

1Q20 | EARNINGS

# RE SULTS

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## RESULTS PRESENTATION

MAY 8th, 2020

### Portuguese

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Zoom ID: 819-7605-7007

### English

3:00 pm (Brasília) - 2:00 pm (EST)

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EBITDA

**R\$466 MM**

NET INCOME

**R\$167 MM**

NET DEBT

**R\$6,721 MM**

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Brasil

**IBRX**

**ISEB3**

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Elétrica

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Ações com Tag Along  
Diferenciado

**ITAG**

Rio de Janeiro, May 7, 2020.

## Light reduces energy losses and secures trend of improved results at DisCo

### Financial Highlights

- **Consolidated EBITDA totaled R\$466 million in 1Q20**, representing a decrease of R\$109 million, or 19%, compared to 1Q19. This decrease is primarily due to the results of the Generation Company as a result of the GSF, which was significantly less favorable in 1Q20 and resulted in lower sales of surplus energy in the quarter.
- **EBITDA of Light SESA, on its turn, increased by 4.3% in 1Q20** compared to 1Q19, primarily due to the **decrease in energy losses and the reduction in PMS**.
- **In 1Q20, consolidated net income totaled R\$167 million**, in line with R\$164 million in 1Q19. We highlight the net income of the Distribution Company, which totaled R\$62 million in 1Q20, compared to a net loss of R\$25 million in 1Q19, due to the better financial result in the period, as a result of the gain from marked-to-market debt swap transactions.
- **PMSO, excluding the non-recurring expense of R\$12.4 million under the Voluntary Dismissal Plan (Plano de Demissões Voluntárias) (VDP), launched in October 2019, increased by R\$3 million compared to 1Q19. In 1Q20, consolidated PMS, excluding the VDP, decreased by 4.4%.**
- **In 1Q20, PECLD totaled R\$123 million (compared to R\$73 million in 1Q19), accounting for 2.3% of the gross revenue (12 months).** The index increased by 0.4 p.p. compared to that recorded in December 2019, due to the progress of the customer regularization initiatives, as expected by the Company.
- **At the end of 1Q20, Net Debt/EBITDA ratio was 3.06x**, above the Net Debt/EBITDA ratio of 2.98x in 4Q19 and below the limit of 3.75x set forth as covenant in most debt agreements. **At the end of March 2020, net debt totaled R\$6,721 million.**
- **At the end of 1Q20, consolidated cash totaled R\$1,534 million**, in view of debt in the amount of R\$1,207 million maturing by the end of the year. In April, Light received **R\$105 million as transfer of sector funds, raised R\$400 million in debentures** and, in order to preserve its cash position, **shareholders approved the retention of 2019 dividends**, which shall be paid in coming years.

Financial Highlights (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
Net Revenue*	2,895	3,179	-8.9%
PMSO	241	225	7.1%
Adjusted EBITDA <sup>1</sup>	466	575	-19.0%
Net Income	167	164	1.5%
Net Debt/EBITDA - covenants (x)	3.06	3.70	-17.4%
PECLD/ROB	2.3%	2.1%	0.2 p.p.
CAPEX Light	182	164	11.2%
Net operating cash generation	208	154	35.2%

\* Does not consider construction revenue.

### Operating Highlights

- **At the end of 1Q20, total loss on grid load (12 months) was 25.44%, representing a 0.6 p.p. decrease compared to 26.04% in December 2019.** In 1Q20, total loss on grid load (12 months) amounted to 9,264 GWh, representing a 472 GWh decrease compared to 9,736 GWh in 4Q19. In 1Q20, excluding REN, total loss on grid load (12 months) was 26.09%, representing a 0.5 p.p. decrease compared to 4Q19.
- **The non-technical loss over low voltage market (12 months) closed 1Q20 at 50.25%, 1.8 p.p. lower than in December/19.**
- **The grid load decreased by 9.1% compared to 1Q19**, due to the decrease in temperature ( $\Delta$  of  $-2.6^{\circ}\text{C}$ ), the decrease in losses and the reflexes of Covid-19, perceived in the second fortnight of March.
- **The billed market decreased by 6.7%, below the decrease in grid load, due to the decrease in losses.**
- **In March 2020, Light reached a record result in quality of services provided**, in line with the best and largest distribution companies in the country. **In 1Q20, DEC (12 months) was 6.96 hours**, representing a 10.4% decrease compared to 4Q19, while **FEC (12 months) was 4.27x**, in line with the result recorded in December 2019. **Both indicators are below the limit established by ANEEL.**
- **The 8.7% increase in the number of own employees** is due to the strategy to insource labor related to activities to combat losses, emergencies and new connections.

Operational Highlights	1Q20	1Q19	% Change 1Q20/1Q19
Grid Load* (GWh)	9,855	10,841	-9.1%
Billed Market (GWh)	7,194	7,708	-6.7%
Sold Energy - Generation (MWm)	611	576	6.1%
Commercialized Energy - Com (MWm)	645	641	0.7%
Total Loss/Grid Load (12 months)	25.44%	24.49%	0.96 p.p.
DEC - Hours (12 Months)	6.96	8.09	-14.0%
FEC - Times (12 Months)	4.27	4.36	-2.1%
Number of own staff	5,246	4,825	8.7%
Number of outsourced staff	6,729	7,765	-13.3%

\* Own Load + Use of Network

1- Adjusted EBITDA is CVM EBITDA adjusted by equity income and other operating income (expenses). The Company adopted Adjusted EBITDA to conduct the analyses described in this document.

## Disclaimer

*Operating information and information relating to Management's expectations on the future performance of the Company have not been reviewed by the independent auditors. Forward-looking statements are subject to risks and uncertainties. These statements are based on Management's judgment and assumptions and information currently available to the Company. Forward-looking statements include information about our current plans, opinions or expectations, as well as the plans, opinions or expectations of the members of the Board of Directors and Board of Executive Officers of the Company. Forward-looking statements and information also include information about potential or assumed results of operations, as well as statements that are preceded or followed by, or include the terms "believe," "may," "will," "continue," "expect," "predict," "intend," "estimate" or similar words. Forward-looking statements and information are not an assurance of future performance. They involve risks, uncertainties, and assumptions as they relate to future events and therefore are contingent on circumstances which may or may not occur. Future results and the creation of shareholder value may differ significantly from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and amounts are beyond the control of or cannot be predicted by LIGHT S.A.*

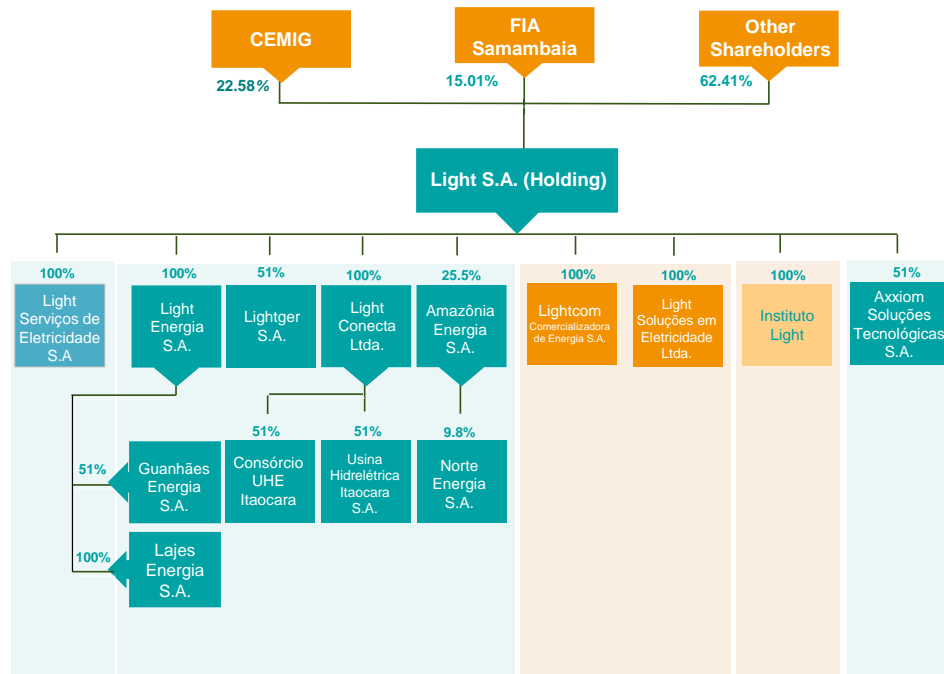
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## 1. Profile and Corporate Structure

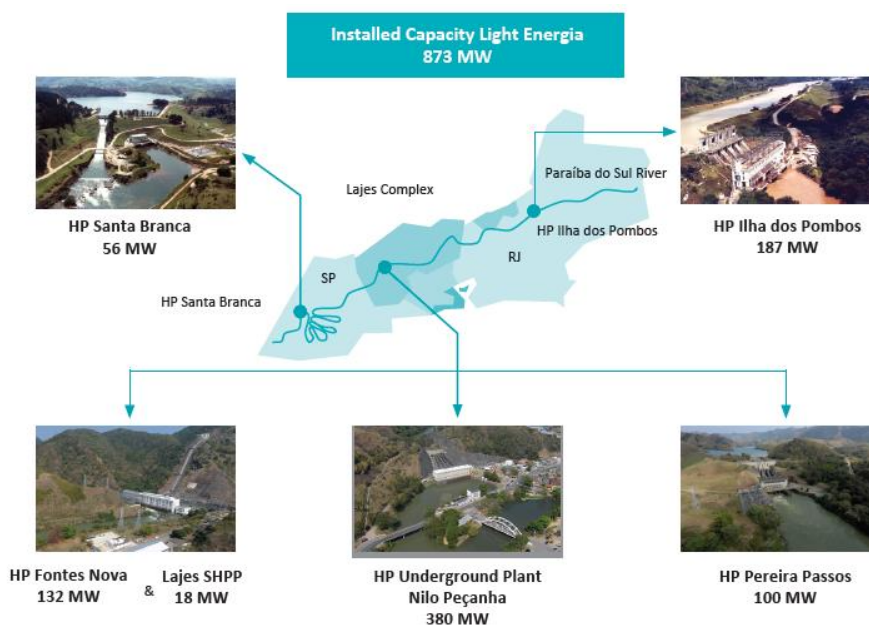
Light is an integrated company of the energy industry in Brazil, headquartered in Rio de Janeiro, operating in the energy generation, distribution and trading segments.



\*Corporate structure on April 17, 2020.

The State of Rio de Janeiro has an area of 43,781 km<sup>2</sup> and a population of approximately 17.2 million people. The Company's concession area corresponds to 26% (11,307 thousand km<sup>2</sup>) of the State and encompasses 11 million people, accounting for 64% of the total population. Of the 92 cities in the State, with a total of 7 million consumers of electricity, the Company operates in 31 cities, with a base of approximately 4.4 million customers.

The Company's generation complex comprises five hydroelectric power plants and one small hydroelectric power plant, totaling an installed capacity of 873 MW. These power plants are: (i) Fontes Nova, Nilo Peçanha, Pereira Passos and PCH Lajes, which comprise the Lajes Complex (in the city of Piraí); (ii) Ilha dos Pombos, in the city of Carmo, State of Rio de Janeiro; and (iii) Santa Branca, in the city of Santa Branca, State of São Paulo. The Lajes



Complex also comprises two pumping plants: Santa Cecília and Vigário. Including the interest held in PCH Paracambi, Belo Monte and Guanhões, the Company has a total installed capacity of 1,188 MW.

## 2. Material Events in the Period

### 2.1 Change in Share Ownership

On January 15, BNDESPAR informed that, from December 26, 2019 to January 15, 2020, it sold all common shares it held in the capital stock of the Company and, therefore, is no longer a shareholder.

On January 16, FIA Samambaia informed that it became the holder of 22,730,000 common shares, representing 7.48% of the capital stock of Light and, on January 27, it informed that it increased its equity interest to 10.17%.

### 2.2 Resignation of Member of the Board of Directors

On February 11, Mr. Ivan Monteiro resigned as member of the Board of Directors.

### 2.3 ANEEL defines the 2020 Tariff Adjustment for Light SESA

On March 10, ANEEL approved the tariff adjustment for Light SESA, with an average effect of +6.21%. The new tariffs take effect as of March 15, 2020.

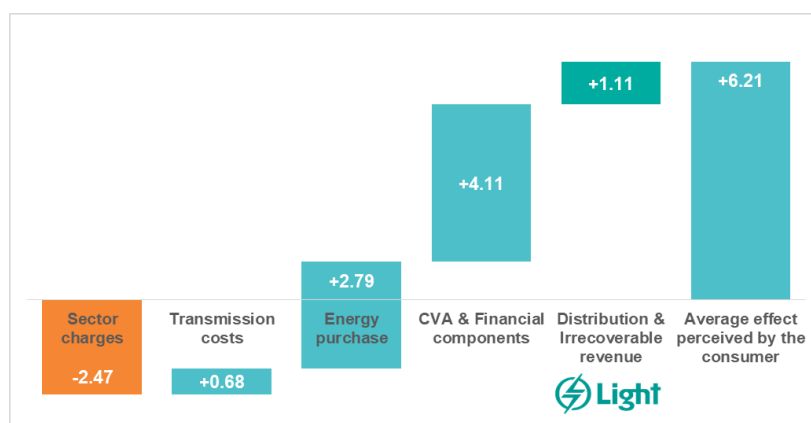
Residential consumers perceived a 5.91% increase, as set forth in the table below, which also shows the impact to be perceived by other classes and voltage levels.

Average Perception by Consumers		
	FREE + CAPTIVE	AVERAGE EFFECT
Group A	A2 (88 to 138kV)	7.11%
	A4 (2.3 to 25kV)	6.53%
	AS (Subterranean)	7.46%
Low Voltage	<b>B1 (Residential)</b>	<b>5.91%</b>
	B2 (Rural)	14.35%
	B3 (Commercial)	6.05%
	B4 (Public Illumination)	5.99%
	<b>Group A</b>	<b>6.73%</b>
	<b>Low Voltage</b>	<b>5.98%</b>
	<b>Group A + LV</b>	<b>6.21%</b>

The annual tariff adjustment process consists of passing on to consumers the non-manageable costs of the concession (Parcel A: energy purchase costs, sector charges and transmission charges), and updating the manageable costs (Parcel B) according to the IPC-A fluctuation, adjusted by the X Factor components, which passes on to consumers the annual productivity gains of the company and the adjustments in operating costs defined in the last Tariff Review, in addition to incorporating quality improvement incentive mechanisms.

The chart below summarizes the share of each cost item in the average effect perceived by consumers.

## Average Perception by Consumers



The projection of non-manageable items in Parcel A was impacted by the reduction in sector charges, due to the end of the payment of the ACR Account CDE, and by the increase in energy purchase costs. Regarding this last item, the impact of the Itaipu and Norte Fluminense plants stands out, whose contracts are indexed to the dollar, which increased by 16% over the last tariff readjustment. Accordingly, the average price of energy purchase agreements (Pmix) increased from R\$ 210.08/MWh to R\$ 221.74/MWh.

The removal of financial components from the previous tariff process and the inclusion of new ones represented an increase of 4.11 p.p. This increase is explained by the occurrence, throughout 2019, of expenses without due tariff coverage, mainly related to energy purchases and transmission (basic network). At the time, these costs were borne by Light and now ANEEL is passing them on to consumers, as provided for in the concession agreement.

In regard to the transfer of regulatory losses, an item included in Energy Purchase costs, the percentages defined in the last Tariff Review were maintained: 36.06% on the low voltage market for non-technical losses and 6.34% on the grid load for technical losses.

The adjustment of Parcel B (which covers costs and remunerates Light's investments), reflects the accumulated variation of the IPC-A in the period, of 3.94%, deducted from the X Factor resulting from the sum of three components: X Factor Pd, of 0.54%, associated with productivity gains; T Component, of -0.84%, related to the upward trajectory of operating costs; and Q Component, of -0.29%, which captures the improvement in quality indicators between the years 2017 and 2018.

IPC-A and breakdown of X Factor	%
<b>IPC-A</b>	<b>+3.94%</b>
<b>X Factor</b>	<b>-0.59%</b>
<i>X Factor Pd (Productivity)</i>	+0.54%
<i>T Component (Opex Trajectory)</i>	-0.84%
<i>Q Component (Quality)</i>	-0.29%
<b>Parcel B adjustment ratio (IPC-A – X Factor)</b>	<b>+4.53%</b>

In addition, values shared with consumers associated with revenues from exceeding demand, reactive surplus and other revenues were adjusted. As a result, the tariff adjustment generated a total increase of +4.90% over Parcel B billed in the last 12 months, resulting in R\$2,827,389 thousand.

## 2.4 Election of the Corporate Management Officer

On March 17, Mrs. Déborah Brasil was elected Corporate Management Officer, replacing Mr. Claudio Moraes.

Mrs. Déborah is a lawyer graduated from UERJ, with a post-graduation degree from IBMEC and an MBA from FGV. In recent years, she held the position of General Counsel of the Distribution Companies of the Enel Group, as well as other positions in the Enel Group in Brazil. Previously, she worked at Grupo Globo, Oi and Net/Claro.

## 3. Subsequent Events

### 3.1 Settlement of the 18<sup>th</sup> issuance of debentures of Light Sesa

On April 15, the 18th issuance of debentures of Light Sesa was settled, in the total amount of R\$400 million. The debentures accrue interest at the CDI rate + 2.51% p.a. and mature within one year. The proceeds will be used to reinforce the working capital of Light Sesa.

### 3.2 Proof of claim regarding credits resulting from the exclusion of ICMS from the calculation basis of PIS/COFINS

On April 9, the Brazilian Revenue Office accepted the proof of claim regarding tax credits confirmed by the final and unappealable judgement rendered in the lawsuit that sought the exclusion ICMS from the calculation basis of PIS/COFINS, which amount to approximately R\$6 billion, adjusted for inflation. This was the last step pending for Light to begin using these tax credits to offset federal taxes payable.

### 3.3 Intercompany loan from Light Energia to Light Sesa

On April 14, ANEEL approved the request for a loan between Light Energia and Light Sesa, in the amount of up to R\$500 million, maturing in 24 months. The proceeds will be used to reinforce the working capital of Light Sesa. On May 4, Light Energia granted the loan to Light Sesa, in the amount of R\$500 million.

### 3.4 Change in share ownership

On April 17, FIA Samambaia informed that it became the holder of 45,621,300 common shares of Light (15.01%).

### 3.5 Fitch reaffirmed Light's rating

On April 24, rating agency Fitch Ratings reaffirmed Light's rating of A+ (bra), on the national scale, and BB-, on the international scale, changing both ratings from a stable outlook to a negative outlook.

### 3.6 Annual and Extraordinary General Meeting and Extraordinary General Meeting

On April 28, Light held a shareholders' meeting that approved the financial statements for 2019; the use of the result for 2019, which will be retained in a special reserve for subsequent distribution; the installation of the Fiscal Council, with the reelection of sitting members and alternates; and the determination of the annual global compensation of members of management for 2020. This shareholders' meeting also approved the election of Mr. Hélio Paulo Ferraz as member of the Board of Directors, replacing Mr. Ivan Monteiro, who resigned on February 11. Accordingly, the Board of Directors of the Company currently has the following composition:

**David Zylbersztajn**, Chairman  
Independent Member

**Carlos Marcio Ferreira**, Vice- Chairman  
Independent Member



**Antonio Rodrigues dos Santos e Junqueira**

Member

**Carlos Alberto da Cruz**

Member

**Carlos da Costa Parcias Júnior**

Independent Member

**Helio Paulo Ferraz**

Independent Member

**Octávio Cortes Pereira Lopes**

Independent Member

**Patrícia Gracindo Marques de Assis Bentes**

Independent Member

**Ricardo Reisen de Pinho**

Independent Member

On the same day, another meeting was held, which approved the amendment to the Bylaws of the Company. Accordingly, the officers now coordinate and manage the processes related to the following areas:

NAME / STATUTORY POSITION	AREAS OF OPERATION
<b>Ana Marta Horta Veloso</b> <i>Chief Executive Officer and Investor Relations Officer</i>	Investor Relations Regulation Human Resources Internal Audit, Compliance and Corporate Risks Institutional Relations / Communication Corporate Governance Ombudsman
<b>Roberto Caixeta Barroso</b> <i>Officer</i>	Finance Supplies / Equity Information Technology
<b>Déborah Meirelles Rosa Brasil</b> <i>Officer</i>	Legal
<b>Alessandra Genu Dutra Amaral</b> <i>Officer</i>	Energy and Commercialization
<b>Dalmer Alves de Souza</b> <i>Officer</i>	Planning of Distribution
<b>Marcus Auguste Pimenta</b> <i>Officer</i>	Operation of Distribution

#### 4. Impacts of COVID-19

Considering the progress of the Covid-19 pandemic and the key nature of the services provided by Light, we adopted certain measures to ensure the continuity of the services we provide to society, while ensuring the wellbeing and health of our employees and customers.

On March 12, we implemented a crisis committee comprised of representatives of a number of areas of the Company to monitor the progress of the pandemic and assist our management in making decisions that ensure the provision of a quality service, protecting the physical integrity of employees and customers.

The main initiatives include the implementation of home office for all administrative teams, the granting of leave and medical assistance to individuals included in risk groups, the offer of hand sanitizers in all buildings and vehicles, the distribution of face masks, the taking of temperature of employees and public in general that enter the company's facilities and the anticipation of the H1N1 vaccination campaign.

In addition to these measures, we have prioritized requests made by hospitals, either for new energy connections or increase in load/demand. We are anticipating the needs of these customers and providing flexible procedures, as these requests must be met as soon as possible.

The recommendation of social isolation made by the governments of the city and state of Rio de Janeiro, at the end of March, in order to reduce contamination by the new coronavirus, decreased the demand for energy in Light's concession area, mainly in commercial retail activities and electro-intensive industry.

On March 24, Aneel approved measures to ensure the provision of services of distribution of energy, including the prohibition to suspend supply due to non-payment by urban and rural residential consumers (including low-income consumers), in addition to key services and activities (for example, hospitals). This measure does not prohibit the collection of overdue bills, including the inclusion of defaulting consumers in credit bureau lists.

Aneel also allowed the temporary suspension of in-person customer service. Accordingly, Light interrupted customer service at its commercial agencies, directing customers to its digital channels, including *Agência Virtual*, WhatsApp, Facebook and Twitter.

On April 8, also in the regulatory context, Presidential Provisional Decree (*Medida Provisória*) No. 950 was enacted, providing for the allocation of funds from the Brazilian National Treasury to a sector fund to subsidize low-income consumers with a maximum consumption of up to 220 kWh by the end of June. This Decree also provides for the discussion of measures that may ensure the economic and financial equilibrium of distribution companies, which is currently handled by ANEEL, the Ministry of Mines and Energy and the Ministry of Economy.

Also in April, in order to reinforce the cash of distribution companies, Aneel released more than R\$1.5 billion in sector funds, and Light received approximately R\$105 million.

Additionally, the Company took action to strengthen its cash. Light SESA issued R\$400 million in debentures in April and received R\$500 million under an intercompany loan granted by Light Energia in May.

**Main operating impacts recorded in April as a result of Covid-19**

	Apr' 20	Apr' 19	% Change
Grid Load(GWh)	2,632	3,292	-20.1%
Billed Market (GWh)	1,996	2,347	-15.0%
Collection (%)	92.0%	100.3%	-8.30 p.p.

April' 20 figures are preliminary and unaudited

**Social Responsibility Actions**

In view of the impacts of the Covid-19 pandemic and aware of the demands of society, Light has been taking a number of actions focused on health and the needs of the population.

We highlight the donation of R\$1.5 million to the emergency fund of Fiocruz to support the production and purchase of rapid test kits to diagnose Covid-19—an initiative taken together with other companies of the energy sector, and the free supply of energy to the field hospital located in the neighborhood of Leblon, in the city of Rio de Janeiro, which will have a total of 200 beds.

We also donated 300,000 hygiene items to the communities in which we operate.

Moreover, we intensified communication actions through advertisement, social networks and the press to get even closer to society, informing about the important role played by the company and the initiatives in the current context.

In view of the suspension of activities of *Centro Cultural Light*, we redirected the educational program to digital channels, providing information and entertainment to children and families during times of social isolation.

## 5. Light S.A. – Consolidated

### 5.1. Consolidated Financial Performance

Income Statement (R\$ MN)	1Q20	1Q19	Var. %
<b>Gross Operating Revenue</b>	<b>4,780</b>	<b>5,414</b>	<b>-11.7%</b>
Deductions	(1,885)	(2,236)	-15.7%
<b>Net Operating Revenue</b>	<b>2,895</b>	<b>3,179</b>	<b>-8.9%</b>
<b>Operating Expense</b>	<b>(2,579)</b>	<b>(2,750)</b>	<b>-6.2%</b>
PMSO	(241)	(225)	7.1%
Personnel	(123)	(106)	16.4%
Material	(7)	(6)	6.6%
Outsourced Services	(117)	(133)	-12.1%
Others	5	20	-73.4%
Purchased Energy	(1,993)	(2,230)	-10.6%
Depreciation	(149)	(146)	2.1%
Provisions	(72)	(76)	-5.1%
PECLD	(123)	(73)	68.8%
<b>Adjusted EBITDA*</b>	<b>466</b>	<b>575</b>	<b>-19.0%</b>
Financial Result	(56)	(191)	-70.6%
Other Operating Income / Expenses	(5)	(5)	2.9%
Result Before Taxes and Interest	256	233	9.5%
Social Contributions and Income Tax	(6)	(89)	-92.7%
Deferred Income Tax	(80)	10	-
Equity Income	(2)	9	-
<b>Net Income</b>	<b>167</b>	<b>164</b>	<b>1.5%</b>

Note: excludes Construction Revenue/Expenses.

\* Adjusted EBITDA is calculated as net income before income tax and social contribution, equity income, other operating income (expenses), financial result, depreciation and amortization.

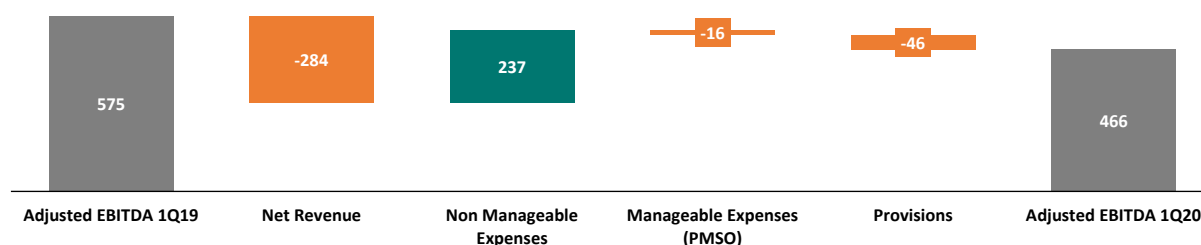
## 5.2. Consolidated Adjusted EBITDA<sup>4</sup>

Consolidated EBITDA by Segment (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
Distribution	307	295	4.3%
Generation	138	231	-40.1%
Trading	25	52	-51.8%
Others and eliminations	(5)	(2)	138.2%
<b>Total</b>	<b>466</b>	<b>575</b>	<b>-19.0%</b>
EBITDA Margin (%)	16.1%	18.1%	-2.00 p.p.

In 1Q20, consolidated EBITDA totaled R\$466 million, representing a 19% decrease compared to 1Q19, due to the decrease in EBITDA of the Generation Company, as a result of GSF, which was significantly less favorable in 1Q20 and resulted in lower sales of surplus energy in the quarter.

On its turn, EBITDA of the distribution company increased by 4.3%, due to the decrease in energy losses and PMS in 1Q20, maintaining the downward trend of previous quarters. In 1Q20, the energy loss disallowances decreased by R\$51.2 million compared to that of 1Q19.

### Consolidated Adjusted EBITDA 1Q19 / 1Q20 – R\$ MN



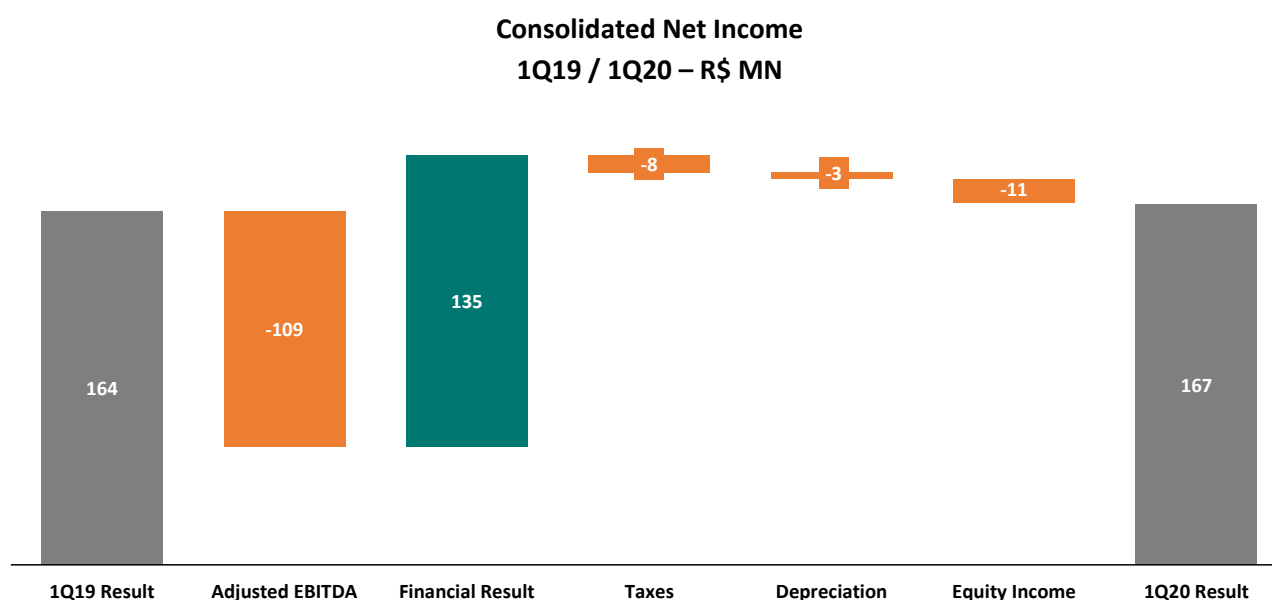
<sup>4</sup> Adjusted EBITDA is calculated as net income before income tax and social contribution, equity income, other operating income (expenses), net financial result, depreciation and amortization.



## 5.3. Consolidated Net Income

Consolidated Net Income/Loss by Segment (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
Distribution	62	(25)	-
Generation	93	151	-38.3%
Trading	17	37	-54.1%
Others and eliminations	(6)	0	-
<b>Total</b>	<b>167</b>	<b>164</b>	<b>1.5%</b>
Net Margin (%)	5.8%	5.2%	0.59 p.p.

In 1Q20, consolidated net income totaled R\$167 million, in line with R\$164 million in 1Q19. We highlight the net income of the distribution company, which totaled R\$62 million, compared to a net loss of R\$25 million in 1Q19, due to the better financial result in the period, as a result of the gain from marked-to-market debt swap transactions in foreign currency.



## 6. Light SESA – Distribution

### 6.1. Operating Performance

Operating Highlights	1Q20	1Q19	% Change 1Q20/1Q19
Nº of Consumers (thousand)	4,420	4,428	-0.2%
Nº of Employees	5,010	4,575	9.5%
Average tariff* - R\$/MWh	821	786	4.5%
Average tariff* - R\$/MWh (w/out taxes)	581	525	10.7%
Average bilateral contracts cost** - R\$/MWh	224	211	6.0%
Average energy purchase cost with Spot*** - R\$/MWh	230	240	-4.4%

<sup>1</sup> Considers the number of active contracts

<sup>2</sup> Captive market and free market

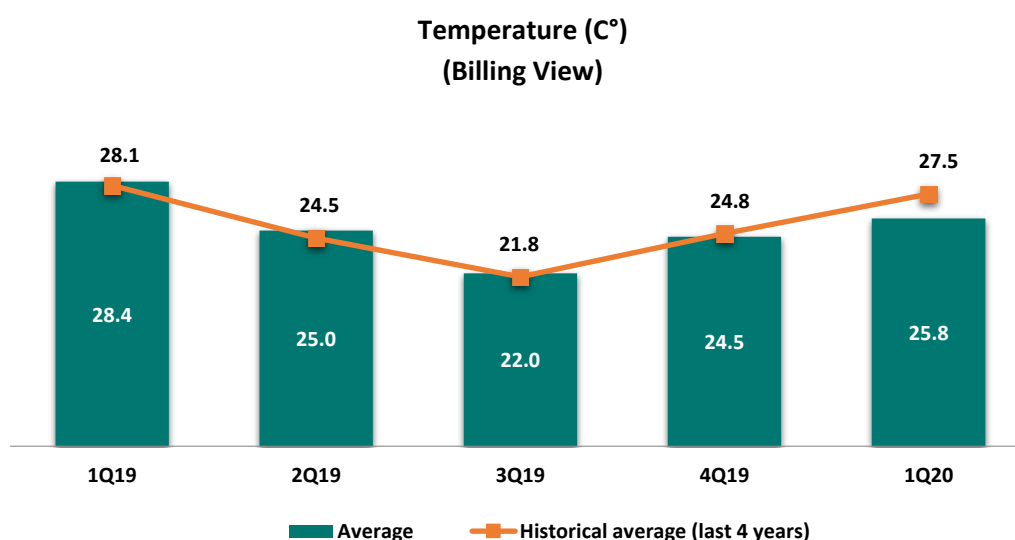
\* Does not include purchase in the spot market and hydrological risk

\*\*Does not include hydrological risk

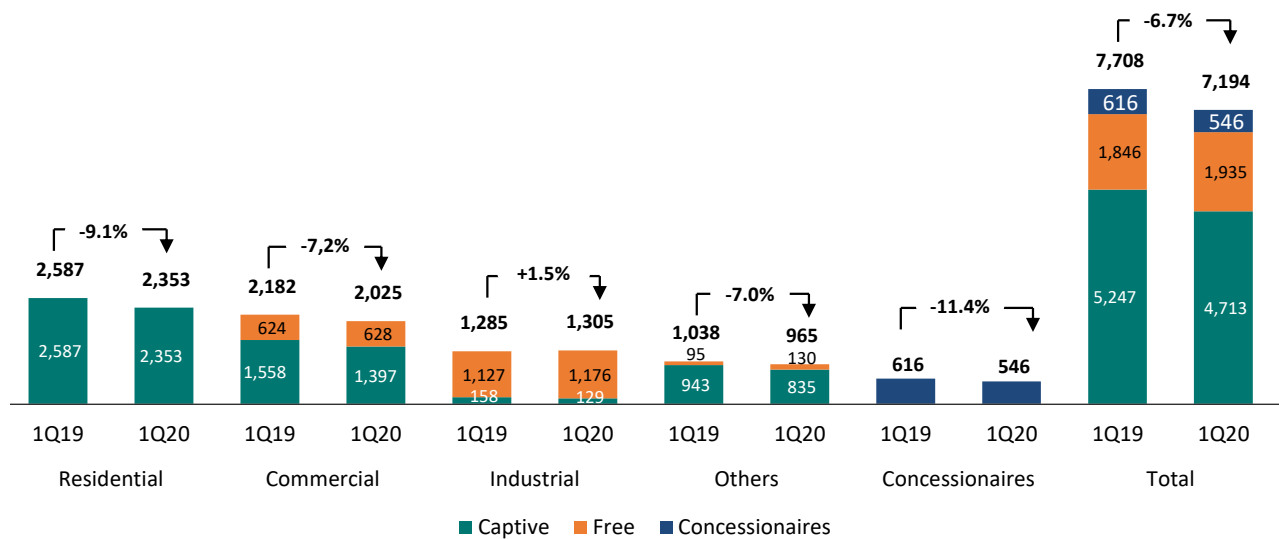
The increase in the number of employees is due to the insourcing strategy, primarily regarding activities to combat losses, emergencies and new connections. The objective of insourcing is to obtain productivity gains and allow a better ethical control and management of field teams.

The 6.0% increase in average energy purchase agreement expenses is due to increased payments related to availability agreements and the appreciation of the U.S. dollar exchange rate. However, average energy purchase expenses (which do not include hydrological risk) decreased by 4.4% compared to 1Q19, due to the decrease in PLD and load in the period.

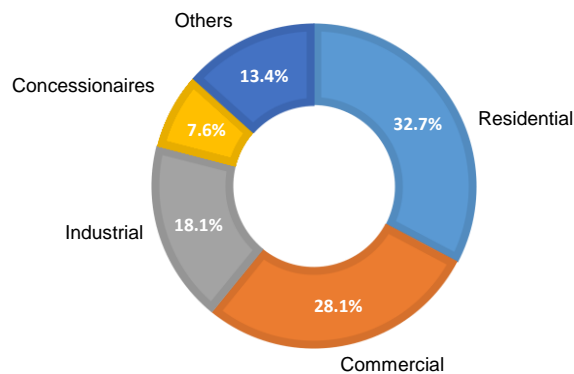
#### 6.1.1. Market



## Billed Market (GWh) 1Q20



## Energy Market 1Q20



In 1Q20, the total energy market amounted to 7,194 GWh, representing a 6.7% decrease compared to 1Q19, primarily due to the lower average temperature recorded in 1Q20 ( $\Delta -2.6^{\circ}\text{C}$ ). The energy market decreased in the second fortnight of March, mainly in commercial retail activities and energy-intensive industry. Light's market is highly sensitive to variations in temperature, especially during summer months, when high average temperatures require an increased use of cooling devices, increasing the consumption of certain home appliances, including refrigerators and freezers.

In 1Q20, the consumption of the Residential segment totaled 2,353 GWh, representing a 9.1% decrease compared to 1Q19, primarily due to the decrease in average temperature in the quarter, which was partially offset by activities of formalization and incorporation of energy of customers that had their energy supply cut, which activities were initiated in 4Q19.

In 1Q20, the consumption of the Commercial segment, including captive and free customers, decreased by 7.2% compared to 1Q19, due to the lower temperature and the impacts of Covid-19 in the second fortnight of March.

In 1Q20, the consumption of the Industrial segment increased by 1.5%, compared to 1Q19, primarily due to the 11.3% increase in consumption of the steel sector. In the second fortnight of March, the consumption of the Industrial segment decreased by 4% compared to the first weeks of March.

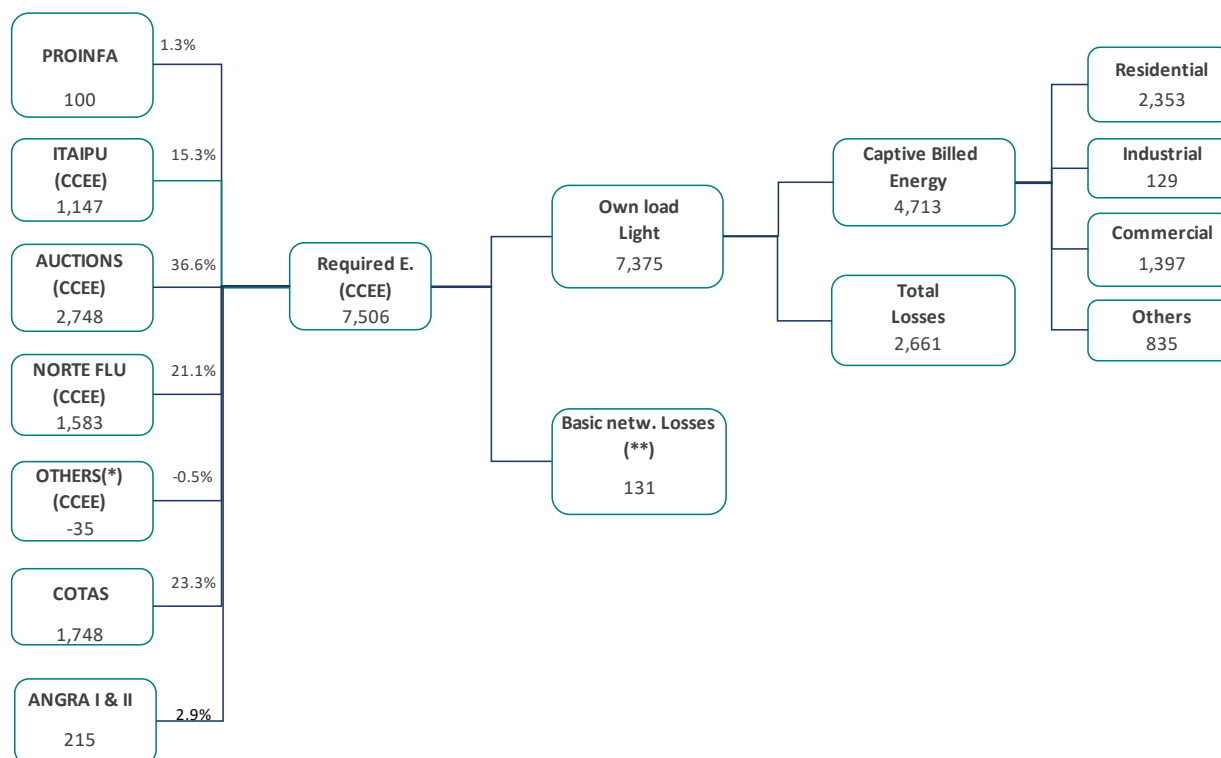
In 1Q20, the consumption of the Others segment decreased by 7.0% due to the same factors that affected the Commercial segment.

At the end of 1Q20, the free market accounted for 26.9% of the total market of the distribution company. The migration of captive customers to the free market does not affect the Company's margin, as energy continues to be transported by the Company, which receives TUSD. In 1Q20, the number of free customers increased by 47 compared to December 2019, totaling 1,018 customers at the end of 1Q20.

## 6.1.2. Energy Balance

### Energy Distribution Balance (GWh)

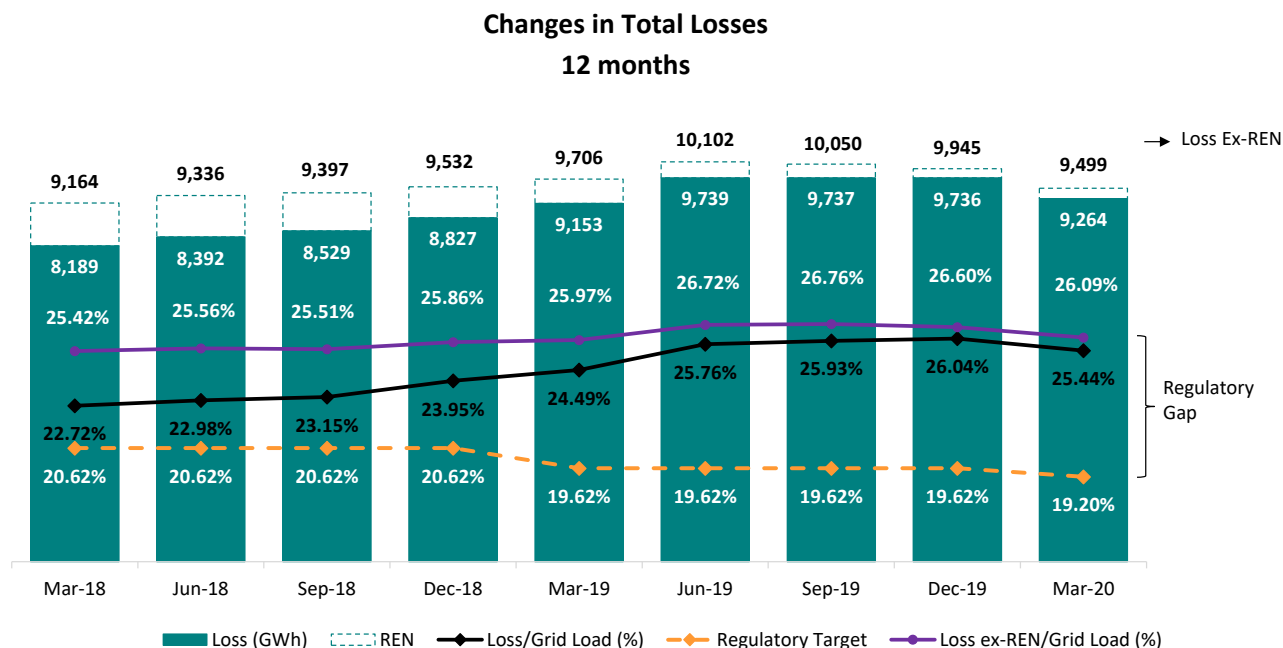
1Q20



Energy Balance (GWh)	1Q20	1Q19	% Change 1Q20/1Q19
= Grid Load	9,855	10,841	-9.1%
- Energy transported to utilities	546	616	-11.4%
- Energy transported to free customers	1,935	1,846	4.8%
= Own Load	7,375	8,380	-12.0%
- Billed Energy (Captive Market)	4,713	5,247	-10.2%
Low Voltage Market	3,675	3,998	-8.1%
Medium and High Voltage Market	1,038	1,249	-16.9%
= Total Loss	2,661	3,134	-15.1%



## 6.1.3. Energy Loss



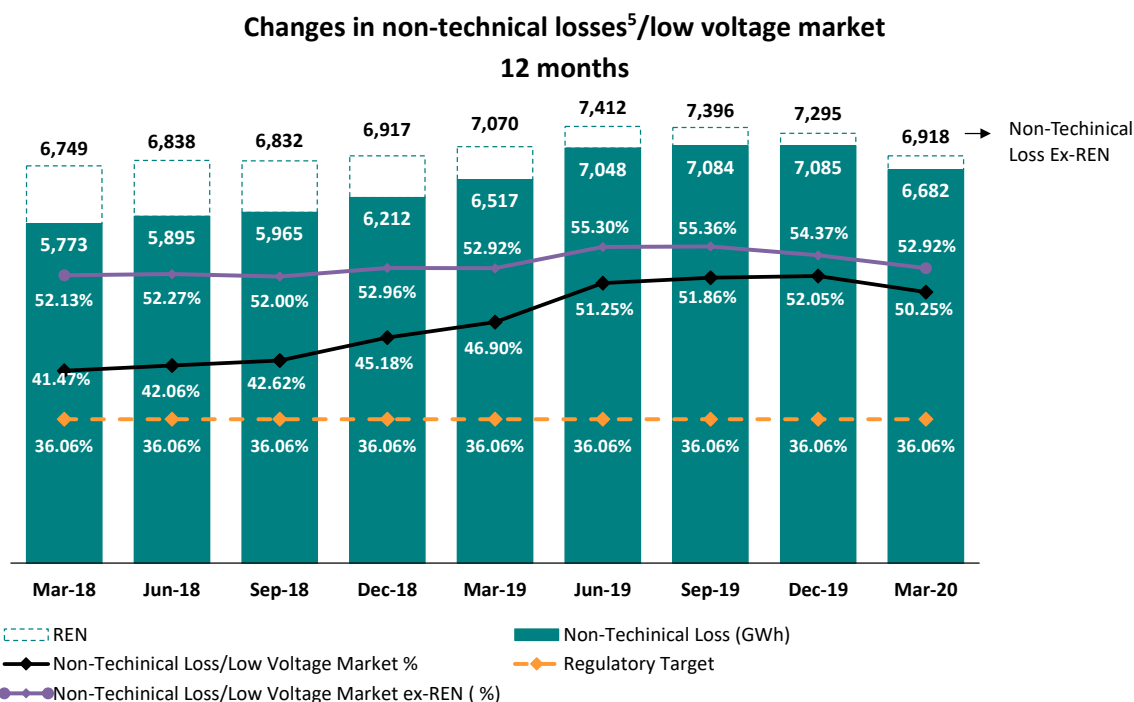
Regarding to our strategy to combat losses, we continued our field initiatives implemented as of August 2019, highlighting the creation of regional management areas, each having a Service Management Center (*Centro de Gestão de Serviços*) to monitor inspection field teams in real time and insource labor, thus ensuring the quality of activities to combat losses.

In addition to conventional field activities, in 1Q20, we highlight the results of the campaign of formalization and incorporation of energy of customers that had their energy supply cut, which activities were initiated in 4Q19, increasing billing by approximately 112 GWh in 1Q20. Lower than average temperature also positively contributed to the decrease in the loss level, as wasteful consumption tends to decrease when temperatures are cooler.

In view of the good performance of the above actions, in 1Q20, total losses (12 months) decreased by 472 GWh, from 9,736 GWh in 4Q19 to 9,264 GWh in 1Q20. This is the first decrease in losses recorded in the last three years. Excluding REN, total losses (12 months) also decreased by 446 GWh, from 9,945 GWh in 4Q19 to 9,499 GWh in 1Q20.

In 1Q20, total losses on grid load was 25.44%, representing a 0.60 p.p. decrease compared to 26.04% in 4Q19. Excluding REN, total losses on grid load (12 months) was 26.09% in 1Q20, representing a 0.51 p.p. decrease compared to 26.60% in 4Q19.

The downward trend becomes even more evident in view of the non-technical loss/low voltage billing indicator (excluding REN). For the second consecutive quarter, this indicator decreased by 0.99 p.p., from 3Q19 to 4Q19, and by 1.45 p.p., from 4Q19 to 1Q20, as set forth in the chart below. These results show that we are in the right path in our strategy to combat losses.



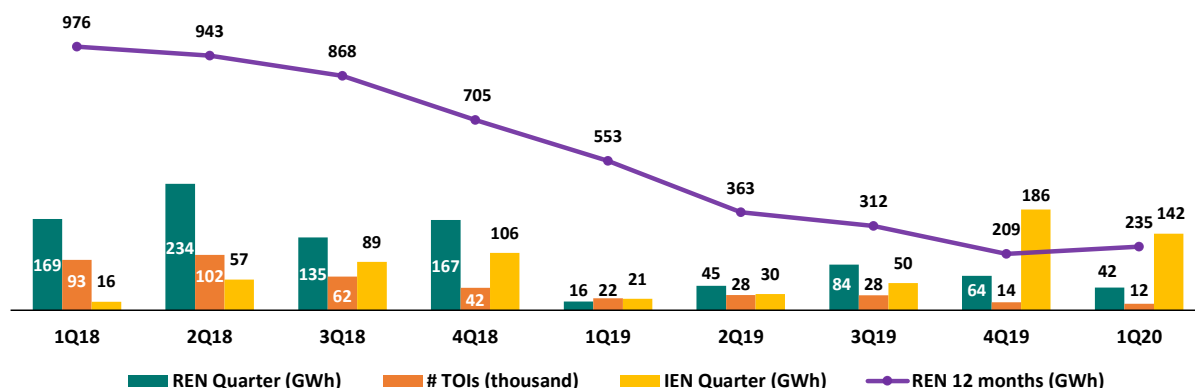
Currently, the Company is 6.24 p.p. above the percentage of regulatory transfer to tariffs, of 19.20%<sup>6</sup>, pursuant to the parameters established by Aneel in the Periodic Tariff Adjustment (RTP) of March 2017, adjusted by the reference market for the next 12 months and ratified by Aneel at the time of the tariff adjustment (IRT) in March 2020. In 2019, the Company was 0.42 p.p. below the regulatory level, due to the retraction of the low voltage market in the 2020 IRT.

In 1Q20, IEN totaled 142 GWh, representing an increase of 121 GWh compared to 1Q19. This increase is in line with the main pillar of the current plan to combat losses, which is the focus of the incorporation of energy. In 1Q20, the volume of REN (12 months), on its turn, increased by 12.4% compared to 4Q19, totaling 235 GWh, due to the actions described above.

<sup>5</sup> In 1Q20, we reviewed technical losses for 2019, as a result of the change in the calculation assumption related to the distribution of energy in the circuits of the concessionaire.

<sup>6</sup> Calculated based on loss pass-through levels established by ANEEL in the 4th Periodic Tariff Revision (4th RTP), ratified on March 15, 2017 for the 2017-2022 period, as follows: 6.34% for technical losses on the grid load and 36.06% for non-technical losses on the low voltage market. These percentages may vary during the cycle due to the performance of the low voltage market and the grid load.

## Changes in IEN and REN in the Quarter and in the Last 12 Months (GWh) and Number of TOIs (thousands)

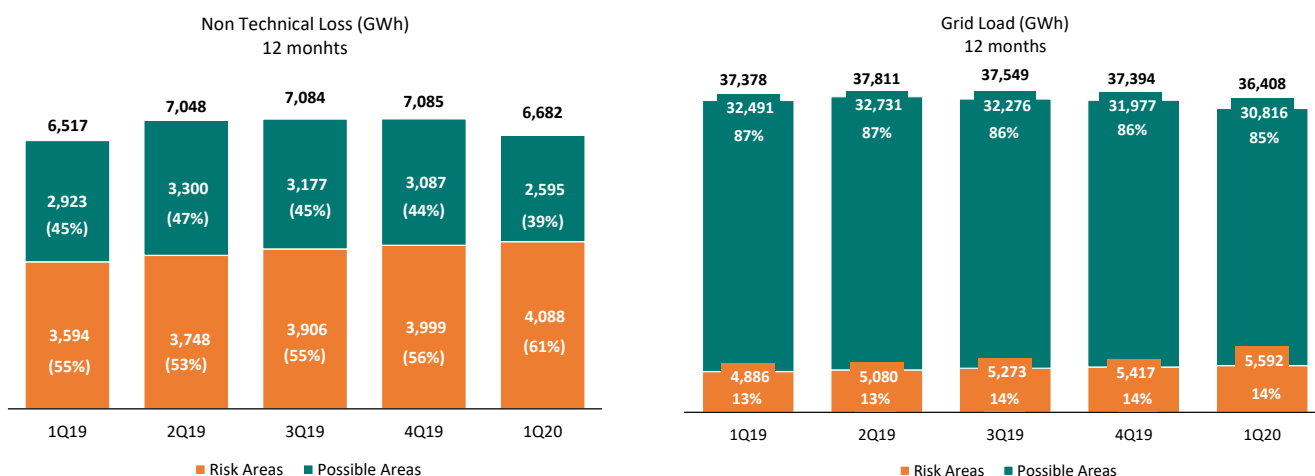


\*Refers to invoicing cancellations imposed by court decisions.

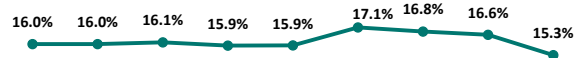
GWh	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20
Gross REN	214	285	172	210	51	78	114	104	66
(-) Cancellations*	45	51	37	43	35	33	30	40	24
(=) Net REN	169	234	135	167	16	45	84	64	42

In 1Q20, the installation of all border meters in risk areas was completed, providing increased strength to data. At the end of 1Q20, non-technical losses (12 months) in risk areas remained virtually stable in GWh, at 4,088 GWh. However, non-technical losses in risk areas now account for 61% of all non-technical losses due to the decrease in losses in possible areas.

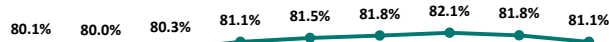
In 1Q20, in possible areas, non-technical losses totaled 2,595 GWh (39%), representing a 492 GWh decrease compared to 4Q19, an improvement since the beginning of its verification, in 2016. The total loss/grid load indicator (12 months) in these areas decreased by 1.3 p.p., from 16.6% in 4Q19 to 15.3% in 1Q20, in line with our strategy to decrease losses in possible areas.



Total Losses / Grid Load – Possible Areas 12 Months



Total Losses / Grid Load – Risk Areas 12 Months

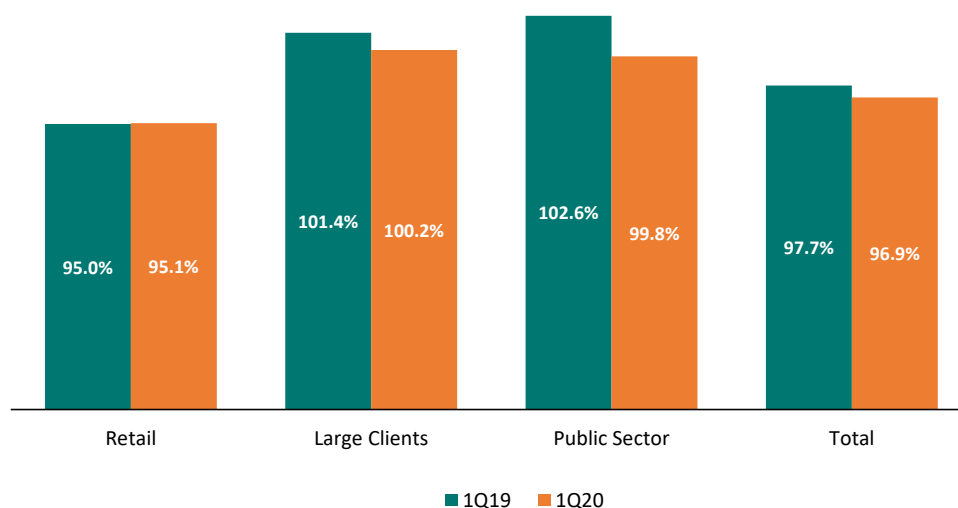


Mar-18 Jun-18 Sep-18 Dec-18 Mar-19 Jun-19 Sep-19 Dec-19 Mar-20

Mar-18 Jun-18 Sep-18 Dec-18 Mar-19 Jun-19 Sep-19 Dec-19 Mar-20

## 6.1.4. Collection

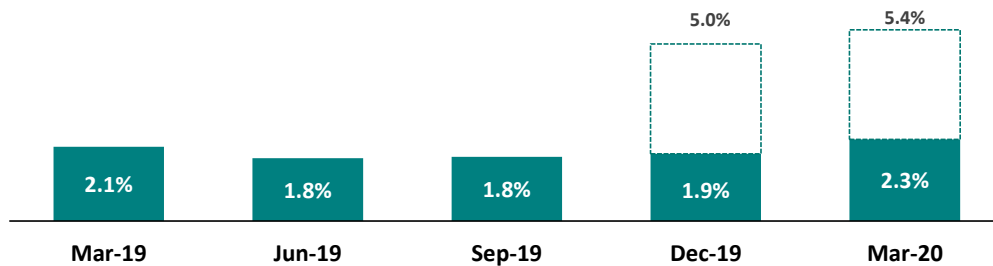
**Collection Rate by Segment (12 months)**  
(Considering REN overdue bills)



In 1Q20, total collection (12 months) reached 96.9%, representing a 0.8 p.p. decrease compared to 97.7% in 1Q19, mainly due to the negative impact in collection in March 2020 as a result of the first effects of Covid-19.

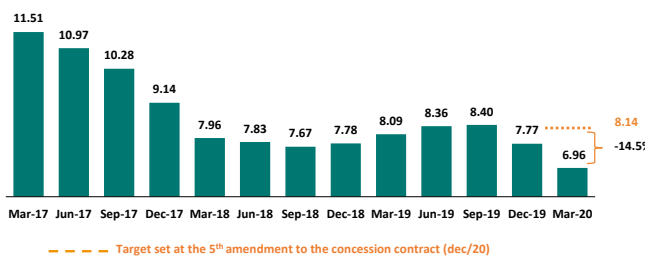
In the 12 months ended March 31, 2020, the adjusted PECLD/Gross Revenue ratio was 2.3%, representing a 0.4 p.p. increase compared to that of 4Q19 and a 0.2 p.p. increase compared to that of 1Q19, due to the progress of initiatives of regularization of customers, as expected by the Company. Considering the non-recurring effect due to the extraordinary PECLD in 4Q19, the indicator reached 5.4%.

## PECLD/Gross Revenue<sup>7</sup> (Supply – 12 Months)

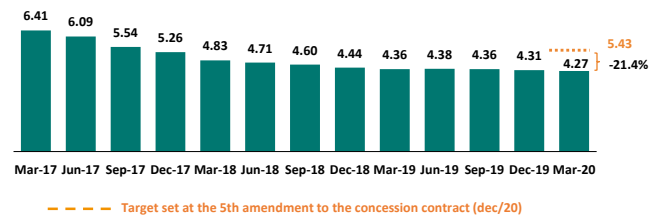


### 6.1.5. Operating Quality

#### DEC (hours) 12 months



#### FEC (times) 12 months



In March 2020, Light recorded a record result in the quality of services provided, in line with the best and largest distribution companies in Brazil. In 1Q20, regardless of the impacts of the pandemic, the absenteeism rate of field teams was low, as a result of the insourcing strategy and the adopted measures to manage the crisis.

In March 2020, DEC (12 months) was 6.96 hours, representing a 10.4% decrease compared to December 2019. The excellent result was primarily due to the continuity of implementation of the multiannual investment plan and the actions of modernization of networks and substations, associated with continuous operating improvements and more assertively directed maintenance actions. At the end of 1Q20, DEC was 14.5% below the limit of 8.14 hours established by ANEEL in the concession agreement.

In March 2020, FEC (12 months) was 4.27x, in line with that of 4Q19, and 21.4% below the limit of 5.43x established by ANEEL in the concession agreement.

<sup>7</sup> Gross Revenue from the Captive Market + Free Market.



## 6.2. Financial Performance of Light SESA

Income Statement (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Net Operating Revenue</b>	<b>2,635</b>	<b>2,780</b>	<b>-5.2%</b>
Operating Expense	(2,466)	(2,622)	-5.9%
<b>Adjusted EBITDA</b>	<b>307</b>	<b>295</b>	<b>4.3%</b>
Financial Result	(74)	(195)	-62.1%
Result before taxes and interest	95	(36)	-
Income Tax/Social Contribution	(33)	12	-
<b>Net Income/Loss</b>	<b>62</b>	<b>(25)</b>	<b>-</b>
EBITDA Margin*	11.7%	10.6%	1.06 p.p.

\* Does not consider construction revenue

### 6.2.1. Net Revenue of Light SESA<sup>8</sup>

Net Revenue (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
Captive Customers and Network Use (TUSD)	2,661	2,615	1.8%
Non billed Energy	(61)	73	-
CCRBT Account	7	(1)	-
CVA	(46)	25	-
Others	73	68	7.5%
Concession Right of Use	62	61	0.5%
Others Revenues	11	6	76.5%
<b>Subtotal</b>	<b>2,635</b>	<b>2,780</b>	<b>-5.2%</b>
Construction Revenue*	154	160	-3.6%
<b>Total</b>	<b>2,789</b>	<b>2,939</b>	<b>-5.1%</b>

\* The subsidiary Light SESA book revenues and costs, with zero margin, related to services of construction or improvement in infrastructure used in providing electricity distribution services.

In 1Q20, excluding construction revenue, net revenue totaled R\$2,635 million, representing a 5.2% decrease compared to 1Q19, including the following highlights:

- at the end of 1Q20, Captive and Free Customers totaled R\$2,661 million, in line with 1Q19. The worsening in the billed market was partially offset by the tariff adjustment.
- at the end of 1Q20, non-billed energy totaled a negative amount of R\$61 million, compared to a positive amount of R\$73 million in 1Q19, due to the lower average temperature in 1Q20 compared to 1Q19 (-2.6°C).
- in 1Q20, CVA totaled a negative amount of R\$46 million, compared to a positive amount of R\$25 million in 1Q19, primarily due to the higher negative amortization of CVA and the lower formation of Energy CVA, partially offset by the items of the basic network, CDE and neutrality.

<sup>8</sup> On December 10, 2014, the Company entered into the fourth amendment to its distribution concession agreement, pursuant to which the remaining balances of any tariff under-collected amounts or reimbursements at the end of the concession will be added to or deducted from the indemnification amount, allowing the recognition of the balances of these regulatory assets and liabilities.

## 6.2.2. Costs and Expenses of Light SESA

Costs and Expenses (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Non-Manageable Costs and Expenses</b>	<b>(1,910)</b>	<b>(2,129)</b>	<b>-10.3%</b>
Energy Purchase Costs	(2,042)	(2,298)	-11.1%
Costs with Charges and Transmission	(250)	(211)	18.5%
PIS/COFINS Credit on purchase	189	178	6.1%
Crédito ICMS sobre compra de Energia	192	202	-4.8%
<b>Manageable Costs and Expenses</b>	<b>(556)</b>	<b>(493)</b>	<b>12.8%</b>
PMSO	(221)	(208)	6.4%
Personnel	(111)	(96)	15.8%
Material	(6)	(6)	8.1%
Outsourced Services	(111)	(128)	-13.3%
Others	8	22	-65.1%
Provisions - Contingencies	(73)	(76)	-3.6%
Provisions - PECLD	(123)	(73)	68.8%
Depreciation and Amortization	(135)	(132)	2.1%
Non Operating Result	(4)	(4)	-6.7%
<b>Total costs without Construction Revenue</b>	<b>(2,466)</b>	<b>(2,622)</b>	<b>-5.9%</b>
Construction Revenue	(154)	(160)	-3.6%
<b>Total Costs</b>	<b>(2,620)</b>	<b>(2,781)</b>	<b>-5.8%</b>

### 6.2.2.1. Manageable Costs and Expenses of Light SESA

In 1Q20, manageable costs and expenses totaled R\$556 million, representing an increase of 12.8% (R\$63 million) compared to 1Q19, primarily due to the increase in PECLD by R\$50 million.

PMSO increased by 6.4% (R\$13 million) compared to 1Q19, exclusively due to the recognition of the extraordinary expense under the VDP, recorded in Personnel, in the amount of R\$11 million, and lower revenue from fines for late payment by customers, recorded in Others, in the amount of R\$8 million.

PMS expenses (excluding the VDP), which measure the effort of the company in reducing its manageable expenses, decreased by 5.6% at Light SESA compared to 1Q19.

In view of the progress of the insourcing of field teams, expenses with Personnel (excluding the VDP) and Services decreased by R\$13 million compared to 1Q19, reflecting productivity gains.

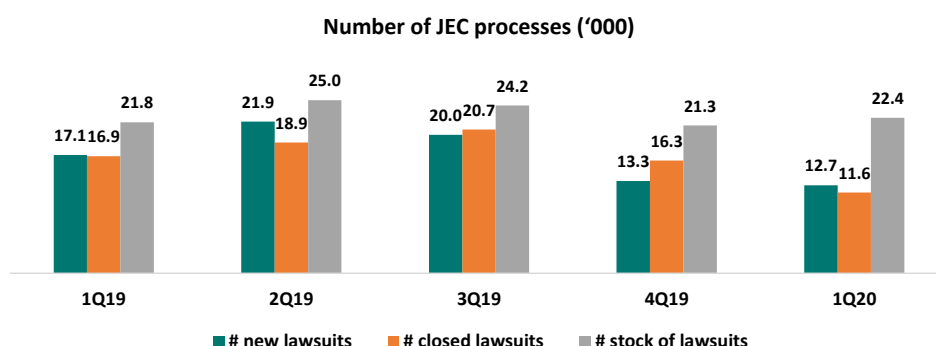
In 1Q20, provisions/contingencies totaled R\$73 million, in line with 1Q19. Excluding the effect of the reversal of the VDP provision of R\$11 million, provisions/contingencies increased by R\$9 million in the quarterly comparison.

The increase of R\$13 million in Civil provisions is mostly due to the reassessment of the prognosis of loss in lawsuits. However, it is worth noting that new Civil lawsuits filed in 1Q20 decreased by 31.4% compared to 1Q18 and 37.3% compared to 1Q19.

Provisions for Special Civil Court (*Juizado Especial Cível*) (JEC) lawsuits, which are directly affected by the filing of new lawsuits, maintained its downward trajectory for the third consecutive quarter. In the quarterly comparison (1Q20 compared to 1Q19), the number of new filings decreased by 26% and the amount of provisions decreased by 18.6%.

Provisions (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
JEC	(34)	(42)	-18.6%
Civil	(41)	(28)	46.8%
Others	2	(6)	-
<b>Total</b>	<b>(73)</b>	<b>(76)</b>	<b>-3.6%</b>

In 1Q20, the number of customer complaints decreased significantly compared to 1Q19, in all relationship fronts: -47% at call center and agencies, -31% at Ombudsman and -39% at Aneel. These indicators show the downward trend in the number of new lawsuits filed against the Company.



## 6.2.2.2. Non-Manageable Costs and Expenses of Light SESA

Non-Manageable Costs and Expenses (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
Use of Basic Network and ONS Charges	(230)	(196)	17.2%
Connection Charges - Transmission	(20)	(14)	35.6%
Itaipu	(339)	(271)	24.9%
Transported Energy - Itaipu	(29)	(28)	5.8%
TPP Norte Fluminense	(630)	(611)	3.1%
PROINFA	(34)	(44)	-22.1%
Assured energy Quotas	(164)	(160)	2.5%
Nuclear Quotas	(60)	(55)	9.4%
Energy auction	(534)	(528)	1.1%
Contracts by Availabilities	(242)	(323)	-25.3%
Contracts by Quantity	(292)	(205)	42.8%
Costs with Charges and Transmission	(251)	(601)	-58.2%
Sale/ Purchase (Spot)	(62)	(415)	-85.0%
Hydrological Risk	(61)	(49)	24.5%
Effects of Contracts by Availabilities	(128)	(119)	7.5%
ESS	(7)	(14)	-54.3%
Other	6	(3)	-
PIS / COFINS Credit on Purchase	189	178	6.1%
ICMS Credit on Purchase	192	202	-4.8%
<b>Total</b>	<b>(1,910)</b>	<b>(2,129)</b>	<b>-10.3%</b>

In 1Q20, non-manageable costs and expenses totaled R\$1,910 million, representing a decrease of R\$219 million, or 10.3%, compared to 1Q19. Of this amount, R\$51.2 million refers to decreased purchase of energy due to the decrease in losses.

The main decrease occurred in the short-term market (CCEE) line item, which decreased by R\$350 million due to reduced purchases in the spot market, as a result of the reduction in load and lower PLD in the period.

We also highlight the increase of R\$68 million in energy purchases from Itaipu, due to the appreciation of the U.S. dollar exchange rate.

Total contracted energy remained virtually stable compared to 1Q19. CCEARs that expired in 2019 were offset by new agreements entered into at ACR Auctions.

## 6.2.3. Variation Offset Account – CVA

Net Regulatory Assets/ Liabilities (R\$ MN)	1Q20	4Q19	3Q19	2Q19	1Q19
Regulatory Assets	1,197	1,077	1,380	1,486	1,728
Regulatory Liabilities	(577)	(415)	(560)	(754)	(1,002)
<b>Net Regulatory Assets/ Liabilities</b>	<b>620</b>	<b>662</b>	<b>819</b>	<b>732</b>	<b>725</b>

At the end of 1Q20, the balance of the Variation Offset Account – CVA totaled R\$620 million, encompassing (i) the amount of CVA and financial items ratified by Aneel and transferred to tariffs in the tariff adjustment of March 2020, which will be invoiced and amortized in subsequent months, and (ii) the formation of CVA not yet transferred to tariffs, primarily comprised of amounts regarding the period from January to March 2020, which Aneel will take into account in the tariff process of March 2021.

## 6.2.4. Financial Result of Light SESA

Financial Result (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Financial Revenues</b>	<b>569</b>	<b>24</b>	<b>2259.2%</b>
Income from Financial Investments	8	9	-12.6%
Swap Operations	523	-	-
Interest on energy accounts and debt installments	17	22	-21.0%
Restatement of Sector's Assets and Liabilities	4	(10)	-
Restatement of ICMS calculation basis of PIS/COFINS	11	-	-
Others Financial Revenues	6	3	74.8%
<b>Financial Expenses</b>	<b>(642)</b>	<b>(219)</b>	<b>193.7%</b>
Debt Expenses (Local Currency)	(100)	(116)	-14.3%
Debt Expenses (Foreign Currency)	(38)	(40)	-4.6%
Monetary Variation	(38)	(30)	24.4%
Exchange Rate Variation	(410)	(11)	3739.0%
Swap Operations	-	(1)	-
Itaipu Exchange Rate Variation	(46)	(0)	11106.5%
Restatement of provision for contingencies	(4)	(4)	2.7%
Restatement of R&D/PEE/FNDCT	(2)	(3)	-29.3%
Interest and Fines on Taxes	(0)	(2)	-96.7%
Installment Payment - Fines and Interest Rates Law 11.941/01	(1)	(1)	-45.5%
Other Financial Expenses (Includes IOF)	(4)	(10)	-62.7%
<b>Total</b>	<b>(74)</b>	<b>(195)</b>	<b>-62.1%</b>

In 1Q20, financial result totaled net financial expenses of R\$74 million, compared to net financial expenses of R\$195 million in 1Q19, primarily due to the gain from marked-to-market debt swap transactions in foreign currency, as a result of the decrease in the future curve of the CDI rate and the increase in the future curve of the U.S. dollar in the period.

Moreover, the exchange rate variation line item of Itaipu totaled an expense of R\$46 million in 1Q20, due to the appreciation of the U.S. dollar in the period.

## 7. Light Energia – Generation

Operating Highlights	1Q20	1Q19	% Change 1Q20/1Q19
Nº of Employees	205	219	-6.4%
Installed capacity (MW)	1,188	1,122	5.9%
Light Energia	873	873	0.1%
Participation <sup>1</sup>	315	250	25.9%
Assured energy (Average MW)	544	563	-3.3%
Light Energia <sup>2</sup>	408	410	-0.4%
Participation	136	153	-11.0%

<sup>1</sup>Proportional stake in associates: Renova, Belo Monte, Guanhões and PCH Paracambi.

<sup>2</sup> Net assured energy of pumping and internal losses

### 7.1. Operating Performance

#### 7.1.1. Energy Purchases and Sales

Energy Sale (MWm)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Sales</b>	<b>615</b>	<b>709</b>	<b>-13.3%</b>
Free Contracting Environment	611	576	6.1%
Spot (CCEE)	4	133	-96.9%
<b>Purchase</b>	<b>144</b>	<b>90</b>	<b>58.7%</b>
Free Contracting Environment	139	90	54.1%
Spot (CCEE)	4	-	-

\* Values include the plants: Fontes Nova, Nilo Peçanha, Pereira Passos, Ilha dos Pombos, Santa Branca and SHPP Lajes

In 1Q20, energy sales (ACL + spot market) decreased by 94 MW average compared to 1Q19, due to the lower amount of available energy. This was due to the lower GSF in the period (105.1% in 1Q20 compared to 149.2% in 1Q19).

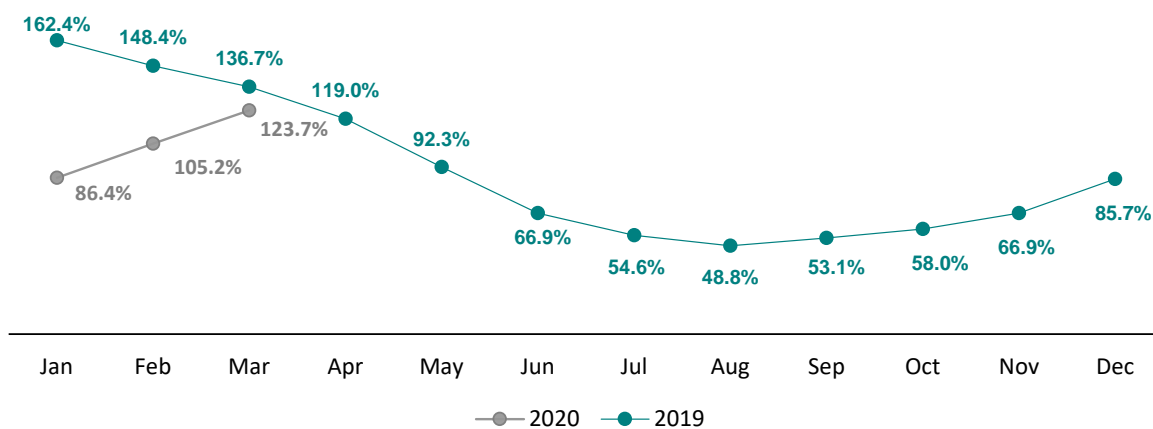
Energy purchases in the ACL increased by 54% compared to 1Q19, primarily due to the hedging policy of the Generation Company and lower GSF.

Pursuant to a court decision, Light Energia does not have to make payments relating to any exposure in monthly CCEE settlements, exempting it from making payments in the spot market and protecting its cash flows, even though this cost and revenue are regularly fully recognized in its result. As of March 31, 2020, the outstanding balance of the liabilities for the period between May 2015 and March 2020 totaled approximately R\$1.3 billion under trading in the short-term market. On the other hand, the balance of receivables of the Generation Company totaled R\$590 million, resulting in net liabilities of R\$686 million as of March 2020.

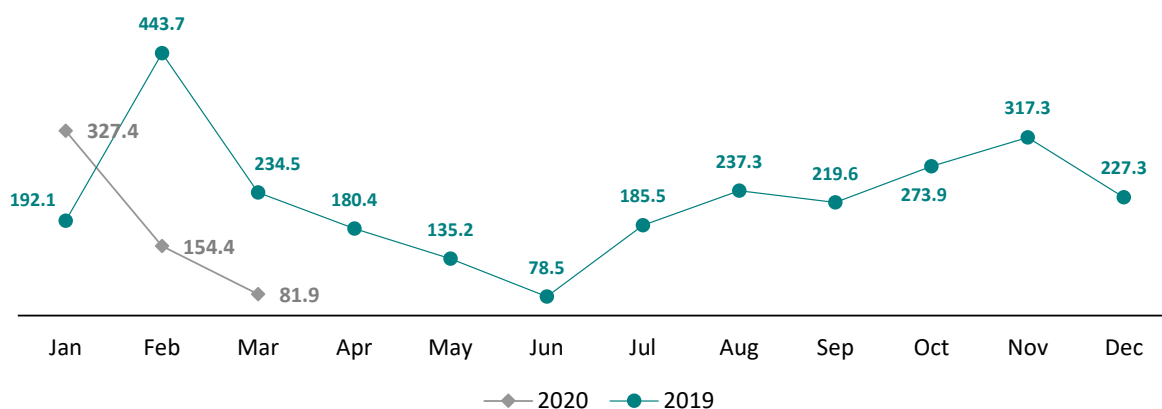
The completion of discussions on Bill 10,985/18 must be taken into account. This bill had already been approved in June 2019 by the Brazilian Congress, including an amendment about another matter that does not concern renegotiation. The Bill returned to the Brazilian Senate solely as a result of this amendment. In March 2020, Bill 3,975/19 (formerly known as Bill 10,985/18) was approved by the Economic Affairs Committee (*Comissão de Assuntos Econômicos*), following to the Senate plenary session, which cannot present new amendments to the text, but only accept or reject changes. Subsequently, the Bill will be sent to the Presidency to be sanctioned. Then Aneel will regulate the matter after publication of the Law.



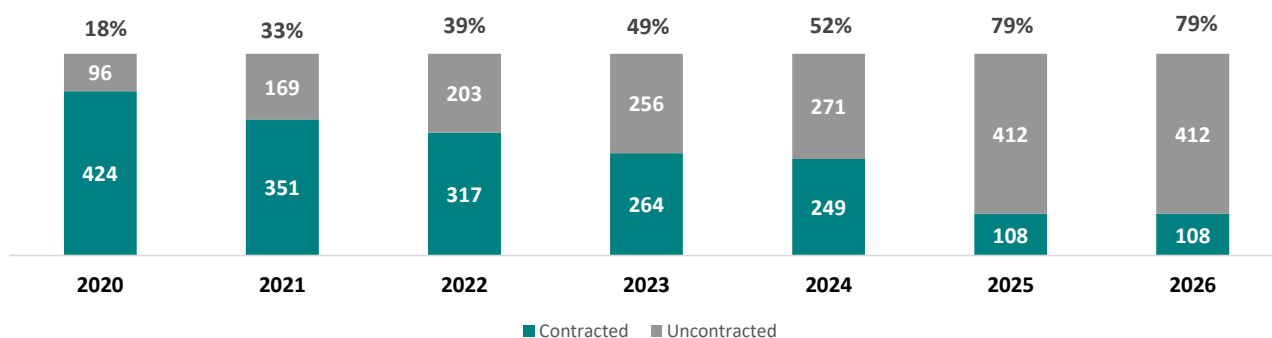
GSF – Generation Scaling Factor



Average Monthly PLD Southeast/Midwest (R\$/MWh)



## 7.1.2. Level of Energy Contracted/Uncontracted (Light Energia + Light Com)



## 7.2. Financial Performance of Light Energia

Income Statement (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Net Operating Revenue</b>	<b>254</b>	<b>284</b>	<b>-10.7%</b>
Operating Expense	(130)	(66)	96.5%
<b>Adjusted EBITDA</b>	<b>138</b>	<b>231</b>	<b>-40.1%</b>
Financial Result	16	(3)	-
Result before taxes and Equity Income	138	216	-35.9%
Income Tax/Social Contribution	(45)	(71)	-36.0%
Equity Income	(0)	7	-
<b>Net Income/Loss</b>	<b>93</b>	<b>151</b>	<b>-38.3%</b>
EBITDA Margin	54.5%	81.1%	-26.67 p.p.

### 7.2.1. Net Revenue, Costs and Expenses of Light Energia

Net Revenue (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
Generation Sale (ACL)	217	229	-5.2%
Short-Term	35	52	-34.0%
Others	2	3	-25.9%
<b>Total</b>	<b>254</b>	<b>284</b>	<b>-10.7%</b>

Operating Costs and Expenses (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
Personnel	(7)	(7)	2.0%
Material and Outsourced Services	(4)	(4)	9.7%
Purchased Energy / CUSD / CUST	(104)	(41)	154.9%
Depreciation	(14)	(14)	2.1%
Non Operating Result	(1)	1	-
Others (includes provisions)	(1)	(2)	-63.9%
<b>Total</b>	<b>(130)</b>	<b>(66)</b>	<b>96.5%</b>

In 1Q20, net revenue decreased by 11% (R\$30 million) compared to 1Q19, primarily due to decreased sales in the spot market<sup>9</sup>, as a result of a lower GSF (105.1% in 1Q20 compared to 149.2% in 1Q19) and a lower average PLD Southeast/Midwest (R\$187.9/MWh in 1Q20 compared to R\$290.1/MWh in 1Q19).

In 1Q20, costs and expenses totaled R\$130 million, representing a R\$64 million increase compared to 1Q19, due to higher energy purchase expenses in the free market, as a result of the variation of GSF, which was less favorable in the period.

PMS expenses, excluding the VDP in the amount of R\$1.8 million, decreased by 12.0% at Light Energia compared to 1Q19.

<sup>9</sup> For purposes of recording with the CCEE, GSF=1 is used as reference at the monthly closing. In the subsequent month, CCEE informs the required adjustment in revenue, based on the actual GSF assessed.

## 7.2.2. Financial Result of Light Energia

Financial Result (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Financial Revenues</b>	<b>312</b>	<b>22</b>	<b>1337.6%</b>
Income from Financial Investments	7	9	-21.7%
Swap Operations	305	13	2246.0%
<b>Financial Expenses</b>	<b>(296)</b>	<b>(25)</b>	<b>1083.2%</b>
Debt Expenses (Local Currency)	(1)	(8)	-93.2%
Debt Expenses (Foreign Currency)	(18)	(15)	15.1%
Exchange Rate Variation	(245)	(2)	10249.4%
Restatement of R&D/PEE/FNDCT	(0)	(0)	-20.4%
Restatement of GSF	(31)	2	-
Other Financial Expenses (Includes IOF)	(1)	(1)	-37.9%
<b>Total</b>	<b>16</b>	<b>(3)</b>	<b>-</b>

In 1Q20, net financial revenues totaled R\$16 million, compared to net financial expenses of R\$3 million in 1Q19. This improvement is due to the gain from marked-to-market debt swap transactions in foreign currency, as a result of the decrease in the future curve of the CDI rate and the increase in the future curve of the U.S. dollar in the period.

## 7.2.3. Net Income (Loss) of Light Energia

Net Income/Loss (R\$MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Light Energia (without Stakes)</b>	<b>94</b>	<b>144</b>	<b>-34.8%</b>
Guanhães - Equity Income	(0)	7	-
<b>Net Result</b>	<b>93</b>	<b>151</b>	<b>-38.3%</b>

## 8. Light Com – Trading

### 8.1. Operating Performance of Light Com

Operating Highlights	1Q20	1Q19	% Change 1Q20/1Q19
Volume Sold - MWm	645	635	1.5%
Average Selling Price (Net of Taxes) - R\$/MWh	188.6	199.5	-5.5%

In 1Q20, sales volume increased by 1.5% compared to 1Q19. Notwithstanding the expiration of certain long-term agreements entered into with end consumers, new short-term transactions were conducted with Generation and Trading Companies, resulting in an increase in sales volume.

In 1Q20, the average sales price decreased by 5.5% compared to 1Q19, due to the lower market price for short-term transactions.

### 8.2. Financial Performance of Light Com

Income Statement (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Net Operating Revenue</b>	<b>267</b>	<b>277</b>	<b>-3.6%</b>
Energy Supply	267	255	4.7%
Others	0	22	-99.4%
Operating Expenses	(242)	(225)	7.5%
Personnel	(1)	(1)	40.3%
Material and Outsourced Services	(0)	(0)	254.5%
Others	(0)	(0)	34.0%
Purchased Energy	(240)	(224)	7.3%
<b>Adjusted EBITDA</b>	<b>25</b>	<b>52</b>	<b>-51.8%</b>
EBITDA Margin	9.3%	18.7%	-9.33 p.p.
Financial Result	1	5	-77.0%
Financial Revenue	1	5	-75.3%
Financial Expense	(0)	(0)	-39.8%
Result Before Taxes and Interests	26	56	-53.9%
<b>Net Income/Loss</b>	<b>17</b>	<b>37</b>	<b>-54.1%</b>

In 1Q20, EBITDA of the Trading Company totaled R\$25 million, representing a R\$27 million decrease compared to 1Q19, when we recognized an extraordinary amount of R\$31 million, due to the indemnification for changes made in the commercial conditions of existing agreements between Light Com and Renova, an affiliated company at the time. Excluding this extraordinary effect, EBITDA of the Trading Company increased by R\$4 million, or 19%, in the quarterly comparison.

## 9. Indebtedness

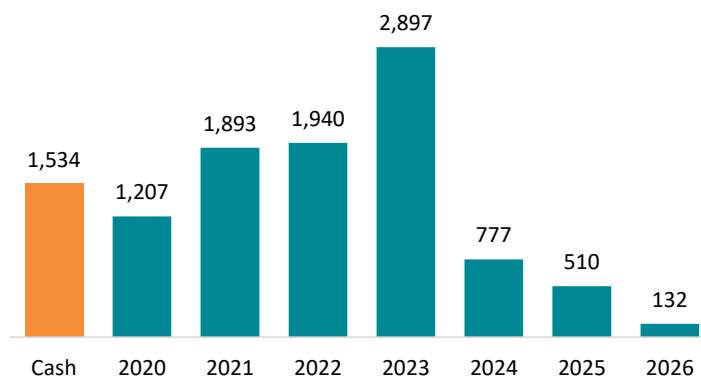
### 9.1. Light S.A.

R\$ Million	Cost	Current	%	Non Current	%	Total	%
<b>Light SESA</b>		<b>1,266</b>	<b>100.0%</b>	<b>6,841</b>	<b>100.0%</b>	<b>8,107</b>	<b>100.0%</b>
<b>Domestic Currency</b>		<b>1,266</b>	<b>100.0%</b>	<b>5,055</b>	<b>73.9%</b>	<b>6,321</b>	<b>78.0%</b>
Debentures 8th Issuance	CDI + 1,18%	39	3.1%	235	3.4%	274	3.4%
Debentures 9th Issuance - Serie A	CDI + 1,15%	250	19.7%	250	3.7%	500	6.2%
Debentures 9th Issuance - Serie B	IPCA + 5,74%	216	17.1%	649	9.5%	865	10.7%
Debentures 10th Issuance	115% CDI	250	19.7%	-	0.0%	250	3.1%
Debentures 12ª Issuance 3	IPCA + 9,09%	59	4.7%	-	0.0%	59	0.7%
Debentures 13ª Issuance	IPCA + 7,44%	-	0.0%	504	7.4%	504	6.2%
Debentures 15ª Issuance 1	IPCA + 6,83%	-	0.0%	568	8.3%	568	7.0%
Debentures 15ª Issuance 2	CDI + 2,20%	-	0.0%	160	2.3%	160	2.0%
Debentures 16ª Issuance 1	CDI + 0,90%	-	0.0%	133	1.9%	133	1.6%
Debentures 16ª Issuance 2	CDI + 1,25%	-	0.0%	423	6.2%	423	5.2%
Debentures 16ª Issuance 3	CDI + 1,35%	-	0.0%	63	0.9%	63	0.8%
Debentures 17ª Issuance 1	CDI + 1,50%	-	0.0%	500	7.3%	500	6.2%
Debentures 17ª Issuance 2	CDI + 1,75%	-	0.0%	50	0.7%	50	0.6%
Debentures 17ª Issuance 4	IPCA + 5,25%	-	0.0%	152	2.2%	152	1.9%
Promissory notes - 5ª PN Sesa	CDI + 1,25%	100	7.9%	200	2.9%	300	3.7%
CCB IBM 2017	CDI + 3,84%	1	0.1%	-	0.0%	1	0.0%
CCB IBM 2019	CDI	1	0.0%	0	0.0%	1	0.0%
BNDES (CAPEX) TJLP **	TJLP + 3,52%	34	2.7%	-	0.0%	34	0.4%
BNDES (CAPEX) SELIC **	Selic + 3,08%	23	1.8%	-	0.0%	23	0.3%
BNDES (CAPEX) TLP **	IPCA + 6,14%	42	3.3%	214	3.1%	256	3.2%
BNDES (CAPEX) Prefixed **	6.00%	14	1.1%	48	0.7%	62	0.8%
BNDES Olimpíadas TJLP **	TJLP + 2,89%	12	0.9%	4	0.1%	15	0.2%
BNDES Olimpíadas SELIC **	SELIC + 2,58%	4	0.3%	1	0.0%	6	0.1%
BNDES Olimpíadas Prefixed **	3.50%	2	0.1%	4	0.1%	6	0.1%
FINEP - Innovation and Research	4.00%	23	1.8%	27	0.4%	50	0.6%
FIDC 2018 Série A	CDI + 1,20%	177	14.0%	701	10.2%	878	10.8%
FIDC 2018 Série B	IPCA + 5,75%	86	6.8%	279	4.1%	365	4.5%
Others	-	(66)	-5.2%	(110)	-1.6%	(177)	-2.2%
<b>Foreign Currency</b>		<b>-</b>	<b>0.0%</b>	<b>1,786</b>	<b>26.1%</b>	<b>1,786</b>	<b>22.0%</b>
Tesouro Nacional	64,05% CDI	-	0.0%	30	0.4%	30	0.4%
Citibank	CDI + 1,50%	-	0.0%	416	6.1%	416	5.1%
Notes Units	142,79% CDI	-	0.0%	1,352	19.8%	1,352	16.7%
Others	-	-	0.0%	(12)	-0.2%	(12)	-0.1%
<b>Light Energia</b>		<b>6</b>	<b>100.0%</b>	<b>1,119</b>	<b>100.0%</b>	<b>1,126</b>	<b>100.0%</b>
<b>Domestic Currency</b>		<b>6</b>	<b>100.0%</b>	<b>34</b>	<b>3.0%</b>	<b>40</b>	<b>3.5%</b>
Debentures 3rd Issuance	CDI + 1,18%	3	39.5%	15	1.3%	18	1.6%
BNDES Lajes	TJLP + 2,95%	4	60.9%	19	0	23	2.0%
<b>Foreign Currency</b>		<b>-</b>	<b>0.0%</b>	<b>1,086</b>	<b>1</b>	<b>1,086</b>	<b>96.5%</b>
Citibank	CDI + 1,30%	-	0.0%	416	0	416	36.9%
Notes Units	143,01% CDI	-	0.0%	676	1	676	60.0%
Others	-	-	0.0%	(6)	(0)	(6)	-0.5%
<b>Light Conecta</b>		<b>1</b>	<b>100.0%</b>	<b>0</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>
BNDES - Conecta (Domestic Currency)	TJLP + 0,53%	1	100%	0	100%	1	100%
<b>Total</b>		<b>1,273</b>		<b>7,961</b>		<b>9,234</b>	

R\$ MN	Light SESA	Light Energia	Conecta	Others Light S.A.	Light S.A. 1Q20	Light S.A. 4Q19	Δ %
<b>Domestic Currency</b>	6,321	40	1	0	6,362	6,434	-1.1%
<b>Foreign Currency</b>	1,786	1,086	0	0	2,871	2,261	27.0%
Loans and Financing	3,671	1,108	1	0	4,780	4,280	11.7%
Debentures	4,436	17	0	0	4,453	4,416	0.8%
Interest	166	21	0	0	187	71	162.8%
Swap Operations	(751)	(414)	0	0	(1,166)	(338)	244.5%
<b>Gross Debt</b>	<b>7,521</b>	<b>733</b>	<b>1</b>	<b>0</b>	<b>8,255</b>	<b>8,428</b>	<b>-2.1%</b>
Cash and Cash Equivalents	648	756	13	117	1,534	1,678	-8.6%
<b>Net Debt</b>	<b>6,873</b>	<b>(24)</b>	<b>(12)</b>	<b>(117)</b>	<b>6,721</b>	<b>6,750</b>	<b>-0.4%</b>

In 1Q20, consolidated net debt totaled R\$6,721 million, in line with R\$6,750 million recorded in 4Q19.

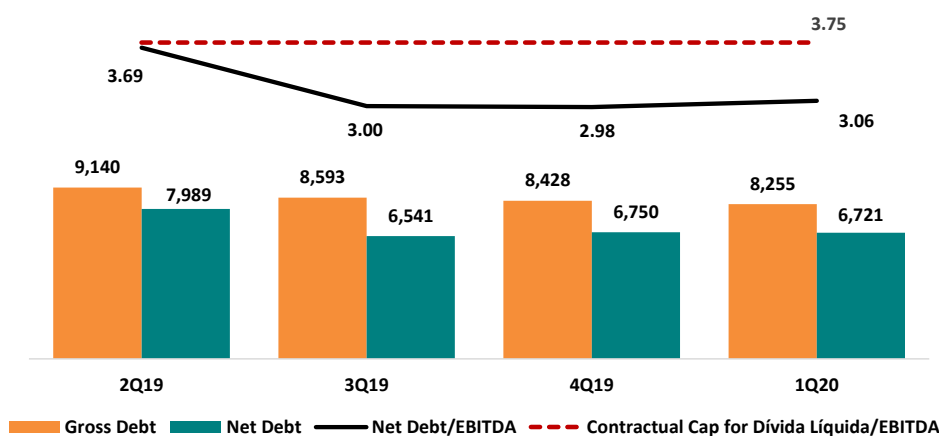
## Amortization of Loans and Financing and Debentures (R\$ MN) Average Maturity: 2.6 years



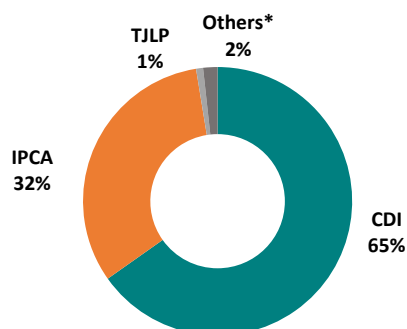
At the end of 1Q20, the Net Debt/EBITDA ratio was 3.06x, representing an increase compared to 2.98x in 4Q19. It is important to highlight that the contractual covenant limit is 3.75x under most agreements.

At the end of 1Q20, EBITDA/Interest ratio was 3.39x, above the minimum contractual limit of 2.0x under most agreements.

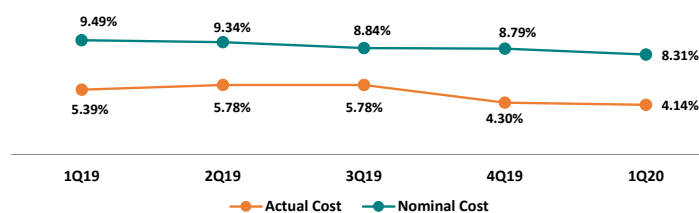
## Consolidated Gross and Net Debt (R\$ MN)



## Debt Indices<sup>1</sup>



## Debt Service Costs



<sup>1</sup> Considering Hedge

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

# 1Q20 | EARNINGS RESULTS



Covenants Multiple - R\$ MN		mar/20	dec/19	sep/19	jun/19	mar/19
Loans and Financing	+	4,837	4,334	5,417	5,293	5,367
Loans and Financing Cost	-	(57)	(55)	(68)	(72)	-
Interest related to Loans and Financing	+	79	28	88	39	88
Debentures	+	4,519	4,487	3,788	4,265	4,137
Debentures Cost	-	(66)	(71)	(65)	(74)	-
Interest related to Debentures	+	108	43	107	59	99
Swap Operations	+	(1,166)	(338)	(673)	(369)	(260)
<b>Gross Debt</b>	=	<b>8,255</b>	<b>8,428</b>	<b>8,593</b>	<b>9,140</b>	<b>9,431</b>
Cash	-	1,534	1,678	2,052	1,151	1,187
<b>Net Debt (a)</b>	=	<b>6,721</b>	<b>6,750</b>	<b>6,541</b>	<b>7,989</b>	<b>8,244</b>
<b>EBITDA CVM (12 months)</b>		<b>1,754</b>	<b>1,875</b>	<b>2,358</b>	<b>1,524</b>	<b>1,645</b>
Equity Income (12 months)	-	(50)	(38)	(31)	(128)	(59)
Provision (12 months)	-	(1,586)	(1,540)	(919)	(597)	(627)
Other Operational Revenues/Expenses (12 months)	-	(49)	(49)	(85)	(73)	(82)
Regulatory Assets and Liabilities (12 months)	+	(154)	(153)	(124)	(155)	(185)
Other Revenue -PIS/COFINS credit		1,086	1,086	1,086	-	-
<b>EBITDA for Covenants (12 months) (b)</b>	=	<b>2,199</b>	<b>2,262</b>	<b>2,183</b>	<b>2,167</b>	<b>2,229</b>
<b>Interests (c)</b>		<b>649</b>	<b>669</b>	<b>699</b>	<b>726</b>	<b>718</b>
<b>Net Debt/EBITDA for Covenants (a/b)</b>		<b>3.06</b>	<b>2.98</b>	<b>3.00</b>	<b>3.69</b>	<b>3.70</b>
Contractual Cap for Dívida Líquida/EBITDA		3.75	3.75	3.75	3.75	3.75
<b>EBITDA for Covenants/Interest (b/c)</b>		<b>3.39</b>	<b>3.38</b>	<b>3.12</b>	<b>2.99</b>	<b>3.10</b>
Contractual Lower Limit for EBITDA/Juros		2.00	2.00	2.00	2.00	2.00

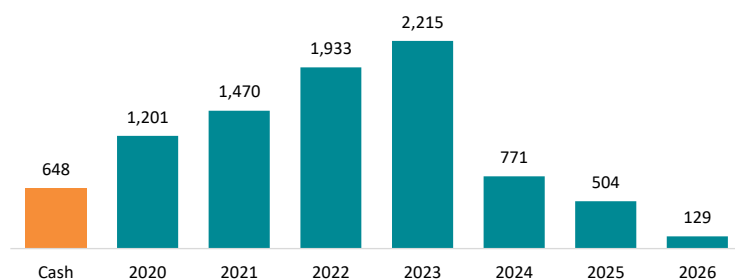
Ratings	Grade		Date
	National	Foreign	
Fitch	A+	BB-	04/24/2020
Standard & Poors	AA+	-	07/15/2019
Moody's	A2.br	Ba3	09/04/2019



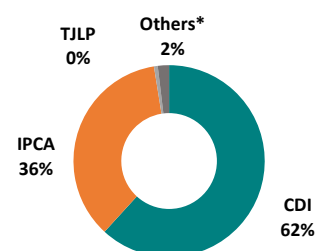
## 9.2. Debt Breakdown

### Light SESA

**Amortization<sup>1</sup> (R\$ MN)**  
**Average Maturity: 2.6 years**

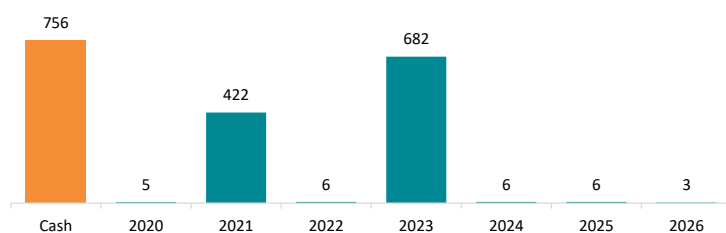


**Debt Indices <sup>2</sup>**



### Light Energia

**Amortization<sup>1</sup> (R\$ MN)**  
**Average Maturity: 2.6 years**



**Debt Indices <sup>2</sup>**



<sup>1</sup> Principal of loans and financing and debentures.

<sup>2</sup> Considering Hedge.

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

## 10. Consolidated Investment

Capex (R\$ MM)	1Q20	1Q19	% Change 1Q20/1Q19
Distribution	157	144	8.6%
Engineering	106	106	-0.2%
Commercial	51	38	32.9%
Non-electrical Assets	19	12	66.9%
Generation	6	8	-25.3%
<b>Total</b>	<b>182</b>	<b>164</b>	<b>11.2%</b>
<b>Capital Contribution</b>	<b>-</b>	<b>17</b>	<b>-</b>
Belo Monte	-	-	-
Renova	-	-	-
Itaocara	-	-	-
Guanhães	-	17	-
Axxiom	-	-	-
<b>Total Capex (includes transfers to subsidiaries)</b>	<b>182</b>	<b>180</b>	<b>0.9%</b>

The Company's consolidated capital expenditure, excluding contributions, increased by 11.2% in 1Q20 compared to 1Q19. We highlight the increase of R\$13 million in the Commercial line item, due to investments under the current plan to combat losses. In 1Q20, we intensified investments in the installation of border meters (medium voltage energy balance), regularization of customers and new projects focused on the incorporation of energy and improvement in the quality of electronic metering. Moreover, Non-Electrical Assets increased by R\$7 million, concentrated in IT (R\$5 million), primarily due to the anticipation of software licensing.

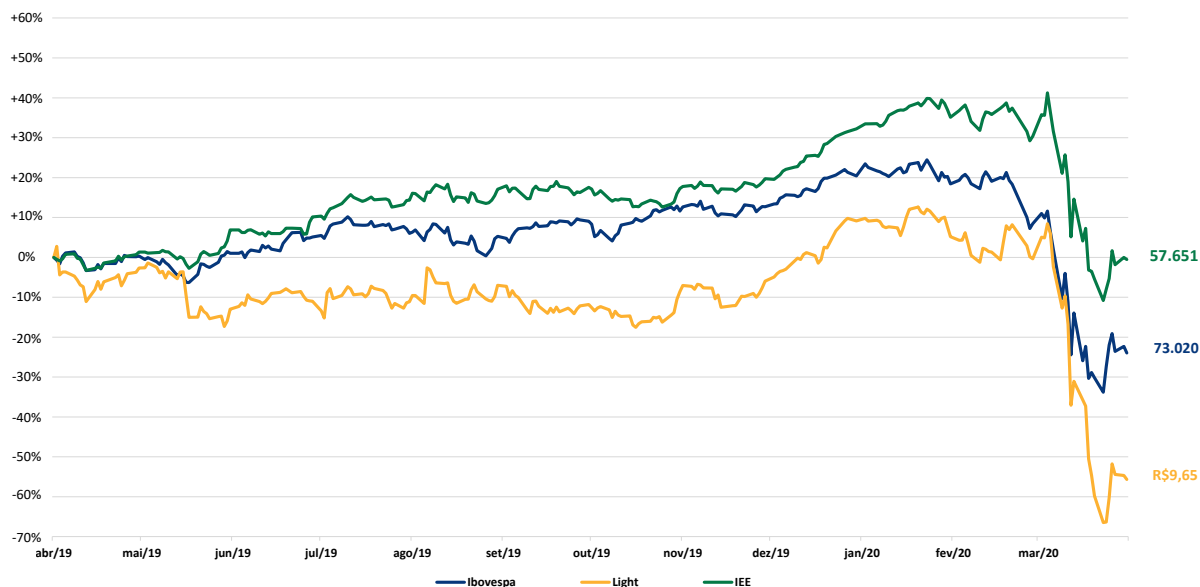
The Company did not make any contributions in investees in 1Q20.

## 11. Capital Markets

Light S.A.'s shares (LIGT3) were priced at R\$9.65 at the end of March 2020. At the end of 1Q20, the Company's market value was R\$2.9 billion.

### Performance of Light's shares vs. Ibovespa vs. IEE

On a 100 basis on April 1, 2019



Market Information	1Q20	1Q19
Volume Average - LIGT3 (R\$ MN)	77.5	27.4
Shares Average - LIGT3 (R\$ / share)	20.10	19.60
ADTV 90 days (R\$ MN)	70.8	27.7
Price Change - LIGT3	-59.6%	23.7%
Price Change - IEE	-25.5%	13.3%
Price Change - IBOV	-38.4%	4.8%

## ANNEX I – Generation Assets

Current Generation Park					
Existing Power Plants	Installed Capacity (MW) <sup>1</sup>	Assured Energy (MWm) <sup>1</sup>	Operation Start	Concession / Authorization Expiration Date	Light's stake
Fontes Nova	132	99	1940	2026	100%
Nilo Peçanha	380	334	1953	2026	100%
Pereira Passos	100	49	1962	2026	100%
Ilha dos Pombos	187	109	1924	2026	100%
Santa Branca	56	30	1999	2026	100%
Elevatórias	-	(101)	-	-	-
SHPP Lajes	18	17	2018	2026	100%
SHPP Paracambi	13	10	2012	2031	51%
Belo Monte	280	114	2016	2045	2.49%
Guanhães	22	12	2018	2047	51%
<b>Total</b>	<b>1188</b>	<b>672</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup>Light's proportional stake

## ANNEX II – CVM EBITDA Reconciliation

CVM EBITDA (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Net Operating Revenue (A)</b>	<b>167</b>	<b>164</b>	<b>1.5%</b>
Social Contributions & Income Tax (B)	(6)	(89)	-92.7%
Deferred Income Tax (C)	(80)	10	-
<b>EBT (A - (B + C))</b>	<b>254</b>	<b>243</b>	<b>4.5%</b>
Depreciation (D)	(149)	(146)	2.1%
Financial Expenses Revenue (E)	(56)	(191)	-70.6%
<b>CVM EBITDA ((A) - (B) - (C) - (D) - (E))</b>	<b>459</b>	<b>580</b>	<b>-20.8%</b>

## ANNEX III – Income Statement

### Light SESA

Income Statement (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Operating Revenues</b>	<b>4,634</b>	<b>5,123</b>	<b>-9.6%</b>
Electricity Sales	3,874	4,334	-10.6%
CVA	(46)	25	-
Construction Revenues	154	160	-3.6%
Other Revenues	652	604	8.0%
Deductions From Operating Revenues	(1,845)	(2,184)	-15.5%
<b>Net Operating Revenues</b>	<b>2,789</b>	<b>2,939</b>	<b>-5.1%</b>
Electricity Costs	(2,064)	(2,288)	-9.8%
Operating Expenses	(417)	(356)	17.0%
Personnel	(111)	(96)	15.8%
Material	(6)	(6)	8.1%
Third party services	(111)	(128)	-13.3%
Provisions	(196)	(149)	31.9%
Others	8	22	-65.1%
<b>Adjusted EBITDA</b>	<b>307</b>	<b>295</b>	<b>4.3%</b>
Depreciation and amortization	(135)	(132)	2.1%
Other operating revenues/expenses	(4)	(4)	-6.7%
Operating Income	169	158	6.5%
Net Financial Result	(74)	(195)	-62.1%
Financial Revenues	569	24	2259.2%
Financial Expenses	(642)	(219)	193.7%
Income before tax	95	(36)	-
Income Tax / Social Contribution	-	-	-
Deferred Taxes	(33)	12	-
<b>Net Income</b>	<b>62</b>	<b>(25)</b>	<b>-</b>

## Light Energia

Income Statement (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Operating Revenues</b>	<b>291</b>	<b>322</b>	<b>-9.7%</b>
Energy supply - Energy sales	249	260	-4.1%
Energy supply - Spot	39	59	-33.4%
Others - TUSD	2	2	-23.7%
Others	0	1	-33.0%
Deductions from Operating Revenues	(37)	(38)	-2.3%
<b>Net Operating Revenues</b>	<b>254</b>	<b>284</b>	<b>-10.7%</b>
Electricity Costs	(104)	(41)	154.9%
Operating Expenses	(12)	(13)	-7.4%
Personnel	(7)	(7)	2.0%
Material	(0)	(0)	-31.1%
Third party services	(4)	(4)	12.2%
Provisions	1	0	4372.0%
Others	(2)	(2)	-16.7%
<b>Adjusted EBITDA</b>	<b>138</b>	<b>231</b>	<b>-40.1%</b>
Depreciation and amortization	(14)	(14)	2.1%
Other operating revenues/expenses	(1)	1	-
Operating income	123	218	-43.4%
Equity Income	(0)	7	-
Net Financial Result	16	(3)	-
Financial Revenues	312	22	1337.6%
Financial Expenses	(296)	(25)	1096.3%
Income before Tax	139	222	-37.5%
Income Tax / Social Contribution	(0)	(69)	-99.5%
Deferred Taxes	(45)	(1)	3176.8%
<b>Net Income</b>	<b>93</b>	<b>151</b>	<b>-38.3%</b>



## ANNEX IV – Statement of Financial Result

### Light S.A.

Financial Result (R\$ MN)	1Q20	1Q19	% Change 1Q20/1Q19
<b>Financial Revenues</b>	<b>882</b>	<b>53</b>	<b>1571.7%</b>
Income from Financial Investments	16	19	-16.4%
Swap Operations	828	12	6614.3%
Moratory Increase / Debts Penalty	17	22	-21.0%
Restatement of Sector's Assets and Liabilities	4	(10)	-
Restatement of ICMS calculation basis of PIS/COFINS	11	-	-
Others Financial Revenues	6	10	-32.7%
<b>Financial Expenses</b>	<b>(938)</b>	<b>(244)</b>	<b>-285.4%</b>
Debt Expenses (Local Currency)	(100)	(124)	-19.1%
Debt Expenses (Foreign Currency)	(56)	(55)	0.9%
Monetary Variation	(38)	(30)	24.2%
Exchange Rate Variation	(655)	(13)	4922.3%
Itaipu Exchange Rate Variation	(46)	(0)	11106.5%
Restatement of provision for contingencies	(4)	(4)	2.4%
Restatement of R&D/PEE/FNDCT	(2)	(3)	-28.9%
Interest and Fines on Taxes	(0)	(2)	-96.0%
Installment Payment - Fines and Interest Rates Law 11.941/06	(1)	(1)	-45.5%
Restatement of GSF	(31)	2	-
Other Financial Expenses (Includes IOF)	(5)	(12)	-59.5%
<b>Total</b>	<b>(56)</b>	<b>(191)</b>	<b>-70.6%</b>

## ANNEX V – Statement of Financial Position

### Light S.A. (R\$ million)

ASSETS	1Q20	4Q19
<b>Current</b>	<b>6,348</b>	<b>5,354</b>
Cash & cash equivalents	797	996
Marketable securities	737	682
Receivable accounts	2,568	2,537
Inventories	60	60
Taxes and contributions recoverable	1,235	81
Income tax and social contribution recoverable	143	135
Sector's financial assets	477	550
Prepaid expenses	21	23
Receivables from services rendered	33	31
Other current assets	277	260
<b>Non-current</b>	<b>18,299</b>	<b>18,490</b>
Receivable accounts	1,146	1,113
Taxes and contributions recoverable	5,123	6,257
Deferred taxes	33	36
Sector's financial assets	142	113
Concession financial asset	4,835	4,748
Deposits related to litigation	275	273
Swap derivative financial instruments	1,166	373
Contractual asset	615	497
Right of use asset	71	77
Investments	578	579
Fixed assets	1,581	1,587
Intangible	2,733	2,837
<b>Total Assets</b>	<b>24,647</b>	<b>23,844</b>
LIABILITIES	1Q20	4Q19
<b>Current</b>	<b>4,968</b>	<b>5,178</b>
Suppliers	2,485	2,546
Taxes and contributions	307	172
Income tax and social contribution	1	38
Loans and financing	554	551
Debentures	905	836
Dividends payable	0	315
Labor obligations	98	86
Leasing	33	32
Other obligations	585	600
<b>Non-current</b>	<b>12,964</b>	<b>12,436</b>
Loans and financing	4,305	3,756
Debentures	3,656	3,623
Swap derivative financial instruments	0	35
Taxes and contributions	218	348
Deferred taxes	478	400
Uncovered equity income	23	22
Provisions for tax, civil, labor and regulatory risks	559	543
Leasing	42	48
Amounts to be refunded to consumers	3,631	3,606
Other obligations	52	54
<b>Shareholders' Equity</b>	<b>6,715</b>	<b>6,231</b>
Capital Stock	4,051	4,051
Capital reserves	5	3
Profit reserves	1,958	1,958
Special reserve	315	0
Asset valuation adjustments	316	320
Other comprehensive income	(101)	(101)
Retained Earnings	171	0
<b>Total Liabilities</b>	<b>24,647</b>	<b>23,844</b>

## Light SESA (R\$ million)

ASSETS	1Q20	4Q19
<b>Current</b>	<b>4,687</b>	<b>3,780</b>
Cash & cash equivalents	269	554
Marketable securities	379	327
Receivable accounts	1,858	1,824
Inventories	55	56
Taxes and contributions	1,229	77
Income tax and social contribution	97	89
Sector's financial assets	477	550
Prepaid expenses	20	21
Receivables from services rendered	32	31
Other current assets	271	252
<b>Non-current</b>	<b>15,935</b>	<b>16,402</b>
Receivable accounts	1,124	1,090
Taxes and contributions	5,123	6,257
Deposits related to litigation	271	269
Sector's financial assets	142	113
Concession financial asset	4,835	4,748
Swap derivative financial instruments	751	249
Contractual asset	615	497
Right of use asset	69	74
Investments	29	29
Fixed assets	246	245
Intangible	2,729	2,833
<b>Total Assets</b>	<b>20,622</b>	<b>20,182</b>
LIABILITIES	1Q20	4Q19
<b>Current</b>	<b>3,565</b>	<b>3,715</b>
Suppliers	1,171	1,242
Taxes and contributions	302	165
Income tax and social contribution	1	1
Loans and financing	529	540
Debentures	903	833
Dividends payable	0	274
Labor obligations	88	77
Leasing	31	30
Other obligations	541	552
<b>Non-current</b>	<b>11,564</b>	<b>11,310</b>
Loans and financing	3,200	2,896
Debentures	3,641	3,609
Swap derivative financial instruments	0	18
Taxes and contributions	218	348
Deferred taxes	235	202
Provisions for tax, civil, labor and regulatory risks	554	540
Leasing	40	46
Amounts to be refunded to consumers	3,631	3,606
Other obligations	44	46
<b>Shareholders' Equity</b>	<b>5,493</b>	<b>5,158</b>
Capital Stock	4,146	4,146
Capital reserves	7	7
Profit reserves	1,375	1,101
Other comprehensive income	(97)	(97)
Retained Earnings	62	0
<b>Total Liabilities</b>	<b>20,622</b>	<b>20,182</b>

## Light Energia (R\$ million)

ASSETS	1Q20	4Q19
<b>Current</b>	<b>1,505</b>	<b>1,427</b>
Cash & cash equivalents	415	342
Marketable securities	341	338
Receivable accounts	733	734
Taxes and contributions	4	2
Provided services	1	0
Inventories	5	4
Prepaid expenses	1	2
Other current assets	5	5
<b>Non-current</b>	<b>1,852</b>	<b>1,570</b>
Swap derivative financial instruments	414	124
Contingency deposits	4	3
Right-of-use assets	3	3
Investments	136	136
Fixed assets	1,294	1,301
Intangible	2	2
<b>Total Assets</b>	<b>3,357</b>	<b>2,998</b>
LIABILITIES	1Q20	4Q19
<b>Current</b>	<b>1,385</b>	<b>1,393</b>
Suppliers	1,304	1,285
Taxes and contributions	3	4
Income tax and social contribution	0	37
Loans and financing	25	11
Debentures	3	3
Labor obligations	7	7
Leasing obligations	2	1
Other obligations	41	45
<b>Non-current</b>	<b>1,376</b>	<b>1,102</b>
Loans and financing	1,104	860
Debentures	15	15
Deferred taxes	244	199
Swap	0	16
Provisions	4	3
Other obligations	8	8
Leasing obligations	1	2
<b>Shareholders' Equity</b>	<b>596</b>	<b>503</b>
Capital Stock	77	77
Profit reserves	25	25
Proposed additional dividends	0	84
Asset valuation adjustments	316	320
Other comprehensive income	(4)	(4)
Accumulated losses	181	0
<b>Total Liabilities</b>	<b>3,357</b>	<b>2,998</b>

## ANNEX VI – Statement of Cash Flows

### Light S.A.

R\$ MN	1Q20	1Q19
<b>Net cash generated by operating activities</b>	<b>208</b>	<b>154</b>
<b>Cash generated by (used in) operations</b>	<b>478</b>	<b>672</b>
Net income before income tax and social contribution	254	243
Allowance for doubtful accounts	123	73
Depreciation and amortization	149	146
Loss from the sale or write-off of intangible assets/property, plant and equipment/investment	2	6
Exchange and inflation adjustment losses from financial activities	693	44
Financial provisions and update for tax, civil, labor and regulatory risks and financial update of deposits related to litigation	96	78
Interest expense on loans, borrowings and debentures	155	179
Interest over lease obligations	2	2
Swap variation	(828)	(12)
Equity in the earnings of subsidiaries	2	(9)
Effect of PIS/COFINS Credits	(11)	-
Stock option granted	2	-
Fair value of the concession's indemnifiable assets	(62)	(61)
Recognition and restatement of financial assets and liabilities of the sector	(98)	(16)
<b>Changes in assets and liabilities</b>	<b>(270)</b>	<b>(518)</b>
Marketable securities	(7)	(2)
Consumers, concessionaires and permissionaires	(186)	(320)
Taxes, fees and contributions to offset	11	(33)
Financial assets and liabilities of the sector	141	0
Inventories	0	(2)
Receivables from services rendered	(2)	2
Prepaid expenses	2	2
Deposits related to litigation	(6)	9
Other assets	17	(174)
Suppliers	(45)	360
Labor obligations	11	16
Taxes, fees and contributions payable	1	(55)
Payment of provisions for tax, civil, labor and regulatory risks	(76)	(53)
Other liabilities	(52)	(139)
Interest paid	(38)	(98)
Income tax and social contribution paid	(42)	(31)
<b>Net cash used in investing activities</b>	<b>(234)</b>	<b>5</b>
Receivables from sale of equity stakes	-	14
Acquisition of property, plant and equipment	(11)	(10)
Acquisition of intangible and contractual assets	(174)	(164)
Permanent investment acquisitions/financial investments - Investees' contribution	(0)	(17)
Redemption of financial investments	121	382
Financial investments	(169)	(200)
<b>Net cash generated by (used in) financing activities</b>	<b>-174</b>	<b>-477</b>
Payment of lease obligations	(10)	(9)
Loans, borrowings and debentures	-	191
Amortization of loans, borrowings and debentures	(164)	(659)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(199)</b>	<b>(317)</b>
Cash and cash equivalents at the beginning of the year	996	707
Cash and cash equivalents at the end of the year	797	390

## Light SESA

R\$ MN	1Q20	1Q19
<b>Net cash generated by operating activities</b>	<b>115</b>	<b>15</b>
<b>Cash generated by (used in) operations</b>	<b>342</b>	<b>373</b>
Net income before income tax and social contribution	95	(36)
Allowance for doubtful accounts	123	73
Depreciation and amortization	135	132
Loss from the sale or write-off of intangible assets/property, plant and equipment	2	5
Exchange and monetary losses (gains) from financial activities	447	41
Provisions for tax, civil, labor and regulatory risks and judicial deposits	95	78
Interest expense on loans, borrowings and debentures	137	156
Interest over lease obligations	2	2
Effect of PIS/COFINS Credits	(11)	-
Swap variation	(523)	(1)
Fair value of the concession's indemnifiable assets		
Recognition and restatement of financial assets and liabilities of the sector	(523)	(16)
<b>Changes in assets and liabilities</b>	<b>(227)</b>	<b>(358)</b>
Marketable securities	(3)	(5)
Consumers, concessionaires and permissionaires	(191)	(341)
Taxes, fees and contributions to offset	12	(38)
Financial assets and liabilities of the sector	141	0
Inventories	1	(1)
Receivables from services rendered	(1)	2
Prepaid expenses	1	1
Deposits related to litigation	(6)	9
Other assets	2	(19)
Suppliers	(54)	341
Estimated obligations	10	15
Taxes, fees and contributions payable	4	(54)
Provisions for tax, civil, labor and regulatory risks	(76)	(53)
Other liabilities	(31)	(139)
Interest paid	(35)	(77)
<b>Net cash used in investing activities</b>	<b>(228)</b>	<b>16</b>
Acquisition of property, plant and equipment	(5)	(2)
Acquisition of intangible and contractual assets	(174)	(164)
Redemption of financial investments	113	382
Financial investments	(162)	(200)
<b>Net cash generated by (used in) financing activities</b>	<b>(172)</b>	<b>(296)</b>
Loans, borrowings and debentures	-	191
Amortization of loans, borrowings and debentures	(163)	(479)
Payment of lease obligations	(9)	(9)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(285)</b>	<b>(265)</b>
Cash and cash equivalents at the beginning of the year	554	491
Cash and cash equivalents at the end of the year	269	225

## Light Energia

R\$ MN	1Q20	1Q19
<b>Net cash generated by operating activities</b>	<b>82</b>	<b>203</b>
<b>Cash generated by (used in) operations</b>	<b>112</b>	<b>241</b>
Net income before income tax and social contribution	139	222
Depreciation and amortization	14	14
Exchange rate and monetary losses (gains) from financial activities	245	2
Provision for contingencies and restatement	1	0
Interest expense on loans, borrowings and debentures	18	23
Swap variation	(305)	(13)
Equity in the earnings of subsidiaries	0	(7)
<b>Changes in assets and liabilities</b>	<b>(31)</b>	<b>(38)</b>
Marketable securities	(3)	4
Concessionaires and licensees	1	20
Taxes, fees and contributions	(2)	4
Inventories	(0)	(1)
Prepaid expenses	1	1
Deposits related to litigation	(0)	(0)
Other assets	15	4
Suppliers	19	(35)
Labor liabilities	0	1
Taxes, fees and contributions payable	(1)	0
Other liabilities	(21)	1
Interest paid	(3)	(21)
Income tax and social contribution paid	(37)	(15)
<b>Net cash used in investing activities</b>	<b>(6)</b>	<b>(24)</b>
Acquisition of property, plant and equipment	(6)	(8)
Redemption of financial investments	7	-
Financial investments	(7)	-
Investments/Acquisition of investments	-	(17)
<b>Net cash generated by (used in) financing activities</b>	<b>(1)</b>	<b>(180)</b>
Amortization of loans, borrowings and debentures	(1)	(179)
Payment of finance lease obligations	(0)	(0)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>73</b>	<b>(1)</b>
Cash and cash equivalents at the beginning of the year	342	90
Cash and cash equivalents at the end of the year	415	88



### List of Abbreviations and Acronyms

- **ACL** – Free Contracting Environment
- **ANEEL** – National Electric Energy Agency
- **BNDES** – Brazilian Development Bank
- **CCEE** – Brazilian Electricity Trading Chamber
- **CCRB** – Rate Tier Fund Account
- **CDE** – Energy Development Account
- **ACR Account** – Regulated Market Account
- **CUSD** – Distribution System Utilization Agreement
- **CUST** – Transmission System Utilization Agreement
- **CVA** – “A Component” Variation Offset Account
- **CVM** – Brazilian Securities Commission
- **DDSD** – Delegated Services Defense Office
- **DEC** – Equivalent Outage Duration
- **DIC** – Individual Outage Duration per Consumer Unit
- **DIT** – Other Distribution Facilities
- **ESS** – System Service Charges
- **FEC** – Equivalent Outage Frequency
- **FIC** – Individual Outage Frequency per Consumer Unit
- **GSF** – Generation Scaling Factor
- **IRT** – Annual Tariff Adjustment Index
- **O&M** – Operation and Maintenance
- **PCH** – Small Hydro Plant
- **PECLD** – Estimated Allowance for Doubtful Accounts
- **PLD** – Difference Settlement Price
- **PMSO** – Personnel, Materials, Services and Others
- **REN** – Energy Recovery
- **TOI** – Inspection Report
- **TUSD** – Distribution System Usage Charge
- **TUST** – Transmission System Usage Charge
- **UHE** – Hydropower Plant
- **UTE** – Thermal Power Plant
- **VNR** – New Replacement Value