EARNINGS RELEASE 1Q20

Conference Call
April 30, 2020
(In Portuguese with simultaneous translation into English)
11 a.m. (Brasilia time)
10 a.m. (NY time - EDT)
3 p.m. (London time)
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São Paulo, April 29, 2020: Companhia Energética de São Paulo ("CESP"), (B3: CESP3, CESP5 e CESP6) discloses its consolidated earnings for the first quarter of 2020 (1Q20). This information was prepared in accordance with the International Financial Reporting Standards ("IFRS") and the accounting practices adopted in Brazil, and was compared with the same period of the year 2019, except when indicated otherwise.

1Q20 CONSOLIDATED EARNINGS

ADJUSTED EBITDA[1] OF BRL 336 MILLION IN 1Q20, UP BY BRL 294 MILLION AGAINST 1Q19

START UP OF CESP TRADING COMPANY

Financial and Operating Highlights BRL thousand	**1Q20**	**1Q19**	**Chg. (%)**
Gross operating revenue	540,862	422,161	28%
Net operating revenue	460,540	355,618	30%
Gross operating result	234,205	5,736	n.m.
Cost and expenses	(251,743)	(458,728)	-45%
EBITDA	309,192	(24,600)	n.m.
Adjusted EBITDA[1]	336,171	41,597	n.m.
Adjusted EBITDA margin[1]	73%	12%	61p.p.
Net income	53,813	(158,243)	n.m.
Net debt	1,067,311	(174,850)	n.m.
Net debt/EBITDA LTM	0.9x	-	n.m.
Net debt/ adjusted EBITDA [1] LTM	1.0x	-	n.m.

HIGHLIGHTS

- Generation of 1,105 average MW of electricity, 17% above the Company's physical guarantee of 948 average MW.
- Average Availability Index of the plants of 94.1% in 1Q20, (93.8% in 1Q19), consistently higher than ANEEL's reference levels.
- 30% growth in Net Operating Revenues, totaling BRL 461 million in 1Q20, of which BRL 61 million from CESP Trading Company operation.
- Decrease of 63% in cost of energy purchase and 46% in Personnel and Administration costs and expenses in 1Q20 against 1Q19.
- Consolidated adjusted EBITDA of BRL 336 million and margin of 73% in 1Q20, up by BRL 294 million against 1Q19.
- BRL 242 million operating cash flow generation after debt service, with a cash conversion ratio[2] of 72% in 1Q20.

(1) Excludes provision for litigation and VDP costs (2) Considers cash conversion = (OCF after Debt Service/Adjusted EBITDA)

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MESSAGE FROM THE MANAGEMENT

The first quarter of 2020 was marked by expressive results in all our management fronts, in line with our achievements in the first year following CESP's privatization, and consolidating our high-performance culture and position as a cutting-edge company in the Brazilian electricity generation sector.

In 2020, CESP Trading Company started operating, in an initiative to foster greater efficiency in executing an optimized strategic management of CESP's energy balance, better management of hydrological and market risks and enhancement of our commercial strategy, aligning energy planning with commercial intelligence. Energy trading operations are carried out under preestablished risk limits and in compliance with best market practices and governance.

In operating terms, we continue to seek efficiency gains through process automation and systemic improvements. In this context, one of the most significant indicators was the average Availability Index of our plants, which in 1Q20 was 94.1%, higher than the same period last year and consistently higher than the reference levels established by ANEEL, showing continued good maintenance management and consequently greater efficiency in managing plant availability.

Another important factor in this 1Q20 was the significant reduction in the cost of purchased energy, with a reduction of 63% or R$ 141 million when compared to the same period of the previous year. This reduction has been continuous since the end of 2018 and reflects the greater capacity for analysis, the establishment of a strategy in the management of the energy balance and strong discipline in its execution.

Additionally, the Company starts to reap consistent results in the reduction of manageable operating costs and expenses, arising from the series of adjustments and transformations implemented throughout 2019. The 46% reduction in Personnel and Administration, Materials and Services expenses, respectively, 46%, 57% and 52% comparing 1Q20 against the same period of the previous year are examples of this transformation.

Our results reflect diligence in executing our strategies, as shown above, recoded consolidated Adjusted EBITDA[1] of BRL 336 million in 1Q20, up by BRL 294 million over the same period of the previous year, with Adjusted EBITDA margin of 73%.

Our strong cash generation was again one of the highlights of the quarter. In 1Q20, operating cash flow generation totaled BRL 242 million, with a cash conversion ratio[2] of 72% and BRL 209 million free cash flow in the same period. Our strong cash generation capacity places us in a prominent position, with robust cash of BRL 950 million at the end of 1Q20, appropriate debt term profile and leverage, as measured by net debt/adjusted EBITDA, of 1.0x at the end of March 2020.

Finally, it is worth mentioning that we are continuously monitoring all developments related to COVID-19 and is adopting in a timely manner the proper preventive measure to preserve our health, safety and continuity of our operations. We believe we can overcome this moment with the proper preparation and reaction speed, keeping our operations transparent, agile, simple and direct so that together we can we overcome this moment and further strengthen our bonds with all our stakeholders, along CESP's continuous path to transformation.

Mario Bertoncini	Marcelo de Jesus
Chief Executive and Investor Relations Officer	**Chief Financial Officer**

(1) Adjusted EBITDA excludes provision for litigation and VDP/ (2) Cash Conversion Ratio = Operating Cash Flow after Debt Service/Adjusted EBITDA

EFFECTS OF THE NEW CORONAVIRUS (COVID-19) PANDEMIC

As a result of the global pandemic declared by the World Health Organization (WHO) related to the new Coronavirus (COVID-19), affecting Brazil and several countries around the world, bringing risks to public health and impacting world economy, the Company informs that it has been taking preventive and risk mitigating measures according to the guidelines established by national and international authorities, so as to minimize, as much as possible, any impacts on the health and safety of our employees, their families, our partners, communities and the continuity of our operations and business.

As electricity generation is an essential activity, CESP adopted contingency protocols in order to fully maintain the operations of its 3 hydroelectric power plants, preserving the health of its professionals, their safe access to workplaces, an environment that preserves the distance between hygiene and access to protection instruments. In addition, 83% of our employees are currently working from home.

A potentially relevant risk to CESP in the emergence of COVID-19 is related to the default of its customers and other counterparties in energy purchase and sale contracts. In this scenario, CESP maintains regular contact with its main commercial partners. The Company's accounts receivable position as of March 31, 2020, as well as the provisions for improbable recovery or doubtful accounts reflect in a timely manner our best analysis at this time on the quality and solvency of the rights in question. The Company also evaluated its main supply and supplier contracts, and concluded that, despite the impacts caused by the pandemic, the contractual obligations are still fulfilled and there is no evidence or formalization of insolvency or any discontinuity.

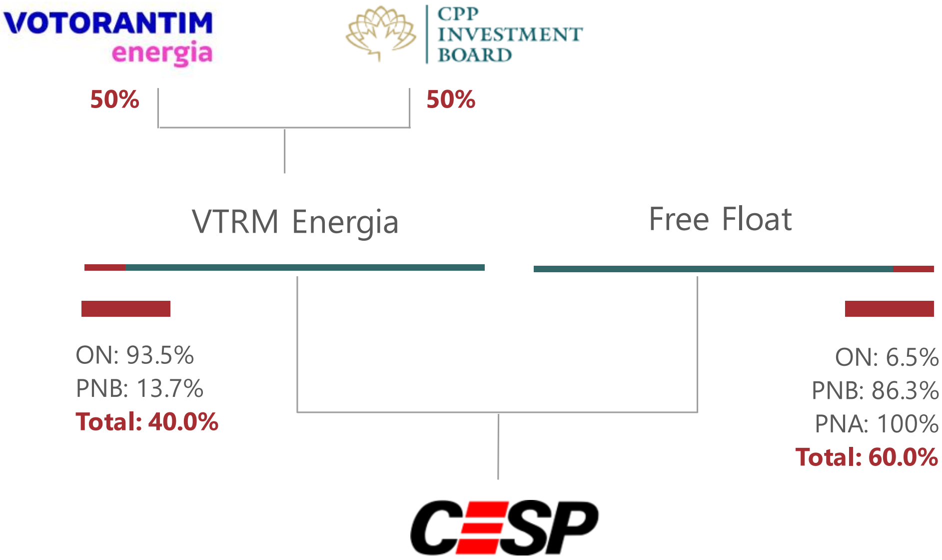
The management of the Company's energy balance for this year has been adjusted and the company is well positioned to face potential adverse variations in the GSF (generation scalling factor) and relevant changes in energy market prices.

Additionally, CESP currently holds a considerable cash position and reiterates that there are no relevant financial obligations falling due for the next 2 years.

Finally, we inform that until now, CESP has had no material impact on its operations and settlement of rights and obligations on behalf of COVID-19. However, considering that we are exposed to operational risks arising from the health of our employees and third parties, as well as being subject to any legal and market restrictions that may be imposed as a result of COVID-19, it is not possible to ensure that we will not be impacted on our operations or whether our results will be affected by future consequences that the pandemic may cause.

COMPANY PROFILE

CESP was incorporated in 1966 by the São Paulo State Government and in December 2018 shareholding control passed to VTRM Energia Participações S.A. ("VTRM"), with the sale at auction of the state governments common shares ("ON").



GENERATING COMPLEX

CESP holds the concession for three hydroelectric power plants (HPP) operating on a price regime, with a total of 18 generating units, capacity of 1,655 MW and physical guarantee of 948 average.

These plants are located in the basins of the Paraná river, in the west of the state of São Paulo, and of the Paraíba do Sul river, in the east of the state. They make up the following generation complex:

Operating assets

Porto Primavera

Capacity: 1,540 GW

Physical guarantee: 887 average MW

Concession to Apr/49 (Contract renewed in April 2019)

Location: Rosana (SP)

Reservoir area: 2,040 km2

Extension of dam: 10.2 km

Generating units: 14

Start-up of operations: 1999

Paraibuna

Capacity: 87 GW

Physical guarantee: 48 average MW

Concession to Mar/21

Location: Paraibuna (SP)

Reservoir area: 177 km2

Extension of dam: 0.5 km

Generating units: 2

Start-up of operations: 1978

Jaguari

Capacity: 28 GW

Physical guarantee: 13 average MW

Concession to May/20

Location: São José dos Campos (SP)

Reservoir area: 56 km2

Extension of dam: 1.0 km

Generating units: 2

Start-up of operations: 1972

On June 28, 2019, the Company's board of directors resolved that it was not of interest to renew the HPP Jaguari, which accounts for less than 1% of the energy produced by CESP, in line with the expression of interest by the state of São Paulo to apply to the federal government for permission to exploit said HPP after the current concession expires.

ELECTRIC ENERGY PRODUCTION

Generation (MW Avg.)

Hydroelectric power plants	1Q20	1Q19	Var. (%)
Porto Primavera	1.093	1.065	3%
Paraibuna	11	11	1%
Jaguari	1	1	14%
Total	**1,105**	**1,077**	**3%**

Electricity production at the plants operated by CESP in 1Q20 reached 1,105 average MW, up by 3% against 1,077 average MW in 1Q19. This increase was due to systemic factors related to the dispatch policy practiced by the National System Operator ("ONS") for the National Grid.

In 1Q20, offtake from the basins in the southeastern region was higher than in 1Q19. This, added to the low reservoir levels in the Southern region, which required more energy from the southeastern region, led the ONS to introduce a policy for higher dispatch for HPP Porto Primavera. Generation by UHE Paraibuna and Jaguari is a function of the control of the outflow in the Paraíba do Sul river basin, whereby the ONS establishes the released flow so as to comply with the Funil plant flood control and meet the target outflow at the Santa Cecilia pumping station. As a result of the greater offtake in this basin there was an increase in the volume of the reservoirs.

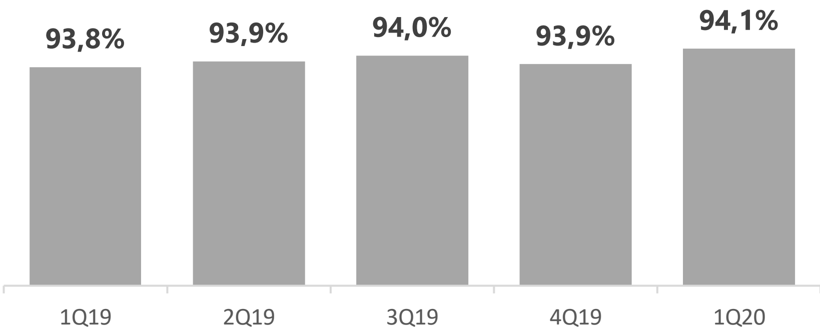
AVAILABILITY

In 1Q20, the plants operated by CESP attained an average availability index of 94,1%, up against 93.8% in 1Q19, due to the continued good maintenance management of the plants in 2020.

According to ANEEL Resolution No. 614/2014, if the availability index of a hydroelectric power plant participating in the Energy Reallocation Mechanism ("MRE") is below the reference index used for calculating its physical guarantee level, the plant will be subject to the application of a physical guarantee reduction mechanism. With these premises, this indicator becomes the key marker for assessing the performance of hydroelectric power plants and the principal tool for monitoring risks with operating impacts on commercial commitments.

The availability index of the CESP plants is consistently higher than the reference values defined by ANEEL, evidencing efficient management of operation and maintenance of the plants.

Availability Index[1]
Moving Average of 60 months (%)



(1) Availability index is calculated using the Equivalent Rate for Forced Non-availability Calculated ("TEIFa") and the Equivalent Rate for Scheduled Non-availability ("TEIP"), defined by ANEEL.

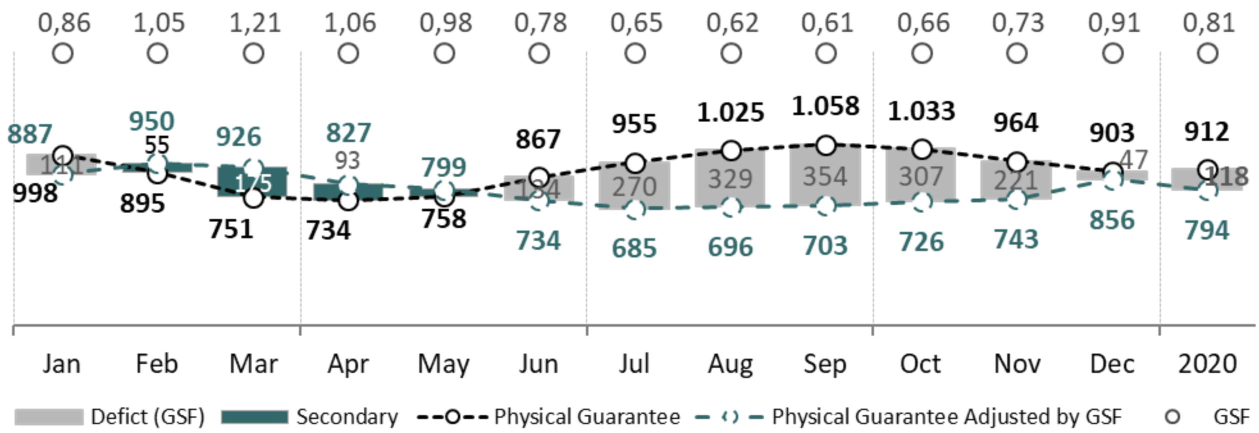
COMMERCIAL STRATEGY

The Company's energy trading strategy is based on a meticulous planning and proactive management of electricity sales and energy balance, in order to create value and minimize the hydrological risk.

CESP's seasonality strategy seeks to optimize results by analyzing expected inflows and prices for each period of the year.

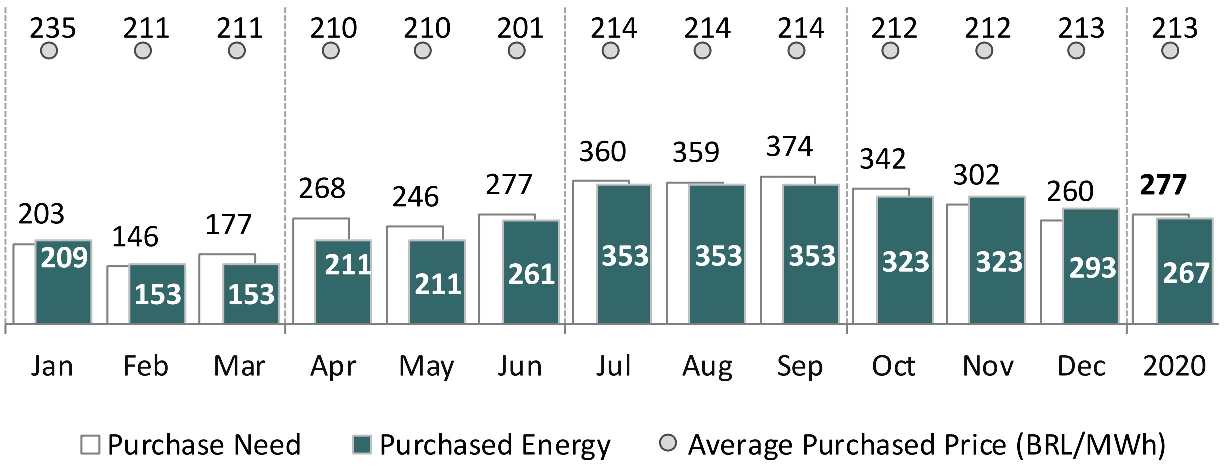
In the chart below we show our seasonality curve for physical guarantee in 2020 and the same curve adjusted for the Generation Scaling Factor ("GSF"), as projected by the CCEE.

Gross Physical Guarantee and Adjusted Physical Guarantee (Avg. MW)



In view of the revisions of the physical guarantees and the effects of the GSF, CESP showed energy balance deficit. Accordingly, since December 11, 2018, when the new management took over the Company, it has implemented a strategy for optimizing results and reducing exposure to hydrological risk.

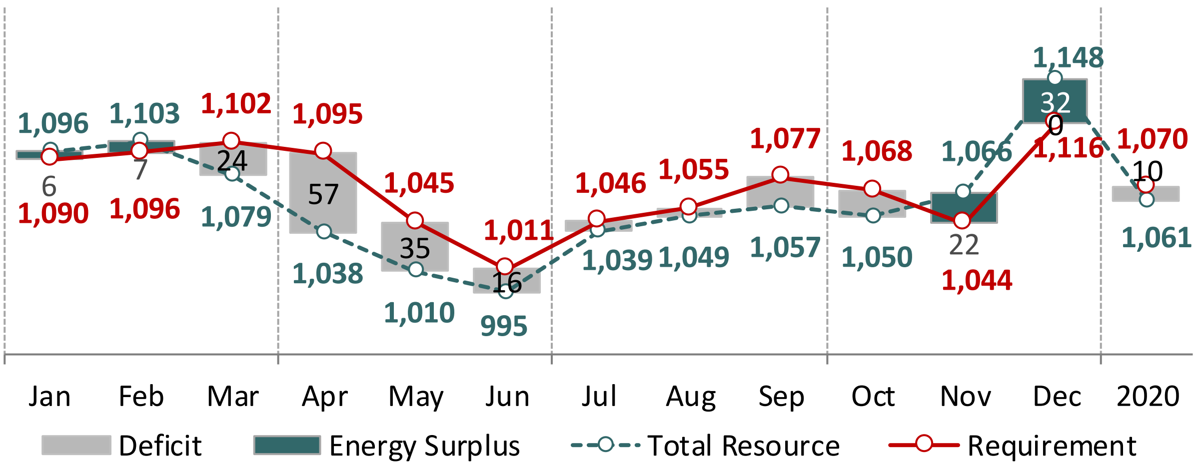
As of the end of 1Q20, 267 average MW were purchased for the year de 2020 at an average price of BRL 213/MWh, compared with a purchase of 212 average MW at an average price of BRL 259/MWh for the year 2019.



The strategy for optimizing the energy balance takes into account market opportunities for bilateral agreements, so as to minimize price risk (differences settlement price - PLD) and avoid exposure in the CCEE due to systemic default. In 1Q19, as a way of monetizing receivables, we offset the balance due to us in the CCEE against the deficit generated in January 2019, for a total energy purchase of BRL 75 million in the period.

As a result of the new management strategy, CESP's energy balance for 2020, as of March 31, 2020, is illustrated below and shows that the deficit for 2020 has been corrected.

Energy Balance After Energy Purchases (Avg. MW)

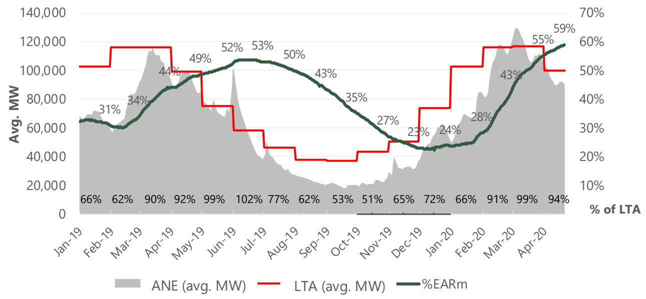


During 1Q20 we worked to mitigate the risk for the period 2020 a 2022 within the windows of opportunity presented.

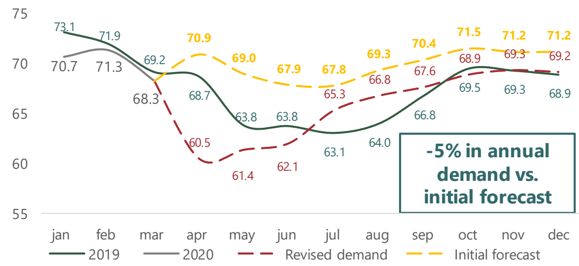
We should mention that the load performance below the initial forecasts and the Affluent Natural Energy ("ANE") growth in line with the long-term average ("MLT") in 1Q20 affected the GSF levels.

The better inflow in 1Q20 resulted in a 55% stored energy at the end of the period (vs. 34% in 1Q19). Additionally, the load forecast revised by ONS decreased by 11% in 2Q20 and 4% in 3Q20, compared to the same periods in 2019 and CCEE revised the projected GSF for 2020 of 85%, in early Mar/20, to 81%.

Daily ANE - SIN (Avg. MW and %) + Storage Level Evolution - SIN (%)[1]



Demand – SIN and ONS/EPE forecast (Avg. GW)[3]



(1) Source: ONS; (2) Source: CCEE/EPE | LTA: Long Term Average; EAR: Stored Energy; SIN: National Grid.

CESP TRADING COMPANY

CESP Trading Company started to operate in January 2020 and the Company entered the electricity trading market so as to obtain results from the variation of energy prices within preestablished risk limits. Such operations are carried out on an active market and, for accounting measurement purposes, they comply with the definition of fair-value instruments.

The purpose of CESP Trading Company is to foster a more optimized management of CESP's energy balance, better management of hydrological risks and enhancement of the Company's commercial strategy.

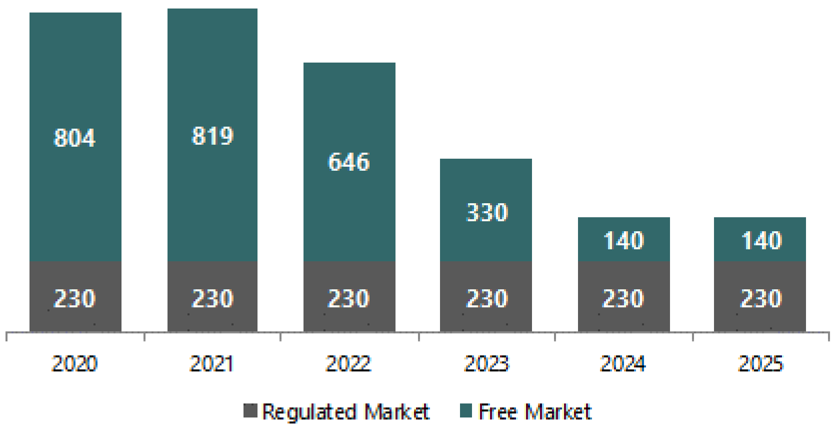
CUSTOMERS

CESP's sales contracts in the free market were mainly executed between 2003 and 2015 and are corrected for inflation (~70%) and the US dollar exchange rate (~30%). Additionally, some contracts provide for flexibility clauses, that is, minimum and maximum limits are applied to the seasonalized monthly volumes and to the consolidated volume for the year.

Contracts in the regulated market began in 2009 and 2010, mature in 2038 and 2039 with a volume of 230 average MW, and are corrected for inflation.

As from 2023, the volume of energy sold is substantially lower and as from 2026, the Company has no energy sold in the free market.

Customers Profile (average MW)



It is important to mention that the Company has introduced a hedging strategy in order to minimize currency exposure on revenues from sales contracts indexed to the USD, using Non-Deliverable Forwards ("NDF"). More details on this strategy can be found on page 15 of this document.

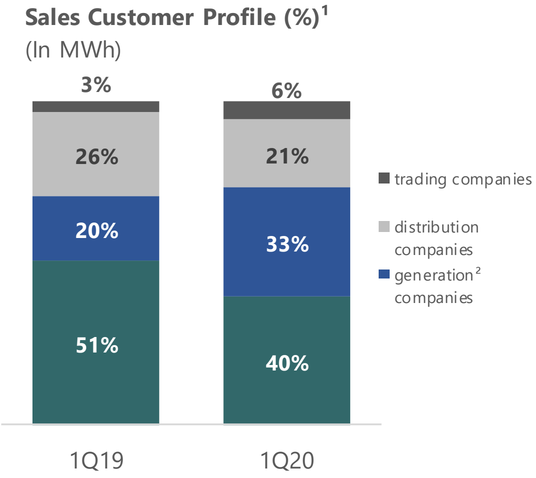
In 1Q20, the average adjusted price of contracts in the regulated market was BRL 243/MWh and in 1Q19, it was BRL 234/MWh , an increase of 4% in relation to 1Q19, mainly due to price adjustments with inflation (IPCA), as shown below.

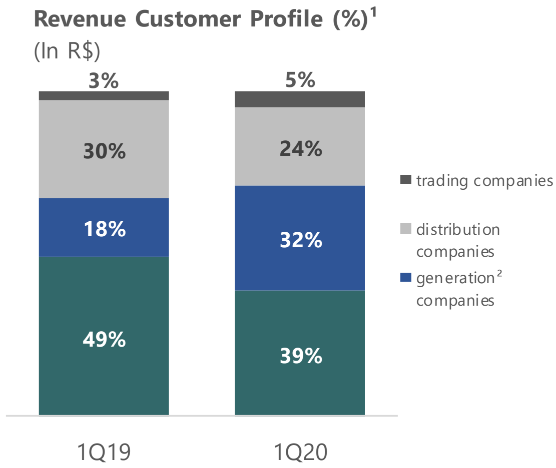
Start date	End date	Volume (average MW)	Starting gross price (BRL/MWh)	Gross price 1Q20 (BRL/MWh) (1)
01/01/2009	12/31/2038	82	125 (2)	253
01/01/2010	12/31/2039	148	116 (3)	238
Total		**230**	**119**	**243**

(1) Prices adjusted by the IPCA inflation index. | (2) Base date for start: June 29, 2006. | (3) Base date for start: December 16, 2005

In order to mitigate its exposure to hydrological risk, CESP renegotiated a total of 230 average MW contracted up to 2028 in the regulated market. Thus, this portion of its physical guarantee is fully protected against fluctuations in the GSF.

Free customers (manufacturers, traders and generation companies) represented 76% of the volume of sales in 1Q20. Sales volume to traders increased against 1Q19 as a result of the beginning of trading operations by CESP Trading Company.





(1) Excludes results associated with the CCEE trading / (2) Considers generators with integrated traders.

The adjusted average price of free market contracts (manufacturers, traders and generation companies) was BRL 210/MWh, 11% more than in 1Q19, due to price adjustments in the contracts, monetary correction and contractual terms permitting flexibility in energy allocation.

CONSOLIDATED OPERATING REVENUES

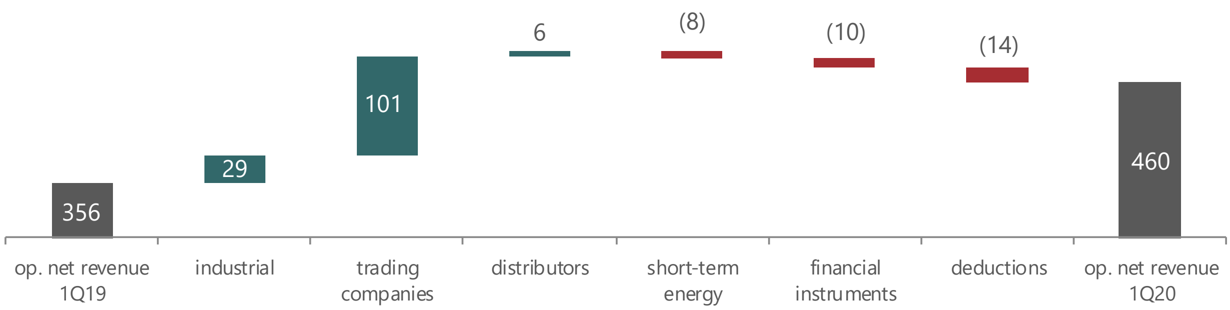
Net operating revenues in 1Q20 totaled BRL 461 million, BRL 105 million (+30%) higher than in 1Q19, mainly due to:

- **Trading Companies:** Considers the operations carried out by CESP Generating Company and CESP Trading Company. Increase of BRL 101 million due to the beginning of operations of CESP Trading Company, with revenues of BRL 61 million, in addition to the seasonalized energy sold in the comparison between the periods, and the adjustment of USD-indexed contracts.
- **Industrial:** Increase of BRL 29 million in sales volume due to contractual conditions previously agreed with counterparties (flexibility and seasonality).
- **Distributors:** Increase of BRL 6 million due to contractual adjustment clause.

These effects were partially offset by:

- **Deductions:** Reduction of BRL 14 million due to a change in classification of Porto Primavera Plant for Independent Energy Producer, ceasing to apply RGR and starting to apply UBP as of June 2020, partially offset by the increase in the amount of PIS/COFINS that accompanies the growth in revenue.
- **Derivative instruments:** Decrease of BRL 10 million as a result of settlement of derivative financial instruments contacted for hedging purposes.
- **Short-term energy:** Decrease of BRL 8 million due to the new strategy for equalizing the Company's energy balance, combined with optimum management of CCEE receivables in view of systemic default.

Net Operating Revenues 1Q19 vs. 1Q20 (BRL million)



Derivative Financial Instruments

CESP has USD-indexed energy sales contracts accounting for about 30% of the free market revenues. In order to minimize the currency risk from these contracts, we have introduced a hedging strategy using Non-Deliverable Forward ("NDFs"), shown in the books as hedge accounting. The aim is to hedge approximately 95% of the currency exposure in 2020 and 2021.

The following table reflects the position of derivative instruments as of March 31, 2020:

NDFs	Notional (USD thousands)	Average forward exchange rate (BRL)	Fair value (BRL thousands)
2020	97,000	4.25	(94,191)
2021	111,000	4.36	(105,372)
Total	**208,000**		**(199,563)**

The fair value of the hedging instruments will be recognized in shareholders' equity until the proposed transaction takes place or is settled. After this, gains or losses will be recognized in income. For more details, see note 24.5 to the ITR for 1Q20.

OPERATING COSTS AND EXPENSES

Consolidated operating costs and expenses totaled BRL 252 million in 1Q20, a 45% decrease against BRL 459 million in 1Q19.

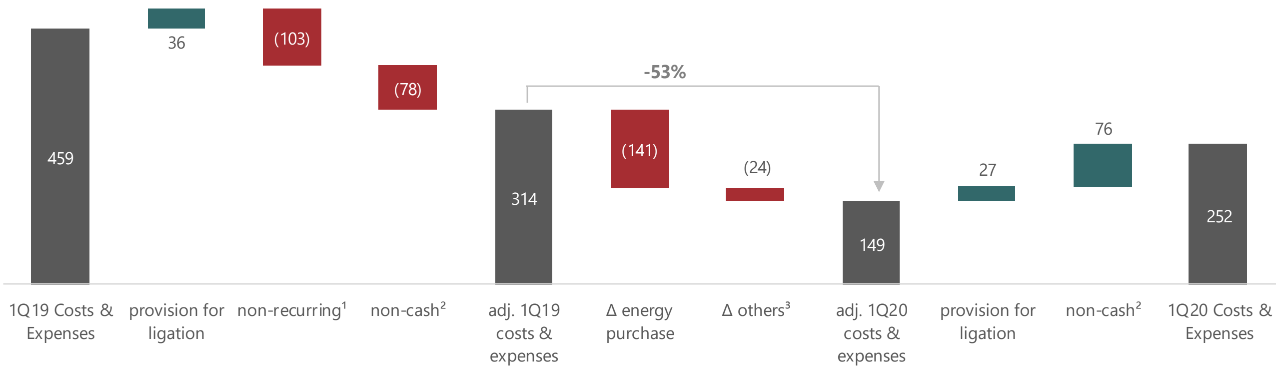
In both quarters, there were non-recurring and non-cash effects, as follows:

- **Non-recurring effects:** includes costs relating to the Voluntary Dismissal Plan (VDP) completed in 1Q19 and joined by 327 employees, in the amount of BRL 103 million (BRL 8 million in operating costs and BRL 94 million in administrative expenses).
- **Provision for litigation:** A provision was set up in 1Q20 in the amount of BRL 27 million, in line with our strategy to continuously review risk forecasts for court cases and amounts under discussion, to supplement the procedural strategy for reducing contingent liabilities. In 1Q19 a provision was reversed in the amount of BRL 36 million. Additionally, in 2Q19 expenses for monetary correction on provision for litigation were reclassified from costs and expenses to financial expenses and the adjustments were reflected in 1Q19 for comparison purposes.

- **Non-cash effects:** Include depreciation/amortization, inventory provisions and marking-to-market of energy futures. In 1Q20, non-cash amount totaled BRL 76 million, due to the higher depreciation and amortization expense in the amount of BRL 100 million arising from the change in useful life of the assets of Porto Primavera, as well as amortization of UBP and grant, partially offset by marking-to-market of trading contracts in the amount of BRL 25 million. In 1Q19 cash effects totaled BRL 78 million, due to depreciation and amortization in the period.

Excluding non-recurring, non-cash effects and provision for litigation, operating costs and expenses in 1Q20 totaled BRL 149 million, 53% less than in 1Q19, when the figure reported was BRL 314 million.

Costs and Expenses 1Q20 vs. 1Q19 (BRL million)



(1) Considering expenses with VDP / (2) Considering depreciation/amortization and provision (reversal) to reduce the realizable value of warehouses, provision for PIS / COFINS on judicial deposits and mark-to-market future energy contracts. | (3) Excludes costs and expenses with purchased energy.

It should be noted that the Company took various different measures to gain operating efficiency and rationalize costs and expenses.

- **Energy purchases:** 63% less than in 1Q19, in line with the new seasonality and trading strategies adopted by the Company.
- **Personnel and management**: Reduction of 46%, due to a fall of approximately 50% in staff numbers and changes in professional profile, accompanied by reformulation of targets, performance appraisal, development and professional training – management recognized by the Great Place to Work – GPTW label.
- **Third party services, material and rents:** Fall of 50% through renegotiation of contracts and review of procedures, enabling efficiency gains in costs and operations.

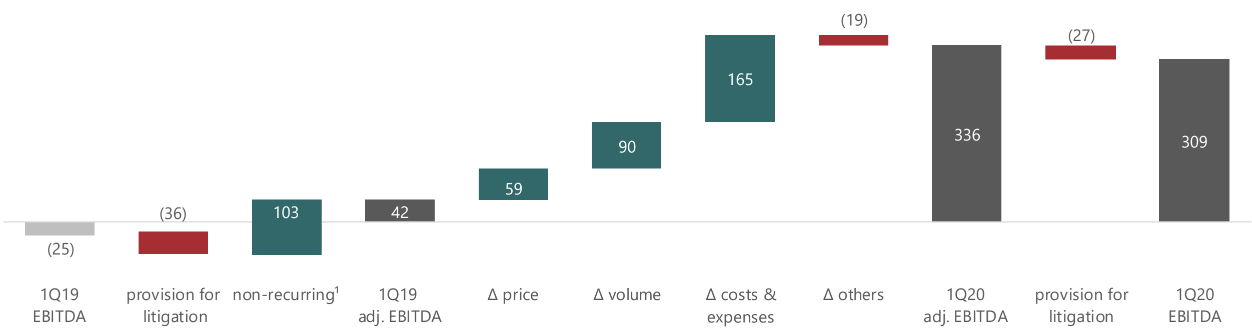
CONSOLIDATED EBITDA

CONSOLIDATED EBIT / EBITDA - BRL thousand	1Q20	1Q19	Chg.(%)
Net Income	**53,813**	**(158,243)**	**n.m.**
Net IR/CSLL	45,774	3,471	n.m.
Financial Result	109,210	51,662	111%
= EBIT	**208,797**	**(103,110)**	**n.m.**
Depreciation / amortization	100,395	78,510	28%
EBITDA	**309,192**	**(24,600)**	**n.m.**
VDP - Voluntary Dismissal Program	-	102,504	n.m.
Provision for litigation	26,979	(36,307)	n.m.
Ajusted EBITDA	**336,171**	**41,597**	**n.m.**
Ajusted EBITDA margin	73%	12%	61 p.p.

Adjusted EBITDA totaled BRL 336 million in 1Q20 with a margin of 73%, up by BRL 294 million over the same period of 2019.

The increase in Adjusted EBITDA is mainly explained by the drop in costs and expenses, most of which came from the reduction of 63% in cost of energy purchases and from the beginning of operations of CESP Trading Company.

EBITDA 1Q19 vs. 1Q20 (BRL million)



(1) Includes VDP expenses / (2) Excludes non-cash items: PIS/COFINS provision, judicial deposits and mark-to-market future energy contracts

CONSOLIDATED FINANCIAL RESULTS

Financial Results – BRL thousand	1Q20	1Q19	Chg. (%)
Financial revenues	**10,513**	**33,102**	**-68%**
Financial expenses	**(119,723)**	**(85,444)**	**40%**
Debt charges	(25,604)	(35,387)	-28%
Provision for litigation	(69,085)	(49,450)	40%
Monetary variation	-	680	n.m.
Other finance costs	(25,034)	(607)	n.m.
Financial results	**(109,210)**	**(51,662)**	**111%**

The net financial result for 1Q20 was an expense of BRL 109 million compared to an expense of BRL 52 million in 1Q19. The change is mainly due to:

- **Adjustment in the balance of provision for litigation:** Increase of BRL 20 million due to an increase in the adjustment indexes in the period.
- **Other finance costs:** Increase of BRL 24 million, mainly due to an adjustment in the balance of actuarial liabilities (CPC 33), recorded in 4Q19,

Partially offset by:

- **Financial revenues:** Reduction of BRL 22 million due to the lower cash balance in the comparison between the quarters (BRL 950 million in 1Q20 vs. BRL 2,160 million in 1Q19).
- **Debt charges:** BRL 10 million down due to the lower interbank deposit (CDI) rate during the period, given that remuneration of debentures in the amount of BRL 1.8 billion is indexed to that rate, and the settlement of the BNDES Brady loan in 2019.

NET RESULT

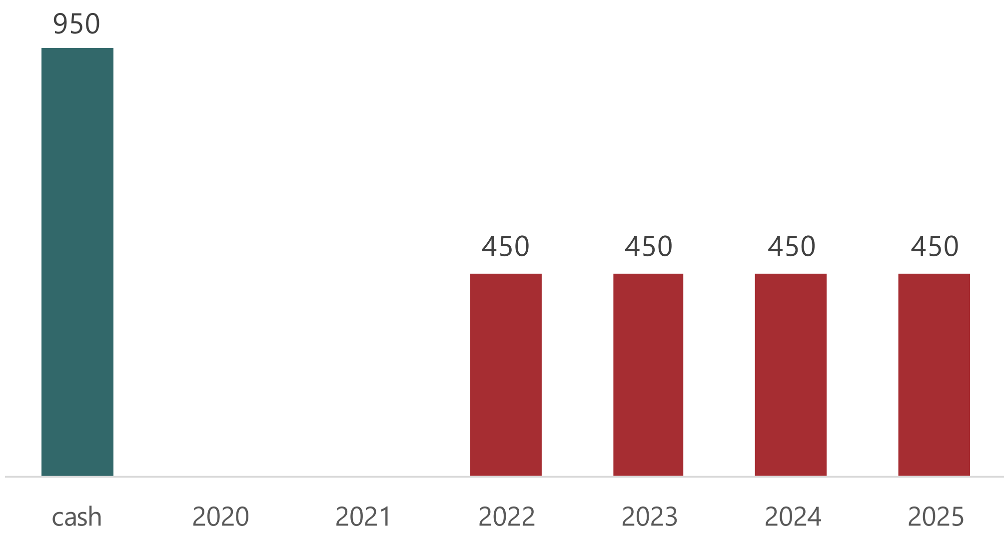
Net income for 1Q20 totaled BRL 54 million, against net loss of BRL 158 million in 1Q19. This variation is mainly due to the increase in revenues from energy sales in 1Q20 as a result of the beginning of operations of CESP Trading Company, and the 63% reduction in the cost of energy purchases.

DEBT

Gross debt[1] as of March 31, 2020 was BRL 1,818 million against BRL 1,791 million at the end of 2019.

CESP's main debt refers to a debenture in the amount of BRL 1,800 million at the cost of CDI + 1.64% p.a, with payment of semiannual interest and maturity in 2025. Funding was intended to cover the grant for renewal of HPP Porto Primavera concession. As of March 31, 2020, the average maturity of the debt was 4.2 years.

Repayment Schedule (BRL million)



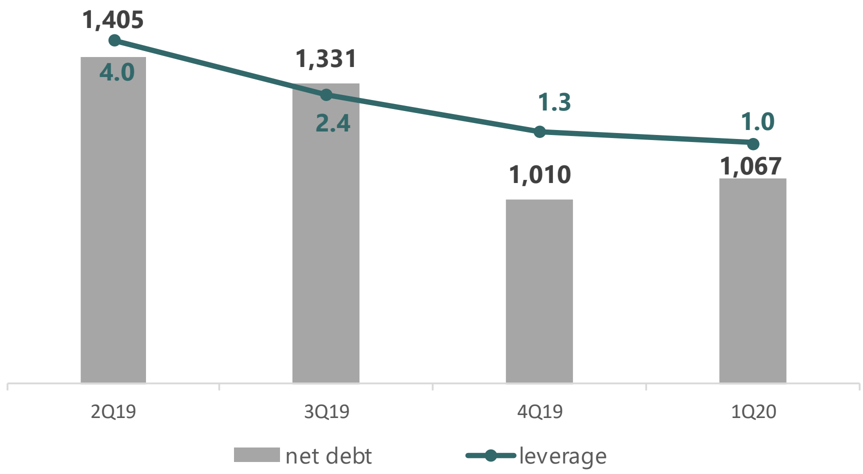
The consolidated position of cash and cash equivalents at the end of March 2020 was BRL 950 million against BRL 741 million in December 2019. The net debt[2] as of March 31, 2020 totaled BRL 1,067 million (BRL 1,010 million in 4Q19).

(1) Considers loans, financing and lease/ (2) Considers derivative financial instruments

LEVERAGE

Leverage, measured as net debt/adjusted EBITDA LTM, was 1.0x at the end of 1Q20.

Net Debt (BRL million) and Leverage (x)



RATING

As a result of a review of the sovereign rating in April 2020, Standard & Poor's ("S&P") reviewed CESP's outlook from positive to stable and at the same time confirmed its 'BB-' rating on the global scale, maintaining 'brAAA', as detailed below.

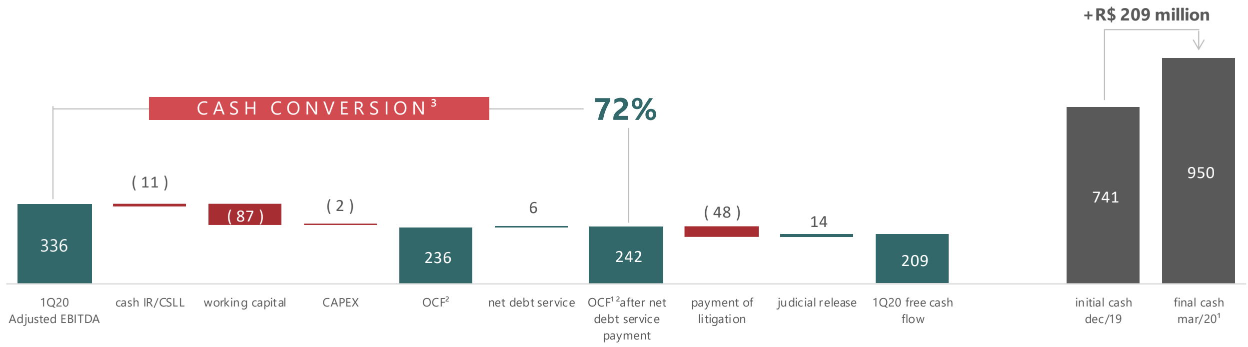
STANDARD & POOR'S	Rating	Outlook	Revised
	BB- | br.AAA	Stable	Apr/2019

FREE CASH FLOW

Cash flow - BRL thousand	1Q20	1Q19	Chg.(%)
Adjusted EBITDA	336,171	41,597	n.m.
Cash IR/CSLL	(10,662)	-	n.m.
Working capital	(87,154)	(32,767)	166%
CAPEX	(2,344)	(583)	n.m.
Operating cash flow	**236,011**	**8,247**	**n.m.**
Net debt service	6,408	25,627	-75%
Operating cash flow after debt service	**242,419**	**33,874**	**n.m.**
Payment of litigation	(47,881)	(22,155)	116%
Judicial release	14,297	-	n.m.
Funding	-	1,777,982	n.m.
Amortization	(11)	(40,163)	-100%
Dividends	(85)	-	n.m.
Free cash flow	**208,739**	**1,749,538**	**-88%**
Initial cash balance	741,444	410,886	80%
Final cash balance	950,183	2,160,424	-56%

Free cash flow in 1Q20 was BRL 209 million, 88% down against 1Q19, due to the funding of BRL 1.8 billion debentures issued in 1Q19 for payment of Porto Primavera grant in April 2019.

Cash Flow (BRL million)



(2) OCF = Operating Cash Flow. / (3) Considers cash conversion = (OCF after Debt Service/Adjusted EBITDA)

CAPEX

In 1Q20, CESP's capex was BRL 2 million, for use mainly to maintain our hydroelectric plants.

CONTINGENCIES

Proceedings and Judicial Liabilities

Currently, the Company is a party to legal proceedings representing total contingent liabilities of around BRL 11.7 billion. It is important to note that we have continued and intensified our in-depth analysis of our balance of contingent liabilities, engaging legal and financial advisors to supplement the work of our own team.

Accordingly, given the amount of our current contingent liabilities, we not only constantly review the amounts under discussion in court, but also the probabilities of loss on each existing case. Additionally, we are always seeking to improve management of and reduce contingent liabilities, and the cases the Company regards as "strategic" are submitted to internal monitoring and are handled by first-class external counsel. Equally careful attention is given to the rest of the litigation portfolio.

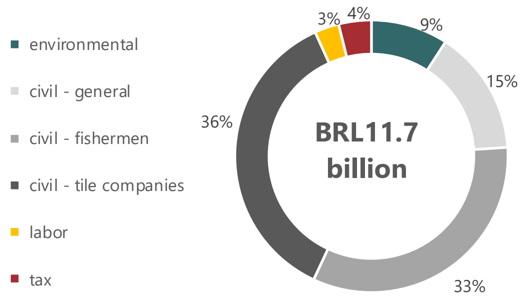
We wish to make it clear that the amount of contingent liabilities is constantly changing because it depends on the progress of the court cases. Accordingly, it is our policy to reflect in the balance sheet, with as short a lapse of time as possible, the actual status of our portfolio of liabilities (and this is the reason why the balances change every quarter).

As to contingencies for cases where the possibility of loss is remote, the Company still adopts its past practice of disclosing in its Financial Statements the total amount of such contingencies. However, although we believe that disclosing these amounts shows consistency, we reiterate that, among the various cases assessed as remote risks, there are some where the amount claimed is out of proportion to the sum that the Company would have to pay in the event of a loss.

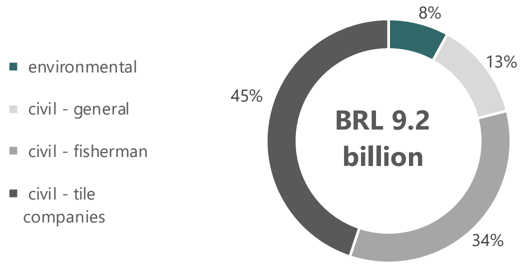
Lastly, and without prejudice to our constant efforts to reduce our contingent liabilities, we wish to be transparent and to call attention to the fact that we may have difficulty in doing so in the event that new claims are brought against the Company, or if the amounts involved in existing cases should increase. Thus, in addition to our technical and procedural efforts to reduce these contingencies, the process has also taken on a preventive role, in order to reduce the volume of new claims that may be lodged against us.

Currently, the group of strategic cases consists of 45 proceedings, representing approximately 79% of the Company's contingent liabilities. Details are given below:

Contingent liabilities profile



45 cases account for **79%** of the total contingent liability

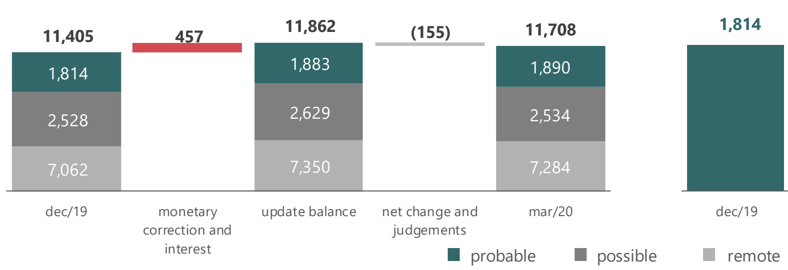


In 1Q20, we made progress in dealing with the strategic cases, with the help of our external advisors and, taking all the cases together, we were able to reduce total contingencies by about BRL 155 million before the monetary correction, compared with the balance in December 2019.

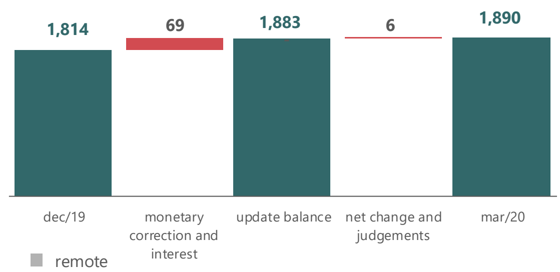
The fall in contingent liabilities in 1Q20 was due to a combination of: (i) closing of ~230 proceedings, most of which in the labor sphere, resulting from court settlement and definitive favorable and unfavorable rulings; (ii) careful review of the contingency amounts assigned to each of the strategic cases (adjustments can be up or down); and (iii) new claims received by the Company.

For more details on the key cases, see item 4.3 of the CESP Reference Form.

Contingent Liabilities – 1Q20 Variation
(BRL million)



Contingent Liabilities – 1Q20 Variation
(BRL million)



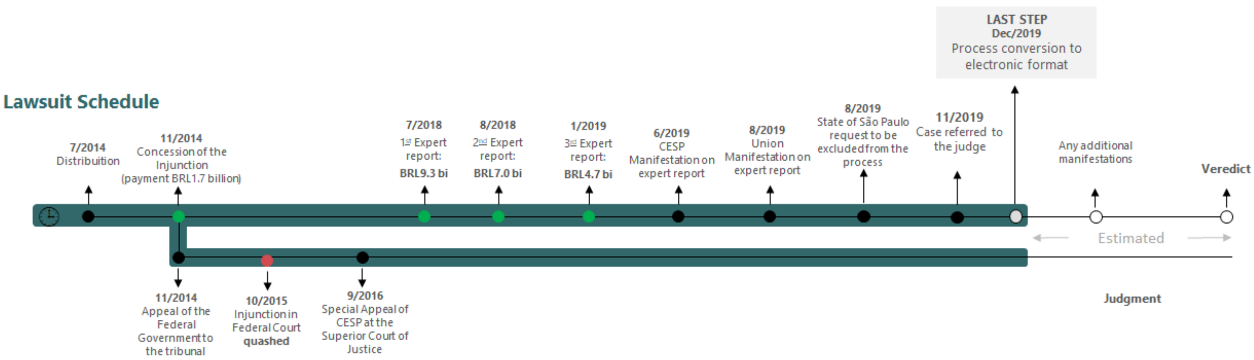
Court settlements and efforts to replace court deposits with other types of security resulted in the release of approximately BRL 12 million, which means a decrease of 4% against the balance in December 2019. This variation occurred primarily in labor claims closed in 1Q20.

In addition, even during the pandemic, CESP maintains negotiations aiming at reducing litigation liabilities with financial discipline and criteria.

Três Irmãos Lawsuit

The indemnity proceeding for Três Irmãos (case No. 45939-32.2014.4.01.3400) is at the investigation stage, with discussions about the report of the legal expert, who valued the reversible assets at BRL 4.7 billion (June/12 values). The valuation consists of: Plant: BRL 1.9 billion; Floodgates and Canal: BRL 1.0 billion; Land: BRL 1.8 billion

In parallel with the hearing of the case by the lower court there in an appeal pending judgment (Special Appeal No. 1.643.760/SP) at the Superior Court of Justice (STJ), filed by CESP in December 2016 calling for immediate payment by the federal government of the uncontested figure of BRL 1.7 billion (June/12 values). We are currently waiting for this appeal to be put on the agenda for trial by the STJ.



CAPITAL MARKETS

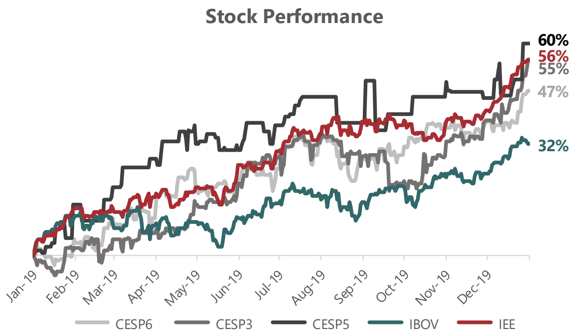
CESP's common shares ("CESP3") and class A and B preferred shares ("CESP5" and "CESP6", respectively) are listed and traded on the São Paulo Stock Exchange ("B3") on Level 1 of Corporate Governance, with ethics and transparency being upheld in relations with shareholders and other Company stakeholders. The Company shares are included in several indexes, among them the Corporate Governance Index, which includes companies with high standards of corporate governance, and the Brazil 100 Index, which consists of the most actively traded shares on B3.

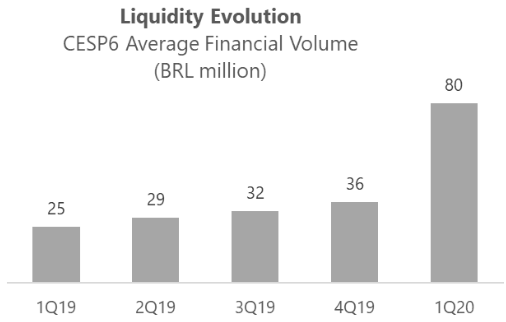
On March 31, 2020, the Class B Preferred Shares (CESP6), which represent 64.4% of the Company's total capital, were quoted at BRL 26.88. The average daily turnover in these shares was BRL 80 million in 1Q20 (vs. BRL 25 million for 1Q19).

The common shares (CESP3), which represent 33.3% of the capital, were quoted at BRL 27.90. The Class A Preferred Shares (CESP5), representing 2.3% of the capital, were quoted at BRL 30.99, on December 31, 2019.

CESP's market capitalization as of March 31, 2020, was BRL 8.9 billion compared to BRL 7.7 billion as of March 31, 2019.

It important to mention that CESP's shares, as well as the Brazilian capital markets as a whole, were negatively affected by the Coronavirus (COVID-19) pandemic declared by the World Health Organization ("WHO") on March 11, 2020. As a result, the Class B Preferred Share (CESP6) recorded a 16% drop against the closing of the last trading session before declaration of the pandemic (March 10, 2020), when it was quoted at BRL 31.83.





EXHIBITS – (BRL thousands)

Income Statement (Detailed)	Parent Company			Consolidated		
BRL thousand	**1Q20**	**1Q19**	**Chg. (%)**	**1Q20**	**1Q19**	**Chg. (%)**
Operating income	**460,885**	**422,161**	**9%**	**540,862**	**422,161**	**28%**
Free market - Industrial	98,094	179,121	-45%	207,793	179,121	16%
Trading companies	225,053	97,977	130%	199,300	97,977	103%
Energy auctions - Distributors	126,777	120,885	5%	126,777	120,885	5%
Short-term energy	15,882	23,547	-33%	15,882	23,547	-33%
Derivative financial instruments	(5,668)	-	n.m.	(9,637)	-	n.m.
Other income	747	631	18%	747	631	18%
Deductions from operating revenues	**(61,676)**	**(66,543)**	**-7%**	**(80,322)**	**(66,543)**	**21%**
Quota for the reversal of global reserves - RGR	(843)	(12,308)	-93%	(843)	(12,308)	-93%
Research and development - R&D	(3,933)	(3,551)	11%	(3,933)	(3,551)	11%
Taxes on services - ISS	(23)	(34)	-32%	(23)	(34)	-32%
COFINS on operating revenues	(34,666)	(30,612)	13%	(49,986)	(30,612)	63%
PIS on operating revenues	(7,526)	(6,646)	13%	(10,852)	(6,646)	63%
Financial compensation for use of water resources	(13,456)	(12,608)	7%	(13,456)	(12,608)	7%
Inspection fee of electricity services - TFSE	(1,229)	(784)	57%	(1,229)	(784)	57%
Net operating revenue	**399,209**	**355,618**	**12%**	**460,540**	**355,618**	**30%**
Cost of energy service	**(173,695)**	**(349,882)**	**-50%**	**(226,335)**	**(349,882)**	**-35%**
Gross operating profit	**225,514**	**5,736**	**n.m.**	**234,205**	**5,736**	**n.m.**
Operating expenses	**(47,059)**	**(108,846)**	**-57%**	**(25,408)**	**(108,846)**	**-77%**
General and administrative expenses	(20,640)	(143,898)	-86%	(23,828)	(143,898)	-83%
Other operating expenses	(26,419)	35,052	n.m.	(1,580)	35,052	n.m.
Equity	20,316	-	n.m.	-	-	n.m.
Income (loss) operational before financial result	**198,771**	**(103,110)**	**n.m.**	**208,797**	**(103,110)**	**n.m.**
Financial income	10,051	33,102	-70%	10,513	33,102	-68%
Financial expenses	(119,692)	(85,444)	40%	(119,723)	(85,444)	40%
Exchange variation	-	680	n.m.	-	680	n.m.
Financial result	**(109,641)**	**(51,662)**	**112%**	**(109,210)**	**(51,662)**	**111%**
Income (loss) before tax and social contribution	**89,130**	**(154,772)**	**n.m.**	**99,587**	**(154,772)**	**n.m.**
Net IR/CSLL	(35,317)	(3,471)	n.m.	(45,774)	(3,471)	n.m.
Total income tax and social contribution	**(35,317)**	**(3,471)**	**n.m.**	**(45,774)**	**(3,471)**	**n.m.**
Net income (loss) for the period	**53,813**	**(158,243)**	**n.m.**	**53,813**	**(158,243)**	**n.m.**
Net income (loss) for the period per share	0.16	(0.48)	n.m.	0.16	(0.48)	n.m.

Asset	Parent Company 03/31/2020	Parent Company 12/31/2019	Consolidated 03/31/2020	Consolidated 12/31/2019
Current	**1,214,509**	**1,020,620**	**1,325,619**	**1,071,788**
Cash and cash equivalents	907,003	690,276	950,183	741,444
Derivative financial instruments	-	18,718	-	18,718
Receivables	197,826	198,930	237,155	198,930
Taxes and contributions for offset	11,704	8,357	18,032	8,357
Contracts of future energy	-	-	22,230	-
Prepaid expenses	5,486	11,186	5,486	11,186
Other credits	92,490	93,153	92,533	93,153
Non-current	**11,803,861**	**11,909,068**	**11,800,971**	**11,857,966**
Derivative financial instruments	-	21,225	-	21,225
Contracts of future energy	-	-	2,610	-
Pledges and restricted deposits	332,187	343,979	332,187	343,979
Deferred IR/CSLL	1,929,771	1,877,412	1,947,308	1,877,412
Warehouse	8,584	7,611	8,584	7,611
Assets available for reversal	1,719,390	1,719,390	1,719,390	1,719,390
Investments	23,037	51,102	-	-
Intangible	1,560,881	1,575,300	1,560,881	1,575,300
Immobilized	6,222,653	6,305,943	6,222,653	6,305,943
Right of use over lease agreements	7,358	7,106	7,358	7,106
Total assets	**13,018,370**	**12,929,688**	**13,126,590**	**12,929,754**

Liabilities and Shareholders 'Equity	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current	**1,003,123**	**956,792**	**1,077,777**	**956,858**
Suppliers	4,649	8,824	4,687	8,849
Purchase energy for sale	14,380	35,755	37,162	35,755
Loans, financing and debentures	25,446	3,002	25,446	3,002
Lease	1,700	1,584	1,700	1,584
Derivative financial instruments	64,769	-	107,488	-
Estimated liabilities and payroll	14,277	21,497	14,564	21,497
Taxes and social contributions	40,338	23,494	49,165	23,535
Regulatory charges	115,303	115,673	115,303	115,673
Dividends and interest on capital	606,091	606,176	606,091	606,176
UBP - Use of public asset tax	40,254	29,275	40,254	29,275
Social and environmental obligations	27,382	23,474	27,382	23,474
Other obligations	48,534	88,038	48,535	88,038
Non-current	**4,969,093**	**4,827,991**	**5,002,659**	**4,827,991**
Loans, financing and debentures	1,785,056	1,781,123	1,785,056	1,781,123
Lease	5,729	5,624	5,729	5,624
Regulatory charges	12,014	12,014	12,014	12,014
Use of public asset tax	149,493	158,355	149,493	158,355
UBP - Use of public asset tax	58,508	-	92,075	-
Provision for litigation	1,889,659	1,814,375	1,889,659	1,814,375
Social and environmental obligations	160,474	164,536	160,474	164,536
Employees pension	851,872	836,995	851,872	836,995
Other obligations	56,288	54,969	56,287	54,969
Shareholders' Equity	**7,046,154**	**7,144,905**	**7,046,154**	**7,144,905**
Capital stock	5,975,433	5,975,433	5,975,433	5,975,433
Capital reserves	1,929,098	1,929,098	1,929,098	1,929,098
Profit reserves	1,084,883	1,084,883	1,084,883	1,084,883
Equity valuation adjustments	(938,897)	(948,623)	(938,897)	(948,623)
Other comprehensive income	(1,048,450)	(895,886)	(1,048,450)	(895,886)
Retained earnings	44,087	-	44,087	-
Total Liabilities and Shareholders 'Equity	**13,018,370**	**12,929,688**	**13,126,590**	**12,929,754**

	Parent Company						
	1Q20			1Q19			
Costs & Expenses	**Costs**	**Expenses**	**Total**	**Costs**	**Expenses**	**Total**	**Var. (%)**
Purchased energy	(29,696)	-	(29,696)	(222,998)	-	(222,998)	-87%
Regulatory charges	(33,931)	-	(33,931)	(28,238)	-	(28,238)	20%
Personnel	(7,493)	(10,305)	(17,798)	(5,504)	(33,504)	(39,008)	-54%
VDP - voluntary dismissal program	-	-	-	(8,191)	(94,313)	(102,504)	n.m.
Administrators	-	(1,240)	(1,240)	-	(366)	(366)	n.m.
Social security entity	-	122	122	-	(3,372)	(3,372)	n.m.
Material	(442)	(77)	(519)	(908)	(296)	(1,204)	-57%
Third-party services	(1,233)	(4,092)	(5,325)	(4,042)	(8,856)	(12,898)	-59%
Insurance	-	(2,250)	(2,250)	-	(409)	(409)	n.m.
Depreciation/amortization	(98,367)	(1,967)	(100,334)	(76,649)	(1,861)	(78,510)	28%
Rents	(116)	(504)	(620)	-	(714)	(714)	-13%
Provision (reversal) to reduce the realizable value of warehouses	-	54	54	-	4,796	4,796	-99%
Provision for litigation	-	(26,979)	(26,979)	-	36,307	36,307	n.m.
Provision for PIS / COFINS judicial deposits	-	(15)	(15)	-	(81)	(81)	-81%
Provision for doubtful accounts	-	-	-	-	253	253	n.m.
Other (expenses) or income	(2,417)	194	(2,223)	(3,352)	(6,430)	(9,782)	-77%
Total	**(173,695)**	**(47,059)**	**(220,754)**	**(349,882)**	**(108,846)**	**(458,728)**	**-52%**

	Consolidated						
	1Q20			1Q19			
Costs & Expenses	**Costs**	**Expenses**	**Total**	**Costs**	**Expenses**	**Total**	**Var. (%)**
Purchased energy	(82,336)	-	(82,336)	(222,998)	-	(222,998)	-63%
Regulatory charges	(33,931)	-	(33,931)	(28,238)	-	(28,238)	20%
Personnel	(7,493)	(12,402)	(19,895)	(5,504)	(33,504)	(39,008)	-49%
VDP - voluntary dismissal program	-	-	-	(8,191)	(94,313)	(102,504)	n.m.
Administrators	-	(1,240)	(1,240)	-	(366)	(366)	n.m.
Social security entity	-	122	122	-	(3,372)	(3,372)	n.m.
Material	(442)	(75)	(517)	(908)	(296)	(1,204)	-57%
Third-party services	(1,233)	(4,953)	(6,186)	(4,042)	(8,856)	(12,898)	-52%
Insurance	-	(2,250)	(2,250)	-	(409)	(409)	n.m.
Depreciation/amortization	(98,367)	(2,028)	(100,395)	(76,649)	(1,861)	(78,510)	28%
Rents	(116)	(547)	(663)	-	(714)	(714)	-7%
Provision (reversal) to reduce the realizable value of warehouses	-	54	54	-	4,796	4,796	-99%
Provision for litigation	-	(26,979)	(26,979)	-	36,307	36,307	n.m.
Mark-to-market future energy contracts	-	24,840	24,840	-	-	-	n.m.
Provision for PIS / COFINS judicial deposits	-	(15)	(15)	-	(81)	(81)	-81%
Provision for doubtful accounts	-	-	-	-	253	253	n.m.
Other (expenses) or income	(2,417)	65	(2,352)	(3,352)	(6,430)	(9,782)	-76%
Total	**(226,335)**	**(25,408)**	**(251,743)**	**(349,882)**	**(108,846)**	**(458,728)**	**-45%**