

UTE GNA II Geração de Energia S.A.

**Interim Financial Statements
on June 30th, 2018**

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UTE GNA II Geração de Energia S.A.

Balance sheets

On June 30th, 2018 and December 31st, 2017

(In thousands of Reais)

	Note	06/30/2018 (not reviewed)	12/31/2017 (Unaudited)
Current			
Assets			
Cash and cash equivalents	2	10	2
Total current assets		10	2
Non-current			
Property, plant, and equipment	3	1,535	-
Total of non-current assets		1,535	-
Total assets		1,545	2

The notes are an integral part of these interim financial information.

UTE GNA II Geração de Energia S.A.

Balance sheets

On June 30th, 2018 and December 31st, 2017

(In thousands of Reais)

	Note	06/30/2018 (not reviewed)	12/31/2017 (Unaudited)
Current Liabilities			
Accounts payable	4	1,535	-
Total current liabilities		<u>1,535</u>	<u>-</u>
Shareholders' equity	5		
Share capital		2	2
Advance for future capital increase		129	-
Accumulated losses		(121)	-
Total shareholders' equity		<u>10</u>	<u>2</u>
Total liabilities and shareholders' equity		<u>1,545</u>	<u>2</u>

The notes are an integral part of these interim financial information.

UTE GNA II Geração de Energia S.A.

Statements of operations

Six-month period ending on June 30th, 2018 and 2017

(In thousands of Reais)

	Note	Six-month period ending on 06/30/2018 (not reviewed)	Six-month period ending on 06/30/2017 (not reviewed)	Three-month period ending on 06/30/2018 (not reviewed)	Three-month period ending on 06/30/2017 (not reviewed)
Operating expenses					
General and administrative expenses	6	(120)	-	(114)	-
Net (loss) before financial result (expenses)		(120)	-	(114)	-
Net financial result					
Financial expenses		(1)	-	-	-
Loss before taxes		(121)	-	(114)	-
Loss of the period		(121)	-	(114)	-

The notes are an integral part of these interim financial information.

UTE GNA II Geração de Energia S.A.

Statements of comprehensive income (loss)

Six-month period ending on June 30th, 2018 and 2017

(In thousands of Reais)

	Six-month period ending on 06/30/2018 (not reviewed)	Six-month period ending on 06/30/2017 (not reviewed)	Three-month period ending on 06/30/2018 (not reviewed)	Three-month period ending on 06/30/2017 (not reviewed)
Loss of the period	(121)	-	(114)	-
Other comprehensive incomes	-	-	-	-
Total other comprehensive loss of the period	(121)	-	(114)	-

The notes are an integral part of these interim financial information.

UTE GNA II Geração de Energia S.A.

Statements of changes in shareholders' equity

Six-month period ending on June 30th, 2018 and 2017

(In thousands of Reais)

	<u>Capital Reserve</u>			
	Share capital	Advance for future capital increase	Accumulated losses	Shareholders' equity
Balance on January 1st, 2017 (not reviewed)	1	-	-	1
Balance on June 30th, 2017 (not reviewed)	1	-	-	1
Capital increase - Prumo	1	-	-	1
Balance on December 31st, 2017 (unaudited)	2	-	-	2
Loss of the period	-	-	(121)	(121)
Advance for future capital increase - GNA HoldCo	-	64	-	64
Advance for future capital increase - Prumo	-	65	-	65
Balance on June 30th, 2018 (not reviewed)	2	129	(121)	10

The notes are an integral part of these interim financial information.

UTE GNA II Geração de Energia S.A.

Statements of cash flows

Six-month period ending on June 30th, 2018 and 2017

(In thousands of Reais)

	06/30/2018 (not reviewed)	06/30/2017 (not reviewed)
Cash flow from operating activities		
Loss before taxes	(121)	-
Adjustment for:		
Adjusted net losses	(121)	-
(Increase) decrease in assets and increase (decrease) in liabilities:		
Accounts payable	1,535	-
Net cash provided by (used in) operating activities	1,414	-
Cash flows from investment activities		
Acquisition of PPE	(1,535)	-
Net cash used in investment activities	(1,535)	-
Cash flow from financing activities		
Advance for future capital increase – Prumo	65	-
Advance for future capital increase – GNA HoldCo	64	-
Net cash provided by financing activities	129	-
Increase in cash and cash equivalent	8	-
At the beginning of the period	2	1
At the end of the period	10	1
Increase in cash and cash equivalent	8	-

The notes are an integral part of these interim financial information.

Notes of the financial information

(In thousands of Reais, unless stated otherwise)

1 Operations

UTE GNA II Geração de Energia S.A. (“GNA II” or “Company”) was incorporated on October 21st, 2015, and on April 8th, 2019, the legal type of the Company was changed from a limited liability company to a privately held company, changing its corporate name from UTE GNA II Geração de Energia Ltda. to UTE GNA II Geração de Energia S.A. Its controlled companies are Prumo Logística S.A (“Prumo”) and Gás Natural Açú S.A. (“GNA HoldCo”).

In December 2017, "GNA II" won the A-6 auction, a project for a thermal plant with a capacity of 1,672.6 MW that will demand investments of R\$ 5.6 billion, with an estimated start of operations on January 1st, 2023.

2 Cash and cash equivalents

	06/30/2018 (not reviewed)	12/31/2017 (Unaudited)
Cash and banks (a)	10	2
Total	10	2

(a) The balance of cash and cash equivalents as of June 30th, 2018 consists of current accounts at Itaú.

3 Property, plant, and equipment

	Works in progress and equipment under construction (*)	Total
Balance on December 31st, 2017 (unaudited)	-	-
Additions	1,535	1,535
Balance on June 30th, 2018 (not reviewed)	1,535	1,535
Cost	1,535	1,535
Balance on June 30th, 2018 (not reviewed)	1,535	1,535
Depreciation Rate	-	-

(*) Works in progress and equipment under construction: The balance for works in progress as of June 30th, 2018 is comprised of amounts of operating licenses for UTE GNA II.

4 Related parties

	<u>06/30/2018</u> <u>(not reviewed)</u>	<u>12/31/2017</u> <u>(Unaudited)</u>
Liability:		
Accounts payable		
Prumo Logística S.A. (a)	1,535	-
Total	1,535	-

- a) Operating license purchased by Prumo relative to Eneva through debits notes.

5 Shareholders' equity

Shareholders	<u>06/30/2018</u> <u>(not reviewed)</u>		<u>12/31/2017</u> <u>(Unaudited)</u>	
	Number of common shares (thousand)	Participation %	Number of common shares (thousand)	Participation %
Prumo Logística	1	50.50%	1	50.50%
GNA HoldCo	1	49.50%	1	49.50%
Total	2	100.00%	2	100.00%

a. Share capital

As of June 30th, 2018, the Company's capital stock is R\$ 2, represented by 2 nominative common shares with no par value (R\$ 2, represented by 2 nominative common shares with no par value on December 31st, 2017). There were no Share Capital increase contributions between January 1st, 2018 and June 30th, 2018.

b. Advance for future capital increase

As of June 30th, 2018, the shareholders Prumo and GNA HoldCo have invested in UTE GNA II, through a private instrument of advance payment for future capital increase ("AFAC"), the amount of R\$ 65 and R\$ 64 respectively. Such an instrument is irrevocable and irreversible, and convertible into a few shares, respecting its par value. The contributions to the increase in AFAC made in the period are shown below:

Initial Balance	<u>Shareholder</u>		AFAC
	<u>Prumo Logística</u>	<u>Gás Natura do Açú</u>	
01/01/2018	-	-	-
Date			
04/17/2018	65	64	129
Total	65	64	129

c. Dividends

The Company's shares participate on equal terms in the distribution of dividends, interest on equity and other benefits to shareholders. The bylaws provide for the distribution of a minimum mandatory dividend of 25% of net income for the year, adjusted in accordance with article 202 of Law no. 6,404/76. In the six-month period ended June 30th, 2018, the Company posted a loss with no dividend distribution.

6 General and administrative expenses

	Six-month period ending on 06/30/2018 (not reviewed)	Six-month period ending on 06/30/2017 (not reviewed)	Three-month period ending on 06/30/2018 (not reviewed)	Three-month period ending on 06/30/2017 (not reviewed)
Taxes, fines, and fees	(120)	-	(114)	-
Total	(120)	-	(114)	-