4Q19 | EARNINGS

RESULTS

INVESTOR RELATIONS
ri.light.com.br/en
ri@light.com.br

Light

CONFERENCE CALL AND WEBCAST

MARCH 13, 2020

Portuguese	English
2:00 pm (Brasília)	3:00 pm (Brasília)
12:00 pm (EDT)	1:00 pm (EDT)

Brazil: +55 11 2188 0155
Other countries: +1 646 843 6054
Code: Light

EBITDA (RECURRING)	RESULT (RECURRING)	NET DEBT
R$464 MM	-R$48 MM	R$6,750 MM

Índice Brasil IBRX   ISEB3   Índice de Energia Elétrica IEE   Índice de Ações com Governança Corporativa Diferenciada IGC   Índice de Ações com Tag Along Diferenciado ITAG

Rio de Janeiro, March 12, 2020.

Company remains committed to turnaround:
Stable total loss and decreased PMSO for the second consecutive quarter

Financial Highlights

- **Consolidated recurring EBITDA totaled R$464 million** in 4Q19, representing a 7.9% increase compared to R$430 million in 4Q18, due to the better performance of Opex and the trading strategy of Light Energia. **In the aggregate for 2019, recurring EBITDA totaled R$1,692 million**, in line with that of 2018.
- **In 4Q19, consolidated recurring net result totaled a net loss of R$48 million**, compared to a net income of R$92 million in 4Q18. This decrease is primarily due to the deterioration in financial result, affected by the market-to-market of debt denominated in foreign currency. **In the aggregate for 2019, recurring net result reached R$178 million** compared to R$166 million in 2018.
- **Recurring EBITDA and net result in 4Q19 exclude** the recognition of an extraordinary PECLD in the amount of R$525 million, regarding one-off adjustments in receivable accounts and a provision in the amount of R$21 million regarding the 2019 Voluntary Dismissal Plan (*Plano de Demissões Voluntárias*). In the aggregate for 2019, the recurring results exclude the effects of the favorable decision rendered in a lawsuit excluding ICMS from the calculation basis of PIS/COFINS and those related to Renova.
- **In 4Q19, PMSO decreased by R$13 million** compared to 4Q18, representing a 5.2% decrease, largely due to **lower PMSO of the distribution company, which decreased by 7.3%** compared to 4Q18, due to a number of management measures, including greater productivity of insourced teams.
- **In 4Q19, PECLD, excluded from the extraordinary event, totaled R$88 million (compared to R$68 million in 4Q18), accounting for 1.9% of gross revenue (12 months)**, which is in line with the amount recorded in September 2019.
- **At the end of 4Q19, Net Debt/EBITDA ratio was 2.98x**, in line with 3.0x recorded in 3Q19 and below the limit of 3.75x set forth as covenant in most debt agreements. **In the end of 4Q19, Net Debt totaled R$6,750 million.**

Financial Highlights (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Net Revenue*	3,098	2,696	14.9%	12,663	11,310	12.0%
PMSO	236	249	-5.2%	951	979	-2.9%
Adjusted EBITDA[1]	(82)	430	-	1,962	1,684	16.5%
Recurring EBITDA	464	430	7.9%	1,692	1,684	0.5%
Net Income	(366)	92	-	1,328	166	700.9%
Recurring Net Income	(48)	92	-	178	166	7.4%
Net Debt/EBITDA - covenants (x)	2.98	3.63	-17.7%	2.98	3.63	-17.7%
PECLD/ROB	1.9%	2.7%	-0.8 p.p.	1.9%	2.7%	-0.8 p.p.
CAPEX Light	282	278	1.6%	885	799	10.8%
Net operating cash generation	213	134	58.6%	452	41	989.9%

* Does not consider construction revenue.

Operating Highlights

- **At the end of 2019, total loss on grid load (12 months) was 26.04%,** virtually in line with 25.93% in September 2019. In 4Q19, total loss on grid load (12 months) stabilized at 9,736 GWh, compared to 9,737 GWh in 3Q19. At the end of 4Q19, excluding REN, total loss on grid load (12 months) was 26.60%, representing a 0.2 p.p. decrease compared to 3Q19. In terms of GWh, excluding REN, total loss on grid load (12 months) decreased by 105 GWh.
- **The grid load decreased by 1.6% compared to 4Q18,** primarily due to concessionaires that are located next to Light's area and the decrease in consumption of customers of the steel sector. **The billed market decreased by 2.2%** compared to 4Q18 **and by 0.7%, excluding the effects of higher REN in 4Q18.**
- **In 4Q19, DEC (12 months) was 7.77 hours**, representing a 7.5% decrease compared to 3Q19, and **FEC (12 months) was 4.31x**, representing a 1.1% decrease compared to 3Q19. **At the end of 2019, DEC and FEC were within the limit established by ANEEL.**
- **The 10.1% increase in the number of employees** is due to the strategy to insource labor related to activities to combat losses and reading/delivery of bills.

Operational Highlights	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Grid Load* (GWh)	9,335	9,490	-1.6%	37,394	36,861	1.4%
Billed Market (GWh)	6,832	6,986	-2.2%	27,658	28,034	-1.3%
Sold Energy - Generation (MWm)	564	548	2.9%	540	543	-0.4%
Commercialized Energy - Com (MWm)	689	804	-14.3%	665	793	-16.2%
Total Loss/Grid Load (12 months)	26.04%	23.95%	2.09 p.p.	26.04%	23.95%	2.09 p.p.
DEC - Hours (12 Months)	7.77	7.78	-0.1%	7.77	7.78	-0.1%
FEC - Times (12 Months)	4.31	4.44	-2.9%	4.31	4.44	-2.9%
Number of own staff	5,186	4,712	10.1%	5,186	4,712	10.1%
Number of outsourced staff	7,417	7,861	-5.6%	7,417	7,861	-5.6%

* 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.

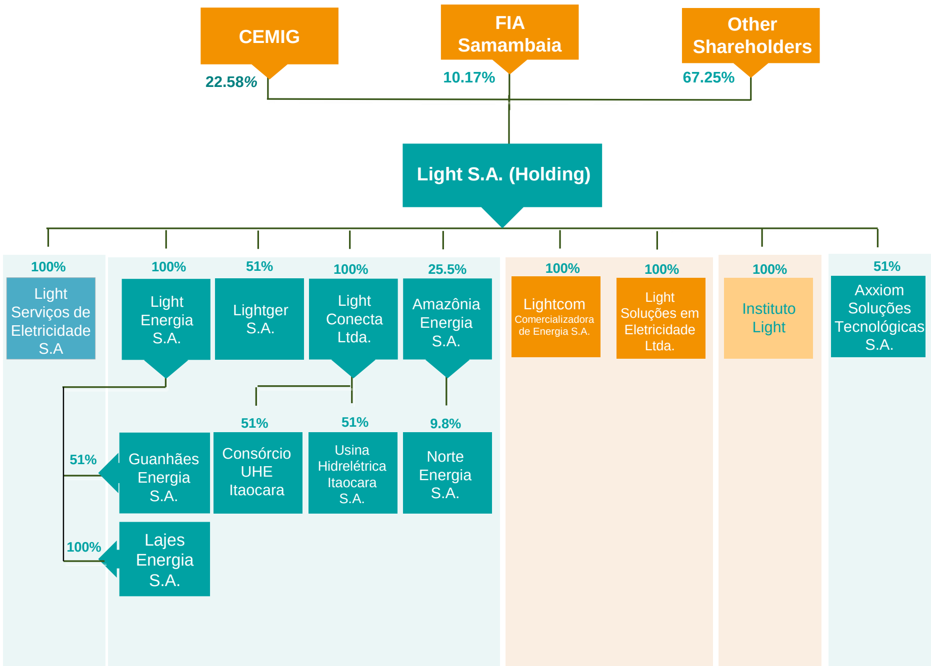
Disclaimer

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.

Table of Contents

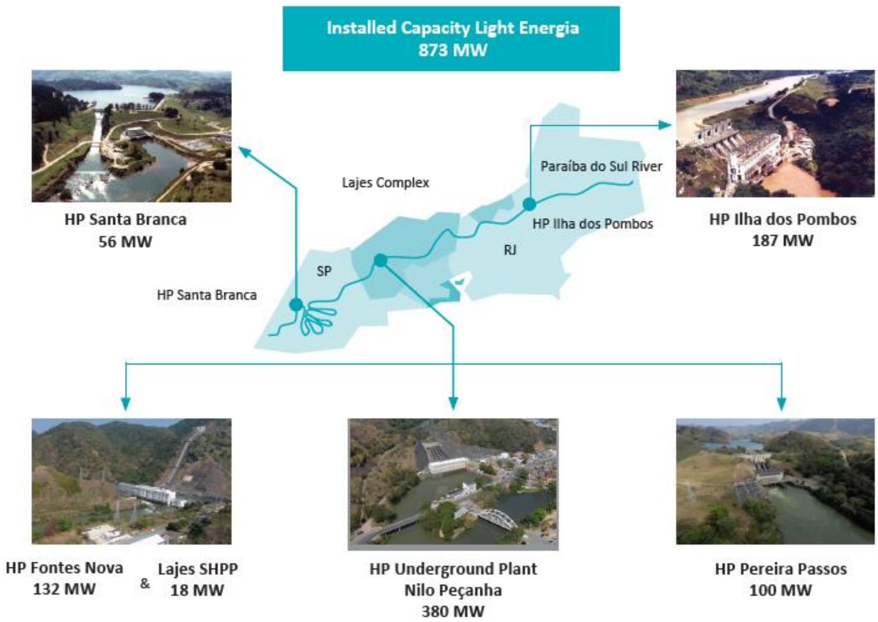
1. Profile and Corporate Structure

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.



The State of Rio de Janeiro has an area of 43,781 km² and a population of approximately 17.2 million people. The Company's concession area corresponds to 26% (11,307 thousand km²) 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 Guanhães, the Company has a total installed capacity of 1,158 MW.



2. Material Events in the Period

2.1 Sale of Equity Interest Held by Light Energia in Renova

On October 15, Light Energia sold all shares it held in Renova (17.17% of the capital stock) for R$1.00 to CG I Fundo de Investimento. Under this transaction, Lightcom assigned all credits held against Renova to CG I for R$1.00. This transaction is in line with the strategy of divestment of non-core assets and focus on the creation of value to shareholders through operational improvements in the distribution company.

2.2 Purchase of 449 MWa at the A-6 Auction by Light SESA

At the 30th A-6 New Energy Auction, held by CCEE on October 18, Light SESA purchased a total amount of 449 MWa, supply beginning in January 2025, for a term of up to 30 years, at an average price of R$176.09/MWh. This energy will replace the agreements currently in effect, which expire in December 2024, at an adjusted average price of approximately R$280.00/MWh, representing a decrease of approximately 38% in the cost of energy referring to that agreement. Decreased energy purchase expenses benefit the plans to combat losses and decrease default, in addition to decrease the pressure on the Company's cash.

2.3 VDP

On October 25, the Company launched a Voluntary Dismissal Program (*Programa de Demissão Voluntário*) (VDP) for its employees. The main conditions to adhere to the VDP were: (i) to have been an employee of Light for more than ten years and fulfill the legal conditions to retire or already be retired; or (ii) to have worked for at least 30 years for the Company. The benefits offered were: in addition to severance pay, 1.5 to 5 base salaries and the extension of the health care plan for a period of up to 24 months. 154 employees adhered to the program and their employment contracts will be terminated by April 2020. The VDP had a total cost of R$21 million, of which only R$5 million corresponded to incentive costs.

2.4 Light included in ISE for the 13th consecutive year

For the 13th consecutive year, Light was selected to be included in the Corporate Sustainability Index (*Índice de Sustentabilidade Empresarial*) of the B3 (ISE), effective from January 6, 2020 to January 1, 2021. ISE is a performance comparative analysis tool for companies listed on the B3 in terms of corporate sustainability, based on economic efficiency, environmental balance, social justice and corporate governance. The new ISE portfolio comprises 30 companies.

2.5 Call of the Extraordinary Shareholders' Meeting (AGE) and election of new members for the Board of Directors

On November 4, the Company received a correspondence from shareholders representing more than 5% of its capital stock, requesting the call of a shareholders' meeting for the election of eight members of the Board of Directors. On December 12, the AGE elected the following new members of the Board of Directors:

Members of the Board of Directors	Title
David Zylbersztajn	Chairman of the Board (Independent Member)
Carlos Marcio Ferreira	Vice-Chairman of the Board (Independent Member)
Antonio Rodrigues dos Santos e Junqueira	Member

Carlos da Costa Parcias Júnior	Independent Member
Ivan de Souza Monteiro	Independent Member
Octávio Cortes Pereira Lopes	Independent Member
Patrícia Gracindo Marques de Assis Bentes	Independent Member
Ricardo Reisen de Pinho	Independent Member
Carlos Alberto da Cruz	Representative of the Employees

In the same occasion, Mr. Marcelo Souza Monteiro was elected sitting member of the Fiscal Council of the Company.

2.6 Liability Management Achievements

The purpose of the liability management agenda of the Company is to optimize its debt profile, reduce financial costs and thus create value to its shareholders. In 4Q19, the main activities conducted included:

- on November 4, 35% of the bonds were early redeemed, in an amount equivalent to US$210 million, of which US$140 million corresponded to Light SESA and US$70 million corresponded to Light Energia. The outstanding balance of the bonds, in the amount of US$390 million, matures on the original maturity date in May 2023, with optional redemption as of May 2021.
- on December 6, the 17th issuance of the debentures of Light Sesa was settled, in the total amount of R$700 million.
- on December 16, the entire outstanding balance of the 2015/16 Capex financing agreement entered into by Light Sesa with BNDES was early repaid, in the amount of R$292.6 million. This agreement originally matured in March 2023 and provided for tranches accruing interest at the SELIC rate + 4.08% p.a. and TJLP + 3.74% p.a.
- On December 27, the 5th issuance of promissory notes of Light Sesa was settled, in the total amount of R$300 million.

3. Subsequent Events

3.1 Change in shareholding ownership

On January 15, BNDESPAR informed that, from December 26, 2019 to January 15, 2020, 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 became the holder of 22,730,000 common shares, representing 7.48% of the capital stock of Light and, on January 27, informed that increased equity interest to 10.17%.

3.2 Resignation of Member of the Board of Directors

On February 11, Mr. Ivan Monteiro resigned as member of the Board of Directors. The Shareholders' Meeting to elect the new member will be timely called, pursuant to the Bylaws of the Company.

3.3 ANEEL defines 2020 Tariff Adjustment for Light SESA

On March 10, ANEEL approved the tariff readjustment for Light SESA with an average effect of + 6.21%. The new tariffs will take effect from March 15, 2020. Residential consumers will see an increase of 5.91%, according to the table below, which also shows the impact to be perceived by other classes and voltage levels.

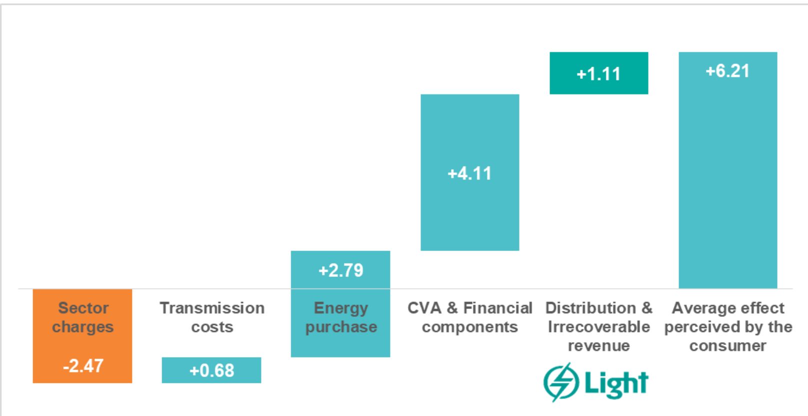
Average Perception to Consumers

	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	**B1 (Residential)**	**5.91%**
	B2 (Rural)	14.35%
	B3 (Commercial)	6.05%
	B4 (Public Illumination)	5.99%
	Group A	**6.73%**
	Low Voltage	**5.98%**
	Group A + BT	**6.21%**

The annual tariff adjustment process consists of passing on to consumers the non-manageable costs of the concession (Parcel A: energy purchase, 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, 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 the consumer.

Average Perception to 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 the cost of energy purchase. Regarding this last item, the impact of the Itaipu and Norte Fluminense plants stands out, whose contracts are pegged to the dollar, which increased 16% over the last tariff readjustment. Accordingly, the average price of energy purchase contracts (Pmix) went from R$ 210.08/MWh to R$ 221.74/MWh.

Note that 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 the purchase of energy 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.

With 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 wire load for technical losses.

The readjustment 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 X Factor resulting from the sum of 3 components: X Factor Pd, 0.54%, associated with productivity gains; T Component, -0.84%, related to the upward trajectory of operating costs; and Q Component, of -0.29%, which captures the improvement in quality indicators seen between the years 2017 and 2018.

IPC-A and breakdown of X Factor	%
IPC-A	**+3.94%**
X Factor	**-0.59%**
X Factor Pd (Productivity)	*+0.54%*
T Component (Opex Trajectory)	*-0.84%*
Q Component (Quality)	*-0.29%*
Parcel B update ratio (IPC-A - X Factor)	**+4.53%**

In addition, the values of sharing with the consumer associated with revenues from exceeding demand, reactive surplus and other revenues, were updated. 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.

4. Light S.A. – Consolidated

4.1. Consolidated Financial Performance

Income Statement (R$ MN)	4Q19	4Q18	Var. %	2019	2018	Var. %
Gross Operating Revenue	**4,822**	**4,789**	**0.7%**	**20,341**	**19,376**	**5.0%**
Deductions	(1,724)	(2,093)	-17.6%	(7,677)	(8,066)	-4.8%
Net Operating Revenue	**3,098**	**2,696**	14.9%	**12,663**	**11,310**	**12.0%**
Operating Expense	**(3,327)**	**(2,404)**	**38.4%**	**(11,289)**	**(10,171)**	**11.0%**
PMSO	(236)	(249)	-5.2%	(951)	(979)	-2.9%
Personnel	(103)	(102)	1.5%	(430)	(403)	6.6%
Material	(5)	(5)	-4.8%	(23)	(41)	-44.8%
Outsourced Services	(134)	(144)	-7.0%	(541)	(547)	-1.1%
Others	7	2	170.6%	43	12	270.0%
Purchased Energy	(2,189)	(1,883)	16.3%	(8,211)	(7,972)	3.0%
Depreciation	(147)	(138)	6.5%	(587)	(545)	7.8%
Provisions	(121)	(66)	84.8%	(392)	(239)	63.8%
VDP Provision	(21)	-	-	(21)	-	-
PECLD	(88)	(68)	27.9%	(324)	(435)	-25.4%
Extraordinary PECLD	(525)	-	-	(525)	-	-
PECLD - Renova	-	-	-	(278)	-	-
Adjusted EBITDA*	**(82)**	**430**	**-**	**1,962**	**1,684**	**16.5%**
Financial Result	(314)	(58)	440.1%	702	(651)	-
Other Operating Income / Expenses	(19)	(56)	-65.0%	(49)	(91)	-46.5%
Result Before Taxes and Interest	(563)	178	-	2,027	397	410.9%
Social Contributions and Income Tax	42	(40)	-	(96)	(82)	18.0%
Deferred Income Tax	182	(25)	-	(565)	(64)	781.3%
Equity Income	(28)	(20)	37.8%	(38)	(85)	-55.1%
Net Income	**(366)**	**92**	**-**	**1,328**	**166**	**700.9%**

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.

4.2. Recurring Result

The table below sets forth the reconciliation of CVM EBITDA, Adjusted EBITDA and Recurring EBITDA. Recurring amounts exclude the extraordinary PECLD and the VDP provision. In the aggregate for 2019, the events occurred in 3Q19 are add up, *i.e.*, the favorable decision rendered in a lawsuit excluding ICMS from the calculation basis of PIS/COFINS and impacts related to Renova.

	Reconciliation Recurring Result (R$ MN)	4Q19	4Q18	Change 4Q19 /4Q18	2019	2018	Change 2019 /2018
	Net Income/ Loss	**(366)**	**92**	**-**	**1,328**	**166**	**700.9%**
	Taxes on profit	224	(65)	-	(661)	(146)	354.1%
	Financial Result	(314)	(58)	440.1%	702	(651)	-
	Depreciation	(147)	(138)	6.5%	(587)	(545)	7.8%
	EBITDA CVM	**(130)**	**354**	**-**	**1,875**	**1,507**	**24.4%**
	Equity Income	(28)	(20)	37.8%	(38)	(85)	-55.1%
	Other Operating Income / Expenses	(19)	(56)	-65.0%	(49)	(91)	-46.5%
	Ajusted EBITDA	**(82)**	**430**	**-**	**1,962**	**1,684**	**16.5%**
Adjustments EBITDA	Light SESA Operating Revenue - PIS/COFINS	-	-	-	1,086	-	-
	LightCom Operating Revenue - Renova	-	-	-	22	-	-
	VDP Provision	(21)	-	-	(21)	-	-
	Extraordinary PECLD	(525)	-	-	(525)	-	-
	PECLD Renova	-	-	-	(278)	-	-
	Others (PMSO)	-	-	-	(16)	-	-
	Recurring EBITDA	**464**	**430**	**7.9%**	**1,692**	**1,683**	**0.5%**

Reconciliation Recurring Result (R$ MN)	4Q19	4Q18	Change 4Q19 /4Q18	2019	2018	Change 2019 /2018
Net Result	**(366)**	**92**	**-**	**1,328**	**166**	**700.9%**
Adjustment EBITDA	(546)	-	-	269	-	-
Financial Result	-	-	-	1,418	-	-
Social Contributions and Income Tax	227	-	-	(537)	-	-
Recurring Net Income/ Loss	**(48)**	**92**	**-**	**178**	**166**	**7.4%**

The table below sets forth the main line items of the result, adjusted by the effects mentioned above.

Income Statement (R$ MN)	4Q19 Recurring	4Q18	% Change 4Q19 Recurring/4Q18	2019 Recurring	2018	% Change 2019 Recurring/2018
Gross Operating Revenue	**4,822**	**4,789**	**0.7%**	**19,230**	**19,376**	**-0.8%**
Deductions	(1,724)	(2,093)	-17.6%	(7,675)	(8,066)	-4.8%
Net Operating Revenue	**3,098**	**2,696**	**14.9%**	**11,555**	**11,310**	**2.2%**
Operating Expense	**(2,782)**	**(2,404)**	**15.7%**	**(10,450)**	**(10,171)**	**2.7%**
PMSO	(236)	(249)	-5.2%	(936)	(979)	-4.5%
Personnel	(103)	(102)	1.5%	(430)	(403)	6.6%
Material	(5)	(5)	-4.8%	(23)	(41)	-44.8%
Outsourced Services	(134)	(144)	-7.0%	(541)	(547)	-1.1%
Others	7	2	170.6%	58	12	400.1%
Purchased Energy	(2,189)	(1,883)	16.3%	(8,211)	(7,972)	3.0%
Depreciation	(147)	(138)	6.5%	(587)	(545)	7.8%
Provisions - Contingencies	(88)	(66)	84.8%	(392)	(239)	63.9%
PECLD	-	(68)	27.9%	(324)	(435)	-25.5%
Recurring EBITDA*	**464**	**430**	**7.9%**	**1,692**	**1,684**	**0.5%**
Financial Result	(313)	(58)	439.9%	(717)	(651)	10.2%
Other Operating Income / Expenses	(19)	(56)	-65.0%	(49)	(91)	-46.8%
Social Contributions and Income Tax	(3)	(65)	-94.8%	(124)	(146)	-15.2%
Equity Income	(28)	(20)	37.6%	(38)	(85)	-55.5%
Recurring Net Income/ Loss	**(48)**	**92**	**-**	**178**	**166**	**7.2%**

Note: excludes Construction Revenue/Expenses.

4.3. Consolidated Adjusted EBITDA[4]

Consolidated EBITDA by Segment (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Distribution	(219)	292	-	1,578	1,187	32.9%
Generation	109	83	31.2%	542	383	41.5%
Trading	33	57	-41.2%	(126)	127	-
Others and eliminations	(6)	(3)	113.9%	(33)	(18)	81.8%
Total	**(82)**	**430**	**-**	**1,962**	**1,684**	**16.5%**
EBITDA Margin (%)	-2.7%	15.9%	-18.60 p.p.	15.5%	14.9%	0.60 p.p.

In 4Q19, consolidated EBITDA totaled a negative amount of R$82 million, compared to a positive amount of R$430 million in 4Q18, due to the operating result of the distribution company, which recorded EBITDA in the negative amount of R$219 million, as a result of the recognition of extraordinary PECLD in the amount of R$525 million. In 4Q19, a non-recurring provision in the amount of R$20.8 million was recorded, related to the VDP launched in October 2019.

In the generation segment, EBITDA increased by R$26 million in the quarterly comparison, primarily due to increased sales in the spot market, as a result of an increase in average PLD in the Southeast and Midwest regions (R$272.8/MWh in 4Q19 compared to R$158.2/MWh in 4Q18).

In the aggregate for 2019, EBITDA of the distribution company totaled R$1,578 million, representing an increase of R$390 million compared to 2018, due to the recognition of a final and unappealable decision that was rendered in a lawsuit seeking the exclusion of ICMS from the calculation basis of PIS/COFINS, with a retroactive effect to January 2002. Accordingly, in 3Q19, the distribution company established recoverable PIS/COFINS credits in the amount of R$6,169 million. Based on the opinion of legal counsel and pursuant to applicable law, the Company understands that a portion of the credits receivable must be returned to consumers (R$3,573 million), taking into account the last ten years (September 2009 to August 2019).

In the aggregate for 2019, EBITDA of the trading company totaled a negative amount of R$126 million, due to the provisioning of R$278 million in 3Q19 regarding the credits held by LightCom against Renova. Under the sale of equity interest held by Light Energia in Renova to CG I Fundo de Investimentos, LightCom transferred debt recognition and agreement instruments (*Termo de Acordo e Reconhecimento de Dívida – TARDs*) held against Renova to CG I for R$1.00.

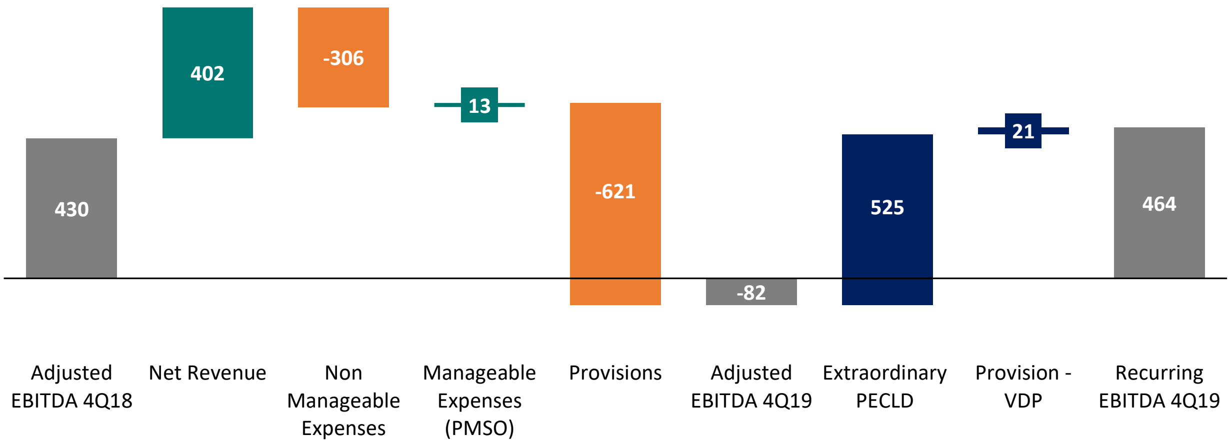
Excluding the non-recurring and extraordinary items mentioned above, recurring EBITDA in 4Q19 totaled R$464 million, representing a 7.9% increase, or R$34 million, compared to 4Q18, as set forth in the table below.

Consolidated EBITDA by Segment (R$ MN)	4Q19 Recurring	4Q18	% Change 4Q19 Recurring/4Q18	2019 Recurring	2018	% Change 2019 Recurring/2018
Distribution	324	292	10.8%	1,035	1,187	-12.8%
Generation	112	83	34.7%	545	383	42.2%
Trading	33	57	-42.1%	130	127	2.2%
Others and eliminations	(5)	(3)	86.6%	(18)	(14)	30.1%
Total	**464**	**430**	**7.9%**	**1,692**	**1,684**	**0.5%**

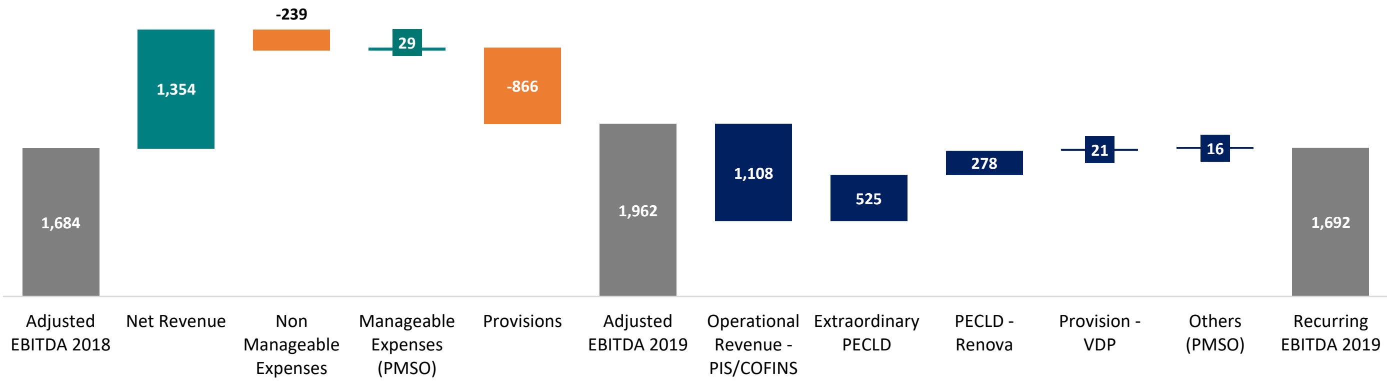
The increase in recurring EBITDA in 4Q19 is due to the better performance of consolidated Opex and the trading strategy of Light Energia. In the aggregate for 2019, EBITDA is in line with that of 2018.

[4] 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.

Consolidated Adjusted EBITDA
4Q18 / 4Q19 – R$ MN



Consolidated Adjusted EBITDA
2018 / 2019 – R$ MN



4.4. Consolidated Net Income

Consolidated Net Income/Loss by Segment (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Distribution	(405)	51	-	1,154	77	1399.3%
Generation	63	28	122.4%	327	36	815.9%
Trading	23	40	-42.8%	(64)	93	-
Others and eliminations	(48)	(27)	77.4%	(88)	(40)	120.4%
Total	**(366)**	**92**	**-**	**1,328**	**166**	**700.9%**
Net Margin (%)	-11.8%	3.4%	-15.25 p.p.	10.5%	1.5%	9.02 p.p.

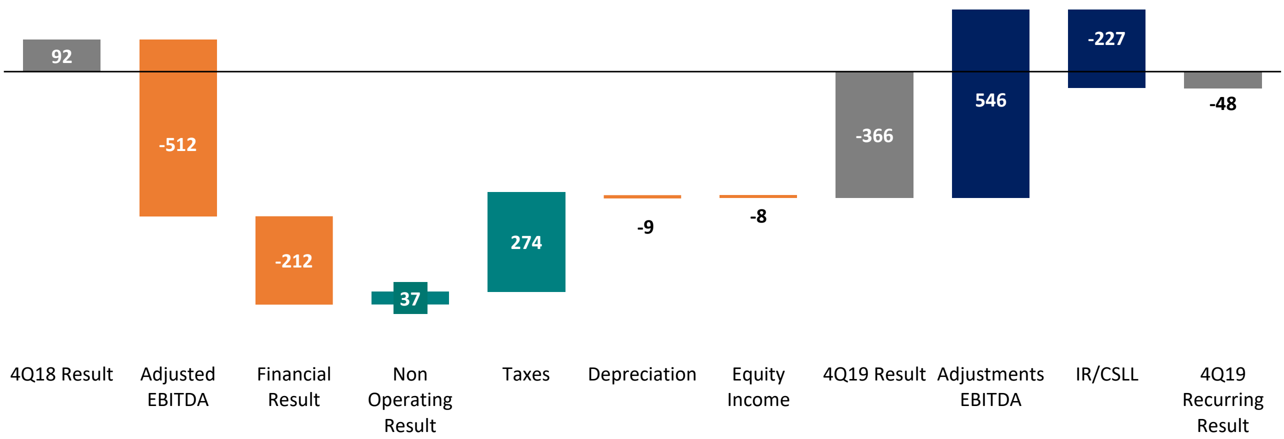
In 4Q19, consolidated net loss totaled R$366 million, compared to net income of R$92 million in 4Q18, due to the events described in item 4.3 above. Additionally, financial results were negatively affected by the market-to-market swap transactions related to debt denominated in foreign currency.

In the aggregate for 2019, net income totaled R$1,328 million, representing an increase of R$1,162 million compared to 2018, primarily due to the financial income of the distribution company, as a result of the adjustment for inflation of PIS/COFINS credits, recognized in 3Q19 (R$1,461 million). The total impact of this proceeding on the 3Q19 result was R$1,636 million, net of taxes.

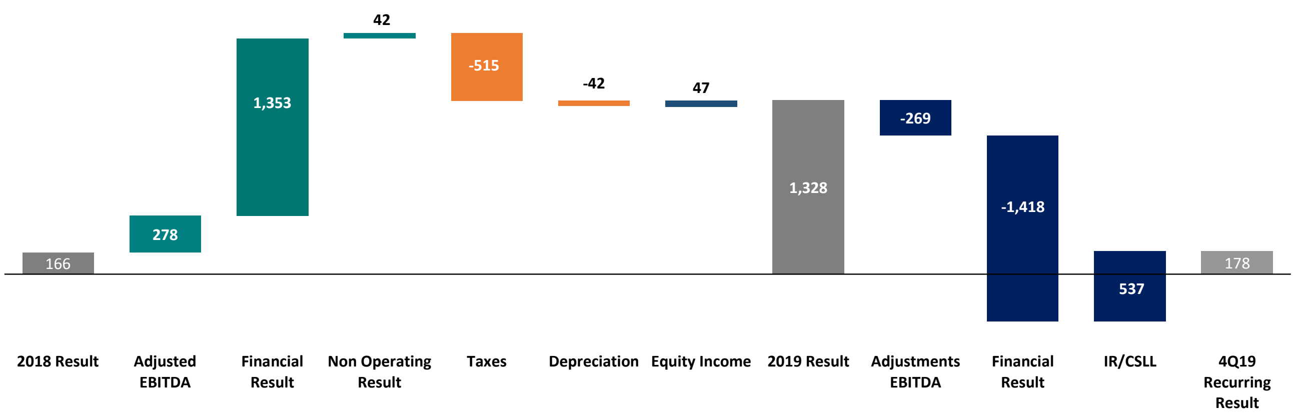
Excluding non-recurring and extraordinary items, net loss in 4Q19 totaled R$48 million, compared to net income of R$92 million in 4Q18, as set forth in the table below.

Consolidated Net Income/Loss by Segment (R$ MN)	4Q19 Recurring	4Q18	% Change 4Q19 Recurring/4Q18	2019 Recurring	2018	% Change 2019 Recurring/2018
Distribution	(46)	51	-	(125)	77	-
Generation	23	28	-19.1%	287	36	704.9%
Trading	23	40	-42.1%	88	93	-5.5%
Others and eliminations	(47)	(27)	76.3%	(73)	(40)	83.3%
Total	**(48)**	**92**	**-**	**178**	**166**	**7.0%**

Consolidated Net Income
4Q18 / 4Q19 – R$ MN



Consolidated Net Income
2018 / 2019 – R$ MN



5. Light SESA – Distribution

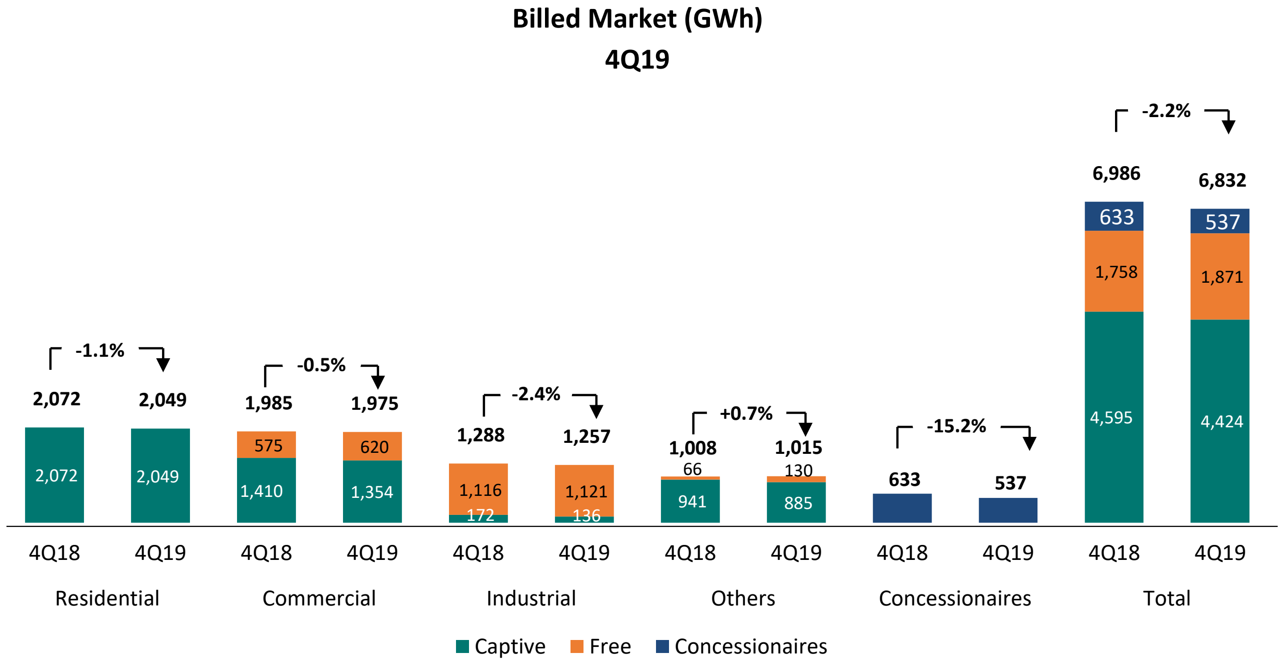
5.1. Operating Performance

Operating Highlights	4Q19	4Q18	% Change 4Q19/4Q18
Nº of Consumers (thousand)	4,424	4,434	-0.2%
Nº of Employees	4,937	4,459	10.7%
Average provision tariff* - R$/MWh	822	790	4.1%
Average provision tariff* - R$/MWh (w/out taxes)	580	539	7.7%
Average bilateral contracts cost** - R$/MWh	226.2	205.0	10.3%
Average energy purchase cost with Spot*** - R$/MWh	222.6	202.7	9.8%

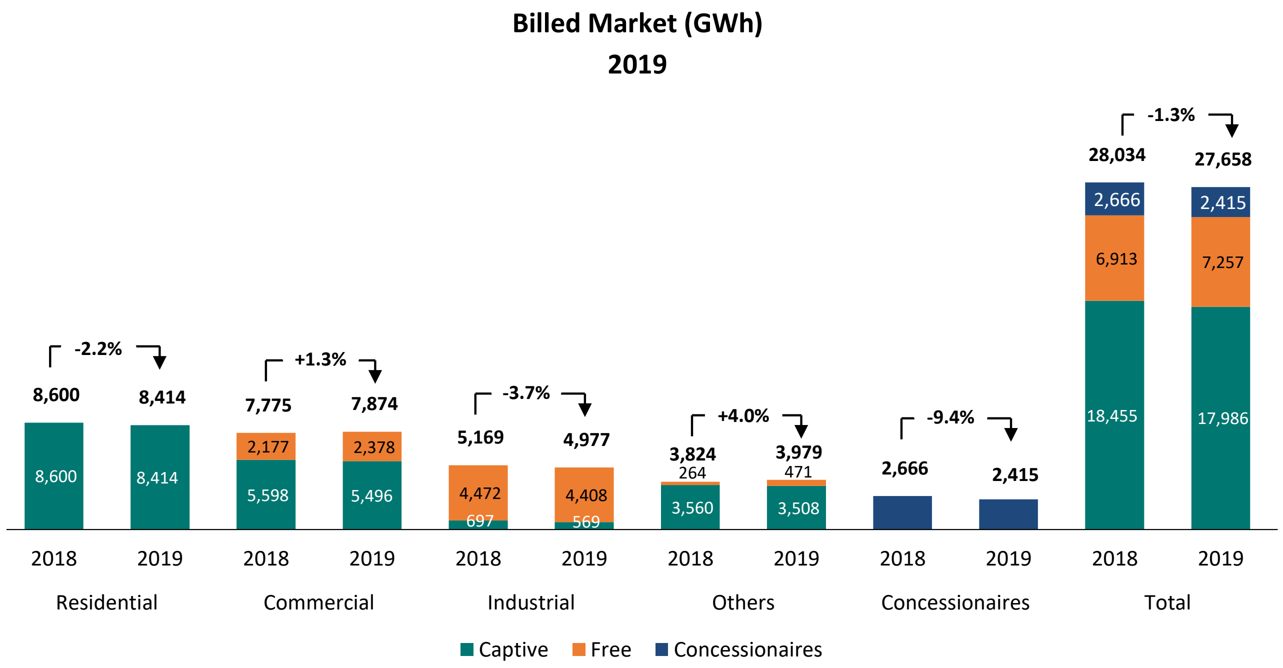
[1] Considers the number of active contracts
[3] Captive market
* Does not include purchase in the spot market and hydrological risk
**Does not include hydrological risk

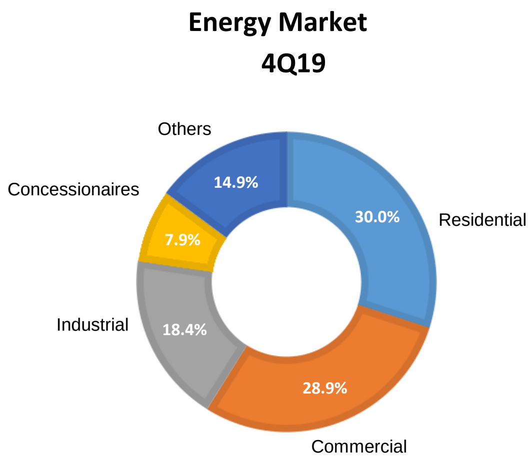
The increase in the number of employees is due to the insourcing strategy primarily regarding network maintenance, reading/delivery of bills and services to combat losses. The objective of increased insourcing is to obtain productivity gains and allow a better ethical control and management of field teams. The 10.3% 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, which increased purchase costs of Norte Fluminense and Itaipu plants.

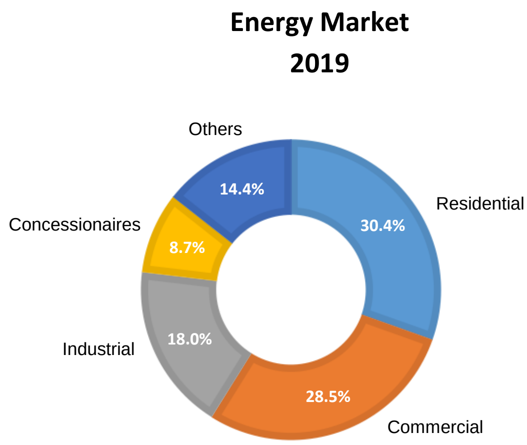
5.1.1. Market



[1] In 4Q19, we changed the form of presentation of free market data. We previously reported the billed free market and, as of 4Q19, we will present the measured free market. For purposes of comparison, we adjusted 4Q18 data.







In 4Q19, the total energy market amounted to 6,832 GWh, representing a 2.2% decrease compared to 4Q18, primarily due to the 62% decrease in the volume of REN and a 15.2%[5] decrease in consumption from concessionaires. Excluding the effect of REN, in 4Q19, the market decreased by 0.7% compared to 4Q18 and, excluding both effects, the market increased by 0.7%. This decrease in the energy market was lower than the 1.6% decrease in the grid load, which reinforces the trend of decreasing losses.

In the aggregate for 2019, the billed market totaled 27,658 GWh, representing a 1.3% decrease compared to 2018. Excluding the effect of REN, the market increased by 0.4% compared to 2018. Excluding the effect of REN and concessionaires, the market increased by 1.5% compared to 2018, in line with the 1.4% increase in the grid load.

[5] It is noteworthy that the contribution of concessionaires to the margin is significantly lower than the contribution of the other segments.

In 4Q19, the consumption of the Residential segment totaled 2,049 GWh, representing a 1.1% decrease compared to 4Q18. This decrease is primarily due to decreased REN in 4Q19 (8 GWh in 4Q19 compared to 85 GWh in 4Q18), which was partially offset by the increase in energy incorporation. Excluding the effect of REN, the residential segment increased by 2.8% in 4Q19.

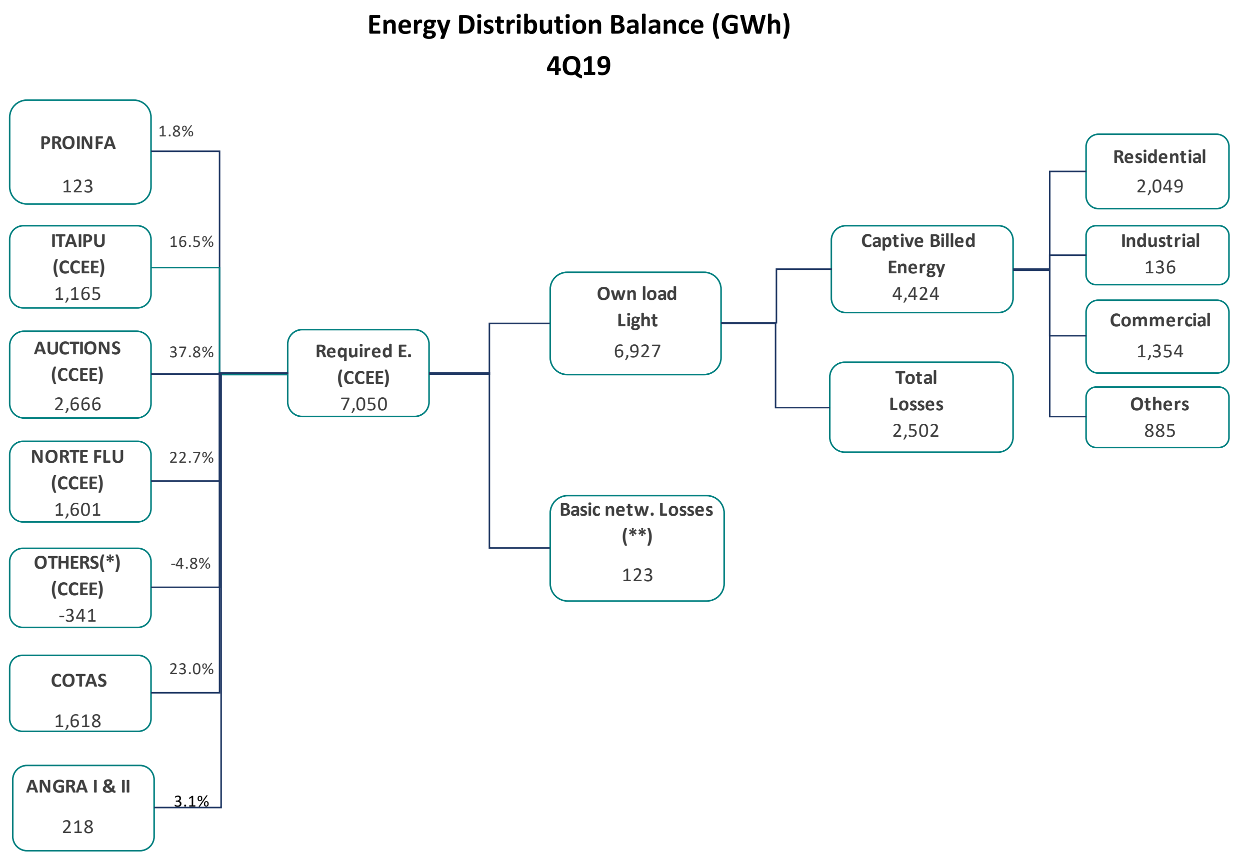
In 4Q19, the consumption of the Commercial segment, including captive and free customers, remained virtually in line with that of 4Q18. In the aggregate for 2019, the consumption of the commercial segment increased by 1.3% compared to 2018, highlighting the positive performance of the transportation, telecommunications and supermarket sectors.

In 4Q19, the consumption of the industrial segment decreased by 2.4% compared to 4Q18, primarily due to the decrease in consumption of the steel, chemical and beverage sectors. It is worth noting that the contribution of the industrial segment to the margin is lower compared to that of the residential and commercial segments.

In 4Q19, the Others segment increased by 0.7%, primarily due to the increase in consumption of subways, trains and tram, as well as the increase in consumption by the Public Sector.

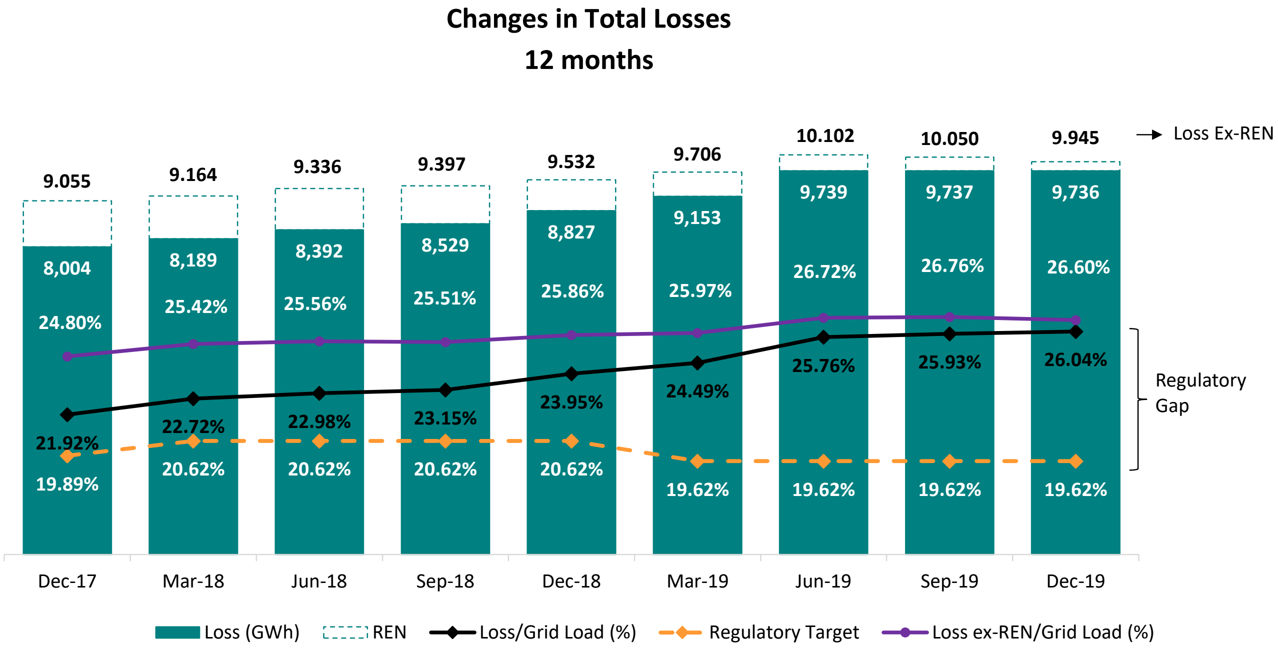
At the end of 4Q19, the free market accounted for 27.4% of the total market of the distribution company. The migration of captive customers to the free market does not affect margin, as energy continues to be transported by the Company, which receives TUSD. In 2019, the number of free customers increased by 219, totaling 971 free customers at the end of the year.

5.1.2. Energy Balance



Energy Balance (GWh)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
= Grid Load	9,335	9,490	-1.6%	37,394	36,861	1.4%
- Energy transported to utilities	537	633	-15.2%	2,415	2,666	-9.4%
- Energy transported to free customers	1,871	1,758	6.5%	7,257	6,913	5.0%
= Own Load	6,927	7,099	-2.4%	27,722	27,282	1.6%
- Billed Energy (Captive Market)	4,424	4,595	-3.7%	17,986	18,455	-2.5%
Low Voltage Market	3,370	3,415	-1.3%	13,621	13,751	-0.9%
Medium and High Voltage Market	1,054	1,181	-10.7%	4,365	4,704	-7.2%
= Total Loss	2,502	2,504	0.0%	9,736	8,827	10.3%

5.1.3. Energy Loss



In order to improve the results regarding commercial losses, customer service and collection, a number of initiatives were implemented as of August 2019. The Company identified the need to conduct a regional work in view of the specificities of each area. Accordingly, regional management areas were created, including action plans based on the complexity and characteristics of each region. In order to better control field services, each regional area has a Service Management Center (*Centro de Gestão de Serviços*), which monitors inspection field teams in real time, ensuring greater agility and assertiveness in decision making.

Another initiative that aims at improving the management of processes/resources and obtaining productivity gains is the insourcing of labor. The purpose of insourcing is to ensure the performance of activities to combat losses, prioritizing the quality of REN, in order to avoid the occurrence of contingencies and cancellations in the future and ensure a good collection rate and increased incorporation of energy. In December 2019, the Company insourced 100 employees and, in January 2020, the Company hired 200 employees, of a total of approximately 1,000 individuals, focused on combatting energy theft in the low voltage market.

In addition to conventional field activities, we implemented other actions to combat losses, including the following ongoing actions:

(i) formalization and incorporation of energy of customers that had their energy supply cut;

(ii) regularization of clandestine condominiums; and

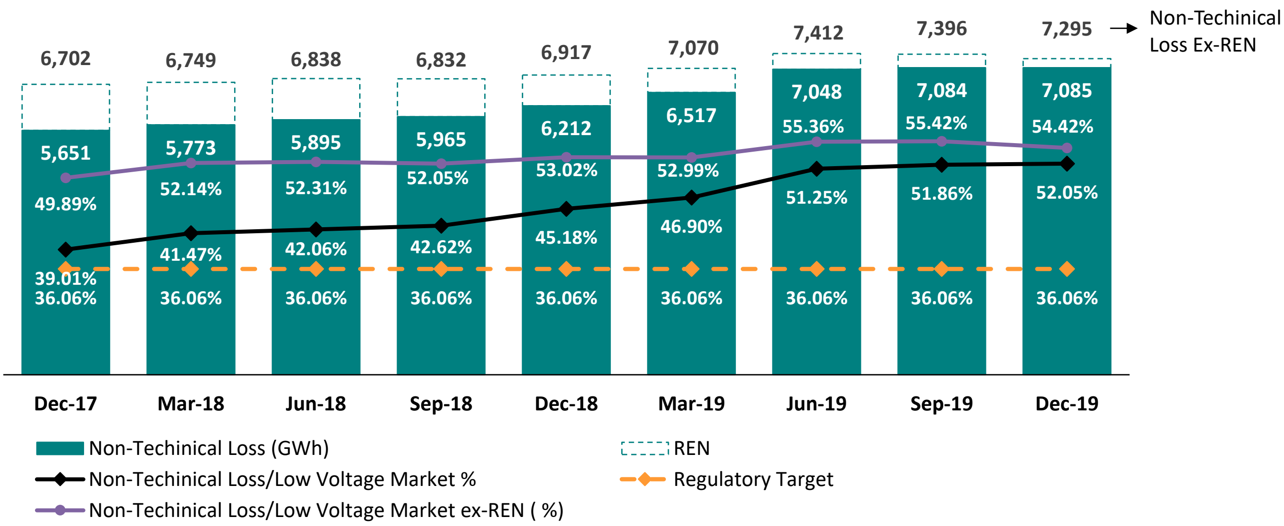
(iii) shielding of the network of customers with a medium purchasing power and high levels of repeated energy theft in possible areas.

Accordingly, total losses stabilized in 4Q19 (moving average for 12 months), totaling 9,736 GWh, compared to 9,737 GWh in 3Q19. At the end of 2019, the total losses on grid load indicator was 26.04%, virtually in line with 25.93% recorded in 3Q19. In 4Q19, excluding REN, total losses (12 months) was 26.60%, representing a 0.16 p.p.

decrease compared to 26.76% in 3Q19. In 4Q19, excluding REN, total losses (12 months) decreased by 105 GWh, more than double the amount recorded in 3Q19 (52 GWh).

The downward trend becomes clearer in view of the non-technical losses excluding REN/low voltage market indicator. Non-technical losses increased by 2.3 p.p. in 1H19, reaching 55.36%. In 2H19, non-technical losses decreased by 0.9 p.p. compared to the previous semester, as set forth in the chart below.

Changes in Non-Technical Losses[6]/Low Voltage Market
12 months



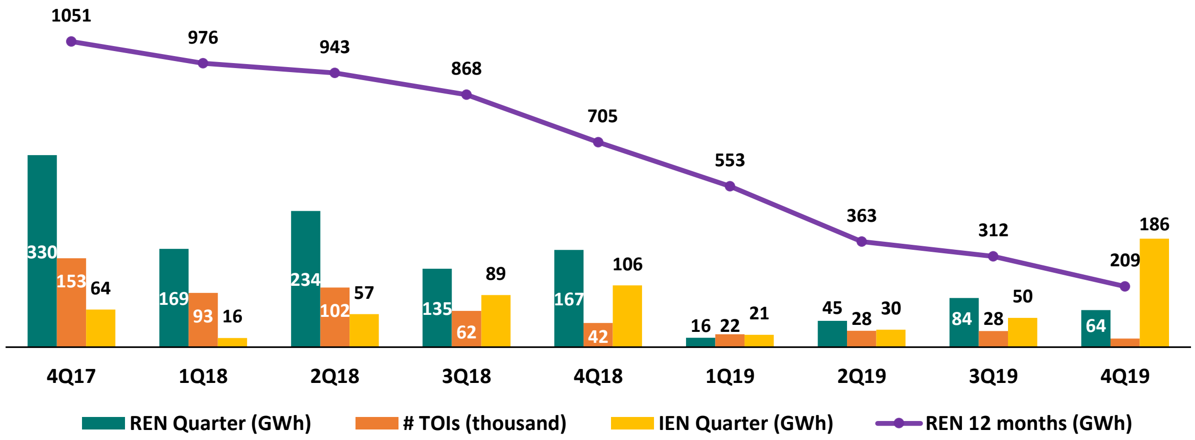
Currently, the Company is 6.42 p.p. above the percentage of regulatory transfer to tariffs, of 19.62%[7], pursuant to the parameters established by Aneel in the Periodic Tariff Adjustment (RTP) of March 2017, adjusted by the reference market for the next 12 months and ratified by Aneel at the time of the tariff adjustment (IRT) in March 2019.

In 4Q19, IEN totaled 186 GWh, representing an increase of 136 GWh compared to 3Q19. This increase is in line with the main pillar of the current plan to combat losses, which is the focus on the incorporation of energy. In 4Q19, the volume of REN decreased by 24.7% compared to 3Q19, totaling 64 GWh.

[6] In 4Q19, 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.

[7] 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)

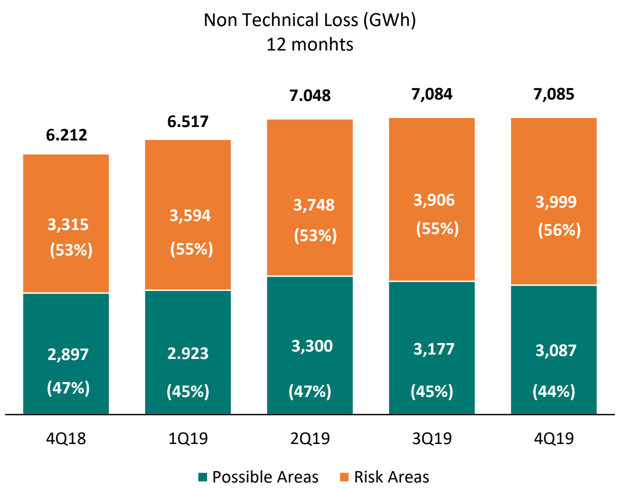


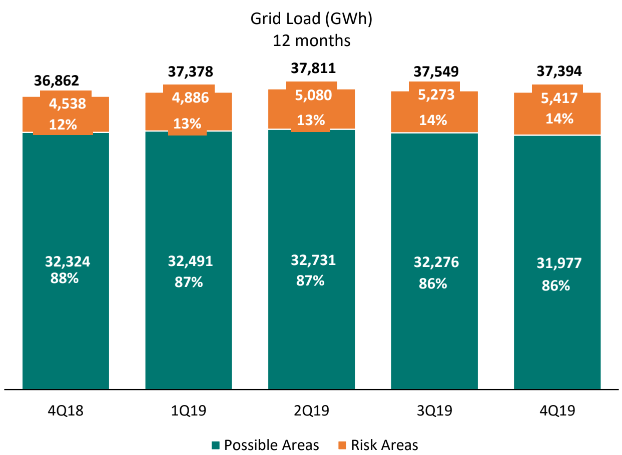
GWh	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Gross REN	214	285	172	210	51	78	114	104
(-) Cancellations*	45	51	37	43	35	33	30	40
(=) Net REN	169	234	135	167	16	45	84	64

*Refers to invoicing cancelations imposed by court decisions.

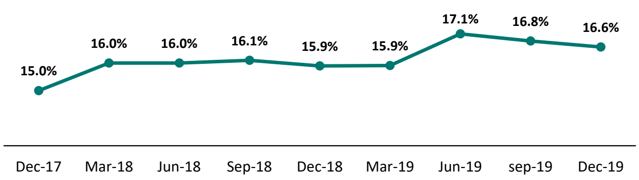
At the end of 4Q19, non-technical losses (12 months) in risk areas accounted for 56% of total non-technical losses, or 3,999 GWh. Metering in these areas will improve upon completion of the installation of border meters, expected to be completed in 1Q20. In 4Q19, in possible areas, non-technical losses totaled 3,087 GWh (44%), representing a decrease of 91 GWh compared to 3Q19. The total loss/grid load indicator (12 months) in these areas slightly decreased, from 16.8% in 3Q19 to 16.6% in 4Q19, due to the initiatives implemented as of August 2019.

It is worth noting that Light maintains a partnership with the Civil Police, through the Delegated Services Protection Police Station (*Delegacia de Defesa dos Serviços Delegados* – DDSD), which frequently provides support to fraud inspections, notably at large customers, recording infractions and imprisoning individuals, which has been widely broadcast in the media. In 2019, 159 infractions were recorded and 47 individuals were imprisoned.

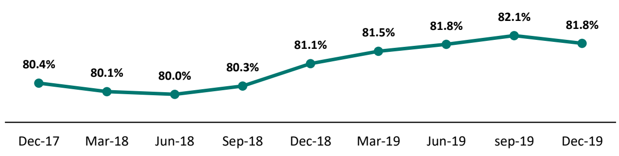




Total Losses / Grid Load – Possible Areas 12 Months

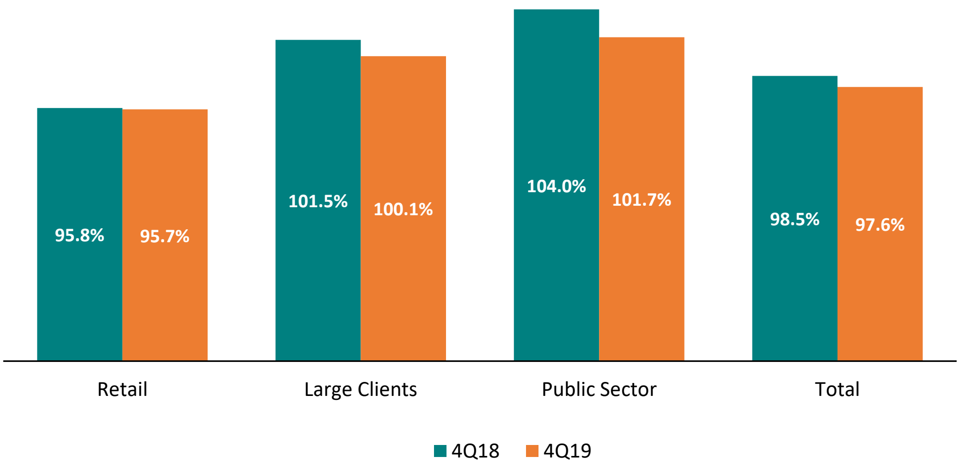


Total Losses / Grid Load – Risk Areas 12 Months



5.1.4. Collection

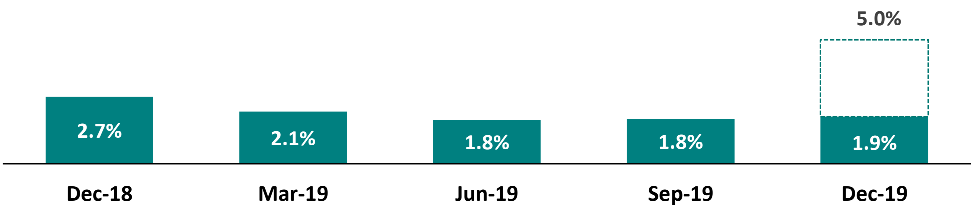
Collection Rate by Segment – 12 months (Considering REN overdue bills)



In the 12 months ended December 31, 2019, the total moving average collection rate was 97.6%, representing a 0.9 p.p. decrease compared to 98.5% in 4Q18, positively affected by the agreement entered into with the government of the State of Rio de Janeiro in November and December 2018, in the amount of R$110 million, through the offsetting of ICMS amounts payable. The other sectors continue to present a good performance.

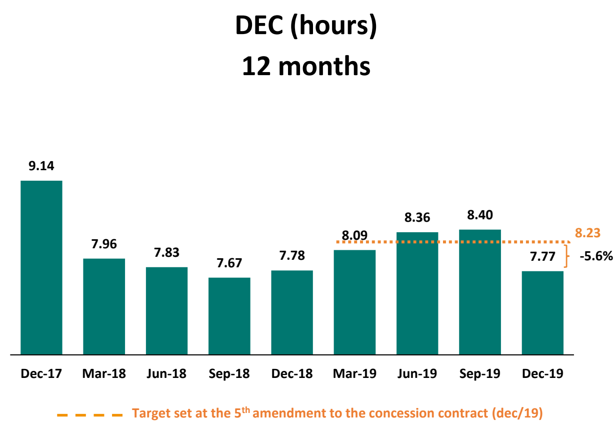
In the 12 months ended December 31, 2019, the adjusted PECLD/Gross Revenue ratio was 1.9%, representing a 0.1 p.p. decrease compared to 3Q19 and a 0.8 p.p. decrease compared to 4Q18. Considering the non-recurring effect due to the extraordinary PECLD, the indicator reaches 5.0%.

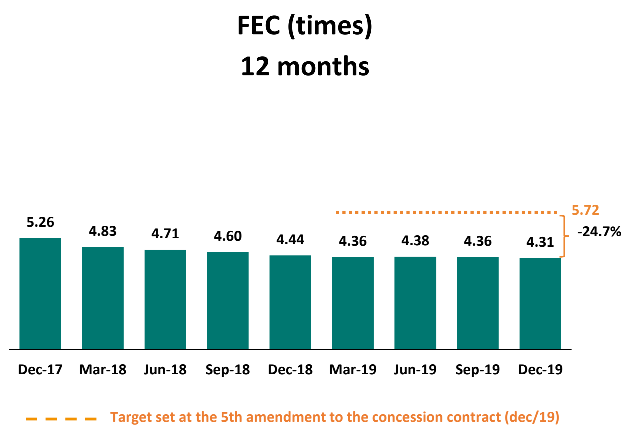
PECLD/Gross Revenue[8] (Supply – 12 Months)



[8] Gross Revenue from the Captive Market + Free Market.

5.1.5. Quality Indicators





In December 2019, DEC (12 months) was 7.77 hours, representing a 7.5% decrease compared to September 2019, due to a more assertive conduction of maintenance actions and less severe weather conditions. In December 2019, DEC was 5.6% below the limit established by ANEEL, of 8.23 hours.

In December 2019, FEC (12 months) was 4.31x, representing a 1.1% decrease compared to 3Q19, 24.7% below the limit established by ANEEL in the concession agreement, of 5.72x.

5.2. Financial Performance of Light SESA

Income Statement (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Net Operating Revenue	**2,687**	**2,262**	**18.8%**	**11,186**	**9,673**	**15.6%**
Operating Expense	(3,044)	(2,122)	43.5%	(10,170)	(9,014)	12.8%
Adjusted EBITDA	**(219)**	**292**	**-**	**1,578**	**1,187**	**32.9%**
Recurring EBITDA	**324**	**292**	**10.8%**	**1,035**	**1,187**	**-12.8%**
Financial Result	(249)	(68)	266.8%	744	(544)	-
Result before taxes and interest	(606)	73	-	1,761	116	1413.6%
Income Tax/Social Contribution	201	(22)	-	(606)	(39)	1462.8%
Net Income/Loss	**(405)**	**51**	**-**	**1,154**	**77**	**1399.3%**
Recurring Net Income/Loss	**(46)**	**51**	**-**	**(125)**	**77**	**-**
EBITDA Margin*	-8.2%	12.9%	-21.08 p.p.	14.1%	12.3%	1.84 p.p.

* Does not consider construction revenue

In 4Q19, recurring amounts excluded the extraordinary PECLD and VDP provision. In the aggregate for 2019, we included the amounts related to the favorable decision rendered in a lawsuit excluding ICMS from the calculation basis of PIS/COFINS in 3Q19, which affected operating revenue and financial result.

5.2.1. Net Revenue of Light SESA[9]

Net Revenue (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Captive Customers and Network Use (TUSD)	2,657	2,220	19.7%	9,798	8,871	10.4%
Non billed Energy	130	32	310.4%	85	(11)	-
Short Term (Spot)	-	9	-	-	9	-
CCRBT Account	4	(5)	-	93	(53)	-
CVA	(163)	(28)	472.8%	(69)	627	-
Others	58	35	64.5%	1,278	230	455.4%
Concession Right of Use	43	13	229.4%	153	147	4.3%
Others Revenues	15	22	-31.1%	1,125	83	1251.8%
Subtotal	**2,687**	**2,262**	18.8%	**11,186**	**9,673**	15.6%
Construction Revenue*	198	194	1.8%	726	661	9.9%
Total	**2,884**	**2,456**	**17.4%**	**11,912**	**10,334**	**15.3%**

* 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 4Q19, excluding construction revenue, net revenue increased by 18.8% (R$425 million) compared to 4Q18, including the following highlights:

- an increase of R$437 million in captive and free customers, due to the effect of the tariff increase occurred in March 2019.

- a decrease of R$135 million in CVA in 4Q19, compared to 4Q18, due to a higher amortization of CVA (-R$99 million) and decrease in formation of CVA (-R$35 million) associated with energy purchase items (+ R$134 million) and CDE (-R$176 million).

- an increase of R$30 million in the fair value of the concession indemnifiable asset (VNR), due to the higher variation of IPCA in 4Q19 compared to 4Q18.

In the annual comparison, the increase of R$1,513 million in net revenue is primarily due to the favorable decision recognizing the right to exclude ICMS from the calculation basis of PIS/COFINS. In 3Q19, the Company recorded a revenue of R$1,086 million regarding the credits to be returned in connection with the period between January 2002 and August 2009. Excluding the non-recurring effect, in 4Q19, net revenue totaled R$10,100 million, representing an increase of R$427 million compared to 4Q18.

[9] 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.

5.2.2. Costs and Expenses of Light SESA

Costs and Expenses (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Non-Manageable Costs and Expenses	**(1,938)**	**(1,605)**	**20.8%**	**(7,486)**	**(6,924)**	**8.1%**
Energy Purchase Costs	(2,066)	(1,736)	19.0%	(8,061)	(6,790)	18.7%
Costs with Charges and Transmission	(236)	(220)	7.2%	(900)	(951)	-5.4%
PIS/COFINS Credit on purchase	184	172	7.2%	720	638	12.9%
Crédito ICMS sobre compra de Energia	179	179	0.3%	755	179	322.2%
Manageable Costs and Expenses	**(1,106)**	**(517)**	**114.0%**	**(2,684)**	**(2,090)**	**28.5%**
PMSO	(215)	(232)	-7.3%	(861)	(890)	-3.3%
Personnel	(93)	(91)	1.8%	(389)	(365)	6.5%
Material	(5)	(5)	-5.7%	(22)	(21)	5.5%
Outsourced Services	(125)	(140)	-10.5%	(517)	(534)	-3.2%
Others	9	5	68.0%	67	30	121.6%
Provisions - Contingencies	(122)	(64)	88.6%	(394)	(237)	66.0%
VDP Provision	(18)	-	-	(18)	-	-
Provisions - PECLD	(88)	(68)	28.0%	(324)	(435)	-25.4%
Extraordinary PECLD	(525)	-	-	(525)	-	-
Depreciation and Amortization	(133)	(125)	6.5%	(530)	(487)	8.9%
Non Operating Result	(5)	(27)	-80.2%	(32)	(41)	-21.5%
Total costs without Construction Revenue	**(3,044)**	**(2,122)**	**43.5%**	**(10,170)**	**(9,014)**	**12.8%**
Construction Revenue	(198)	(194)	1.8%	(726)	(661)	9.9%
Total Costs	**(3,242)**	**(2,316)**	**40.0%**	**(10,896)**	**(9,675)**	**12.6%**

5.2.2.1. Manageable Costs and Expenses of Light SESA

In 4Q19, manageable costs and expenses totaled R$1,106 million, representing an increase of 114% (R$589 million) compared to 4Q18, due to the non-recurring extraordinary PECLD and VDP provision recorded in the period, in the amount of R$543 million, as described below.

PMSO decreased by 7.3% compared to 4Q18. The main decrease, of 10.5%, was recorded in outsourced services expenses. The Company recorded decreased expenses with tree pruning, reading/delivery of bills and services to combat losses, all resulting from the demobilization of outsourced teams and the introduction of insourced teams. Insourcing increases productivity and the quality of the services we provide, and improves cost control with the management of insourced teams.

In 4Q19, the extraordinary PECLD, in the amount of R$525 million, is due to a thorough reassessment of receivable accounts, in view of the expectation of future receipt of outstanding balances, in line with the new plan to combat losses, following the diagnosis initiated by the new management of the Company, which was completed in 4Q19.

Another non-recurring highlight in the period was the VDP provision, in the amount of R$18.1 million. The VDP was launched in October 2019. Amounts will be realized during 2020 in the personnel line item and the provision will be reversed. As a result, the VDP will not have any accounting effect in 2020.

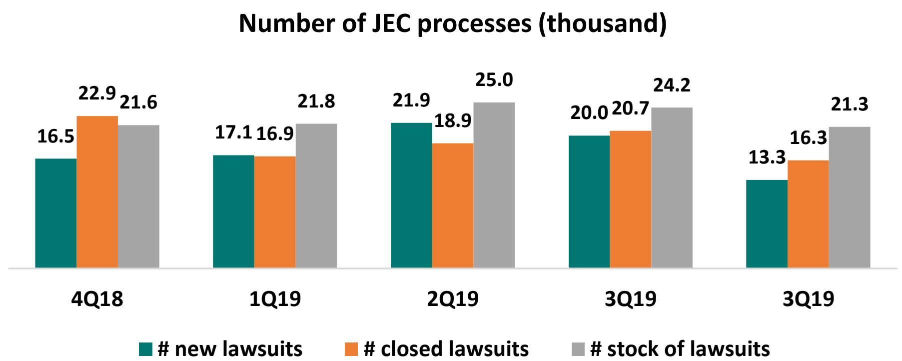
In 4Q19, recurring PECLD totaled R$88 million, representing a R$20 million increase compared to 4Q18.

Provisions/contingencies, excluding VDP, increased by R$58 million in the quarterly comparison (4Q19 compared to 4Q18), due to an increase of R$32 million in civil lawsuits and the regulatory fine provision, in the amount of R$37 million. This regulatory provision is related to the administrative proceeding regarding the commercial inspection conducted in 2017. Notwithstanding this provision, Light continues to discuss with ANEEL a reduction in the amount of the fine, as the proceeding has not been decided yet.

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)	149.2%	(143)	(48)	198.1%
Others	(25)	(0)	8628.3%	(60)	(30)	99.8%
Total	**(122)**	**(64)**	**89.1%**	**(394)**	**(237)**	**66.1%**

In 4Q19, provisions for Special Civil Court (*Juizado Especial Cível*) (JEC) proceedings totaled R$44 million, in line with the amount reported in 4Q18. However, in 4Q19, the number of new lawsuits filed with special civil courts decreased by 19.4%, which reflects the improvement in the Company's internal processes in the commercial area. In 4Q19, the number of complaints at the call center and branches, at the Ombudsman and with Aneel decreased by 19.0%, 5.4% and 21.3%, respectively, compared to 4Q18. These are important indicators regarding the filing of lawsuits and, in view of the decrease in complaints, they reassure the initiatives and improvements in our commercial area.

Notwithstanding a 28.8% decrease in the number of closed lawsuits, at the end of 2019, the number of lawsuits filed with Special Civil Courts decreased by 1.4% compared to 2018. This is an important reversal in the upward trend in 1H19, when the number of lawsuits increased by more than 15% compared to the end of 2018. It is noteworthy that the average time to close a lawsuit filed with the Special Civil Court is 4 months.



5.2.2.2. Non-Manageable Costs and Expenses of Light SESA

Non-Manageable Costs and Expenses (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Use of Basic Network and ONS Charges	**(216)**	**(206)**	**5.3%**	**(826)**	**(901)**	**-8.3%**
Connection Charges - Transmission	**(20)**	**(14)**	**35.6%**	**(74)**	**(50)**	**46.8%**
Itaipu	**(294)**	**(277)**	**5.9%**	**(1,164)**	**(1,094)**	**6.4%**
Transported Energy - Itaipu	**(30)**	**(28)**	**4.5%**	**(118)**	**(111)**	**5.8%**
TPP Norte Fluminense	**(619)**	**(578)**	**7.2%**	**(2,438)**	**(1,662)**	**46.7%**
PROINFA	**(40)**	**(37)**	**8.9%**	**(171)**	**(158)**	**8.1%**
Assured energy Quotas	**(177)**	**(160)**	**10.5%**	**(656)**	**(604)**	**8.7%**
Nuclear Quotas	**(55)**	**(54)**	**1.9%**	**(219)**	**(215)**	**1.9%**
Energy auction	**(541)**	**(543)**	**-0.3%**	**(2,054)**	**(2,188)**	**-6.1%**
Contracts by Availabilities	(308)	(333)	-7.4%	(1,191)	(1,338)	-11.0%
Contracts by Quantity	(233)	(210)	11.0%	(863)	(850)	1.5%
Costs with Charges and Transmission	**(310)**	**(59)**	**425.1%**	**(1,240)**	**(757)**	**63.8%**
Sale/ Purchase (Spot)	105	61	72.4%	(75)	657	-
Hydrological Risk	(292)	(124)	135.9%	(672)	(1,126)	-40.3%
Effects of Contracts by Availabilities	(123)	(44)	177.7%	(394)	(337)	16.8%
ESS	(1)	(17)	-93.8%	(11)	(70)	-84.9%
Reserve Power	1	62	-98.9%	(53)	74	-
Other	1	3	-76.9%	(36)	45	-
PIS / COFINS Credit on Purchase	184	172	7.2%	720	638	12.9%
ICMS Credit on Purchase	179	179	0.3%	755	179	322.2%
Total	**(1,938)**	**(1,605)**	**20.8%**	**(7,486)**	**(6,924)**	**8.1%**

In 4Q19, non-manageable costs and expenses totaled R$1,938 million, representing a 20.8% increase compared to 4Q18, primarily due to an increase in average PLD in the Southeast in 4Q19 (R$272.8/MWh) compared to 4Q18 (R$158.2/MWh), increasing payments regarding hydrological risk by R$168 million and increasing payments regarding availability agreements by R$79 million. The increase in these payments was offset by the increase in revenue from sales in the spot market by R$44 million, due to the effect of the PLD.

In 4Q19, energy purchase expenses at Norte Fluminense increased by R$41 million compared to 4Q18, due to the tariff adjustment and the increase of R$19 million in expenses at Itaipu, due to the appreciation of the U.S. dollar.

Additionally, in the end of 4Q19, the volume of contracted energy was virtually in line with that of 4Q18, as the decreases in physical guarantee quotas at Itaipu and in agreements for the purchase of energy in the regulated market (*Contratos de Compra de Energia no Ambiente Regulado) (CCEARs*) that expired in 2018 were offset by the execution of new CCEARs.

5.2.3. Variation Offset Account – CVA

Net Regulatory Assets/ Liabilities (R$ MN)	4Q19	3Q19	2Q19	1Q19	4Q18
Regulatory Assets	1,077	1,380	1,486	1,728	2,028
Regulatory Liabilities	(415)	(560)	(754)	(1,002)	(1,318)
Net Regulatory Assets/ Liabilities	**662**	**819**	**732**	**725**	**710**

In the end of 4Q19, the Variation Offset Account – CVA totaled R$662 million, encompassing (i) the remaining balance of CVA and financial items ratified by Aneel and transferred to tariffs in the tariff adjustment of March 2019, 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 December 2019, which Aneel will take into account in the tariff process of March 2020.

5.2.4. Financial Result of Light SESA

Financial Result (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Financial Revenues	**44**	**56**	**-20.1%**	**1,766**	**493**	**258.4%**
Income from Financial Investments	8	13	-35.6%	39	33	17.1%
Interest on energy accounts and debt installments	21	23	-11.4%	80	117	-31.5%
Restatement of Sector's Assets and Liabilities	5	5	16.7%	20	63	-68.4%
Restatement of ICMS calculation basis of PIS/COFINS	(0)	-	-	1,460	-	-
Others Financial Revenues	10	15	-31.2%	22	26	-16.7%
Financial Expenses	**(293)**	**(124)**	**137.4%**	**(1,022)**	**(1,038)**	**-1.5%**
Debt Expenses (Local Currency)	(120)	(134)	-10.1%	(448)	(470)	-4.7%
Debt Expenses (Foreign Currency)	(96)	(47)	103.9%	(228)	(109)	108.7%
Monetary Variation	(20)	(36)	-44.2%	(94)	(80)	18.4%
Exchange Rate Variation	80	120	-33.3%	(69)	(259)	-73.2%
Swap Operations	(97)	(16)	524.9%	-	-	-
Itaipu Exchange Rate Variation	4	8	-49.8%	1	(24)	-
Restatement of provision for contingencies	(5)	2	-	(17)	(6)	201.9%
Restatement of R&D/PEE/FNDCT	(3)	(3)	-13.1%	(13)	(12)	2.4%
Interest and Fines on Taxes	(2)	(0)	826.9%	(9)	(12)	-27.4%
Installment Payment - Fines and Interest Rates Law 11.94	0	4	-93.1%	(3)	(0)	698.7%
Other Financial Expenses (Includes IOF)	(35)	(23)	51.1%	(141)	(62)	126.5%
Braslight (Private Pension Fund)	-	-	-	-	(2)	-
Total	**(249)**	**(68)**	**266.8%**	**744**	**(544)**	**-**

In 4Q19, financial result totaled net financial expenses of R$249 million, compared to net financial expenses of R$68 million in 4Q18, primarily due to losses resulting from the market-to-market swap transactions related to debt denominated in foreign currency, in view of the increase in the future curve of interest rates in 4Q19.

Moreover, debt expenses in foreign currency increased by R$49 million in the quarterly comparison, primarily due to the premium paid for the early redemption of 35% of the bonds, equivalent to 7.25% of the repurchased amount.

In the aggregate for 2019, financial result improved due to the financial adjustment of the amount to be returned to Light’s consumers as a result of the favorable decision authorizing the exclusion of ICMS from the calculation basis of PIS/COFINS. Excluding this non-recurring and extraordinary item, financial result totaled net financial expenses of R$649 million in 2019, compared to net financial expenses of R$544 million in 2018.

6. Light Energia – Generation

Operating Highlights	4Q19	4Q18	% Change 4Q19/4Q18
Nº of Employees	219	220	-0.5%
Installed capacity (MW)	1,188	1,119	6.2%
Light Energia	873	873	0.1%
Participation*	315	247	27.6%
Assured energy (Average MW)	859	796	7.8%
Light Energia	723	645	12.0%
Participation*	136	151	-10.1%
Pumping and internal losses (Average MW)	116	101	15.3%
Available energy Light Energia (Average MW)	590	530	11.3%

[1] Includes Lajes
* Proportional stake in associates: Renova, Belo Monte, Guanhães and PCH Paracambi.

The Assured Energy of Light Energia increased by 78 MWa in the quarterly comparison due to the seasonality policy adopted by the Company to mitigate the risk of exposure to fluctuations in PLD.

6.1. Operating Performance

6.1.1. Energy Purchases and Sales

Energy Sale (MWm)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Free Contracting Environment Sales	564	558	1.0%	540	543	-0.4%
Spot Sales (CCEE)	11	74	-84.5%	45	44	1.9%
Free Contracting Environment Purchase	135	178	-24.4%	128	134	-4.1%
Spot Purchase (CCEE)	11	2	331.1%	17	18	-7.4%

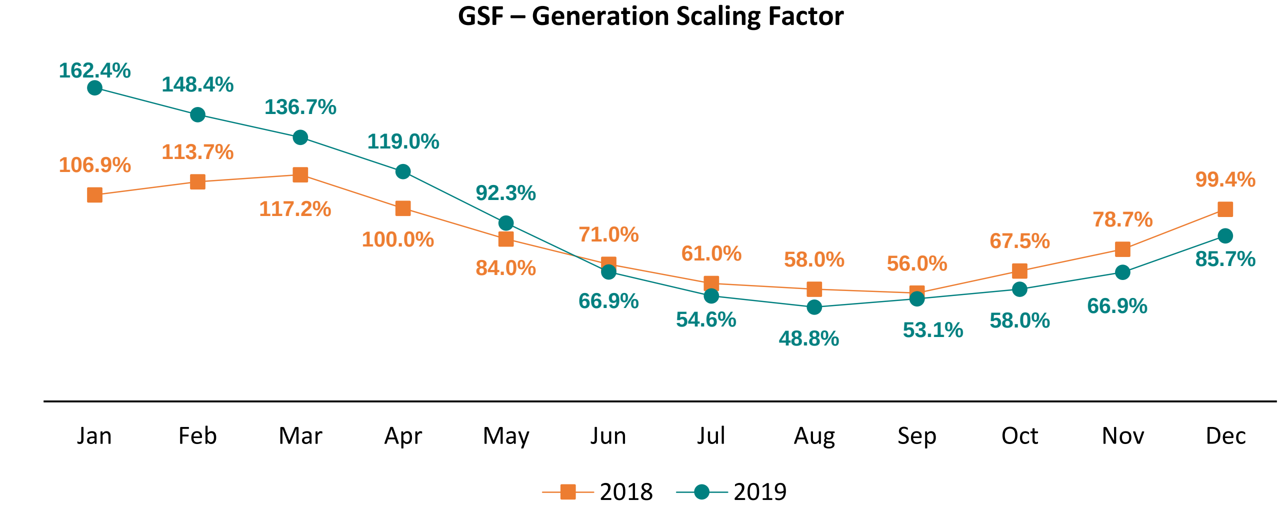
* Values include the plants: Fontes Nova, Nilo Peçanha, Pereira Passos, Ilha dos Pombos, Santa Branca and SHPP Lajes

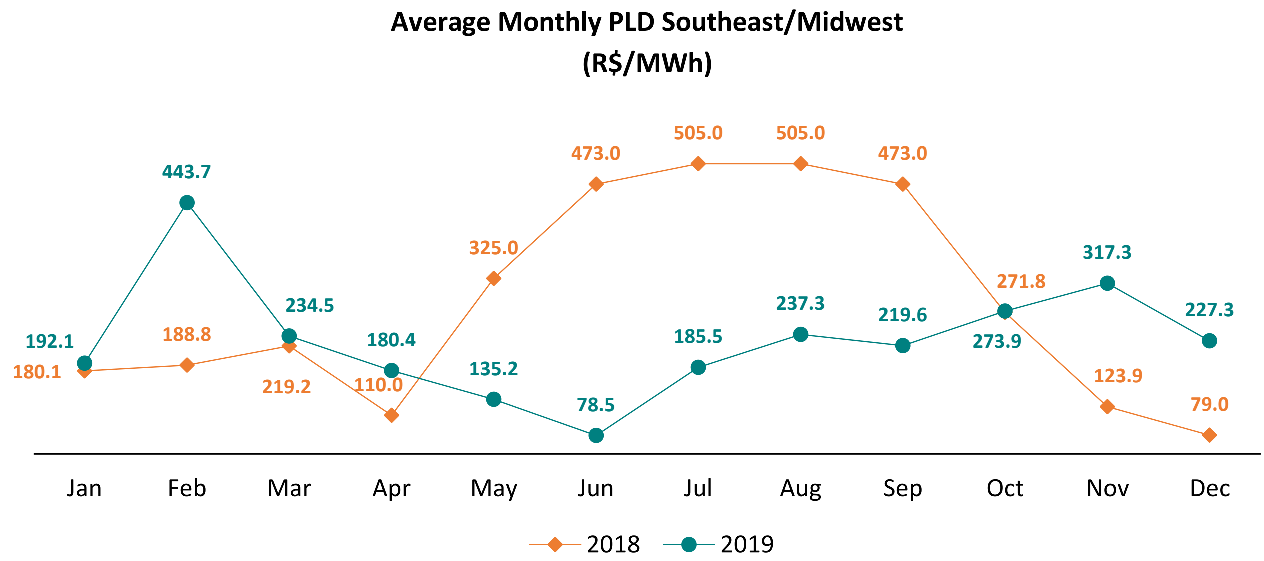
In 4Q19, energy sales in the ACL were virtually in line with those of 4Q18 and energy purchases in the ACL decreased by 43MWa compared to 4Q18, due to the hedging policy of the generation company.

In 4Q19, in the spot market, we purchased energy due to low average GSF (70.2% in 4Q19 compared to 81.9% in 4Q18).

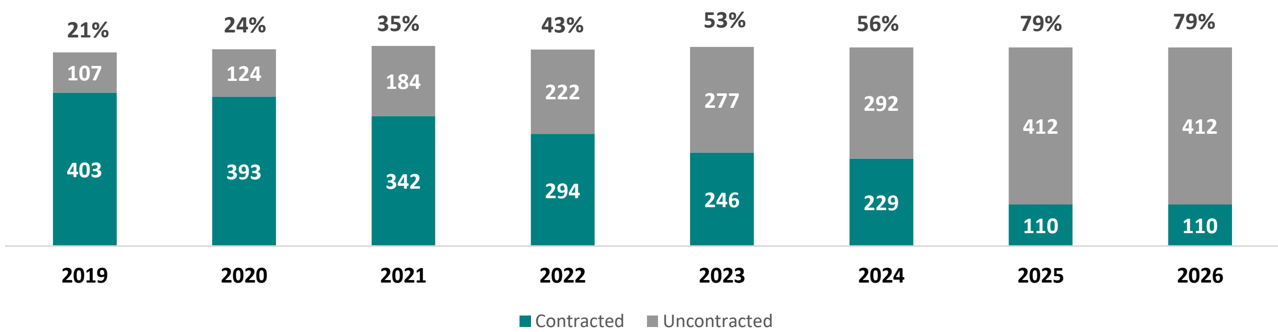
Pursuant to a court decision, Light Energia does not have to make payments relating to any exposure in monthly CCEE settlements, exempting it from making payments in the spot market and protecting its cash flows, even though this cost and revenue are regularly fully recognized in its result. As of December 2019, the outstanding balance of the liabilities for the period between May 2015 and December 2019 totaled approximately R$1.2 billion under trading in the short-term market. On the other hand, the balance of receivables of the Generation Company totaled R$575 million, resulting in net liabilities of R$657 million as of December 2019.

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 (new denomination of PL 10,985/18) was approved by the Economic Affairs Committee, going to the Senate plenary session, which cannot present new amendments to the text, but only accept or reject changes. Subsequently, the PL will be sent to the Presidency for sanction. Then Aneel must regulate the matter as provided for in the Law.





6.1.2. Level of Energy Contracted (Light Energia + Light Com)



6.2. Financial Performance of Light Energia

Income Statement (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Net Operating Revenue	**320**	**288**	**11.0%**	**1,098**	**1,118**	**-1.8%**
Operating Expense	(224)	(219)	2.4%	(613)	(787)	-22.2%
Adjusted EBITDA	**109**	**83**	**31.2%**	**542**	**383**	**41.5%**
Recurring EBITDA	**112**	**83**	**34.7%**	**545**	**383**	**42.2%**
Financial Result	(67)	6	-	(75)	(123)	-39.0%
Result before taxes and Equity Income	29	74	-60.9%	410	210	95.1%
Income Tax/Social Contribution	35	(22)	-	(88)	(60)	46.1%
Equity Income	0	(25)	-	5	(112)	-
Net Income/Loss	**63**	**28**	122.4%	**327**	**36**	**815.9%**
Recurring Net Income/Loss	**23**	**28**	-18.1%	**287**	**36**	**703.9%**
EBITDA Margin	34.1%	28.9%	5.24 p.p.	49.4%	34.3%	15.10 p.p.

6.2.1. Net Revenue, Costs and Expenses of Light Energia

Net Revenue (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Generation Sale (ACL)	204	192	6.7%	815	756	7.7%
Short-Term	113	94	20.0%	273	353	-22.6%
Others	2	2	9.9%	10	9	6.8%
Total	**320**	**288**	**11.0%**	**1,098**	**1,118**	**-1.8%**

Operating Costs and Expenses (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Personnel	(6)	(6)	-11.7%	(25)	(24)	3.8%
Material and Outsourced Services	(6)	(3)	89.0%	(18)	(15)	17.9%
Purchased Energy / CUSD / CUST	(195)	(192)	1.8%	(506)	(687)	-26.2%
Depreciation	(14)	(13)	5.9%	(57)	(54)	4.6%
Non Operating Result	0	(1)	-	(0)	2	-
Others (includes provisions)	(4)	(3)	9.9%	(7)	(10)	-27.8%
Total	**(224)**	**(219)**	**2.4%**	**(613)**	**(787)**	**-22.2%**

In 4Q19, net revenue increased by 11% (R$32 million) compared to the same period in the previous year, primarily due to the increase in sales in the spot market[10] (R$19 million), as a result of a higher average PLD in the Southeast and Midwest regions (R$272.8/MWh in 4Q19 compared to R$158.2/MWh in 4Q18).

In 4Q19, costs and expenses remained virtually in line with that of 4Q18. In 2019, costs and expenses decreased by 22.2% due to lower energy purchase expenses, as a result of the trading strategy of the Company.

[10] 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.

6.2.2. Financial Result of Light Energia

Financial Result (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Financial Revenues	**7.5**	**22.1**	**-66.2%**	**97.9**	**135.8**	**-27.9%**
Income from Financial Investments	7.3	8.5	-13.6%	36.1	26.8	34.3%
Swap Operations	-	13.3	-	61.2	105.1	-41.8%
Others Financial Revenues	0.1	0.3	-58.2%	0.6	0.5	30.7%
Financial Expenses	**(74.3)**	**(15.7)**	**373.1%**	**(173.2)**	**(261.6)**	**-33.8%**
Debt Expenses (Local Currency)	(0.9)	(5.9)	-84.4%	(15.5)	(54.4)	-71.6%
Debt Expenses (Foreign Currency)	(46.2)	(12.4)	273.3%	(94.5)	(41.3)	128.8%
Exchange Rate Variation	41.1	28.4	44.6%	(12.9)	(91.5)	-85.9%
Restatement of provision for contingencies	(0.1)	(0.0)	1228.6%	(0.1)	(0.1)	164.8%
Restatement of R&D/PEE/FNDCT	(0.2)	(0.2)	-5.5%	(0.7)	(0.6)	11.8%
Interest and Fines on Taxes	(0.0)	-	-	0.0	(0.6)	-
Restatement of GSF	(11.5)	(17.2)	-33.5%	(39.5)	(62.4)	-36.7%
Other Financial Expenses (Includes IOF)	(1.4)	(8.4)	-83.8%	(10.0)	(10.5)	-4.6%
Total	**(66.8)**	**6.4**	**-**	**(75.3)**	**(123.0)**	**-38.8%**

In 4Q19, net financial expenses totaled R$67 million, compared to net financial income of R$6 million in 4Q18, due to losses resulting from the market-to-market swap transactions related to debt denominated in foreign currency, in view of the increase in the future curve of interest rates in 4Q19.

Moreover, foreign debt charges increased by R$34 million in the quarterly comparison, due to the premium paid for the early redemption of 35% of the bonds, equivalent to 7.25% of the repurchased amount.

6.2.3. Net Income (Loss) of Light Energia

Net Income/Loss (R$MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Light Energia (without Stakes)	**63**	**53**	**19.3%**	**322**	**148**	**117.9%**
Guanhães - Equity Income	-	26	-	5	23	-79.1%
Renova Energia -Equity Income	-	(50)	-	-	(135)	-
Net Result	**63**	**28**	**122.4%**	**327**	**36**	**816.8%**

In 4Q19, Light Energia's net income totaled R$63 million, representing an increase of R$35 million compared to 4Q18. It is noteworthy that, in the period, Light Energia was not affected by equity income.

7. Light Com – Trading

7.1. Operating Performance

Operating Highlights	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Volume Sold - MWm	689	804	-14.3%	665	793	-16.2%
Average Selling Price (Net of Taxes) - R$/MWh	190.6	205.9	-7.4%	192.8	193.8	-0.5%

In 4Q19, sales volume decreased by 14.3% compared to 4Q18, due to the expiration of certain long-term agreements entered into with end consumers. Short-term transactions also decreased due to decreased market liquidity.

In 4Q19, average sales price decreased by 7.4% compared to 4Q18, due to the decrease in the volume of short-term transactions.

7.2. Financial Performance

Income Statement (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Net Operating Revenue	**290**	**365**	**-20.6%**	**1,123**	**1,346**	**-16.6%**
Energy Supply	290	365	-20.6%	1,100	1,346	-18.2%
Others	0	0	-20.8%	23	1	3059.4%
Operating Expenses	(256)	(308)	-16.8%	(1,248)	(1,219)	2.4%
Personnel	(1)	(1)	9.5%	(4)	(4)	3.9%
Material and Outsourced Services	(0)	(0)	60.6%	(0)	(0)	110.6%
Others	(0)	(0)	21.3%	(1)	(1)	31.3%
Purchased Energy	(255)	(307)	-16.9%	(965)	(1,214)	-20.5%
Provisions - PECLD Renova	-	-	-	(278)	-	-
Adjusted EBITDA	**33**	**57**	**-41.2%**	**(126)**	**127**	**-**
EBITDA Margin	11.5%	15.6%	-4.05 p.p.	-11.2%	9.5%	-20.63 p.p.
Recurring EBITDA	**33**	**57**	**-41.2%**	**130**	**127**	**2.2%**
Recurring EBITDA Margin	11.5%	15.6%	-4.05 p.p.	11.8%	9.5%	2.37 p.p.
Financial Result	1	3	-64.8%	28	14	100.2%
Financial Revenue	1	3	-63.5%	30	16	90.3%
Financial Expense	(0)	(0)	-27.6%	(2)	(2)	0.6%
Result Before Taxes and Interests	35	60	-42.5%	(97)	141	-
Net Income/Loss	**23**	**40**	**-42.8%**	**(64)**	**93**	**-**

In 4Q19, EBITDA of the Trading Company totaled R$33 million, representing a decrease of R$24 million compared to 4Q18, when we recorded an extraordinary revenue from a relevant customer, in the amount of R$43,7 million.

In the aggregate for 2019, EBITDA totaled a negative amount of R$126 million, due to the provision for losses regarding advances on energy bills and operating indemnification in favor of Renova, whose economic and financial conditions deteriorated in 3Q19. Excluding this effect, recurring EBITDA for 2019 totaled R$130 million, representing an increase of R$3 million compared to 2018, without considering the extraordinary revenue recognized in 4Q18.

8. Indebtedness

8.1. Light S.A.

R$ Million	Cost	Current	%	Non Current	%	Total	%
Light SESA		**1,309**	**100.0%**	**6,504**	**100.0%**	**7,814**	**100.0%**
Domestic Currency		**1,269**	**96.9%**	**5,123**	**78.8%**	**6,392**	**81.8%**
Debentures 8th Issuance	CDI + 1,18%	39	3.0%	235	3.6%	274	3.5%
Debentures 9th Issuance - Serie A	CDI + 1,15%	250	19.1%	250	3.8%	500	6.4%
Debentures 9th Issuance - Serie B	IPCA + 5,74%	213	16.3%	639	9.8%	853	10.9%
Debentures 10th Issuance	115% CDI	250	19.1%	-	0.0%	250	3.2%
Debentures 12ª Issuance 3	IPCA + 9,09%	58	4.4%	-	0.0%	58	0.7%
Debentures 13ª Issuance	IPCA + 7,44%	-	0.0%	496	7.6%	496	6.4%
Debentures 15ª Issuance 1	IPCA + 6,83%	-	0.0%	560	8.6%	560	7.2%
Debentures 15ª Issuance 2	CDI + 2,20%	-	0.0%	160	2.5%	160	2.0%
Debentures 16ª Issuance 1	CDI + 0,90%	-	0.0%	133	2.0%	133	1.7%
Debentures 16ª Issuance 2	CDI + 1,25%	-	0.0%	423	6.5%	423	5.4%
Debentures 16ª Issuance 3	CDI + 1,35%	-	0.0%	63	1.0%	63	0.8%
Debentures 17ª Issuance 1	CDI + 1,50%	-	0.0%	500	7.7%	500	6.4%
Debentures 17ª Issuance 2	CDI + 1,75%	-	0.0%	50	0.8%	50	0.6%
Debentures 17ª Issuance 4	IPCA + 5,25%	-	0.0%	150	2.3%	150	1.9%
Promissory notes - 5ª PN Sesa	CDI + 1,25%	100	7.6%	200	3.1%	300	3.8%
CCB Bradesco	CDI + 3,50%	-	0.0%	-	0.0%	-	0.0%
CCB IBM 2017	CDI + 3,84%	4	0.3%	-	0.0%	4	0.1%
CCB IBM 2019	CDI	1	0.0%	0	0.0%	1	0.0%
Leasing IBM	CDI	0	0.0%	-	0.0%	0	0.0%
BNDES (CAPEX) TJLP **	TJLP + 3,52%	34	2.6%	8	0.1%	42	0.5%
BNDES (CAPEX) SELIC **	Selic + 3,08%	22	1.7%	6	0.1%	28	0.4%
BNDES (CAPEX) TLP **	IPCA + 6,14%	42	3.2%	225	3.5%	267	3.4%
BNDES (CAPEX) Prefixed **	6.00%	14	1.1%	51	0.8%	65	0.8%
BNDES Olimpíadas TJLP **	TJLP + 2,89%	14	1.0%	5	0.1%	19	0.2%
BNDES Olimpíadas SELIC **	SELIC + 2,58%	5	0.4%	2	0.0%	7	0.1%
BNDES Olimpíadas Prefixed **	3.50%	**2**	**0.1%**	**5**	**0.1%**	**6**	**0.1%**
FINEP - Innovation and Research	4.00%	23	1.8%	33	0.5%	56	0.7%
FIDC 2018 Série A	CDI + 1,20%	173	13.2%	747	11.5%	919	11.8%
FIDC 2018 Série B	IPCA + 5,75%	85	6.5%	296	4.6%	381	4.9%
Others	-	(60)	-4.6%	(114)	-1.7%	(174)	-2.2%
Foreign Currency		**40**	**3.1%**	**1,381**	**21.2%**	**1,421**	**18.2%**
Tesouro Nacional	64,05% CDI	-	0.0%	23	0.4%	23	0.3%
Citibank	CDI + 1,50%	40	3.1%	322	5.0%	363	4.6%
Notes Units	142,79% CDI	-	0.0%	1,048	16.1%	1,048	13.4%
Others		-	0.0%	(13)	-0.2%	(13)	-0.2%
Light Energia		**6**	**100.0%**	**875**	**100.0%**	**881**	**100.0%**
Domestic Currency		**6**	**100.0%**	**35**	**3.9%**	**41**	**4.6%**
Debentures 3rd Issuance	CDI + 1,18%	3	39.5%	15	1.7%	18	2.0%
Debentures 6th Issuance	CDI + 3,50%	-	0.0%	-	-	-	0.0%
BNDES Lajes	TJLP + 2,95%	4	60.9%	20	0	24	2.7%
Foreign Currency		-	0.0%	840	1	840	95.4%
Citibank	CDI + 1,30%	-	0.0%	322	0	322	36.6%
Notes Units	143,01% CDI	-	0.0%	524	1	524	59.5%
Others	-	-	0.0%	(6)	(0)	(6)	-0.7%
Light Conecta		**1**	**100.0%**	**0**	**100.0%**	**1**	**100.0%**
BNDES - Conecta (Domestic Currenc	TJLP + 0,53%	1	100%	0	100%	1	100%
Total		**1,316**		**7,379**		**8,695**	

R$ MM	Light SESA	Light Energia	Conecta	Others Light S.A.	Light S.A. 4Q19	Light S.A. 3Q19	Δ %
Domestic Currency	6,392	41	1	-	6,434	5,868	9.6%
Foreign Currency	1,421	840	-	-	2,261	3,203	-29.4%
Loans and Financing	3,415	864	1	-	4,280	5,348	-20.0%
Debentures	4,399	17	-	-	4,416	3,723	18.6%
Interest	64	7	0	-	71	195	-63.5%
Swap Operations	-230	-108	-	-	-338	(673)	-49.7%
Gross Debt	**7,647**	**780**	**1**	-	**8,428**	**8,593**	**-1.9%**
Cash and Cash Equivalents	881	680	10	107	1,678	2,052	-18.2%
Net Debt	**6,766**	**100**	**-9**	**-107**	**6,750**	**6,541**	**3.2%**

In 4Q19, the Company's consolidated net debt totaled R$6,750 million, representing a 3.2% increase compared to 3Q19. However, in 4Q19, gross debt decreased by 1.9% compared to 3Q19, due to several transactions entered into in the period, including:

I. Early redemption of 35% of the bonds issued by Light Sesa and Light Energia, in an amount equivalent to USD210 million, of which USD140 million corresponded to Light SESA and USD70 million corresponded to Light Energia. The remaining balance of the bonds, in the amount of USD390 million, will mature in May 2023, as originally established, with redemption options exercisable as of May 2021.

II. Settlement of the 17th issuance of debentures of Light Sesa, with restricted placement efforts, pursuant to CVM Instruction 476/09, in the total amount of R$700 million, subscribed for as set forth in the table below:

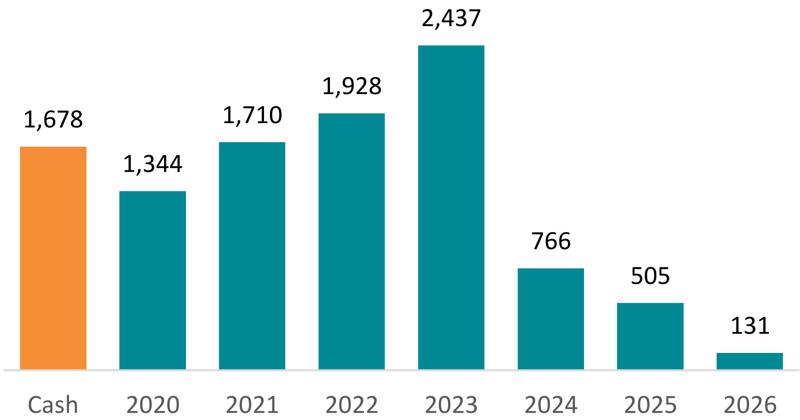
Series	Number	Amount	Interest	Maturity
1st	500,400	R$500,400,000.00	CDI + 1.50% p.a.	3 years
2nd	50,000	R$50,000,000.00	CDI + 1.75% p.a.	5 years
3rd	149,600	R$149,600,000.00	IPCA + 5.25% p.a.	7 years

III. Early amortization of the entire outstanding balance of the 2015/16 Capex financing agreement entered into by Light Sesa with BNDES, in the amount of R$292.6 million. This agreement originally matured in March 2023 and provided for tranches accruing interest at the SELIC rate + 4.08% p.a. and TJLP + 3.74% p.a.

IV. Settlement of the 5th issuance of promissory notes of Light Sesa, in the total amount of R$300 million, subscribed for as set forth in the table below:

Series	Number	Amount	Interest	Maturity
1st	100	R$100,000,000.00	CDI + 1.25% p.a.	1 year
2nd	100	R$100,000,000.00	CDI + 1.25% p.a.	2 years
3rd	100	R$100,000,000.00	CDI + 1.25% p.a.	3 years

Amortization of Loans and Financing and Debentures (R$ MN)
Average Maturity: 2.7 years

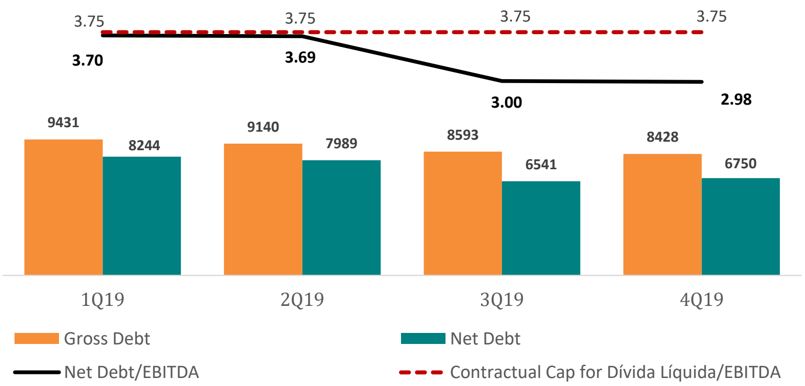


At the end of 4Q19, the Net Debt/EBITDA ratio was 2.98x, in line with 3Q19 (3.00x). The calculation of EBITDA for covenants excluded non-recurring revenue in 3Q19 of R$1,086 million, as set forth in the table below.

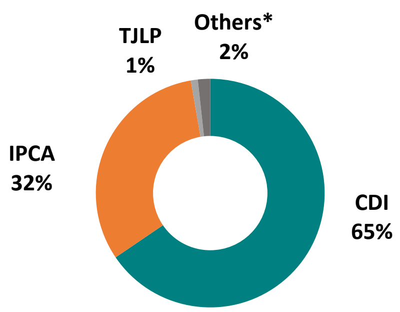
It is important to highlight that the contractual maximum covenant limit is 3.75x under most agreements.

At the end of 4Q19, EBITDA/Interest ratio was 3.38x, above the minimum contractual limit of 2.0x under most agreements.

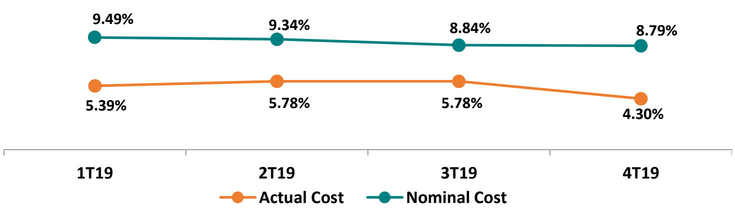
Consolidated Gross and Net Debt (R$ MM)



Debt Indices¹



Debt Service Costs



[1]Considering Hedge
* Equivalent to the sum of fixed cost, Libor and U.S. dollar exchange rate variation.

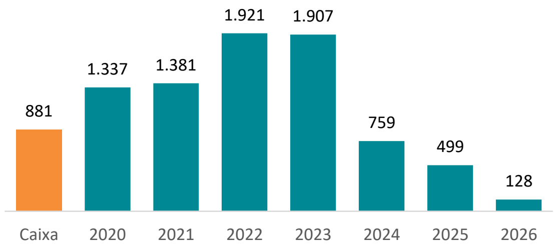
Covenants Multiple - R$ MN		dec/19	sep/19	jun/19	mar/19	dec/18
Loans and Financing	+	4,334	5,417	5,293	5,367	5,561
Loans and Financing Cost	-	(55)	(68)	(72)	-	-
Interest related to Loans and Financing	+	28	88	39	88	62
Debentures	+	4,487	3,788	4,265	4,137	4,356
Debentures Cost	-	(71)	(65)	(74)	-	-
Interest related to Debentures	+	43	107	59	99	49
Swap Operations	+	(338)	(673)	(369)	(260)	(328)
Gross Debt	=	**8,428**	**8,593**	**9,140**	**9,431**	**9,701**
Cash	-	1,678	2,052	1,151	1,187	1,684
Net Debt (a)	=	**6,750**	**6,541**	**7,989**	**8,244**	**8,017**
EBITDA CVM (12 months)		**1,875**	**2,358**	**1,524**	**1,645**	**1,507**
Equity Income (12 months)	-	(38)	(31)	(128)	(59)	(85)
Provision (12 months)	-	(1,540)	(919)	(597)	(627)	(674)
Other Operational Revenues/Expenses (12 months)	-	(49)	(85)	(73)	(82)	(91)
Regulatory Assets and Liabilities (12 months)	+	(153)	(124)	(155)	(185)	(147)
Other Revenue -PIS/COFINS credit		1,086	1,086	-	-	-
EBITDA for Covenants (12 months) (b)	=	**2,262**	**2,183**	**2,167**	**2,229**	**2,211**
Interests (c)		**669**	**699**	**726**	**718**	**697**
Net Debt/EBITDA for Covenants (a/b)		**2.98**	**3.00**	**3.69**	**3.70**	**3.63**
Contractual Cap for Dívida Líquida/EBITDA		3.75	3.75	3.75	3.75	3.75
EBITDA for Covenants/Interest (b/c)		**3.38**	**3.12**	**2.99**	**3.10**	**3.17**
Contractual Lower Limit for EBITDA/Juros		2.00	2.00	2.00	2.00	2.00

Ratings	Grade		Date
	National	Foreign	
Fitch	A+	BB-	07/16/2019
Standard & Poors	AA+	-	07/15/2019
Moody's	A2.br	Ba3	09/04/2019

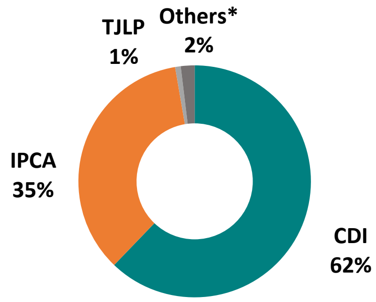
8.2. Debt Breakdown

Light SESA

Amortization[1] (R$ MN)
Average Maturity: 2.7 years

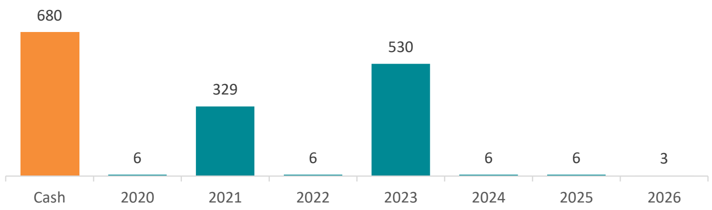


Debt Indices[2]

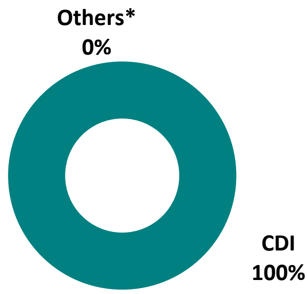


Light Energia

Amortization[1] (R$ MN)
Average Maturity: 2.7 years



Debt Indices [2]



[1] Principal of loans and financing and debentures.
[2] Considering Hedge.
* Equivalent to the sum of fixed cost, Libor and the U.S. dollar exchange rate variation.

9. Consolidated Investment

Capex (R$ MM)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Distribution	211	213	-1.0%	733	660	11.0%
Engineering	135	147	-8.1%	504	436	15.6%
Commercial	76	66	14.9%	229	224	2.2%
Non-electrical Assets	36	37	-1.6%	82	83	-1.2%
Generation	35	28	25.2%	69	55	25.9%
Total	**282**	**278**	**1.6%**	**885**	**799**	**10.8%**
Capital Contribution	**4**	**11**	**-60.2%**	**54**	**92**	**-40.9%**
Belo Monte	0	0	-95.2%	0	24	-99.8%
Itaocara	1	1	-38.9%	24	5	385.3%
Guanhães	-	9	-	21	62	-67.0%
Axxiom	3	-	-	9	-	-
Total Capex (includes transfers to subsidiaries)	**287**	**289**	**-0.8%**	**939**	**890**	**5.5%**

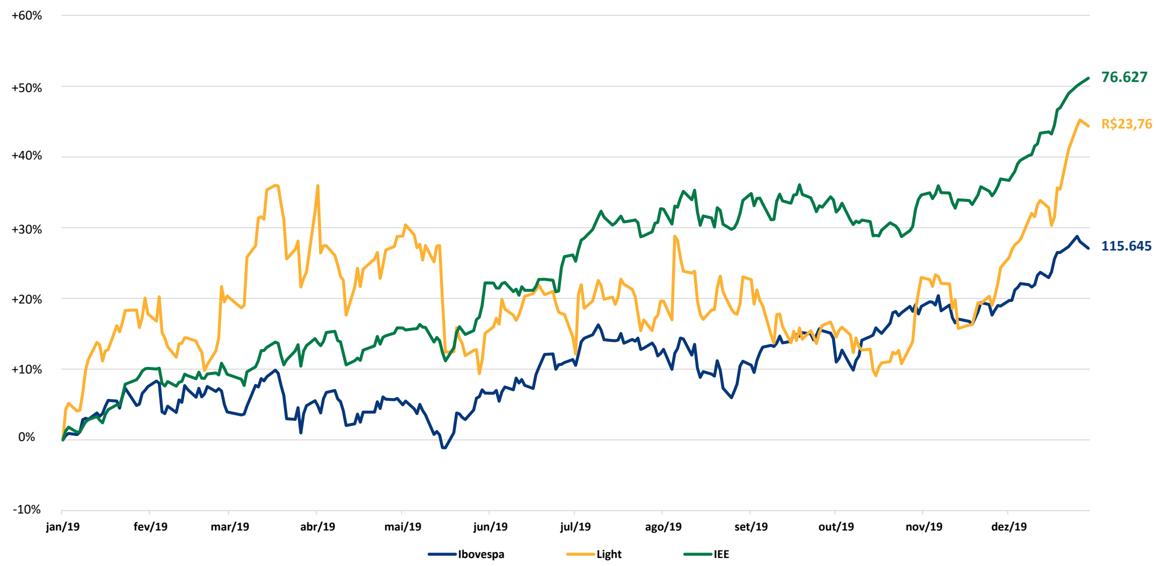
The Company's consolidated capital expenditure, excluding contributions, increased by 1.6% in 4Q19 compared to 4Q18. We highlight the increase of R$10 million in the commercial line item, due to the intensification of inspections and regularization of low voltage customers and the increase in the number of energy cuts and reconnections. In 4Q19, we also highlight the increase of R$7 million in Capex of Light Energia, as a result of the modernization of the pumping stations of Santa Cecília and Vigário plants.

10. Capital Markets

Light S.A.'s shares (LIGT3) were priced at R$23.76 at the end of December 2019. At the end of 4Q19, the Company's market value was R$7.2 billion.

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

On a 100 basis on January 2, 2019



Market Information	4Q19	4Q18
Volume Average - LIGT3 (R$ MN)	47.0	26.2
Shares Average - LIGT3 (R$ / share)	20.06	15.80
ADTV 90 days (R$ MN)	44.1	22.8
Price Change - LIGT3	24.9%	32.3%
Price Change - IEE	12.9%	27.6%
Price Change - IBOV	11.1%	11.8%

ANNEX I – Generation Projects

Current Generation Park					
Existing Power Plants	Installed Capacity (MW)[1]	Assured Energy (MWm)[1]	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%
Total	**1188**	**672**	-	-	-

[1]Light's proportional stake

ANNEX II – CVM EBITDA Reconciliation

CVM EBITDA (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Net Operating Revenue (A)	**(366)**	**92**	**-**	**1,328**	**166**	**700.9%**
Social Contributions & Income Tax (B)	42	(40)	-	(96)	(82)	18.0%
Deferred Income Tax (C)	182	(25)	-	(565)	(64)	781.3%
EBT (A - (B + C))	**(591)**	**157**	**-**	**1,989**	**311**	**538.7%**
Depreciation (D)	(147)	(138)	6.5%	(587)	(545)	7.8%
Financial Expenses Revenue (E)	(314)	(58)	440.1%	702	(651)	-
CVM EBITDA ((A) - (B) - (C) - (D) - (E))	**(130)**	**354**	**-**	**1,875**	**1,507**	**24.4%**

ANNEX III – Income Statement

Light SESA

Income Statement (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Operating Revenues	**4,560**	**4,495**	**1.4%**	**19,399**	**18,188**	**6.7%**
Electricity Sales	3,906	3,791	3.0%	**15,178**	14,804	2.5%
CVA	(163)	(28)	472.8%	(69)	627	-
Construction Revenues	198	194	1.8%	726	661	9.9%
Other Revenues - PIS/COFINS credits	-	-	-	-	-	-
Other Revenues	619	539	14.8%	2,477	2,097	18.1%
Deductions From Operating Revenues	(1,675)	(2,039)	-17.8%	(7,487)	(7,854)	-4.7%
Net Operating Revenues	**2,884**	**2,456**	**17.4%**	**11,912**	**10,334**	**15.3%**
Electricity Costs	(2,136)	(1,799)	18.7%	(8,212)	(7,585)	8.3%
Operating Expenses	(967)	(365)	165.3%	(2,122)	(1,562)	35.9%
Personnel	(93)	(91)	1.8%	(389)	(365)	6.5%
Material	(5)	(5)	-5.7%	(22)	(21)	5.5%
Third party services	(125)	(140)	-10.5%	(517)	(534)	-3.2%
Provisions	(752)	(133)	466.2%	(1,261)	(672)	87.7%
Others	9	5	68.0%	67	30	121.6%
Adjusted EBITDA	**(219)**	**292**	**-**	**1,578**	**1,187**	**32.9%**
Depreciation and amortization	(133)	(125)	6.5%	(530)	(487)	8.9%
Other operating revenues/expenses	(5)	(27)	-80.2%	(32)	(41)	-21.5%
Operating Income	(357)	141	-	1,016	659	54.1%
Net Financial Result	(249)	(68)	266.8%	744	(544)	-
Financial Revenues	44	56	-20.1%	1,766	493	258.4%
Financial Expenses	(293)	(124)	137.4%	(1,022)	(1,038)	-1.5%
Income before tax	(606)	73	-	1,761	116	1413.6%
Income Tax / Social Contribution	-	(2)	-	2	(2)	-
Deferred Taxes	201	(20)	-	(608)	(37)	1540.1%
Net Income	**(405)**	**51**	**-**	**1,154**	**77**	**1399.3%**

Light Energia

Income Statement (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Operating Revenues	**357**	**323**	**10.5%**	**1,239**	**1,255**	**-1.3%**
Energy supply - Energy sales	228	216	5.7%	921	852	8.1%
Energy supply - Spot	126	105	20.3%	307	393	-22.0%
Others - TUSD	2	3	-6.6%	10	9	10.0%
Others	0	(0)	-	2	2	-7.7%
Deductions from Operating Revenues	(37)	(35)	5.8%	(141)	(137)	2.9%
Net Operating Revenues	**320**	**288**	**11.0%**	**1,098**	**1,118**	**-1.8%**
Electricity Costs	(195)	(192)	1.8%	(506)	(687)	-26.2%
Operating Expenses	(15)	(13)	19.1%	(50)	(49)	1.9%
Personnel	(6)	(6)	-11.7%	(25)	(24)	3.8%
Material	(0)	(0)	14.7%	(1)	(1)	30.0%
Third party services	(6)	(3)	95.9%	(17)	(14)	17.3%
Provisions	(3)	(1)	102.4%	(1)	(2)	-61.6%
Others	(1)	(2)	-42.3%	(6)	(8)	-18.8%
Adjusted EBITDA	**109**	**83**	**31.2%**	**542**	**383**	**41.5%**
Depreciation and amortization	(14)	(13)	5.9%	(57)	(54)	4.6%
Other operating revenues/expenses	0	(1)	-	(0)	2	-
Operating income	95	69	38.7%	485	331	46.5%
Equity Income	0	(25)	-	5	(112)	-
Net Financial Result	(67)	6	-	(75)	(123)	-39.0%
Financial Revenues	7	22	-66.2%	98	136	-27.9%
Financial Expenses	(74)	(16)	373.1%	(173)	(262)	-33.8%
Income before Tax	29	51	-43.5%	415	96	333.2%
Income Tax / Social Contribution	(7)	(19)	-62.7%	(98)	(31)	215.5%
Deferred Taxes	42	(4)	-	10	(29)	-
Net Income	**63**	**28**	**122.4%**	**327**	**36**	**815.9%**

ANNEX IV – Statement of Financial Result

Light S.A.

Financial Result (R$ MN)	4Q19	4Q18	% Change 4Q19/4Q18	2019	2018	% Change 2019/2018
Financial Revenues	**54**	**68**	**-20.5%**	**1,901**	**646**	**194.5%**
Income from Financial Investments	17	23	-25.4%	80	63	26.8%
Swap Operations	-	-	-	206	355	-42.1%
Moratory Increase / Debts Penalty	21	23	-11.4%	80	117	-31.5%
Restatement of Sector's Assets and Liabilities	5	5	16.7%	21	63	-67.0%
Restatement of ICMS calculation basis of PIS/COFINS	(0)	-	-	1,461	-	-
Others Financial Revenues	11	18	-35.5%	53	46	14.7%
Financial Expenses	**(368)**	**(126)**	**-190.8%**	**(1,200)**	**(1,297)**	**-7.5%**
Debt Expenses (Local Currency)	(121)	(134)	-9.9%	(464)	(517)	-10.3%
Debt Expenses (Foreign Currency)	(142)	(66)	117.1%	(322)	(157)	105.9%
Monetary Variation	(20)	(36)	-44.3%	(94)	(80)	18.1%
Exchange Rate Variation	121	148	-18.4%	(82)	(351)	-76.5%
Itaipu Exchange Rate Variation	4	8	-49.8%	1	(24)	-
Restatement of provision for contingencies	(5)	2	-	(18)	(6)	214.0%
Restatement of R&D/PEE/FNDCT	(3)	(3)	-12.7%	(13)	(13)	2.9%
Interest and Fines on Taxes	(2)	(0)	775.7%	(9)	(14)	-34.4%
Installment Payment - Fines and Interest Rates Law 11.94	0	4	-93.1%	(3)	(0)	698.7%
Restatement of GSF	(0)	(17)	-99.3%	(23)	(62)	-63.0%
Other Financial Expenses (Includes IOF)	(47)	(31)	54.4%	(171)	(69)	149.7%
Braslight (Private Pension Fund)	-	-	-	-	(2)	-
Total	**(314)**	**(58)**	**440.1%**	**702**	**(651)**	**-**

ANNEX V – Statement of Financial Position

Light S.A. (R$ million)

ASSETS	12/31/2019	12/31/2018
Current	**5,354**	**5,635**
Cash & cash equivalents	996	707
Marketable securities	682	977
Receivable accounts	2,537	2,855
Inventories	60	38
Taxes and contributions recoverable	81	75
Income tax and social contribution recoverable	135	30
Sector's financial assets	550	564
Prepaid expenses	23	30
Dividends receivable	0	0
Receivables from services rendered	31	90
Swap derivative financial instruments	0	15
Other current assets	260	254
Non-current	**18,490**	**12,228**
Receivable accounts	1,113	1,013
Taxes and contributions recoverable	6,257	52
Deferred taxes	36	405
Sector's financial assets	113	148
Concession financial asset	4,748	4,272
Deposits related to litigation	273	295
Swap derivative financial instruments	373	424
Other current assets	0	84
Contractual asset	497	330
Right of use asset	77	0
Investments	579	547
Fixed assets	1,587	1,560
Intangible	2,837	3,096
Total Assets	**23,844**	**17,864**

LIABILITIES	12/31/2019	12/31/2018
Current	**5,178**	**5,278**
Suppliers	2,546	2,120
Taxes and contributions	172	339
Income tax and social contribution	38	14
Loans and financing	551	1,041
Debentures	836	955
Financial liabilities of the sector	0	3
Dividends payable	315	39
Labor obligations	86	77
Leasing	32	0
Other obligations	600	691
Non-current	**12,436**	**9,196**
Loans and financing	3,756	4,582
Debentures	3,623	3,451
Swap derivative financial instruments	35	112
Taxes and contributions	348	305
Deferred taxes	400	208
Uncovered equity income	22	0
Provisions for tax, civil, labor and regulatory risks	543	476
Leasing	48	0
Amounts to be refunded to consumers	3,606	0
Other obligations	54	62
Shareholders' Equity	**6,231**	**3,389**
Capital Stock	4,051	2,226
Capital reserves	3	0
Profit reserves	1,958	929
Asset valuation adjustments	320	336
Other comprehensive income	(101)	(101)
Retained Earnings	0	0
Total Liabilities	**23,844**	**17,864**

Light SESA (R$ million)

ASSETS	12/31/2019	12/31/2018
Current	**3,780**	**4,357**
Cash & cash equivalents	554	491
Marketable securities	327	493
Receivable accounts	1,824	2,335
Inventories	56	34
Taxes and contributions	77	67
Income tax and social contribution	89	29
Sector's financial assets	550	564
Prepaid expenses	21	28
Receivables from services rendered	31	90
Swap derivative financial instruments	0	1
Other current assets	252	226
Non-current	**16,402**	**10,046**
Receivable accounts	1,090	875
Taxes and contributions	6,257	52
Deferred taxes	0	402
Sector's financial assets	113	148
Concession financial asset	4,748	4,272
Deposits related to litigation	269	292
Swap derivative financial instruments	249	324
Contractual asset	497	330
Right of use asset	74	0
Investments	29	30
Fixed assets	245	230
Intangible	2,833	3,091
Total Assets	**20,182**	**14,402**

LIABILITIES	12/31/2019	12/31/2018
Current	**3,715**	**3,791**
Suppliers	1,242	1,133
Taxes and contributions	165	329
Income tax and social contribution	1	1
Loans and financing	540	814
Debentures	833	777
Financial liabilities of the sector	0	3
Dividends payable	274	18
Labor obligations	77	68
Leasing	30	0
Other obligations	552	648
Non-current	**11,310**	**8,165**
Loans and financing	2,896	3,792
Debentures	3,609	3,433
Swap derivative financial instruments	18	112
Taxes and contributions	348	305
Deferred taxes	202	0
Provisions for tax, civil, labor and regulatory risks	540	471
Leasing	46	0
Amounts to be refunded to consumers	3,606	0
Other obligations	46	53
Shareholders' Equity	**5,158**	**2,446**
Capital Stock	4,146	2,314
Capital reserves	7	7
Profit reserves	1,101	222
Other comprehensive income	-97	-97
Total Liabilities	**20,182**	**14,402**

Light Energia (R$ million)

ASSETS	12/31/2019	12/31/2018
Current	**1,427**	**1,265**
Cash & cash equivalents	342	90
Marketable securities	338	483
Receivable accounts	734	663
Taxes and contributions	2	6
Swap derivative financial instruments	0	14
Inventories	4	4
Prepaid expenses	2	2
Other current assets	5	4
Non-current	**1,570**	**1,507**
Swap derivative financial instruments	124	101
Contingency deposits	3	3
Right-of-use assets	3	0
Investments	136	111
Fixed assets	1,301	1,289
Intangible	2	3
Right of use asset	0	0
Total Assets	**2,998**	**2,772**

LIABILITIES	12/31/2019	12/31/2018
Current	**1,393**	**1,466**
Suppliers	1,285	1,013
Taxes and contributions	4	3
Income tax and social contribution	37	1
Loans and financing	11	224
Debentures	3	178
Labor obligations	7	6
Leasing obligations	1	0
Other obligations	45	40
Non-current	**1,102**	**1,030**
Loans and financing	860	789
Debentures	15	17
Deferred taxes	199	208
Swap	16	0
Provisions	3	5
Other obligations	8	10
Leasing obligations	2	0
Shareholders' Equity	**503**	**276**
Capital Stock	77	77
Profit reserves	109	25
Asset valuation adjustments	320	336
Other comprehensive income	-4	-4
Accumulated losses	0	-159
Total Liabilities	**2,998**	**2,772**

ANNEX VI – Statement of Cash Flows

Light S.A.

R$ MN	2019	2018
Net cash generated by operating activities	**452**	**41**
Cash generated by (used in) operations	**1,894**	**1,652**
Net income before income tax and social contribution	1,989	311
Allowance for doubtful accounts	1,127	435
Depreciation and amortization	587	545
Loss from the sale or write-off of intangible assets/property, plant and equipment/investment	64	11
Exchange and inflation adjustment losses from financial activities	177	431
Financial provisions and update for tax, civil, labor and regulatory risks and financial update of deposits related to litigation	408	235
Adjustment to present value and prepayment of receivables	(1)	(18)
Interest expense on loans, borrowings and debentures	692	685
Charges and inflation adjustment of post-employment obligations	-	2
Interest over lease obligations	8	-
Swap variation	(206)	(353)
Equity in the earnings of subsidiaries	38	85
Provision for investment losses	-	-
Effect of PIS/COFINS Credits	(2,479)	-
Stock option granted	3	-
Net gain on investments valued at cost	(0)	(11)
Result from sale of equity stakes		
Fair value of the concession's indemnifiable assets	(153)	(147)
Recognition and restatement of financial assets and liabilities of the sector	(360)	(572)
Changes in assets and liabilities	**(1,442)**	**(1,611)**
Marketable securities	(135)	(44)
Consumers, concessionaires and permissionaires	(593)	(835)
Dividends received	3	2
Taxes, fees and contributions to offset	(117)	71
Financial assets and liabilities of the sector	408	(36)
Inventories	(1)	(1)
Receivables from services rendered	22	(7)
Prepaid expenses	7	(2)
Deposits related to litigation	(14)	(38)
Other assets	58	(207)
Suppliers	414	105
Labor obligations	10	10
Taxes, fees and contributions payable	(212)	177
Payment of provisions for tax, civil, labor and regulatory risks	(305)	(191)
Other liabilities	(176)	154
Interest paid	(710)	(641)
Income tax and social contribution paid	(101)	(127)
Net cash used in investing activities	**(460)**	**(1,667)**
Receivables from sale of equity stakes	14	43
Acquisition of property, plant and equipment	(92)	(88)
Acquisition of intangible and contractual assets	(758)	(671)
Permanent investment acquisitions/financial investments - Investees' contribution	(54)	(92)
Redemption of financial investments	2,768	897
Financial investments	(2,338)	(1,757)
Net cash generated by (used in) financing activities	**298**	**2,063**
Receipt for the issue of shares	1,825	-
Dividends paid	(39)	(30)
Payment of lease obligations	(38)	-
Loans, borrowings and debentures	2,201	4,911
Amortization of loans, borrowings and debentures	(3,651)	(2,765)
Amortization of pension plan contractual debt	-	(54)
Net increase (decrease) in cash and cash equivalents	**289**	**437**
Cash and cash equivalents at the beginning of the year	707	270
Cash and cash equivalents at the end of the year	996	707

Light SESA

R$ MN	2019	2018
Net cash generated by operating activities	**(79)**	**(237)**
Cash generated by (used in) operations	**1,253**	**1,215**
Net income before income tax and social contribution	1,760	116
Allowance for doubtful accounts	850	435
Depreciation and amortization	530	487
Loss from the sale or write-off of intangible assets/property, plant and equipment	61	9
Exchange and monetary losses (gains) from financial activities	164	339
Provisions for tax, civil, labor and regulatory risks and judicial deposits	409	232
Adjustment to present value and prepayment of receivables	-1	-18
Interest expense on loans, borrowings and debentures	611	591
Charges and inflation adjustment of post-employment obligations	0	2
	-2,479	0
Fair value of the concession's indemnifiable assets	-153	-147
Interest over lease obligations	7	0
Swap variation	-144	-248
Recognition and restatement of financial assets and liabilities of the sector	-144	-572
Gain (loss) on investments valued at cost	0	-11
Changes in assets and liabilities	**(1,332)**	**(1,452)**
Marketable securities	-108	14
Consumers, concessionaires and permissionaires	-516	-677
Taxes, fees and contributions to offset	-76	33
Financial assets and liabilities of the sector	408	-36
Inventories	0	-6
Receivables from services rendered	22	-7
Prepaid expenses	7	-2
Deposits related to litigation	-13	-38
Other assets	194	-80
Suppliers	96	-267
Labor obligations	9	9
Taxes, fees and contributions payable	-236	233
Provisions for tax, civil, labor and regulatory risks	-304	-191
Other liabilities	-196	149
Interest paid	-619	-585
Net cash used in investing activities	**(511)**	**(1,162)**
Acquisition of property, plant and equipment	-27	-32
Acquisition of intangible and contractual assets	-757	-671
Redemption of financial investments	1,763	646
Financial investments	-1,489	-1,106
Net cash generated by (used in) financing activities	**654**	**1,730**
Capital increase	1,832	0
Dividends Paid	-18	-22
Payment of lease obligations	-36	0
Loans, borrowings and debentures	1,867	4,132
Amortization of loans, borrowings and debentures	-2,991	-2,238
Amortization of pension plan debt	0	-52
Amortization of loans - related parties	0	-90
Net increase (decrease) in cash and cash equivalents	**64**	**331**
Cash and cash equivalents at the beginning of the year	491	160
Cash and cash equivalents at the end of the year	554	491

Light Energia

R$ MN	2019	2018
Net cash generated by operating activities	**594**	**211**
Cash generated by (used in) operations	**497**	**350**
Net income before income tax and social contribution	414	97
Depreciation and amortization	57	54
Loss from the sale of intangible assets/property, plant and equipment	0	2
Exchange rate and monetary losses (gains) from financial activities	13	92
Provision for contingencies and restatement	(2)	2
Interest expense on loans, borrowings and debentures	81	96
Swap variation	(61)	(105)
Charges and inflation adjustment of post-employment obligations	-	0
	0	-
Equity in the earnings of subsidiaries	(5)	112
Changes in assets and liabilities	**97**	**(139)**
Marketable securities	(24)	(68)
Concessionaires and licensees	(71)	(401)
Taxes, fees and contributions	4	1
Inventories	(1)	(0)
Prepaid expenses	0	(0)
Deposits related to litigation	(1)	(0)
Other assets	50	(9)
Suppliers	272	445
Labor liabilities	0	2
Taxes, fees and contributions payable	(16)	(4)
Provisions	(1)	(0)
Other liabilities	20	18
Interest paid	(91)	(87)
Interest received	-	31
Income tax and social contribution paid	(45)	(66)
Net cash used in investing activities	**83**	**(516)**
Acquisition of property, plant and equipment	(65)	(56)
Redemption of financial investments	977	199
Financial investments	(808)	(596)
Investments/Acquisition of invenstments	(21)	(62)
Net cash generated by (used in) financing activities	**(425)**	**341**
Dividens paid	(100)	-
Loans, borrowings and debentures	334	781
Amortization of loans, borrowings and debentures	(658)	(526)
Payment of finance lease obligations	(2)	-
Amortization of pension plan contractual debt		
Loan received - related parties	-	90
Net increase (decrease) in cash and cash equivalents	**252**	**36**
Cash and cash equivalents at the beginning of the year	90	53
Cash and cash equivalents at the end of the year	342	90

List of Abbreviations and Acronyms

- **ACL** – Free Contracting Environment
- **ANEEL** – National Electric Energy Agency
- **BNDES** – Brazilian Development Bank
- **CCEE** – Brazilian Electricity Trading Chamber
- **CCRBT** – 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