



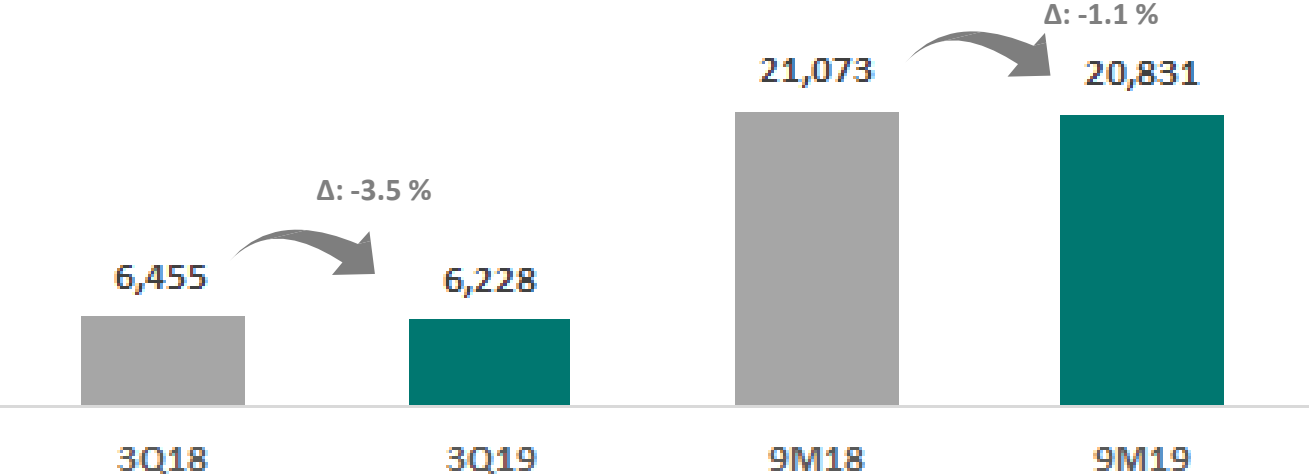
Earnings Results Presentation

3Q19

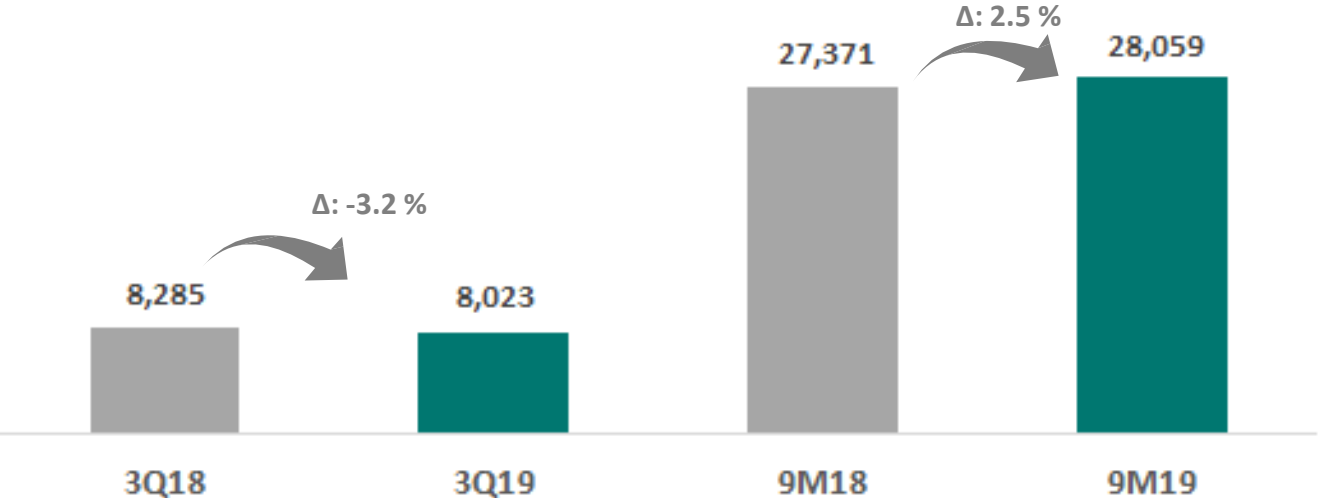
Rio de Janeiro
November 14, 2019

Market reduction billed in line with lower grid load in 3Q19

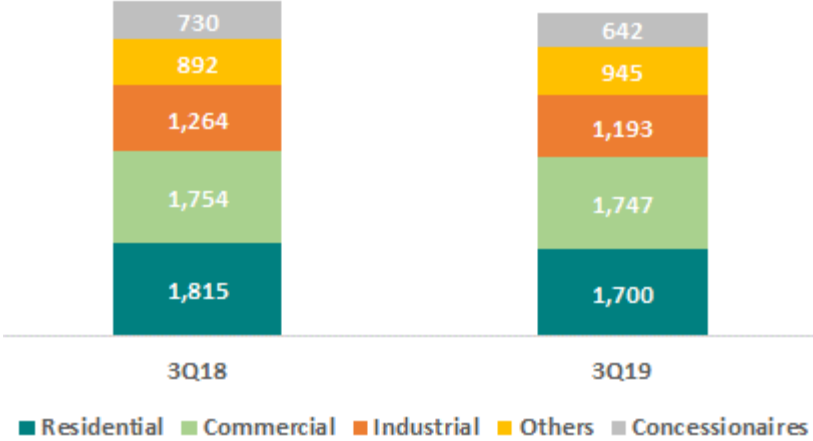
Billed market (GWh)



Grid Load (GWh)



Billed market per segment



Residential: reduction due to lower REN volume and fewer billed days in this quarter

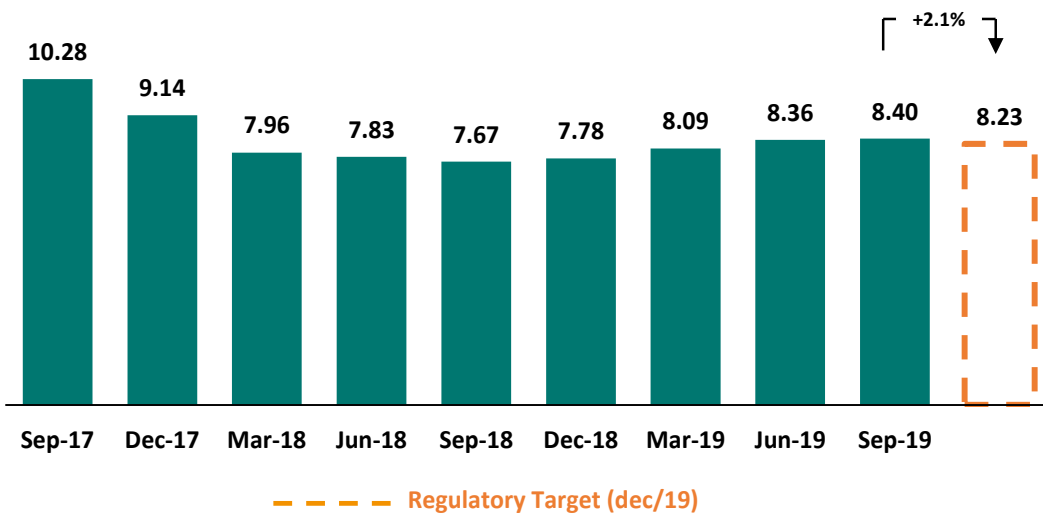
Industrial: Consumption retraction of 2 large steel sector customers

Commercial: positive performance in banking, retail and condominiums

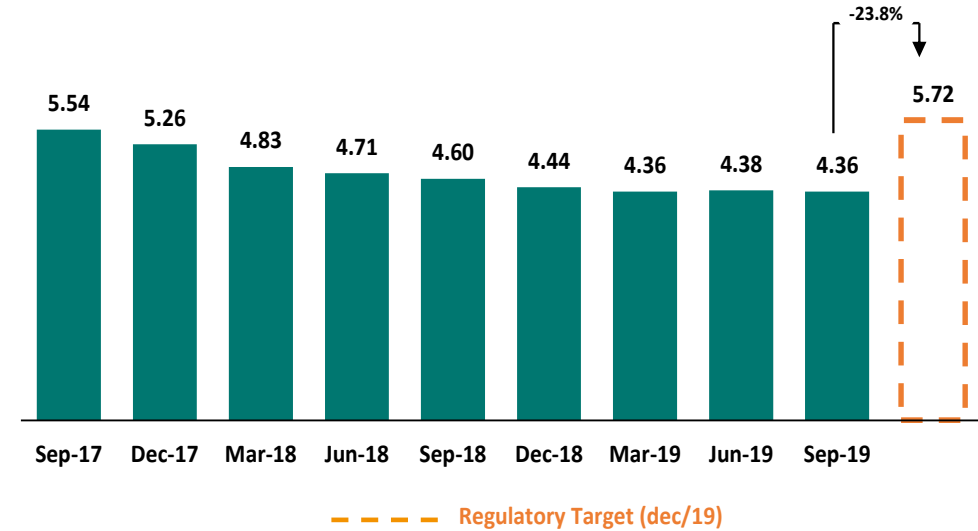
Others: increase in consumption of Government, public lighting and water/sewage classes

FEC within regulatory target and DEC impacted by more severe weather throughout 2019. Measurement will take place at year end

DEC 12 months (hours)



FEC 12 months (times)



Booking of the court's final decision to exclude ICMS from the PIS/COFINS tax base positively impacted 3Q19 results

Comments

- ✓ As a result of the court's decision to exclude ICMS from the PIS/COFINS tax base in Aug 19, Light SESA booked recoverable PIS/COFINS tax credits
- ✓ Based on solid legal/regulatory theses and on current legislation, we understand that part of the credits must remain with Light and part of it should be returned to consumers
- ✓ The portion of Light referring to Jan 02 to Aug 09, was recognized part in the operating result and part in the financial result
- ✓ The compensation mechanisms and criteria are currently under discussion with ANEEL
- ✓ The use of Light's credits and the refund to consumers will begin with the conclusion of discussions with ANEEL and the qualification of credits by Brazil's Tax Secretary

Balance Sheet Effects (R\$ mn)

Taxes recoverable - PIS/COFINS credit	6,169
Amount to be returned to consumers	(3,573)
Deferred Income Tax	(843)
Deferred PIS/COFINS	(116)
Shareholders' Equity	1,637

Financial Statements Effects (R\$ mn)

Net Operating Revenue

PIS/COFINS credit recovery	3,670
PIS/COFINS credits - to be returned to consumers	(2,584)

EBITDA	1,086
---------------	--------------

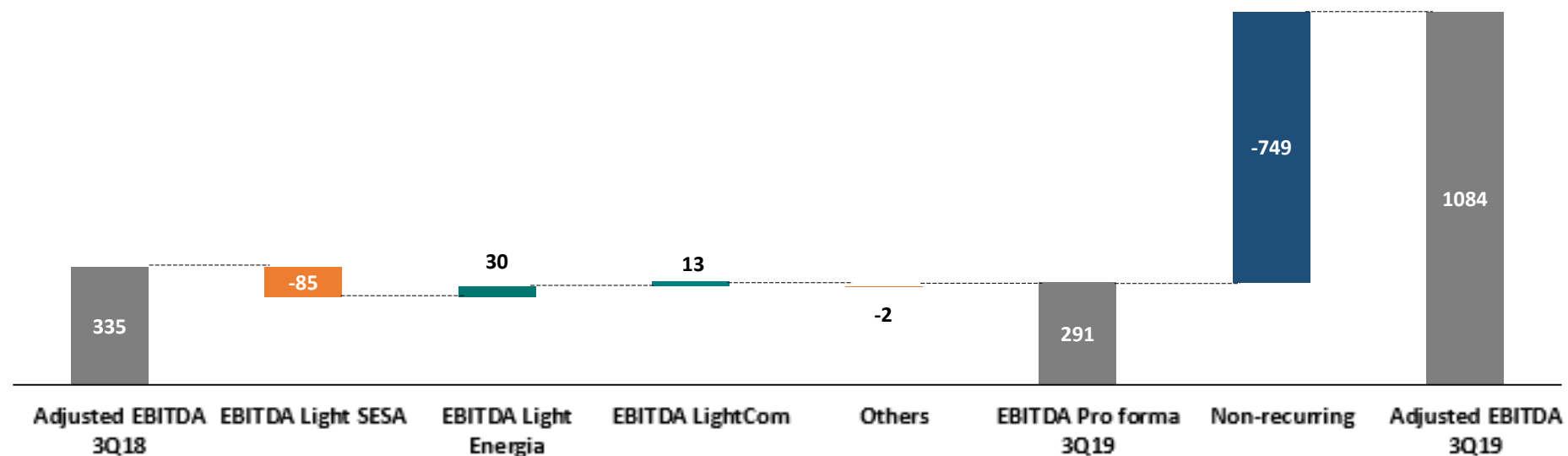
Financial Result

Financial Income	2,499	} Net effect: R\$1,461 mn
Financial Income - amount to be returned	(1,037)	
PIS/COFINS on Financial Income	(68)	
Social Contributions and Income Tax	(843)	

Net Income	1,637
-------------------	--------------

EBITDA variation impacted by disco activities offset by generation and trading

Amounts in R\$ mn

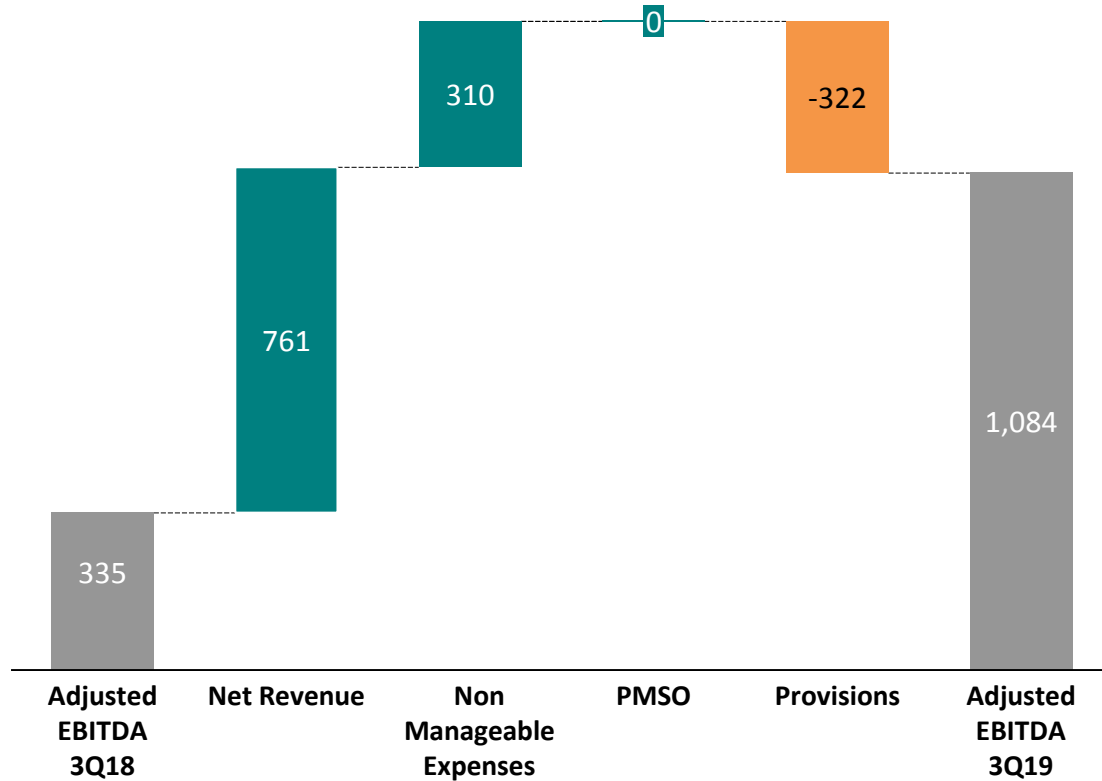


Increased contingencies impacted Light SESA's results in the period, offset by lower energy purchase cost (PLD reduction of 57%) which helped the EBITDA of both Light Energia and LightCom

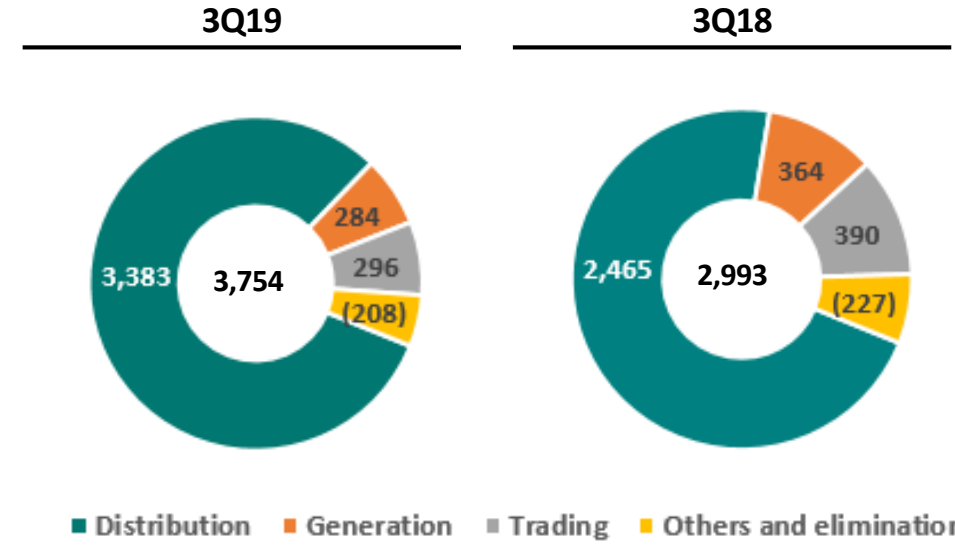
¹EBITDA Pro forma disregards the non-recurring and extraordinary effects of the favorable court's decision on the exclusion of ICMS from the PIS/COFINS tax base and those related to the sale of Light's stake in Renova

Consolidated EBITDA totals R\$1.1 bn with non-recurring effects of R\$749 mn that impacted revenues and provisions

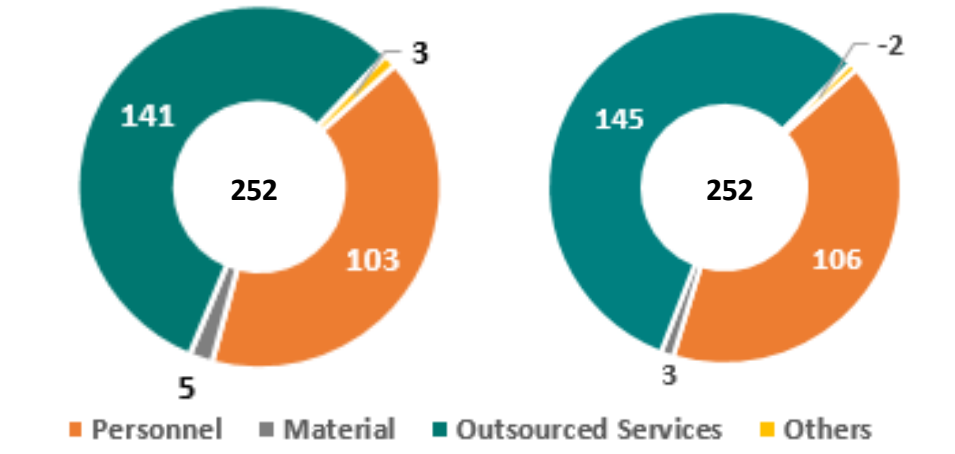
Amounts in R\$ mn



Net Revenue (R\$ mn)

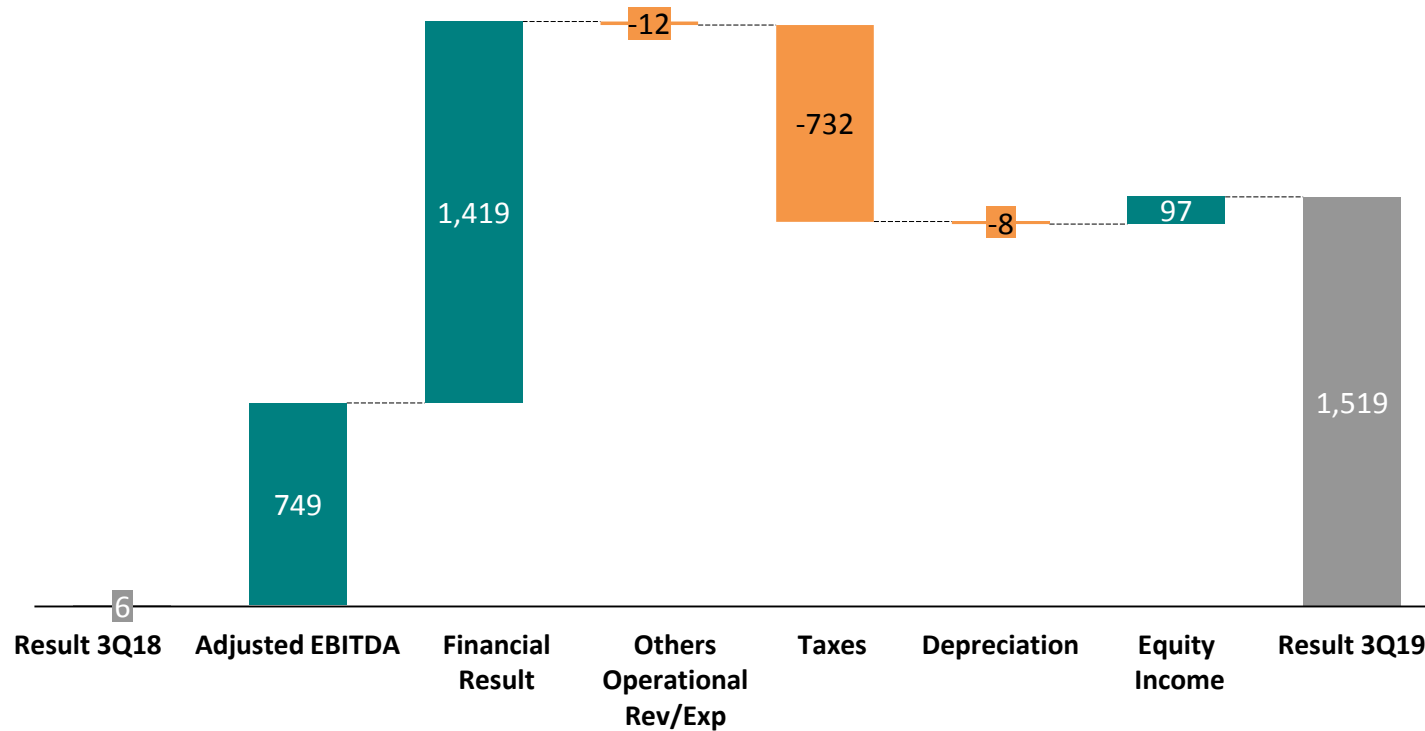


PMSO (R\$ mn)



Net Income reaches R\$1.5 bn mainly due to the effects of court's decision to exclude ICMS from the PIS/COFINS tax base

Amounts in R\$ mn



Highlights

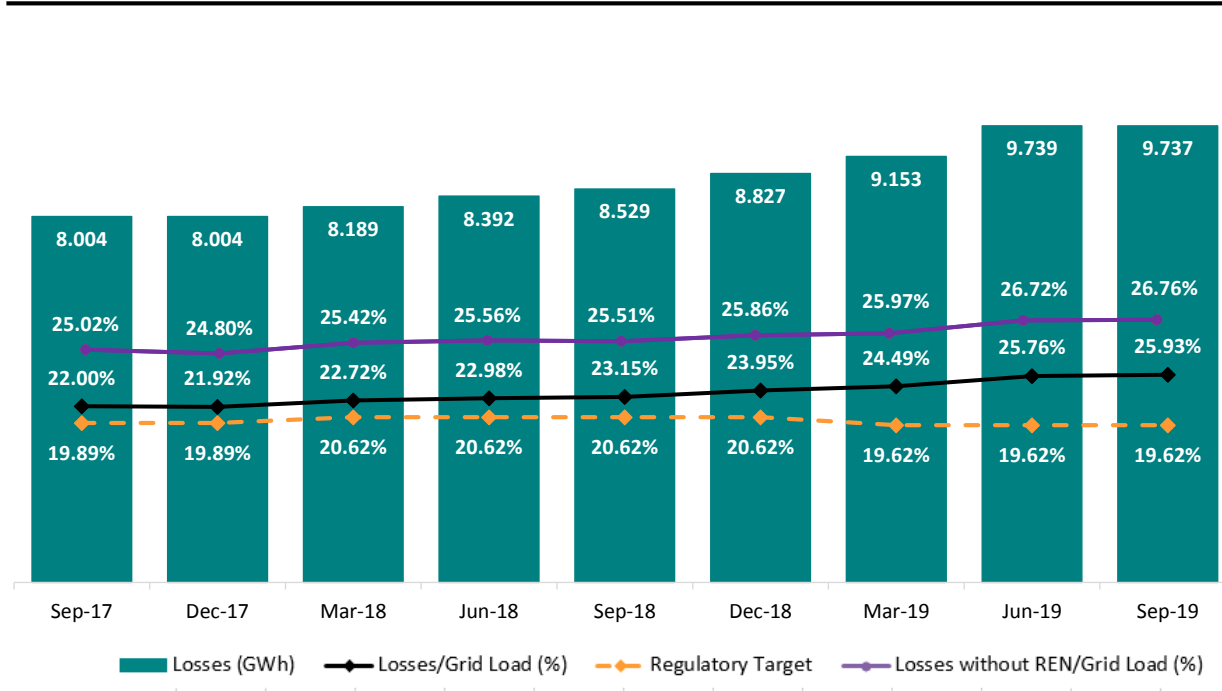
Distribution: impact of ICMS tax on PIS/COFINS tax on profit of R\$1.6 bn, net of taxes

Generation: reversal of Renova's provision of R\$92 mm, accounted for in 2Q19 as equity. Neutral effect on accumulated

Trading: Deferred IRPJ / CSSL of R\$94 mm due to the provision of credits against Renova (R\$278 mm), sold in Oct 19

Management restructuring already reflected in stabilization of total losses

Changes in Total Losses (12 Meses)

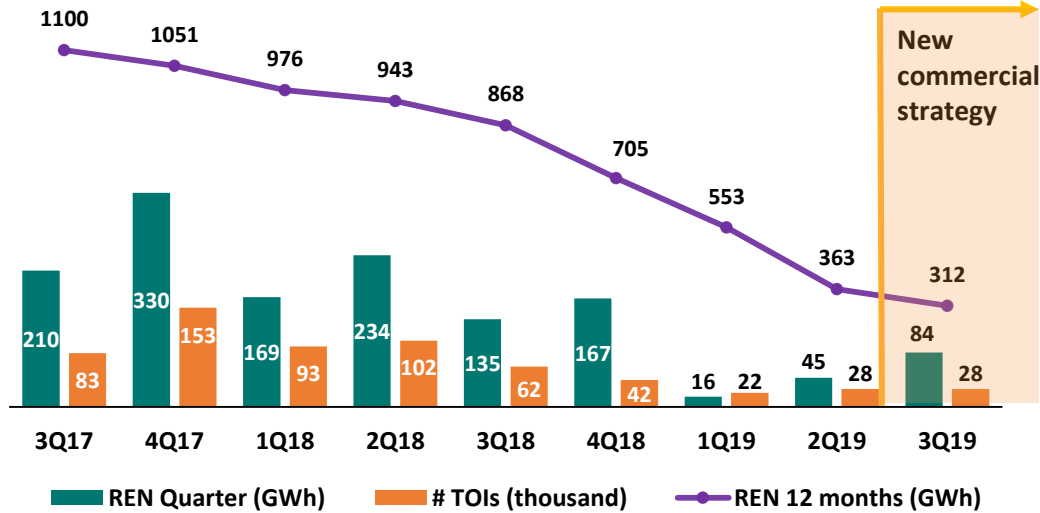


Recent initiatives

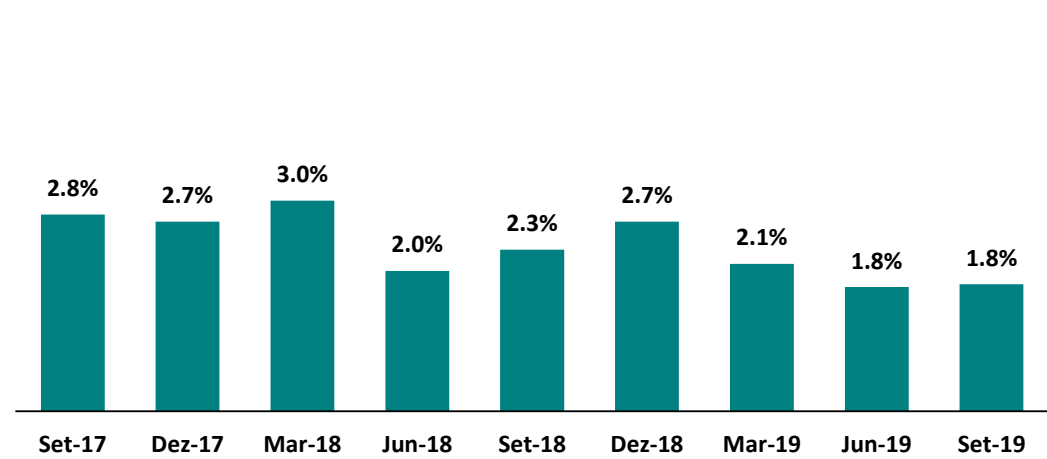
- 1 78% commercial area leaders changed
- 2 Operational team decentralization to regional branches to boost agility and aid prioritization
- 3 Grid shield pilot project
- 4 Biggest wholesale customer review
- 5 Electromechanical meter replacement
- 6 New REN inspection targeting

REN's strategy repositioning to focus on quality to avoid future cancellations and increase energy incorporation

Recovery Energy – REN (GWh)



PECLD/Gross Revenue (%) (12 Meses)

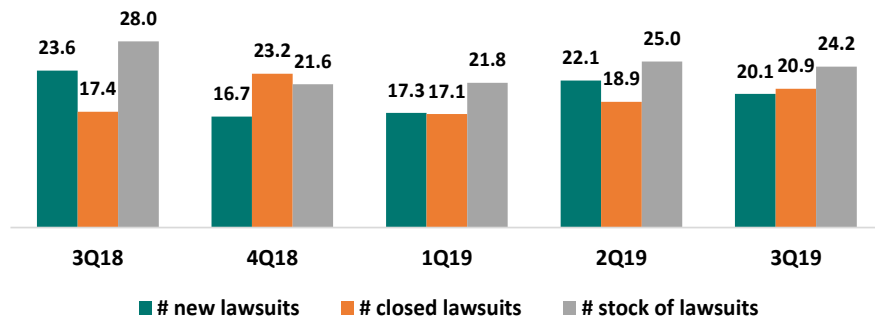


Contracts with 3rd parties involved in loss control renegotiated in Jul 19 and field activities reoriented and gradually resumed in Aug 19

Internal process improvements already show results with reduced entry of new JEC processes

Provisions (R\$ MN)	3Q19	2Q19	% Change 3Q19/ 2Q19	3Q18	% Change 3Q19/ 3Q18	9M19	9M18	% Change 9M19/ 9M18
JEC	(51)	(54)	-5.7%	(48)	6.3%	(147)	(116)	26.7%
Civil	(30)	(32)	-5.4%	5	-	(89)	(27)	229.6%
Others	(26)	(2)	1200.0%	(23)	13.0%	(34)	(31)	10.6%
Total	(106)	(88)	21.2%	(66)	61.2%	(270)	(174)	55.3%

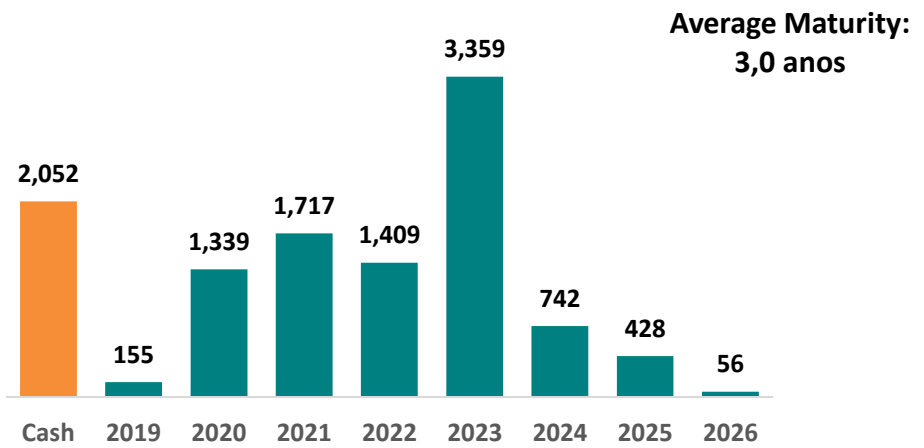
Number of JEC processes ('000)



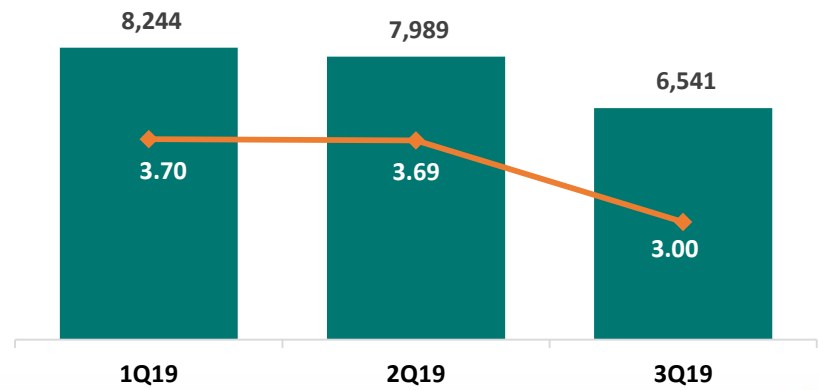
- ✓ 9% reduction in new lawsuit entry in 3Q19 compared to 2Q19
- ✓ 15% reduction compared to 3Q18
- ✓ 21k cases closed, 10% higher than 2Q19, due to the increase in the number of agreements
- ✓ Average time to end a JEC process is 4 months

Cash position strengthened with follow-on resources and debt reprofiling with prepayment initiatives and new funding

3Q19 Consolidated debt amortization (R\$ mn)



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



Liability management actions in the quarter

- 1 Early redemption of Light Sesa's 14th debenture (Total amount of R\$ 328 mn, CDI + 3.5%, maturing in March 2021)
- 2 Termination of swap operation with prepayment of R\$ 101 mn (9th debenture, 1st Series). The transaction changed the cost of CDI + 1.15% for IPCA + 7.82%
- 3 Renegotiation with Citibank
 - Light Sesa
 - Prepay USD 90 mn (out of USD 180 mn)
 - Cost reduction to CDI + 1.5% (from CDI + 2.2%)
 - Partial amortization (USD 10 mn) in 6 mo. Remainder at maturity
 - Light Energia
 - New funding of USD80 mn
 - CDI + 1.30%
 - Maturity in to 2 years bullet
- 4 Rearly redemption of 35% of the bonds issued by Light Sesa and Light Energia in the total amount of USD210 mn
- 5 BoD authorization to issue 17th debentures of Light SESA, in the total amount of up to R\$1 bn, in 4 series

Important Notice

This presentation may include declarations that represent forward-looking statements according to Brazilian regulations and international movable values. These declarations are based on certain assumptions and analyses made by the Company in accordance with its experience, the economic environment, market conditions and future events expected, many of which are out of the Company's control. Important factors that can lead to significant differences between the real results and the future declarations of expectations on events or business-oriented results include the Company's strategy, the Brazilian and international economic conditions, technology, financial strategy, developments of the public service industry, hydrological conditions, conditions of the financial market, uncertainty regarding the results of its future operations, plain, goals, expectations and intentions, among others. Because of these factors, the Company's actual results may significantly differ from those indicated or implicit in the declarations of expectations on events or future results.

The information and opinions herein do not have to be understood as recommendation to potential investors, and no investment decision must be based on the veracity, the updated or completeness of this information or opinions. None of the Company's assessors or parts related to them or its representatives will have any responsibility for any losses that can elapse from the use or the contents of this presentation.

This material includes declarations on future events submitted to risks and uncertainties, which are based on current expectations and projections on future events and trends that can affect the Company's businesses. These declarations include projections of economic growth and demand and supply of energy, in addition to information on competitive position, regulatory environment, potential growth opportunities and other subjects. Various factors can adversely affect the estimates and assumptions on which these declarations are based on.



Thank you