UTE GNA I Geração de Energia S.A.

Interim financial information as of September 30th, 2019

Contents

UTE GNA I Geração de Energia S.A.

Balance sheet

September 30th, 2019 and December 31st, 2018

(In thousand of Reais)

	Note	9/30/2019 (not reviewed)	12/31/2018
Asset			
Current			
Cash and cash equivalents	5	613,987	53,427
Escrow account	6	-	200
Accounts receivables	7	15,660	118
Other advances		198	51
Prepaid expense	8	20,119	43,715
Recoverable taxes	9	2,218	864
Income taxes and contributions recoverable	9	-	489
Derivatives	24	5,697	-
Other receivables		-	2
Total current assets		**657,879**	**98,866**
Non-current			
Prepaid expense	8	5,594	11,617
Judicial deposits	10	1,127	-
Recoverable taxes	9	649	-
Deffered tax	11	17,573	7,019
Derivatives	24	5,297	-
Escrow account	6	11,397	-
Property, plant and equipment	12	3,237,584	796,159
Intangible assets	13	30,949	30,813
Right-of-use assets	14	96,092	-
Total non-current assets		**3,406,262**	**845,608**
Total assets		**4,064,141**	**944,474**

See the accompanying notes to the interim financial information.

UTE GNA I Geração de Energia S.A.

Balance sheet

September 30th, 2019 and December 31st, 2018

(In thousand of Reais)

	Note	9/30/2019 (not reviewed)	12/31/2018
Liabilities			
Current			
Suppliers	15	98,243	8,589
Salaries and charges payable	16	9,240	4,091
Accounts payable	7	405,141	20,762
Taxes payable	17	9,930	2,432
Derivatives	24	1,039	-
Trade accounts payable	18	6,249	9,579
Borrowings	19	22,186	-
Leases liabilities	14	833	-
Total current liabilities		**552,861**	**45,453**
Non-current			
Leases liabilities	14	105,535	-
Borrowings	19	1,568,780	-
Provision for contingencies	20	1,397	-
Derivatives	24	2,999	-
Trade accounts payable	18	16,250	21,385
Total non-current liabilities		**1,694,961**	**21,385**
Shareholders' equity	21		
Share capital		925,802	445,698
Capital reserve		925,802	445,612
Adjustment of equity valuation		6,956	-
Retained earnings (Accumulated losses)		(42,241)	(13,674)
Total shareholders' equity		**1,816,319**	**877,636**
Total liabilities and shareholders'equity		**4,064,141**	**944,474**

See the accompanying notes to the interim financial information.

UTE GNA I Geração de Energia S.A.

Statment of operations

Nine-month periods ended September 30th, 2019 and 2018

(In thousand of Reais)

	Note	Nine months period ended in 9/30/2019 (not reviewed)	Nine months period ended in 9/30/2018	Three months period ended in 9/30/2019 (not reviewed)	Three months period ended in 9/30/2018
Operating expenses					
Administrative expenses	22	(38,350)	(2,245)	(2,653)	(1,942)
Impairment and other losses	5	(57)	(3)	(59)	20
Net income before financial revenue (expenses)		**(38,407)**	**(2,248)**	**(2,712)**	**(1,922)**
Financial Revenue/Expense	23				
Finance income		16,076	1,891	5,552	1,050
Finance expenses		(16,790)	(190)	(10,170)	(113)
Profit before tax		**(39,121)**	**(547)**	**(7,330)**	**(985)**
Current income and social contribution taxes	11	-	(452)	-	(278)
Deffered income and social contribution taxes	11	10,554	-	2,661	-
Loss for the period		**(28,567)**	**(999)**	**(4,669)**	**(1,263)**

See the accompanying notes to the interim financial information.

UTE GNA I Geração de Energia S.A.

Statement of comprehensive loss

Nine-month periods ended September 30th, 2019 and 2018

(In thousand of Reais)

	Nine months period ended in 9/30/2019 (not reviewed)	Nine months period ended in 9/30/2018	Three months period ended in 9/30/2019 (not reviewed)	Three months period ended in 9/30/2018
Loss for the period	**(28,567)**	**(999)**	**(4,669)**	**(1,263)**
Items that will not be reclassified to profit or loss:				
Realized gains / (losses) on hedge	6,956	-	7,537	-
Cost of hedging reserve	-	-	(6)	-
Other comprehensive income for the period, net of tax	**6,956**	**-**	**7,531**	**-**
Total comprehensive loss for the period	**(21,611)**	**(999)**	**2,862**	**(1,263)**

See the accompanying notes to the interim financial information.

UTE GNA I Geração de Energia S.A.

Statements of changes in shareholers´equity

Nine-month periods ended September 30th, 2019 and 2018

(In thousand of Reais)

		Capital reserve				
	Share capital	Advance for future capital increase	Premium on shares	Adjustment of equity valuation	Accumulated loss	Total shareholders equity
Balance as of January 1st, 2018	**1**	**12,320**	**-**	**-**	**(1)**	**12,320**
Loss for the period	-	-	-	-	(999)	**(999)**
Capital increase - GNA Infra	263,417	(12,320)	-	-	-	**251,097**
Capital increase - Siemens	129,743	-	-	-	-	**129,743**
Capital reserve increase - GNA Infra	-	-	103,021	-	-	**103,021**
Capital reserve increase - Siemens	-	-	50,742	-	-	**50,742**
Advance for future capital increase - GNA Infra	-	84,726	-	-	-	**84,726**
Advance for future capital increase - Siemens	-	41,730	-	-	-	**41,730**
Balance as of September 30th, 2018	**393,161**	**126,456**	**153,763**	**-**	**(1,000)**	**672,380**
Loss for the period	-	-	-	-	(12,674)	**(12,674)**
Capital increase - GNA Infra	35,200	(8,473)	-	-	-	**26,727**
Capital increase - Siemens	17,337	(4,173)	-	-	-	**13,164**
Capital reserve increase - GNA Infra	-	(76,253)	195,539	-	-	**119,286**
Capital reserve increase - Siemens	-	(37,557)	96,310	-	-	**58,753**
Balance as of December 31st, 2018	**445,698**	**-**	**445,612**	**-**	**(13,674)**	**877,636**
Loss for the period	-	-	-	-	(28,567)	**(28,567)**
Capital increase - GNA Infra	321,669	-	-	-	-	**321,669**
Capital increase - Siemens	158,435	-	-	-	-	**158,435**
Capital reserve increase - GNA Infra	-	-	321,727	-	-	**321,727**
Capital reserve increase - Siemens	-	-	158,463	-	-	**158,463**
Derivatives - Hedge	-	-	-	6,956	-	**6,956**
Balance as of September 30th, 2019 (not reviewed)	**925,802**	**-**	**925,802**	**6,956**	**(42,241)**	**1,816,319**

See the accompanying notes to the interim financial information.

UTE GNA I Geração de Energia S.A.

Statements of cash flows

Nine-month periods ended September 30th, 2019 and 2018

(In thousand of Reais)

	9/30/2019 (not reviewed)	9/30/2018
Cash flows from operating activities		
Loss before tax	(39,121)	(547)
Adjustments for:		
Depreciation and amortization	3,183	-
Exchange losses	(838)	-
Provisions	1,397	-
Adjusted net loss	**(35,379)**	**(547)**
(Increase) decrease in assets and increase (decrease) in liabilities:		
Recoverable taxes	(1,514)	(1,174)
Prepaid expense	29,619	(27,393)
Other advances	(147)	(3)
Other receivables	2	(2)
Escrow account	(10,073)	(200)
Judicial deposits	(1,127)	-
Accounts receivables	(15,542)	-
Suppliers	89,654	1,894
Accounts payable	(13,089)	1,150
Taxes payables	7,498	2,876
Trade accounts payable	(8,751)	(10,000)
Salaries and charges payable	5,149	448
Net cash provided by (used in) operating activities	**46,300**	**(32,951)**
Cash flows from investing activities		
Acquisition of PPE	(2,014,869)	(595,846)
Acquisition of intangible	(136)	-
Right-of-use assets	7,178	-
Net cash provided by investing activities	**(2,007,827)**	**(595,846)**
Cash flows from financing activities		
Capital increase by GNA Infra	321,669	251,097
Capital increase by Siemens	158,435	129,743
Capital reserve by GNA Infra	321,727	103,021
Capital reserve by Siemens	158,463	50,742
Advance for future capital increase by GNA Infra	-	84,726
Advance for future capital increase by Siemens	-	41,730
Borrowings - loan	2,028,863	-
Transaction costs - loan	(460,083)	-
Borrowing by controlling shareholder - loan	561,390	-
Borrowing by controlling shareholder - payment	(565,838)	-
Borrowing by non controlling shareholder - loan	320,425	-
Borrowing by non controlling shareholder - payment	(322,964)	-
Net cash provided by financing activities	**2,522,087**	**661,059**
Decrease in cash and cash equivalents	**560,560**	**32,262**
At the beginning of the period	53,427	260
At end of period	613,987	32,522
Decrease in cash and cash equivalents	**560,560**	**32,262**

See the accompanying notes to the interim financial information.

Notes to the interim financial information

(In thousands of Reais, unless stated otherwise)

1 Operations

UTE GNA I Geração de Energia S.A. ("GNA 1" or "Company") was incorporated on September 17th, 2015 and on October 20th, 2017 the company was changed from a limited company to a privately held corporation. Its core activities are studying, planning, protecting, constructing, operating, maintaining and exploring of electricity generation systems awarded to it by concession or authorization of any nature; trading electricity; activities associated with the electricity service, including the management of energy transmission and generation systems; construction, maintenance, operation and exploration of liquefied natural gas (LNG) terminals and natural gas pipelines; transportation of gases and liquids through pipelines and transfer lines acquiring interests in other companies, and representing Brazilian and foreign companies. Its direct parent company is Gás Natural Açu Infraestrutura S.A. ("GNA Infra"), and indirect parent company is Gás Natural S.A. ("GNA HoldCo"), a subsidiary of Prumo Logística S.A (Prumo).

The project of UTE GNA I Geração de Energia S.A. ("UTE GNA I") entails the construction of a combined-cycle gas-fired thermoelectric power station with an output of approximately 1,300 MW which will handle the contractual obligations of UTE Novo Tempo under its energy trading contracts, an LNG regasification terminal ("Regasification Terminal"), with the capacity to import natural gas for the UTE GNA I project and future power plants and other potential projects in the industrial complex of Porto do Açu, in addition to comprising the development of the "Açu Gas Hub", strategically located in the north-east of Rio de Janeiro state, which offers efficient logistical solutions for the sale and consumption of natural gas and related products.

Work on the thermoelectric plant is underway, as well as the construction of the LNG Regasification Terminal and the cabling work for the 345 kV Transmission Line, which will drain the energy produced by UTE GNA I.

UTE GNA I works started in March 2018 and currently about 87% of the project has been completed following the agreed schedule. Construction works are nearing completion and the electromechanical assembly stage has begun.

About 84% of the thermoelectric equipment is already in Açu Port, including boiler components, condensers and generators. All turbines have arrived as scheduled.

2 Basis of presentation, preparation of the interim financial information and significant accounting practices

a. Statement of compliance

The interim financial information has been prepared and is being presented in accordance with CPC 21 (R1) - Interim Statements issued by the Accounting Pronouncements Committee (CPC) and *IAS 34 - Interim Financial Reporting*, issued by the *International Accounting Standards Board – IASB*.

The interim financial statements should be read in conjunction with the financial statements as of December 31st, 2018, approved on March 22nd, 2019, prepared in accordance with the accounting practices adopted in Brazil and international financial reporting standards (IFRS) issued by the *International Accounting Standards Board (IASB).*

This is the third set of Interim Financial Information in which there is the application of IFRS 16. Changes in the main accounting policies are described in Explanatory Note 4.

b. Basis of preparation

The interim financial information has been prepared on the historical cost basis, except for certain financial instruments which have been measured at fair value through profit and loss.

c. Functional and presentation currency

This interim financial information is reported in Reais, which is the Company's functional currency. All balances were rounded to the nearest thousand, unless otherwise noted.

3 Use of judgment and estimates

Judgments, estimates and assumptions are used to measure and recognize certain assets and liabilities in the Company's the interim financial information. These estimates took into account experience from past and current events, assumptions about future events and other objective and subjective factors.

Significant items subject to estimates include the evaluation of the useful lives of property, plant and equipment, the analysis of the recovery of fixed assets, intangible assets, the evaluation of the recoverable amount of deferred income tax and social contribution, financial instruments, among others. The future settlement of transactions involving these estimates may result in values that are different from those recorded in the interim financial information due to the inaccuracies inherent in the determination process. The Company reviews its estimates and assumptions at least annually.

4 Main changes in accounting policies

Except as described below, the accounting policies applied in these statements financial instruments are the same as those applied in the last financial statements anual.

Changes in accounting policies will also be reflected in the financial statements for the year ended December 31st, 2019.

The Company initially adopted CPC 06 (R2) / IFRS 16 on January 1st, 2019. A number of other new standards are effective as of this date, but do not materially affect the Company's financial statements.

CPC 06 (R2) / IFRS 16 introduced a single model for the accounting of leases in the balance sheet of lessees. As a result, the Company, as a lessee, recognized the rights to use assets that represent its rights to use the underlying assets and the lease liabilities that represent its obligation to make lease payments. The lessor's accounting remains similar to previous accounting policies.

a. Definition of lease

According to CPC 06 (R2) / IFRS 16, a contract is or contains a lease if it transfers the right to control the use of an identified asset for a period of time in exchange for consideration. In the transition to CPC 06 (R2) / IFRS 16, the Company opted to apply the practical expedient to maintain the evaluation of which transactions are leases. The Company applied CPC 06 (R2) / IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under CPC 06 (R1) / IAS 17 and ICPC 03 / IFRIC 4 were not revalued.

Accordingly, the new lease definition in accordance with CPC 06 (R2) / IFRS 16 was applied prospectively January 1st, 2019.

The Company presents assets of specific use rights on the balance sheet. The carrying amounts of rights-of-use assets (including assets previously classified as finance leases) are as follows:

In Thousand of Reais	Right of use
On January 1st, 2019	135,038
On September 30th, 2019	96,092
Balance as of September 30th, 2019 (not reviewed)	**96,092**

When measuring lease liabilities for those leases previously classified as operating leases, the Company discounted lease payments using the incremental rate on September 1st, 2019. The weighted average rate applied is 10.35% for land and 9.98% for the rent of the commercial room.

The Company presents the lease liability in "Lease liabilities" in the balance sheet.

b. Significant accouting policies

The Company recognizes a right of use asset and a lease liability at the date of commencement of the lease.

The right of use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment, and adjusted for certain remeasures of the lease liability.

The lease liability is initially measured at the present value of the lease payments that were not paid at the commencement date, discounted using the interest rate implied in the lease or, if that rate can not be determined immediately, the incremental loan rate of the Company. Generally, the Company uses its incremental loan rate as the discount rate.

The Company applied a judgment to determine the lease term of some contracts in which they include renewal options. The assessment of whether the Company is reasonably certain to exercise such options has an impact on the term of the lease, which significantly affects the value of lease liabilities and recognized right of use assets.

c. Transition

The Company used the following practical arrangements when applying CPC 06 (R2) / IFRS 16 to leases previously classified as operating leases in accordance with CPC 06 / IAS 17.

- It applied the exemption for not recognizing rights-of-use assets and liabilities for leases with terms less than 12 months.

- Excluded the initial direct costs of the measurement of the right of use asset at the date of the initial application.

- Used late perception when determining the term of the lease, if the contract contained options to extend or terminate the lease.

d. Impacts in the period

As a result of the initial application of CPC 06 (R2) / IFRS 16, in relation to leases that were previously classified as operating, the Company recognized R$96,092 of rights-of-use assets and R$106,368 lease liabilities in September 30th, 2019.

The incremental rate used in the first quarter report was 9.2%, but in compliance with the audit suggestion, we calculated the incremental rate as described in the new standard and arrived at the following rates: 10.35% for the land and 9.98 % for office.

Also in relation to these leases, in accordance with CPC 06 (R2) / IFRS 16, the Company recognized depreciation and interest expenses. During the nine-month period ended September 30th, 2019, the Company recognized R$3,098 in depreciation and R$7,442 in interest and monetary expenses.

5 Cash and cash equivalents

	9/30/2019 (not reviewed)	12/31/2018
Cash and bank deposits	51	82
Short-term investments		
Short-term investments	356	-
CDB's (a)	613,643	53,350
	613,999	**53,350**
	614,050	**53,432**
Provision for expected loss (b)	(63)	(5)
Total	**613,987**	**53,427**

(a) The balance of cash and cash equivalents at September 30th, 2019 consists of a current account and CDB application at Citibank, which are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

(b) The estimated financial losses were calculated based on the loss rates of a Corporate Default study published by S&P on April 5th, 2018, referring to 15 years of data collected by S & P on the default risk of companies at each level rating.

Cash and cash equivalents are held with banking and financial counterparties, which are grouped into 5 levels, separated by AAA and BB according to their rating on Fitch Ratings, Moody's and Standard & Poor's. As shown in the table below, the counterparties in which the Company has outstanding balances as of September 30th, 2019 are classified in AAA, based on the average of their ratings in the rating companies listed above.

The estimated loss position in cash and cash equivalents was calculated based on the expected loss rate of 12 months and reflects the maturity dates of the risk exposures.

In thousand reais

Level of Risk	Rating	Gross Balance	Loss rate(1)	Provision for loss
Level 1	AAA	614,050	0.01%	63

Loss Rate considers the Global Corporate Average Default Rate for 1 year released by S & P on April 5th, 2018.

6 Escrow account

	9/30/2019 (not reviewed)	12/31/2018
Deposits ANTAQ (a)	-	200
Deposits NTN-B (b)	11,397	-
Total	**11,397**	**200**
Current	-	200
Non-current	11,397	-
Total	**11,397**	**200**

(a) On July 25th, 2019, we received the bank deposit in the amount of R$200, consisting of the guarantee pledge for competitive tenders 3/2018 of the public notice, containing the construction and exploration of port facilities in the region of São João da Barra by Antaq.

(b) In May 2019, GNA I granted in escrow to BNDES, Federal Public Securities (NTN-B 2035) in the amount of R$10,291, which will remain available until the end of the obligations in the Financing Agreement. On September 30th, 2019, UTE GNA 1 recognized the amount of R$1,106 as gains due to market value of its securities reported in note 23.

7 Related parties

The Company adopts practices of Corporate Governance and/or recommendations required by law. Furthermore, the Company´s Corporate Governance Policy establishes that the members of the Board of Directors must monitor and administrate any potential conflicts of interest among the executive officers, the members of the Board and the partners, in such a way as to avoid the inappropriate use of Company assets and, especially, abusive conduct in transactions between related parties.

In compliance with Corporation Law, all members of the Company's Board of Directors are prohibited from voting in any assembly or meeting of the Board, or from acting in any operation or business transaction in which there are interests in conflict with those of the Company.

The main balances of related-party assets and liabilities as of September 30th, 2019 and December 31st, 2018, as well as the related-party transactions that affected income for the period, are the result of transactions between the Company and its subsidiaries, members of Management and other related parties, as follows:

	9/30/2019 (not reviewed)	12/31/2018
Assets:		
Expenses to be recovered		
GNA Infra (a)	3,772	118
GNA HoldCo (a)	3,249	-
UTE GNA 2 (a)	8,639	-
Total Assets	**15,660**	**118**
Liabilities:		
Account Payables		
GNA HoldCo (a)	5,643	17,171
GNA Infra (a)	1,299	3,252
Prumo Logística S.A (b)	176	174
Porto do Açu Operações S.A (b)	556	165
Siemens Aktiengesellschaft (c)	397,053	-
BP Global (d)	414	-
Total	**405,141**	**20,762**

Operating expenses:

Custos compartilhados	9/30/2019 (not reviewed)	9/30/2018 (not reviewed)
GNA HoldCo (a)	(6,784)	-
GNA Infra (a)	2,418	-
UTE GNA 2 (a)	8,639	-
Prumo Logística S.A (b)	1,827	-
Porto do Açu Operações S.A (b)	(478)	-
Total	**5,622**	**-**

(a) GNA´s cost sharing agrément;

(b) Shared personnel and administrative costs;

(c) Purchase of Thermal Power Plant (TPP) equipment´s;

(d) Provision of services on LNG terminal management.

The compensation of key management staff has been presented below:

	9/30/2019 (not reviewed)	9/30/2018 (not reviewed)
Executive Officers		
Management fees	(2,064)	-
Bonuses	(4,008)	-
Benefits and charges	(624)	-
Cost sharing (a)	(412)	
Total	**(7,108)**	**-**

(a) Values related to management expenses initially incurred at GNA HoldCo, GNA Infra and UTE GNA 2 and which were transferred to the Company.

8 Prepaid expense

	9/30/2019 (not reviewed)	12/31/2018
Insurance premium (a)	22,853	21,459
Transaction cost (b)	2,860	33,873
Total	**25,713**	**55,332**
Current	20,119	43,715
Non-current	5,594	11,617
Total	**25,713**	**55,332**

(a) Insurance premiums: engineering risks, civil liability, transportation, FSRU and letters of credit.

(b) The breakdown of financial expenses and charges includes, in addition to interest expenses, all incremental expenses (and income) originated from the borrowing operation, such as fees and commissions, expenses with financial intermediaries, financial advisors, with project preparation, auditors, lawyers, specialized offices, printing, travels etc.

Until the funds related to the transaction costs incurred are not raised, those costs must be appropriated and kept in the specific account of the asset as prepayment, being reclassified to liabilities, as a reduction of the borrowed amount, once the funding process is concluded (this event took place in September 2019).

9 Recoverable taxes

	9/30/2019 (not reviewed)	12/31/2018
Income tax withheld at source ("IRRF")	1,809	612
PIS / COFINS on imports	364	252
ICMS	45	-
	2,218	**864**
Imposto de renda e contribuição social ("IRPJ/CSLL")	649	489
Total	**2,867**	**1,353**
Current	2,218	1,353
Non-current	649	-
Total	**2,867**	**1,353**

10 Judicial deposits

As of September 30th, 2019, the balance of escrow deposits is R$1,127, related to the granting of the immission of ownership of the transmission line area in the region of São João da Barra.

11 Deffered tax

	9/30/2019 (not reviewed)	12/31/2018
Deffered tax assets	17,573	7,019
Deffered tax liabilities	-	-
Total	**17,573**	**7,019**

	Deffered tax assets	Deffered tax liabilities
Balance as January 1st, 2018	**-**	**-**
Change in the period	-	-
Change in other comprehensive income	-	-
Balance as September 30th, 2018	**-**	**-**
Balance as January 1st, 2019	**7,019**	**-**
Change in the period	10,554	-
Change in other comprehensive income	-	-
Balance as September 30th, 2019 (not reviewed)	**17,573**	**-**

	9/30/2019 (not reviewed)	9/30/2018
Profit before tax	**(39,121)**	**(547)**
Income tax and social contribution rate	34%	34%
Deferred income and social contribution taxes (base x aliquot)	**13,301**	**186**
Addtions:		
Civil contingencies	(475)	-
Provision for PLR	(1,289)	-
Provision for estimated loss	(20)	-
IFRS 16 amortization	(963)	-
Tax credits on unrecognized tax loss	-	(284)
Prepayment of income tax and social contribution	-	(354)
Total deferred income and social contribution	**10,554**	**(452)**
Current	-	(452)
Deferred	10,554	-
Total	**10,554**	**(452)**
Effective rate	**27%**	**(83)%**

Technical feasibility studies indicate the full recovery capacity in the subsequent years of the recognized deferred tax amounts and correspond to Management's best estimates of the future evolution of the Company and the market in which it will start operations in 2021.

12 Property, plant and equipment

	Advances for property, plant and equipment formation (*)	Works in progress and equipment under construction (**)	Furniture and utensils	IT equipments	Total
Balance as January 1st, 2018	**8,138**	**3,922**	**-**	**-**	**12,060**
Additions	327,177	456,751	112	60	**784,100**
Transfers	(56,822)	56,822	-	-	**-**
Depreciation	-	-	(1)	-	**(1)**
Balance as December 31st, 2018	**278,493**	**517,495**	**111**	**60**	**796,159**
Cost	278,493	517,495	112	60	**796,160**
Accumulated depreciation	-	-	(1)	-	**(1)**
Balance as December 31st, 2018	**278,493**	**517,495**	**111**	**60**	**796,159**
Additions (***) and (****)	1,183,496	1,257,387	22	607	**2,441,512**
Transfers	(1,093,155)	1,093,155	-	-	**-**
Depreciation	-	-	(11)	(76)	**(87)**
Balance as September 30th, 2019 (not reviewed)	**368,834**	**2,868,037**	**122**	**591**	**3,237,584**
Cost	368,834	2,868,037	134	667	**3,237,672**
Accumulated depreciation	-	-	(12)	(76)	**(88)**
Balance as September 30th, 2019 (not reviewed)	**368,834**	**2,868,037**	**122**	**591**	**3,237,584**
Annual depreciation rate %	**-**	**-**	**10%**	**20%**	

(*) Advance for formation of fixed assets: The balance of advances on September 30th, 2019 consists of advances made to suppliers for equipment delivery.

(**) The works in progress and equipment under construction: The balance of construction in progress at September 30th, 2019 is composed of costs of the thermoelectric project.

(***) Of the additions occurred in the period, the total amount of R$397,053 had no cash flow effect, being a liability, as shown in note 7.

(****) GNA I capitalized on September 30th, 2019 interest and borrowing costs in the amount of R$25,675.

13 Intangible assets

	Useful life	9/30/2019 (not reviewed)	12/31/2018
Energy sale receivable (*)	23 years	30,000	30,000
Software licenses	5 years	949	813
		30,949	**30,813**

(*) By way of authorizing resolution 6769, on December 19th, 2017 ANEEL transferred the energy trading right,
The date scheduled for the start of the thermal power plant operation is January 1st, 2021.

14 Right of use assets / Lease liabilities

IFRS 16 introduces a single model for the accounting of leases in the balance sheet for lessees. A lessee recognizes a right of use asset that represents his right to use the leased asset and a lease liability that represents his obligation to make lease payments. Exemptions are available for short-term leases and low value items.

The movement in the first nine months of 2019 of the right of use and the lease liability is shown in the table below:

	1/1/2019	Incremental rates	PIS/COFINS Recoverable	Additions	Write-off	Amortization	Payments	Interest appropriation	Monetary correction	9/30/2019
Assets										
Land	135,038	(29,567)	(9,756)	-	-	(2,871)	-	-	-	92,843
Office rental	-	-	-	3,475	-	(227)	-	-	-	3,248
Total assets	**135,038**	**(29,567)**	**(9,756)**	**3,475**	**-**	**(3,098)**	**-**	**-**	**-**	**96,092**
Liabilities										
Land	(11,253)	-	-	-	11,253	-	-	-	-	-
(-) Financial cost - land	-	-	-	-	-	-	-	-	-	-
Office rental	-	-	-	(520)	-	-	(263)	-	-	(783)
(-) Financial cost - office rental	-	-	-	54	-	-	-	(82)	(22)	(50)
Leases liabilities - current	**(11,253)**	**-**	**-**	**(466)**	**11,253**	**-**	**(263)**	**(82)**	**(22)**	**(833)**
Land	(123,785)	(202,179)	30,151	-	-	-	-	-	-	(295,813)
(-) Financial cost - land	-	-	-	200,098	-	-	-	(7,338)	-	192,760
Office rental	-	-	-	(3,133)	-	-	-	-	-	(3,133)
(-) Financial cost - office rental	-	-	-	651	-	-	-	-	-	651
Leases liabilities - non-current	**(123,785)**	**(202,179)**	**30,151**	**197,616**	**-**	**-**	**-**	**(7,338)**	**-**	**(105,535)**
Total liabilities	**(135,038)**	**(202,179)**	**30,151**	**197,150**	**11,253**	**-**	**(263)**	**(7,420)**	**(22)**	**(106,368)**
Operating expenses										
Amortization - land	-	-	-	-	-	2,871	-	-	-	2,871
Amortization - office rental	-	-	-	-	-	227	-	-	-	227
Interest expenses - land	-	-	-	-	-	-	-	7,338	-	7,338
Interest expenses - office rental	-	-	-	-	-	-	-	82	-	82
Monetary correction - land	-	-	-	-	-	-	-	-	-	-
Monetary correction - office rental	-	-	-	-	-	-	-	-	22	22
Total operating expenses	**-**			**-**	**-**	**3,098**	**-**	**7,420**	**22**	**10,540**

After analyzing the adherence to IFRS 16, the Company identified only the land lease contract of the company Porto do Açu Operações S.A and rental Flamengo´s Office as adhering to this standard.

15 Suppliers

	9/30/2019 (not reviewed)	12/31/2018
National suppliers	34,251	7,287
International suppliers	63,992	1,302
Total	**98,243**	**8,589**

16 Salaries and charges payable

	9/30/2019 (not reviewed)	12/31/2018
Bonuses payable	5,330	2,572
Holiday payable	865	513
Holiday charges payable	681	300
13th vacation	823	-
Taxes on 13th vacation	304	-
National Institute of Social Security “INSS” payable	1,120	591
Guarantee fund for time of service“FGTS” payable	105	111
Insurance	11	3
Union contribution	1	1
Total	**9,240**	**4,091**

17 Taxes payable

	9/30/2019 (not reviewed)	12/31/2018
Services tax ("ISS")	919	194
INSS third parties	6	7
Tax on the circulation of goods and services ("ICMS")	1,506	115
Income tax withheld at source ("IRRF")	291	806
PIS/COFINS	129	18
PIS/COFINS/ CSLL - withheld	46	1,292
IPI	2,661	-
Importation taxes (“II”)	4,372	-
Total	**9,930**	**2,432**
Current	9,930	2,432
Non-current	-	-
Total	**9,930**	**2,432**

18 Trade accounts payable

	30/09/2019 (not reviewed)	31/12/2018
TCCA – termo power plant (a)	-	9,579
TCCA - terminal (b)	832	-
Bolognesi Energia (c)	21,667	21,385
Total	**22,499**	**30,964**
Current	6,249	9,579
Non-current	16,250	21,385
Total	**22,499**	**30,964**

(a) Commitment term environmental compensation – thermo power plant
The purpose of this term is to establish the environmental compensation provided for in article 36 of Federal Law 9,985/00, which established a value of R$28,736, paid in 12 equal installments in the amount of R$2,395.

On September 30th, 2019, the Company has already paid all 12 installments totaling the amount of R$28,736.

(b) Commitment term environmental compensation – LNG terminal
The purpose of this term is to establish the environmental compensation provided for in article 36 of Federal Law 9,985/00, which established a value of R$ 2,495, to be paid in 12 equal installments in the amount of R$ 207.

On September 30th, 2019, the Company has already paid 8 installments, leaving 4 outstanding, totaling the amount of R$832. This last installment will be paid on January 2020.

(c) In the contract the payable amounts are divided into fixed installments. R$ 30,000 has already been provisioned for, which will be restated annually by the IPCA price index until the effective payment. The variable installments will be recognized at the start of the operation and will be paid annually, on the first business day of the month of April, based on the audited financial statements for the previous year with installments equal to 3% calculated on the free cash flow from the shareholder, defined as:

- = EBITDA
- (+/-) working capital variation;
- (-) IR/CSSL paid;
- (-) finance expenses
- (+) financial revenue from reserve accounts *;
- (-) investment in maintenance;
- (-) amortization of financing;
- (+) disbursement of financing
- (+/-) change in reserve accounts *

If the reserve accounts are funded with operating cash generation, the formula above will not include the variation in the reserve account and corresponding finance income.

The nonpayment of any of the amounts established in this contract shall trigger monetary restatement according to the variance of the CDI rate until the effective payment date, in addition to arrears interest at 1% (one percent) a month, in addition to an arrears fine of 2% (two percent) of the debit balance.

19 Borrowings

	9/30/2019 (not reviewed)	12/31/2018
BNDES	1,240,271	-
IFC	810,778	-
(-) Transaction cost	(460,083)	-
Total	**1,590,966**	**-**
Current	22,186	-
Non-current	1,568,780	-
Total	**1,590,966**	**-**

Borrowings
On December 20th, 2018 and March 15th, 2019, the Company signed financing agreements with BNDES and IFC, respectively, the amounts of which will be made available during 2019 and 2020.

The loans have a project finance structure, mainly guaranteed through the chattel mortgage of assets (equipment), shares, accounts and conditional assignment of the company's contractual rights, as well as by the flow of receivables from its energy trading agreements (Agreement Energy Trading in the Regulated Environment, “CCEAR”).

In August 2019, disbursements in the amount of R$1,224,804 from BNDES and R$804,059 from IFC were released, as requested by the Company.

Financial and non-financial covenants
Financing agreements contain clauses with financial and non-financial covenants common to this type of transaction, such as the obligation to present creditors with financial statements, compliance with tax, social security, labor and applicable environmental laws, restrictions on additional indebtedness and disposals of assets outside the normal course of business.

The agreements entered into between the Company and creditors also establish, 12 months after commencement of operations, the obligation to maintain the Debt Service Coverage Ratio above 1.10 times on the applicable measurement dates.

	9/30/2019 (not reviewed)					12/31/2018
	Due date	**Main value**	**Interest and monetary adjustment**	**Transaction cost**	**Total**	**Total**
Entities						
BNDES	Jan/33	1,224,804	15,467	-	1,240,271	-
IFC	Jan/34	804,059	6,719	-	810,778	-
(-) Transaction cost		-	-	(460,083)	(460,083)	-
		2,028,863	**22,186**	**(460,083)**	**1,590,966**	**-**

20 Provision for contingencies

As of September 30th, 2019, the balance of civil contingencies is R$1,397, related to the provision for probable loss in the institution of administrative easement in the Transmission Line area in the region of São João da Barra.

21 Shareholders' equity

	9/30/2019 (not reviewed)		12/31/2018	
Shareholders	**Number of common shares (thousand)**	**% Participation**	**Number of common shares (thousand)**	**% Participation**
GNA Infra	1,240,575	67%	597,178	67%
Siemens	611,029	33%	294,132	33%
Total	**1,851,604**	**100%**	**891,310**	**100%**

a. Capital social

At September 30th, 2019, the Company's capital stock is R$925,802, represented by 1,851,604 registered common shares with no par value (R$445,698, represented by 891,310 registred common shares as of December 31st, 2018). The contributions of capital increase made in the period are shown below:

	Shareholder's		
Opening balance	**GNA Infra**	**Siemens**	**Share capital**
1/1/2019	298,618	147,080	445,698
Payment date			
1/8/2019	66,435	32,722	99,157
3/11/2019	33,094	16,300	49,394
4/1/2019	71,062	35,001	106,063
5/8/2019	51,945	74,412	126,357
5/16/2019	99,133	-	99,133
Total	**620,287**	**305,515**	**925,802**

b. Capital reserve

On September 30th, 2019, the Company's capital reserve is R$925,802, where GNA Infra owns R$620,287 and Siemens R$305,515 (On December 31st, 2018, GNA Infra had R$298,560 and to Siemens R$147,052). The contributions of capital reserve increase made in the period are shown below:

	Shareholder's		
Opening balance	**GNA Infra**	**Siemens**	**Share capital**
1/1/2019	298,618	147,080	445,698
Payment date			
1/8/2019	66,435	32,722	99,157
3/11/2019	33,094	16,300	49,394
4/1/2019	71,062	35,001	106,063
5/8/2019	51,945	74,412	126,357
5/16/2019	99,133	-	99,133
Total	**620,287**	**305,515**	**925,802**

c. Dividends

The Company's shares have an equal participation in dividend payments, interest on shareholders' equity and other shareholder benefits. The corporate by-laws determine the distribution of a minimum compulsory dividend of 25% of the net income for the year, adjusted in accordance with article 202 of Law 6404/76. The Company reported a loss in the nine months ended September 30th, 2019 and did not pay out dividends.

22 General and administrative expenses

	Nine months period ended in 9/30/2019 (not reviewed)	**Nine months period ended in 9/30/2018**	**Three months period ended in 9/30/2019 (not reviewed)**	**Three months period ended in 9/30/2018**
Personal	(19,485)	(634)	1,864	(334)
Legal expenses	(3,950)	(824)	(1,485)	(824)
Consulting and audit	(1,279)	(728)	(256)	(728)
Taxes and fees	(353)	(3)	(245)	(1)
IT and telecom	(1,190)	(26)	(507)	(26)
Communication and institutional matters	(821)	(28)	(386)	(28)
Environmental and land expenses	(1,224)	-	(539)	-
Travelling	(2,376)	-	(236)	-
Administrative service	(2,326)	-	155	-
Operational service	21	-	52	-
Insurance	(230)	-	(82)	-
Deprecisation and amortization	(3,456)	-	(313)	-
Overhead and maintenance	(642)	(1)	(331)	-
Other third services	(945)	-	(345)	-
Other expenses	(94)	(1)	1	(1)
Total	**(38,350)**	**(2,245)**	**(2,653)**	**(1,942)**

23 Financial Results

As of September 30th, 2019, the balance of finance income, amounted to (R$714), as follows:

	Nine months period ended in 9/30/2019 (not reviewed)	Nine months period ended in 9/30/2018	Three months period ended in 9/30/2019 (not reviewed)	Three months period ended in 9/30/2018
Finance costs				
Bank expenses	(13)	(3)	(2)	(2)
Commissions and brokeages	(28)	(15)	(12)	(15)
Loss on hedge operations (SWAP)	(1,505)	-	-	-
IOF	(1,065)	(20)	(1,005)	(15)
Fines and Penalties	(237)	(152)	(208)	(81)
IFRS 16 finance expenses	(7,442)	-	(7,442)	-
Exchange losses - IPCA	(570)	-	(70)	-
Exchange variation	(5,930)	-	(1,431)	-
	(16,790)	**(190)**	**(10,170)**	**(113)**
Finance income				
Interest on investments	8,169	1,891	5,076	1,050
Gain on hedge operations (SWAP)	6,445	-	-	-
Exchange gain - IPCA	303	-	22	-
Monetary Variation - government securities	1,106	-	404	-
Other incomes	53	-	50	-
	16,076	**1,891**	**5,552**	**1,050**
Net finance income	**(714)**	**1,701**	**(4,618)**	**937**

24 Financial risk management

a. General considerations and internal policies

The management of the Company's financial risks follows that proposed in the Financial Risks Policy and in the Credit Risk Policy approved by the Board of Directors, in addition to the other financial regulations.

Among the guidelines foreseen in these Policies and regulations, we highlight the following: exchange protection of all debt in foreign currency.

In addition, the use of derivatives has as its sole purpose the protection and mitigation of risks, in a way that prohibits the contracting of exotic derivatives or for speculative purposes. Risk monitoring is done through a management of controls that aims at the continuous monitoring of contracted operations and compliance with the approved risk limits.

The Company is exposed to several financial risks, among which the market, credit and liquidity risks stand out.

b. Market risk management

Cambial risk

The Company, in order to ensure that significant fluctuations in the currency prices to which its liabilities with exchange exposure are subject do not affect its results and cash flow, had, as of September 30th, 2019, foreign exchange hedge operations, representing 100% of the debt with exposure exchange rate.

Interest rate risk

This risk arises from the Company's possibility of incurring losses due to fluctuations in interest rates or other debt indexes, such as price indexes, that affect financial expenses related to income from financial investments.

Accordingly, the Company continuously monitors market interest rates in order to assess the possible need to hedge against the risk of volatility of these rates.

c. Liquidity risk management

Liquidity risk is characterized by the possibility of the Company not honoring its commitments in the respective maturities. The financial management adopted by the Company constantly seeks to mitigate liquidity risk, with the main point being the hedge of foreign currency debts.

The permanent monitoring of the cash flow allows the identification of eventual fundraising needs, with the necessary advance for structuring and choosing the best sources.

With cash surpluses, financial investments are made for surplus funds, with the purpose of preserving the liquidity of the Company.

As of September 30th, 2019, the Company had a total of short-term investments of R$613,999.

d. Credit risk management

Credit risk refers to the possibility of the Company incurring losses due to non-compliance with obligations and commitments by the counterparties.

Credit risk with financial institutions

For operations involving cash and cash equivalents and derivatives, the Company follows the provisions of its Credit Risk Policy which aims to mitigate risk by diversifying with financial institutions with good credit quality.

It also carries out the monitoring of the exposure with each counterparty, its credit quality and its long-term ratings published by the rating agencies to the main financial institutions with which the Company has open transactions.

e. Additional information on derivative instruments

The Company has derivative instruments with the objective of economic and financial protection against foreign exchange risk. The main instrument used is Non-deliverable Forwards (NDF).

All derivative transactions of hedge programs are detailed in the table below, which includes, by derivative contract, information on instrument type, reference value (nominal), maturity, fair value including credit risk and amounts paid / received or provisioned in the period.

In order to determine the economic relationship between the hedged item and the hedging instrument, the Company adopts a prospective effectiveness test methodology through the critical terms of the object and of the derivatives contracted with the purpose of concluding whether there is an expectation that changes in cash flows of the hedged item and the hedging instrument can be offset against each other.

Non-deliverable Forward hedge program - NDF

In order to reduce cash flow volatility, the Company may enter into non-deliverable forwards (NDF) operations to mitigate currency exposure arising from disbursements denominated in or indexed to the US Dollar and Euro.

	Reference value			Fair value		Accumulated effect Amount receivable/received or payable/paid
NDF	**09/30/2019 (not reviewed)**	**12/31/2018**	**Maturity (Year)**	**09/30/2019 (not reviewed)**	**12/31/2018**	**09/30/2019 (not reviewed)**
Termo USD	9,356	-	2019	765	-	17,326
Termo USD	78,928	-	2020	5,699	-	-
Termo USD	87,250	-	2021	4,266	-	-
Termo EUR	9,855	-	2019	(4)	-	19,753
Termo EUR	82,713	-	2020	(1,980)	-	-
Termo EUR	41,109	-	2021	(1,790)	-	-
Líquido				**6,956**	**-**	**37,079**

This program is classified according to the accounting criteria of hedge accounting and measured at fair value.

Accounting treatment of derivative instruments

Derivative financial instruments are recognized as assets or liabilities in the balance sheet and measured at fair value. When the transaction is eligible and designated as hedge accounting, changes in fair value of derivatives are recorded as follows:

(i) Cash flow hedge: changes in the fair value of derivative financial instruments designated as effective cash flow hedge have their effective component recorded in shareholders 'equity (other comprehensive income) and the ineffective component also recorded in shareholders' equity, but in a differentiated account (Hedge Cost). The amounts recorded in shareholders' equity are only transferred to the Fixed Assets in an appropriate account (Hedge settled) when the protected item is effectively carried out.

At the beginning of the hedge accounting operation, the Company documents the relationship between the hedging instruments and the hedged items, as well as the strategy for hedge operations. The Company also documents, at the beginning and on an ongoing basis, its assessment that the derivatives used in hedging transactions are highly effective.

24.1 Fair value estimate

Fair value is the price that would be received on the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date in the main market or, in its absence, the most advantageous market to which the Company has access on that date. The fair value of a liability reflects its non-performance risk. The risk of non-compliance includes, among others, the Company's own credit risk.

For the measurement and determination of the fair value of the derivative instruments, called Non-Deliverable Forward (NDF), contracted by the UTE GNA I, we use the market rates obtained on the B3 website, being (i) DI x Pre; (ii) Real x USD (iii) Real x Euro. For this pricing, we consider the closing date of the accounting period under review.

Financial assets and liabilities recorded at fair value must be classified and disclosed according to the following levels:

Level 1 - Prices quoted without adjustments in active markets for instruments identical to those of the Company;

Level 2 - Quoted prices with or without adjustments for similar assets or liabilities with information directly or indirectly in active markets, except quoted prices included in the previous level**;**

The table below sets forth the book values and fair values of the Company's financial instruments and other assets and liabilities, as well as its measurement level, as of September 30th, 2019 and December 31st, 2018:

	Nível	**9/30/2019 (não reviewed)**		**12/31/2018**	
		Accounting	**Fair value**	**Accounting**	**Fair value**
Financial assets (current / non-currents)					
Measured at amortized cost		**613,987**	**613,987**	**53,427**	**53,427**
Cash and cash equivalentes		613,987	613,987	53,427	53,427
Measured at fair value through comprehensive income		**10,994**	**10,994**	**-**	**-**
Non-deliverable forwards (NDF) - Hedge Instruments	2	10,994	10,994	-	-
Financial liabilities (current / non-current)					
Measured at amortized cost		**503,384**	**503,384**	**29,351**	**29,351**
Suppliers		98,243	98,243	8,589	8,589
Accounts payable		405,141	405,141	20,762	20,762
Measured at fair value through comprehensive income		**(4,038)**	**(4,038)**	**-**	**-**
Non-deliverable forwards (NDF) - Hedge Instruments	2	(4,038)	(4,038)	-	-

There were no transfers between Level 1 and Level 2 during the period ended September 30th, 2019.

25 Insurance coverage

The Company has a policy of taking out insurance coverage for assets subject to risks in amounts considered sufficient by Management to cover possible damages, considering the nature of its activity.

The policies are in force and the premiums have been paid. The company considers its insurance coverage is consistent with other companies of similar sizes operating in the sector.

As of September 30th, 2019 and December 31st, 2018, the main risks covered are:

	9/30/2019 (not reviewed)	**12/31/2018**
Material Damage (Engineering Risks)	3,725,561	3,466,479
Civil Liability and Environmental Damages	82,578	82,578
Expected Losses	4,988,897	4,641,960
Transportation of Imported Equipment	1,568,525	1,459,447

26 Commitments

On September 30th, 2019 the Company had commitments for future purchases in the amount of R$ 402,895 (R$ 2,264,995 as of December 31st, 2018), which should be fulfilled during the thermoelectric works.