided for in the interim financial information for the quarter ended March 31, 2020, and for December 31, 2019.

15. Income and social contribution taxes

a) Reconciliation of Income and Social Contribution tax expenses

Description	Parent company	
	03/31/2020	03/31/2019
Income before Income and Social Contribution Taxes	36,193	25,799
Reconciliation of effective rate:		
Equity in earnings (losses) of controlled companies	(36,670)	(29,545)
Other permanent add-backs/(deductions)	408	2,601
Calculation basis	(69)	(1,145)
Effective tax rate	34%	34%
Expected credit/(debit) of income and social contribution taxes according to the effective rate	23	389
Other, net	(23)	(389)
Income and social contribution taxes - revenue/(expense)	-	-
Current taxes:	-	-
Deferred taxes	-	-
Net taxes	-	-

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Description	Consolidated	
	03/31/2020	03/31/2019
Income before Income and Social Contribution Taxes	65,839	44,307
Reconciliation of effective rate:		
Other permanent add-backs/(deductions)	45	98
Taxation under the deemed income method using the gross sales revenue as calculation basis	(12,697)	(6,240)
Calculation basis	53,187	38,165
Effective tax rate	34%	34%
Expected credit/(debit) of income and social contribution taxes according to the effective rate	(18,084)	(12,976)
Other, net	(3,479)	(3,838)
Tax losses	-	2,103
Income and social contribution taxes - revenue/(expense)	(21,563)	(14,711)
Current taxes	(1,019)	(13,889)
Deferred taxes	(20,544)	(822)
Net taxes	(21,563)	(14,711)

b) Breakdown of deferred tax assets and liabilities

	Parent company	
	03/31/2020	12/31/2019
Amortization - Negative goodwill	330	330
Deferred liabilities	330	330

	Consolidated	
	03/31/2020	12/31/2019
Income (loss) from fair value of power supply contracts and negative goodwill	92,896	72,760
Provision for revenue and costs	8,154	11,898
Other temporarily non-deductible provisions	53	(4,103)
Temporary differences:	101,103	80,555
Deferred tax losses	(14,185)	(14,181)
Deferred liabilities	86,918	66,374

c) Estimated realization period

Deferred income and social contribution tax assets arising from temporary differences are recognized in accounting considering the probable realization of these credits, based on projections of future results prepared in accordance with internal assumptions.

The maintenance of deferred income and social contribution tax assets and liabilities arising from temporary differences is directly conditioned to the realization of the power purchase and sale contracts entered into by the Company and recognized in the accounts of financial instruments.

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Income and Social Contribution tax loss carryforwards can be offset against future taxable income, limited to 30% of taxable income in the period and not subject to a statute of limitations. Management projects that the realization of these credits is feasible.

We present below the projected realization of deferred tax credits as at March 31, 2020:

Year	Parent company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
2020	-	(330)	988	(18,724)
2021	-	-	815	(20,585)
2022	-	-	668	(15,046)
2023	-	-	705	(7,645)
2024	-	-	11,009	(39,103)
	-	(330)	14,185	(101,103)

## 16. Equity

### a) Capital stock

The composition of the Company's subscribed and paid-in capital stock as at March 31, 2020, is shown in the table below:

▪ In Brazilian Reais:

	No. of Common Shares	Value (R\$)	Ownership interest (%)
Alan Zelazo	18,408,789	18,408,789	78.00
Alexander Vinicius Barbosa	472,020	472,020	2.00
Eduardo Dal Sasso Mendonça Cruz	3,540,151	3,540,151	15.00
Carlos Baccan Netto	1,180,051	1,180,051	5.00
	<u>23,601,011</u>	<u>23,601,011</u>	<u>100.00</u>

### b) Statutory reserve

The Bylaws provide for the recognition of 5% of the net income determined in each fiscal year pursuant to art. 193 of Law 6.404/76, up to the limit of 20% of the capital stock to be recognized as at December 31, 2020, since the Company became a corporation in the current year (it was previously a limited liability company).

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c) Distribution of dividends

An obligatory minimum dividend of 25% of the net income for the period is assured to shareholders, minus the portion destined for the recognition of the statutory reserve (5% of net income), not exceeding 20% of capital stock.

As at March 31, 2020, R\$ 1,155 (R\$ 26,500 on December 31, 2019) in dividends were distributed to shareholders, in accordance with internal resolutions.

d) Income reserve

It refers to the portion of income not distributed and reserved for future investment, to be recognized as at December 31, 2020, at the time of allocation of the net income for the year, since the Company became a corporation in the current year (it was previously a limited liability company).

e) Earnings per share

Basic earnings (losses) per share are calculated by dividing the net income attributable to the Company's shareholders by the weighted average of ordinary shares outstanding during the year. The table below presents the calculation of basic/diluted earnings per share for the periods:

	03/31/2020	03/31/2019
Net income attributed to controlling shareholders	36,193	25,799
Weighted average shares	23,601	23,601
Basic and diluted earnings per share	<u>1.5335</u>	<u>1.0931</u>

17. Net operating revenues

	Consolidated	
	03/31/2020	03/31/2019
Sales of electric power	388,257	418,855
Services	133	1,398
Operations canceled	(27,500)	(10,145)
Discounts on sales	-	(674)
COFINS	(31,629)	(40,475)
PIS	(6,866)	(8,787)
ICMS	(4,137)	(2,888)
ISS	(82)	(72)
Net operating revenue	<u>318,176</u>	<u>357,212</u>

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18. Nature of costs and expenses recognized in income (loss)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Costs of purchase and generation of power	-	-	(306,121)	(324,547)
Service providers	(2)	(26)	(903)	(332)
Legal fees and expenses on notary services	-	-	(6)	(2)
Expenses on payroll	(64)	(52)	(1,869)	(592)
Maintenance and repairs	-	-	(41)	(22)
Insurance premium	-	-	(290)	-
Trade associations	-	-	(30)	-
Rents, HOA fees and property tax	-	-	(180)	(72)
Advertising and publicity	-	-	(76)	(90)
Lawyers' fees	-	-	(967)	(164)
Accounting and Audit	-	-	(190)	(95)
Telephones and communications	(2)	-	(56)	(80)
Depreciation and amortization	-	(1,066)	(579)	(1,329)
Expenses on sales commission	-	-	(398)	-
Other expenses	(408)	(2,601)	(1,658)	(4,751)
Total	<u>(476)</u>	<u>(3,745)</u>	<u>(313,364)</u>	<u>(332,076)</u>
Classified as:				
Operating costs	-	-	(306,121)	(324,547)
General and administrative	(68)	(1,144)	(6,102)	(5,215)
Other revenues and expenses	(408)	(2,601)	(1,141)	(2,314)
Total	<u>(476)</u>	<u>(3,745)</u>	<u>(313,364)</u>	<u>(332,076)</u>

19. Financial income (loss)

	Parent company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Financial expenses				
Bank expenses	(1)	(1)	(30)	(12)
Bank collateral	-	-	(5)	(218)
Late payment fine	-	-	(575)	(111)
Monetary losses	-	-	(21)	(409)
Interest losses	-	-	(975)	(34)
Other financial expenses	-	-	(166)	-
Total	<u>(1)</u>	<u>(1)</u>	<u>(1,772)</u>	<u>(784)</u>
Financial revenues				
Return on financial investments	-	-	130	192
Monetary gains	-	-	182	319
Interest gains	-	-	40	-
Discounts obtained	-	-	1	-
Total	<u>-</u>	<u>-</u>	<u>353</u>	<u>511</u>

20. Segment reporting

a) Basis of segmentation:

For analysis and management purposes, the Group is divided into business units based on products and services, with three (3) reporting operating segments:

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- Generation of electric power;
- Trade of power;
- Provision of services.

The Company's Management separately monitors the operating results of its business units to make decisions on how to use funds and evaluate their performance. The determination of performance is based on operating income or loss, which, as demonstrated in the table below, is measured differently from the numbers reported in the consolidated financial information. The Company's financing operations (including revenue and expenses from financing) and taxes on income are managed at the Company and not allocated to the operating segments.

b) Geographic divisions

The segments of power generation, power trading and provision of services are spread all over the Brazilian territory. The revenue per segment is based on the geographical location of customers and the assets of that segment are based on the geographical location of the assets.

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c) Segment information:

Information on the results of each segment is presented below. Performance is determined based on the revenue (expenses) of the segment before income and social contribution taxes, because Management understands that such information is the most relevant in evaluating the operations of the respective segments for comparison with other entities that work in the same industry:

	Generation		Trading		Services		Total	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Net operating revenue	14,616	6,504	302,061	349,550	1,499	1,158	318,176	357,212
Operating cost	(451)	(10)	(305,670)	(324,537)	-	-	(306,121)	(324,547)
Resulting fair value of power supply contracts	-	-	62,446	19,444	-	-	62,446	19,444
Gross profit	14,165	6,494	58,837	44,457	1,499	1,158	74,501	52,109
Financial revenues	5	7	347	431	1	73	353	511
Financial expenses	(15)	(37)	(1,757)	(568)	(1)	(179)	(1,772)	(784)
Depreciation and amortization	(484)	(105)	(95)	(1,224)	-	-	(579)	(1,324)
Operating revenues and expenses	(141)	(166)	(5,954)	(5,905)	(569)	(129)	(6,664)	(6,200)
Income (loss) per segment before income and social contribution taxes	13,530	6,193	51,378	37,191	930	923	65,839	44,307
Reportable assets of the segments	86,857	45,040	864,692	769,237	12,614	45,295	964,162	859,571
Reportable liabilities and equity of the segments	13,229	15,749	910,814	690,694	40,120	153,128	964,162	859,571

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21. Fair value of power supply contracts

The Company operates in the deregulated market through its controlled company, and entered into bilateral electric power purchase and sale contracts with the counterparties.

Financial instruments (future contracts)	03/31/2020	12/31/2019
Temporary gains - current	414,038	344,975
Temporary gains - noncurrent	263,481	247,995
Temporary loss - current	(334,838)	(292,334)
Temporary loss - noncurrent	(32,643)	(53,044)
Net income (loss)	<u>310,038</u>	<u>247,592</u>

The actual results of the financial instruments (future contracts) may substantially vary, given that the prices of these contracts were set considering the base dates of March 31, 2020, and December 31, 2019. The Company has future power supply contracts expiring in 2035, for which transactions with a single counterparty represent approximately 49% (as at March 31, 2020) of the total net fair value of the contracts, considering the long-term supply established in those contracts. However, that revenue represents approximately only 2% of Focus Energia's annual income.

The fair value of the power supply contracts estimated according to the Company's financial assets and liabilities was determined using information available in the market and suitable valuation methodologies. However, considerable judgment was required to interpret market data and make the most adequate realization value estimates. Therefore, the estimates presented below do not necessarily indicate the amounts that can be realized in the current trade market. The use of different market methodologies may have a relevant effect on the estimated realization values. The fair value of the power supply contracts is already net of the average flow discount rate of 5.65% as at March 31, 2020 (5.51% as at December 31, 2019), as well as of Pis/Cofins (9.25% rate).

	Consolidated				Total
	Up to March 2021	Up to March 2022	Up to March 2023	As from April 2023 up to 2025	
Fair value of power supply contracts	73,870	57,474	37,029	141,665	310,038



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## 22. Financial instruments and risk management

### Risk management

The Company uses financial instruments to assure that its operating and business needs are met, and it is exposed to several risks inherent to its activities. The identification and management of these risks is essential to profitability. The most significant risks are:

#### Credit risk

Credit risk results from the possibility of the Company incurring losses arising from the default of its counterparties or financial institutions in which it has financial investments or funds.

One of the main risks is the noncompliance with contracts, which might occur if one of the parties does not meet some of the commitments undertaken in them (registration, validation with the Electricity Sales Chamber (CCEE) or bilateral payment), financially exposing the counterparty. Depending on the magnitude of default, there may be three noxious effects on the affected party:

- Additional exposure to market risk due to the replacement of the defaulted contract with exposure (surplus or deficit) in the market at short-term prices, which may be unfavorable to it;
- A trust crisis, limiting liquidity and increasing the risk premium to close positions, in particular with small-sized companies;
- Less liquidity in the market due to the need of adjustment of projections and increase in the risk aversion of agents, impacting the time necessary to close positions.

To mitigate these risks, the practice in place at the Company is analyzing the financial standing and equity of its counterparties, as well as the history and status of payment of local, state and federal taxes. Other protection procedures are demanding guarantees in certain cases, such as letters of guarantee, insurance, collaterals, and checking the reputation and technical knowledge of members of the other company. Additionally, credit limits are in place, as well as the permanent follow-up of outstanding receivables and of credit risk concentration. With regard to financial institutions, the Company only conducts transactions with low-risk financial institutions.

We break down below the guarantees received:

	<u>March 2020</u>
Bank collaterals	12,147
Guarantee insurance	14,932

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### Liquidity risk

Final responsibility for the management of liquidity risk belongs to the Company's Executive Board, which has prepared an appropriate model of liquidity risk management to deal with the needs of fund raising and liquidity management in the short, medium and long terms. The Company manages liquidity risk by maintaining reserves, bank credit lines, and credit lines for loans considered adequate, through continuous monitoring of actual and expected cash flows and matching of the maturities of assets and liabilities.

The table below describes the cash flows of principal and interest payable. As for cash flows with fixed interest, the amount not discounted was obtained based on interest curves at the end of the period. Payment dates are based on the most recent date in which the Company and its controlled companies should settle the respective obligations.

	Consolidated				Total
	Up to 1 year	Up to 2 years	Up to 3 years	Over 4 years	
Trade accounts payable	141,491	-	-	-	141,491
Loans and financing	12,595	6,973	3,485	6,006	29,059
	<u>154,086</u>	<u>6,973</u>	<u>3,485</u>	<u>6,006</u>	<u>170,550</u>

### Market risk

Market risk is defined as the potential of monetary losses caused by changes in variables affecting prices and fees negotiated in the market. Such risk is generally associated with an outstanding power position (surpluses or deficits) not yet converted into contracts, being thus exposed to fluctuations in market prices which, in unfavorable cases to the holder of the position, may reduce the value of the electric power portfolio. These fluctuations, whether positive or negative, have economic impacts on all agents operating in the deregulated power market, and are constantly monitored by the Company's Management.

When assessing risk, the Company considers the value already generated in its portfolio, and for this reason, it uses different assessment mechanisms, such as: daily reporting by the risk department, the VaR (Value at Risk) methodology, stress and sensitivity analyses, risk limits established by Management, daily updating of prices and of volatility, weekly meetings for allocation of risk, and daily updating of risk variables.

- Energy market exposure in Mwh

Year	Purchase	Sale	Exposure (short)/long-term
March of 2020-2024	8,732,001	(9,792,118)	(1,060,117)
2025 to 2035	-	(2,720,856)	(2,720,856)
	<u>8,732,001</u>	<u>(12,512,974)</u>	<u>(3,780,973)</u>

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Financial instruments by category, fair value and book value

The main financial instruments measured at fair value and/or whose book values are materially different from their respective fair values according to the accounting practices adopted at the Company are the following:

	Consolidated		Fair value measurement
	03/31/2020	12/31/2019	
Measured at fair value through income			
Fair value of power supply contracts (assets)	677,519	592,970	Level 2
Fair value of power supply contracts (liabilities)	(367,481)	(345,378)	Level 2
Amortized cost (financial assets)			
Cash and cash equivalents	23,242	17,971	Level 1
Accounts receivable	135,135	136,590	Level 2
Related-party transactions	3,324	4,963	Level 2
Amortized cost (financial liabilities)			
Trade accounts payable	141,491	129,651	Level 2
Loans and financing	29,059	29,305	Level 2
Related-party transactions	21,420	22,480	Level 2

The classification of a financial asset or liability at amortized cost or fair value through profit or loss is based on a business model and on the characteristics of expected cash flow for each instrument.

The fair value of an instrument corresponds to its maturity value (redemption value) adjusted to present value at a discount rate (in relation to the instrument's maturity date) obtained from the market interest curve in Brazilian reais. The three levels of the fair value hierarchy are:

- Level 1: Prices quoted in active markets for identical instruments;
- Level 2: Observable information other than prices quoted in active markets that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Instruments whose relevant factors are not observable market data.

Sensitivity analysis

A sensitivity analysis was prepared for the main risks the Company's financial instruments are exposed to, chiefly represented by changes in the price of power and in interest rates.

Sensitivity analysis of operations of purchase and sale of power

The main risk factor is the exposure to market price variation in the deregulated power market. A change in the discount rate does not significantly affect the fair value determined. The sensitivity analyses were prepared according to the Company's VaR methodology, which is the main management tool applied to this type of risk.

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Therefore, considering a scenario of increase in prices with a price series that reflects VaR's p95 series (maximum loss in the price increase scenario), and another scenario of reduction in prices with a price series that reflects VaR's p05 series (maximum loss in the price decrease scenario), we have:

Consolidated	Price variation	March 31, 2020	Projected scenarios
Unrealized gains (losses) in power purchase and sale in an active market	Increase (VaR p95)	310,038	291,859
	Decrease (VaR p05)	310,038	329,097

This sensitivity analysis, prepared according to the Company's VaR methodology, considering the history of volatility of the market and correlation between products, points to greater variation in prices in the short term due to the high correlation with more uncertain variables, such as hydrological forecasting and load, and smaller variation in the long term due to the low correlation with those variables and high correlation with the dynamics of offer and demand of electric power.

- VaR - It is the evaluation of maximum expected loss (or worst loss) at a specified confidence interval ( $\alpha$  corresponds to confidence level) that an investor would be exposed to within a given time period. VaR can be translated as the amount in which losses will not exceed  $(1-\alpha)$  % of the scenarios. The Company uses a confidence level of 95%, which indicates that there are 5 chances in 100 that the loss will be larger than what is indicated by the VaR in the period for which it was calculated;
- P95 of VaR - In this case, p95 of VaR indicates the maximum loss that would be generated in the event of an increase in prices;
- P05 of VaR - In this case, p05 of VaR indicates the maximum loss that would be generated in the event of a decrease in prices.

#### Sensitivity analysis of operations with interest rates

An analysis was prepared with the purpose of illustrating the sensitivity of the Company to changes in interest rates:

- (i) Scenario I: based on macroeconomic assumptions obtained in the market as at March 31, 2020 (CDI rate at 3.95% p.a.);
- (ii) Scenario II: 25% decrease/increase in rates; and
- (iii) Scenario III: 50% decrease/increase in rates.

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The projection of effects stemming from those scenarios on consolidated financial income (losses) for the next 12 months would be the following:

As at March 31, 2020:

Instrument	Rate	Exposure	Scenario 1	25% decrease in the rate	50% decrease in the rate	25% increase in the rate	50% increase in the rate
Assets - financial investments	CDI	16,356	646	485	323	808	969
Liabilities - Loans	CDI	29,059	1,148	861	574	1,435	1,722



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The corporate restructuring implemented in September 2020 involved: (i) a simplification of the corporate structure to make the Company the controlling company of the group and consolidate the interest of shareholders; and (ii) withdrawal of companies and of assets not related to the main activities of the Company, as for example Focus Holding Financeira Ltda. and FCPAR Energia Participações Ltda.

After the restructuring, the shareholding structure is the following:

