

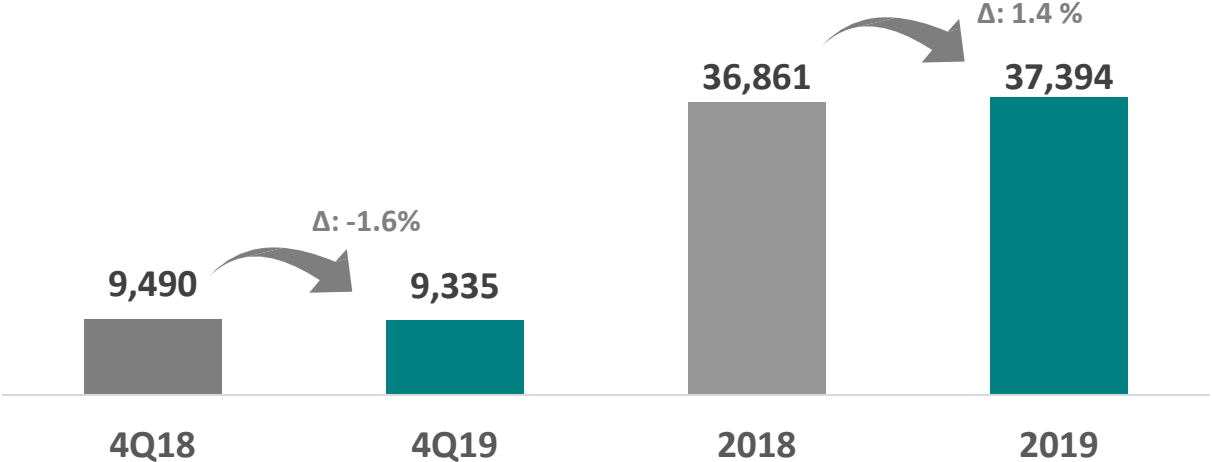


Earnings Results Presentation 4Q19

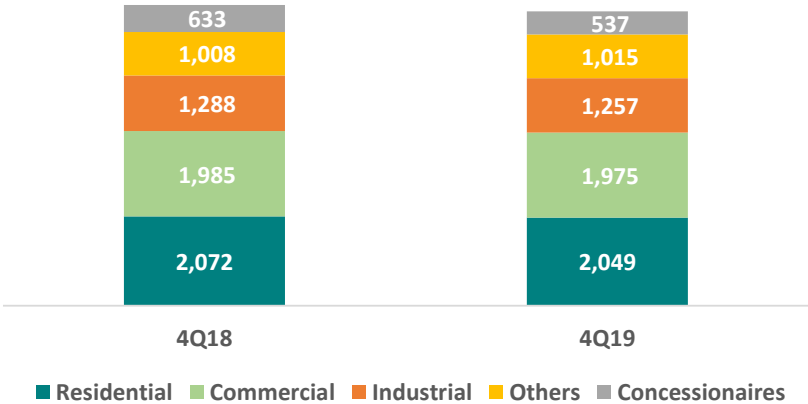
Rio de Janeiro
March 13, 2020

Grid load reduction followed by billed market in the quarter

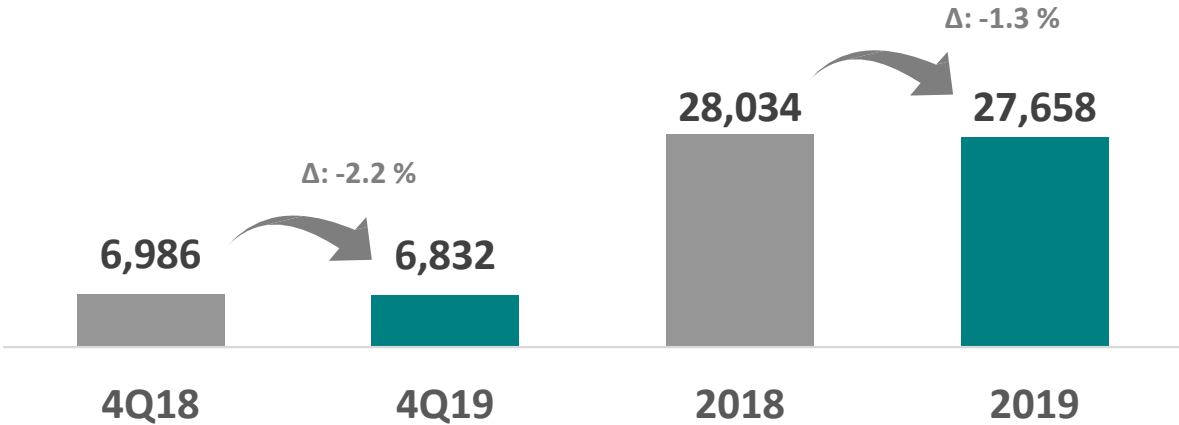
Grid Load (GWh)



Billed market per segment



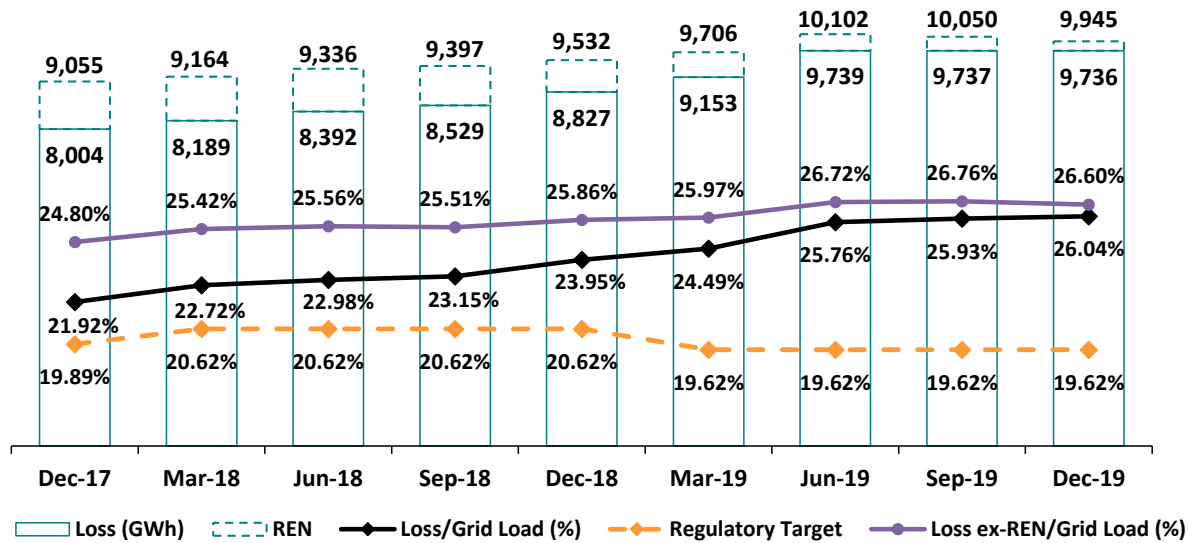
Billed market (GWh)



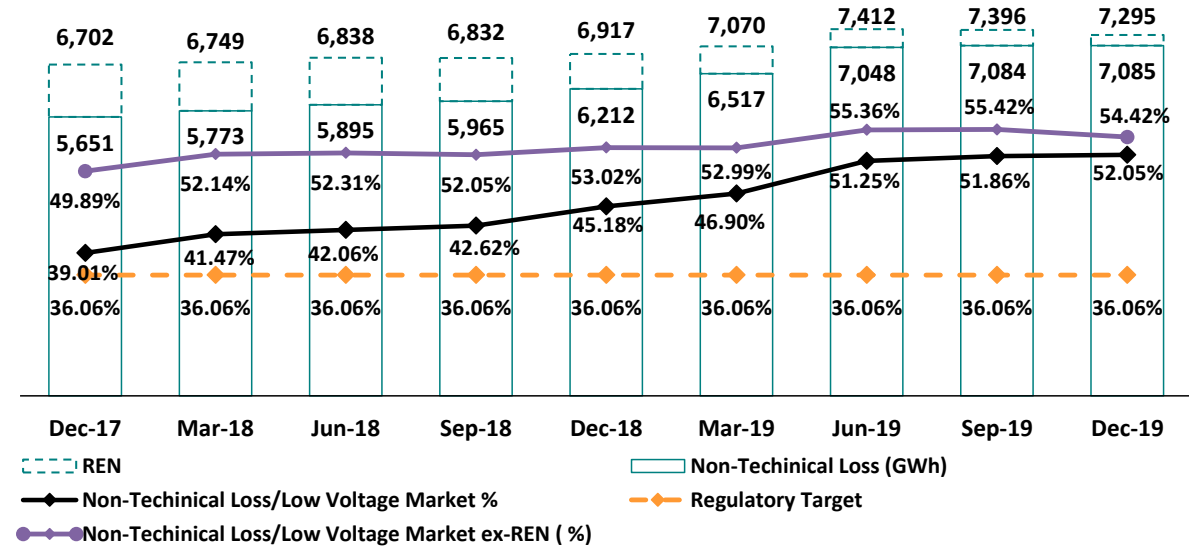
- Residential:** lower REN volume in the period
- Industrial:** retraction mainly in the consumption of customers of the steel mills
- Commercial:** positive performance of transport, telecommunications and supermarkets
- Others:** higher consumption related to traction (subway, train and tram) and Public authorities
- Concessionaires:** decrease of 15.2% in the period

Stable total loss for the second consecutive quarter

Total Loss evolution (12 Months)



Evolution of non-technical loss (12 Months)



Conclusion of the loss combat diagnosis plan

Formalization and incorporation of energy from cut customers

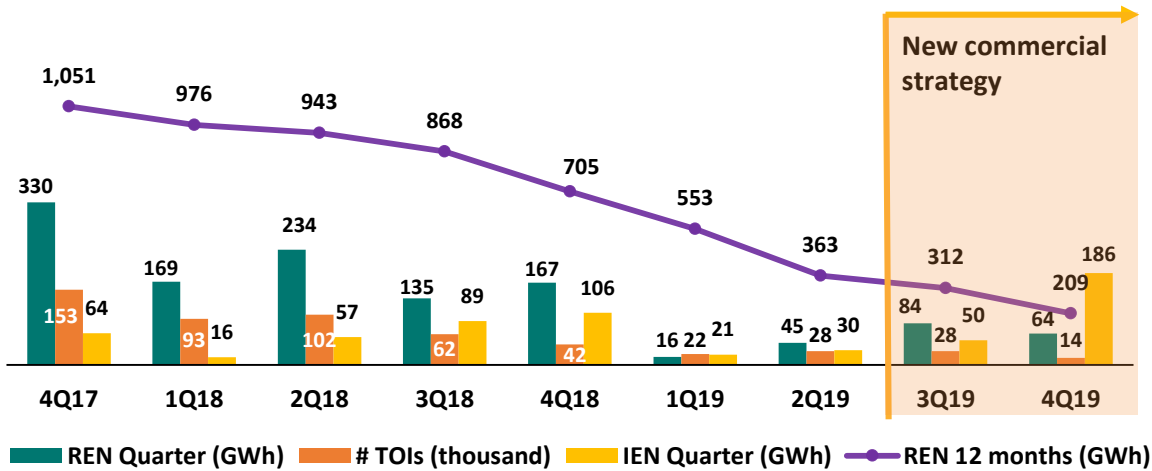
Insource of 100 employees in Dec '19 and another 200 in Jan '20

Partnership with the Police resulting in 47 arrests widely reported in the media

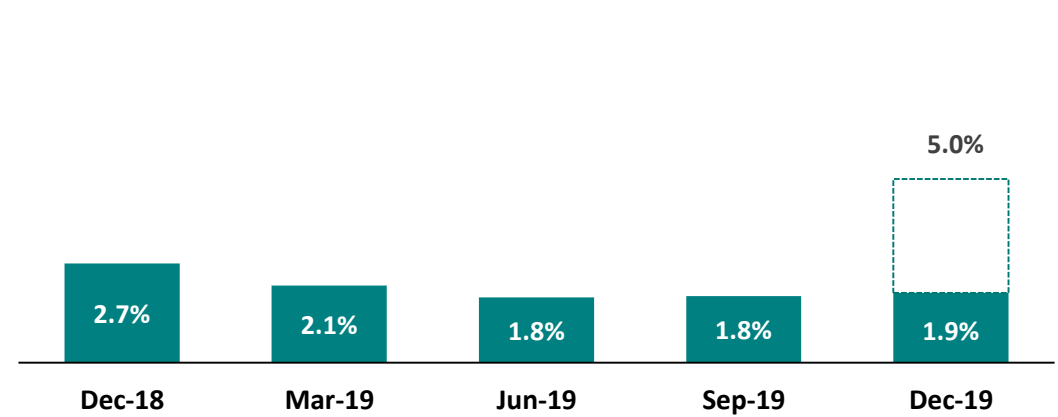
Reduction in total ex-REN loss by 105GWh, twice as much as in 3Q19

Higher quality REN avoids cancellations, ensures a good collection rate and increased energy incorporation

Recovery Energy – REN (GWh)



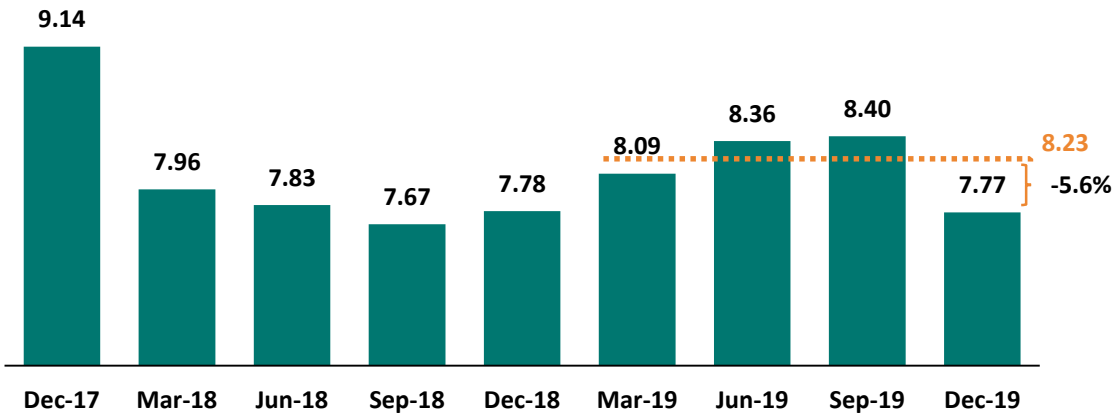
PECLD/Gross Revenue (%) (12 Months)



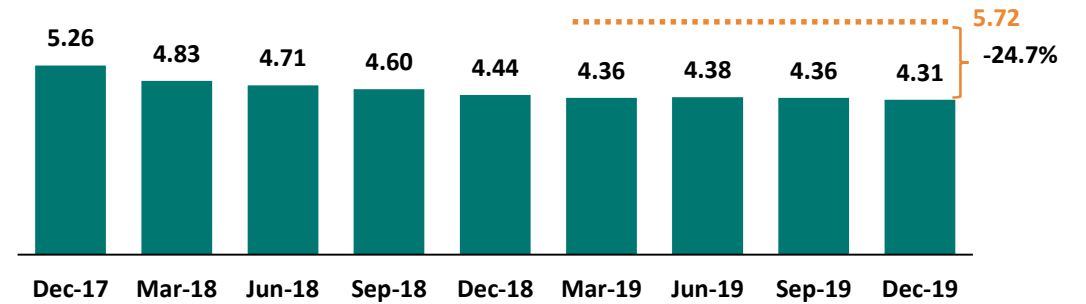
IEN increase in-line with the loss combat plan: focus on energy incorporation

DEC and FEC within concession contract target

DEC 12 months (hours)



FEC 12 months (times)

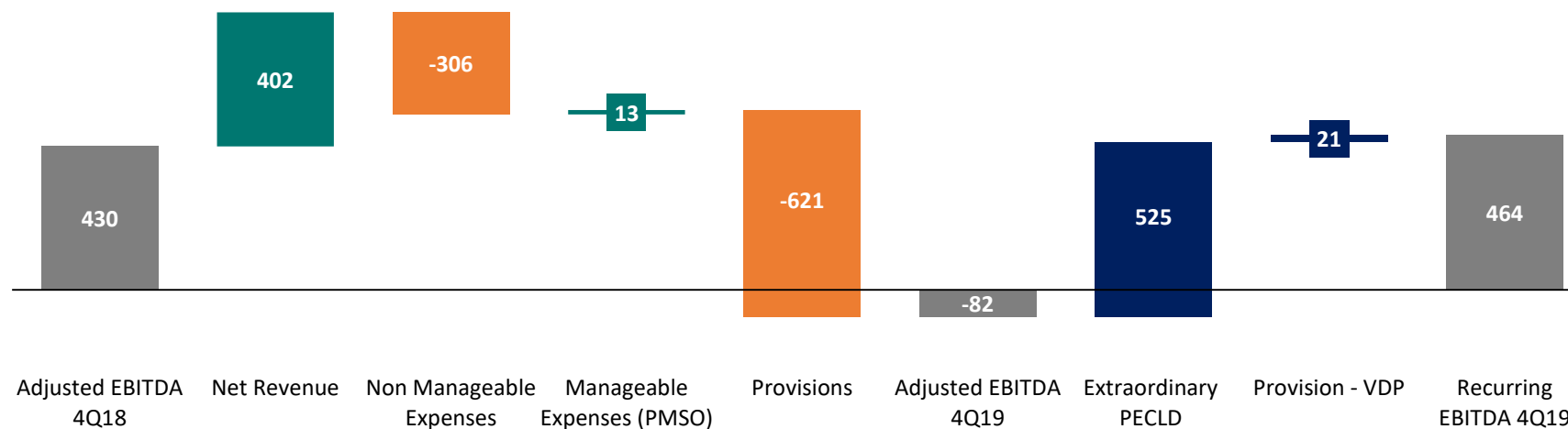


--- Target set at the 5th amendment to the concession contract (dec/19)

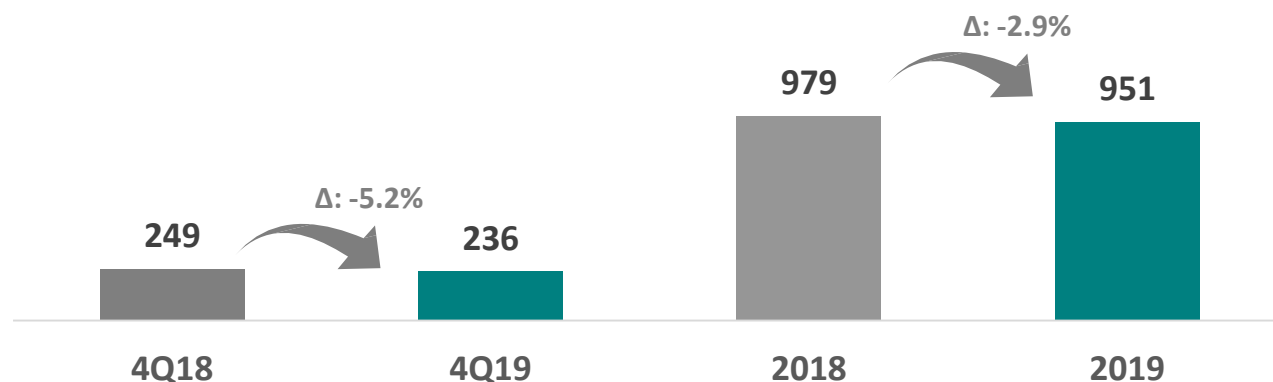
--- Target set at the 5th amendment to the concession contract (dec/19)

Recurring Consolidated EBITDA increased 7.9% in the period

Amounts in R\$ mn



PMSO (R\$ mn)

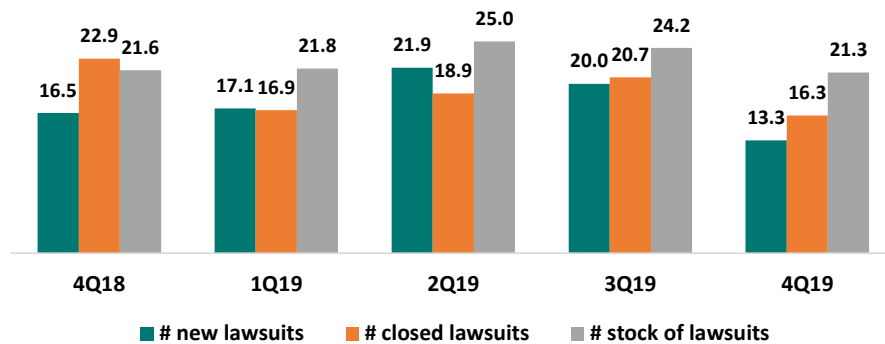


The reduction in DisCo PMSO was even greater (-7.3%), as a result of several management measures, among them personnel insourcing that brought greater productivity to teams

Reduction of new JEC processes reflects the improvement in the management of the commercial area

Provisions (R\$ MN)	4Q19	4Q18	% Change 4Q19/ 4Q18	2019	2018	% Change 2019/ 2018
JEC	(44)	(43)	2.9%	(191)	(159)	20.1%
Civil	(53)	(21)	156.0%	(143)	(47)	201.7%
Others	(45)	(2)	1893.7%	(79)	(32)	145.2%
Total	(142)	(66)	115.8%	(413)	(239)	72.9%

Number of JEC processes ('000)

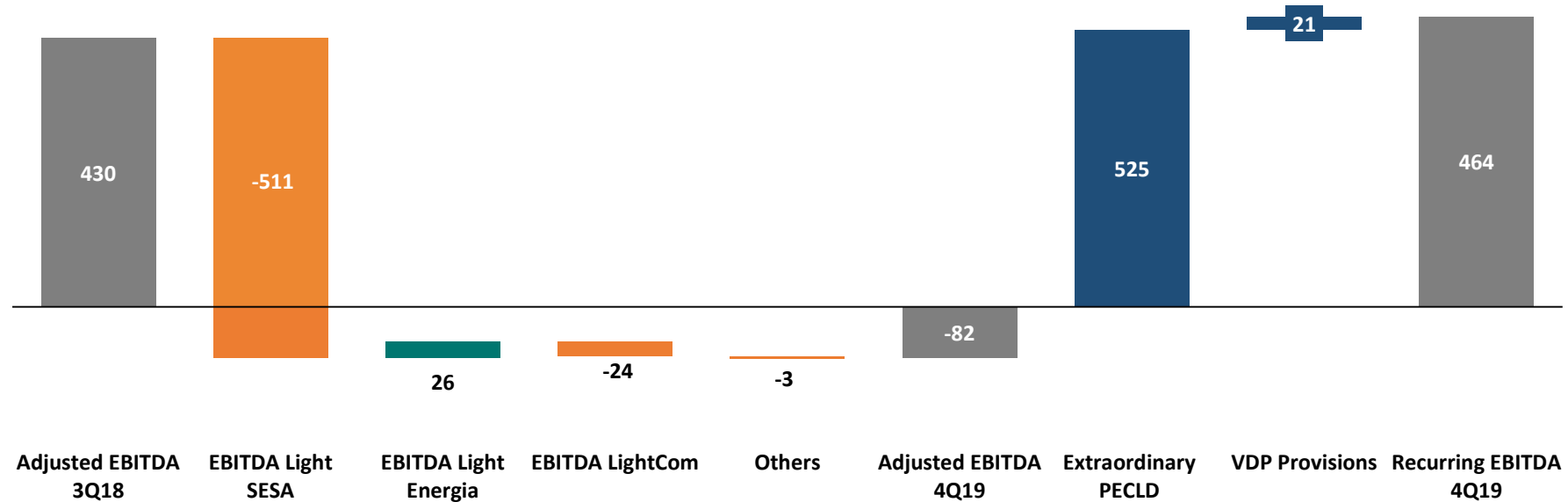


Focus on reducing contingencies

- ✓ Greater synergy and collaborative environment with the commercial area
- ✓ Training for judicial experts (partnership with TJRJ)
- ✓ New contract model and improvement in control and inspection of law firms
- ✓ Improvement of subsidies for the Company's defenses
- ✓ Precedent indicators showed improvement

Non-recurring events especially reduced the DisCo's EBITDA

Amounts in R\$ mn

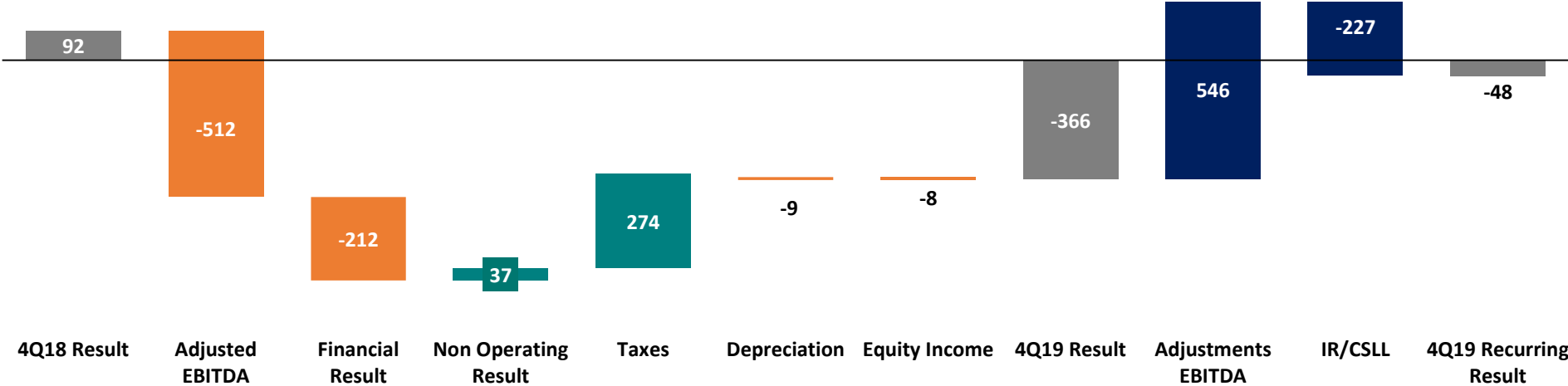


Recognition of extraordinary R\$525 million provision impacted the DisCo's EBITDA

Trading strategy contributed to higher GenCo EBITDA

Recurring net income impacted by lower financial income

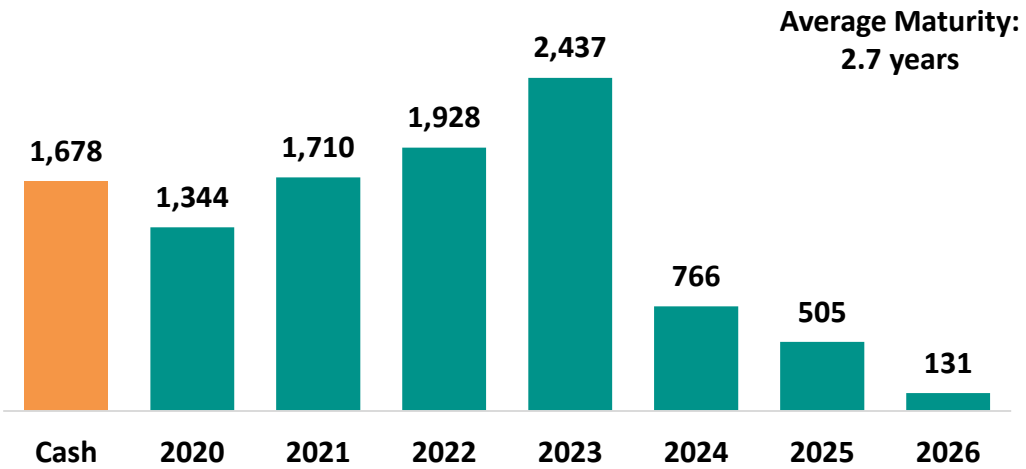
Amounts in R\$ mn



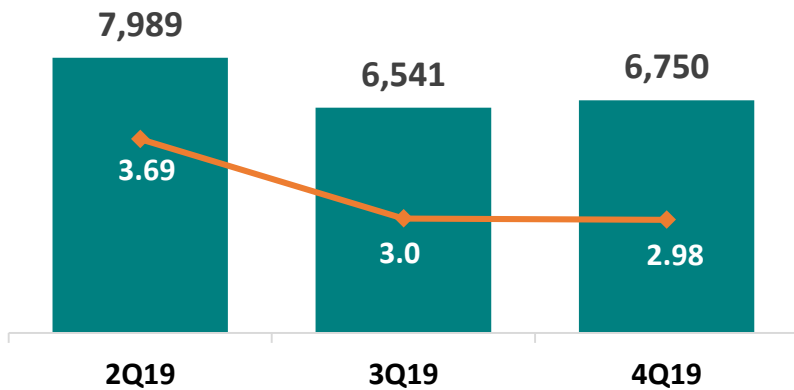
Lower financial result due to USD loan swap MtM and debt prepayment cost

Several liability management activities marked the quarter

4Q19 Consolidated debt amortization (R\$ mn)



Net Debt (R\$ MN) & Net Debt/EBITDA - (x)



Liability management achievements

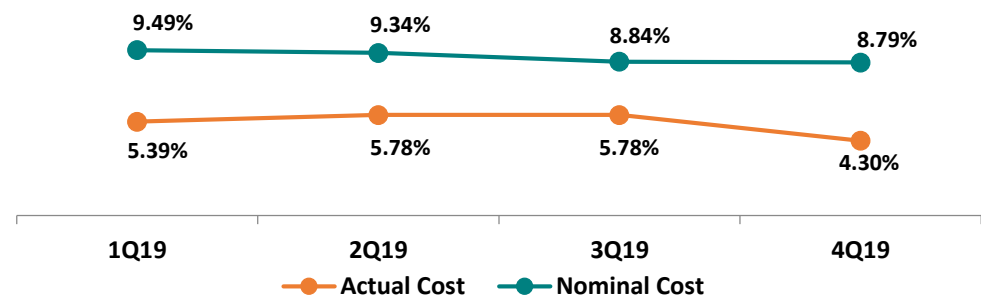
Early redemption of 35% of bonds

Partial loan settlement with BNDES

Issuance of Light Sesa 17th debentures R\$700 mm in 3 series

Issuance of the Light Sesa 5th promissory note R\$300 mm in 3 series

Debt Costs



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Thanks