UTE GNA I Geração de Energia S.A.

Interim financial information as of March 31, 2019

KPDS 489937

Contents

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Independent auditors' report on review of interim financial information

(A free translation of the original report in Portuguese prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards - IFRS)

To the Shareholders and Board of directors of

UTE GNA I Geração de Energia S.A.

Rio de Janeiro - RJ

Introduction

We have reviewed the balance sheet of UTE GNA I Geração de Energia S.A. ("Company"), as of March 31, 2019, and the related statements of operations, comprehensive loss and changes in shareholders' equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation and fair presentation of the individual and consolidated interim financial information in accordance with standard *CPC 21(R1) - Demonstração Intermediária* and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (*NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information, referred above, has not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34 issued by IASB.

Emphasis of matter - Pre-operational stage

As mentioned in note 1 in the Interim Financial Information, the Company is in the pre-operational stage and consequently has not generated cash flow from its activities. Therefore, the capital and operating expenses incurred by the Company depends on the financial support of its shareholders. The interim financial information should be read in this context. Our conclusion is not modified due to this matter.

Others matters - Review of amounts corresponding to the previous period

The amounts of the respective statements of operations, comprehensive loss, statement of changes in shareholders' equity and cash flows for the three-month period ended on March 31, 2018, presented for comparison purposes, were not reviewed by us or by other independent auditors and, consequently, we are not expressing a conclusion on the amounts corresponding to the previous period.

Rio de Janeiro, May 14, 2019

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ

Original in Portuguese signed by
Luis Claudio França de Araújo
Accountant CRC RJ-091559/O-4

UTE GNA I Geração de Energia S.A.

Balance sheet as of March 31, 2019 and December 31, 2018

(In thousand of Reais)

	Note	03/31/2019	12/31/2018
Asset			
Current			
Cash and cash equivalents	5	27,897	53,427
Escrow account	6	200	200
Accounts receivables	7	415	118
Other advances		78	51
Prepaid expense	8	51,597	43,715
Recoverable taxes	9	1,717	864
Income taxes and contributions recoverable	9	489	489
Derivatives	21	15,181	-
Other receivables		-	2
Total current assets		**97,574**	**98,866**
Non-current			
Prepaid expense	8	14,385	11,617
Deffered tax	10	6,561	7,019
Judicial deposits		116	-
Derivatives	21	3,364	-
Property, plant and equipment	11	1,351,727	796,159
Intangible assets	12	30,813	30,813
Right-of-use assets	13	133,509	-
Total non-current assets		**1,540,475**	**845,608**
Total assets		**1,638,049**	**944,474**

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

UTE GNA I Geração de Energia S.A.

Balance sheet as of March 31, 2019 and December 31, 2018

(In thousand of Reais)

	Note	03/31/2019	12/31/2018
Liabilities			
Current			
Suppliers	14	68,284	8,589
Salaries and charges payable	15	6,739	4,091
Accounts payable	7	223,715	20,762
Taxes payable	16	4,137	2,432
Derivatives	21	1,904	-
Trade accounts payable	17	7,717	9,579
Leases liabilities	13	11,698	-
Total current liabilities		**324,194**	**45,453**
Non-current			
Leases liabilities	13	123,340	-
Derivatives	21	2,376	-
Trade accounts payable	17	15,968	21,385
Provision for contingencies		116	-
Total non-current liabilities		**141,800**	**21,385**
Shareholders' equity	18		
Share capital		594,249	445,698
Capital reserve		594,249	445,612
Adjustment of equity valuation		9,414	-
Accumulated losses		(25,857)	(13,674)
Total shareholders' equity		**1,172,055**	**877,636**
Total liabilities and shareholders'equity		**1,638,049**	**944,474**

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

UTE GNA I Geração de Energia S.A.

Statement of operations

Three-month periods ended March 31, 2019 and 2018

(In thousand of Reais)

	Note	03/31/2019	03/31/2018 (not reviewed)
Operating expenses			
Administrative expenses	19	(17,314)	(273)
Impairment and other losses	5	3	-
Net (loss) before financial revenue (expenses)		**(17,311)**	**(273)**
Financial Results	20		
Finance income		2,303	4
Finance expenses		(1,568)	(15)
Profit before tax		**(16,576)**	**(284)**
Deffered income and social contribution taxes	10	4,393	-
Loss for the period		**(12,183)**	**(284)**

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

UTE GNA I Geração de Energia S.A.

Statement of comprehensive loss

Three-month periods ended March 31, 2019 and 2018

(In thousand of Reais)

	03/31/2019	03/31/2018 (not reviewed)
Loss for the period	**(12,183)**	**(284)**
Items that will not be reclassified to profit or loss:		
Realized gains / (losses) on hedge	14,271	-
Income tax and social contribution on other comprehensive income	(4,852)	-
Cost of hedging reserve	(5)	-
Other comprehensive income for the period, net tax	**9,414**	**-**
Total comprehensive loss for the period	**(2,769)**	**(284)**

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

UTE GNA I Geração de Energia S.A.

Statements of changes in shareholders´equity

Three-month periods ended March 31, 2019 and 2018

(In thousand of Reais)

		Capital reserve				
	Share capital	Advance for future capital increase	Capital reserves	Equity valuation adjustment	Accumulated losses	Total shareholders' equity
Balance as of January 1, 2018 (not reviewed)	**1**	**12,320**	**-**	**-**	**(1)**	**12,320**
Loss for the period	-	-	-	-	(284)	**(284)**
Advance for future capital increase - GNA Infra	-	70,740	-	-	-	**70,740**
Balance as of March 31, 2018 (not reviewed)	**1**	**83,060**	**-**	**-**	**(285)**	**82,776**
Balance as of January 1, 2019	**445,698**	**-**	**445,612**	**-**	**(13,674)**	**877,636**
Loss for the period	-	-	-	-	(12,183)	**(12,183)**
Capital increase - GNA Infra	99,529	-	-	-	-	**99,529**
Capital increase - Siemens	49,022	-	-	-	-	**49,022**
Capital reserve increase - GNA Infra	-	-	99,587	-	-	**99,587**
Capital reserve increase - Siemens	-	-	49,050	-	-	**49,050**
Derivatives - Hedge	-	-	-	9,414	-	**9,414**
Balance as of March 31, 2019	**594,249**	**-**	**594,249**	**9,414**	**(25,857)**	**1,172,055**

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

UTE GNA I Geração de Energia S.A.

Statements of cash flows

Three-month periods ended March 31, 2019 and 2018

(In thousand of Reais)

	03/31/2019	03/31/2018 (not reviewed)
Cash flows from operating activities		
Loss before tax	(16,576)	(284)
Adjustments for:		
Depreciation and amortization	1,543	-
Provisions	116	-
Exchange losses	(95)	-
Adjusted net loss	**(15,012)**	**(284)**
(Increase) decrease in assets and increase (decrease) in liabilities:		
Recoverable taxes	(853)	-
Prepaid expense	(10,650)	(12,296)
Other advances	(27)	-
Other receivables	2	-
Accounts receivables	(297)	-
Judicial deposits	(116)	-
Suppliers	59,695	(1,461)
Accounts payable	(16,687)	(613)
Taxes payables	1,705	1
Trade accounts payable	(7,184)	-
Salaries and charges payable	2,648	10
Net cash provided by (used in) operating activities	**13,224**	**(14,643)**
Cash flows from investing activities		
Acquisition of PPE	(335,942)	(56,346)
Net cash provided by investing activities	**(335,942)**	**(56,346)**
Cash flows from financing activities		
Capital increase by controlling shareholder	99,529	-
Capital increase by non controlling shareholder	49,022	-
Capital reserve by controlling shareholder	99,587	-
Capital reserve by non controlling shareholder	49,050	-
Advance for future capital increase by controlling shareholder	-	70,740
Net cash provided by financing activities	**297,188**	**70,740**
Decrease in cash and cash equivalents	**(25,530)**	**(249)**
At the beginning of the period	53,427	260
At end of period	27,897	11
Decrease in cash and cash equivalents	**(25,530)**	**(249)**

The notes are an integral part of these 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 17, 2015 and on October 20, 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. ("Gás Natural"), 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.

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

a. Statement of compliance

These interim financial information have been prepared in accordance with CPC 21 (R1) - *Demonstração Intermediária* issued by *Comitè de Pronunciamentos Contábeis* (“CPC”) and IAS 34 - *Interim Financial Reporting*, issued by the International Accounting Standards Board - IASB, and should be read in conjunction with the last annual financial statements as at end for the year ended December 31, 2018, approved on March 22, 2019, prepared in accordance with the accounting practices adopted in Brazil (BRGAAP) and international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).

This is the first set of the Company interim financial information in which IFRS 16 has been applied. Changes to significant accounting policies are described in Note 4.
Authorization for the conclusion of the preparation of this interim financial information was given by Management on May 14, 2019.

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 Changes in significant 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.

The changes in accounting policies are also expected to be reflected in the financial statements for the year ended December 31, 2019.

The Company has initially adopted CPC 06 (R2) / IFRS 16 - Leases from January 1, 2019. A number of other new standards are effective from January 1, 2019, but they do not have material effect on 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 a 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 only to contracts entered into or amended on or after January 1, 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 assets
On January 1, 2019	135,038
On March 31, 2019	133,509
Balance as of March 31, 2019	**133,509**

When measuring lease liabilities for those leases previously classified as operating leases, the Company discounted lease payments using the incremental rate on January 1, 2019. The weighted average rate applied is 9.2%.

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$ 133,509 thousand of right-of-use assets and R$ 135,038 thousand of lease liabilities in March 31, 2019.
Still in relation to these leases, in accordance with CPC 06 (R2) / IFRS 16, the Company recognized depreciation and interest expenses. During the three-month period ended March 31, 2019, the Company recognized R$ 1,529 thousand of depreciation.

5 Cash and cash equivalents

	03/31/2019	12/31/2018
Cash and bank deposits	436	82
Short-term investments		
CDB (a)	27,464	53,350
	27,464	**53,350**
	27,900	**53,432**
Provision for expected loss (b)	(3)	(5)
Total	**27,897**	**53,427**

(a) The balance of cash and cash equivalents at March 31, 2019 consists of a current account and a CDB application at Santander, 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 5, 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 March 31, 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	27,900	0.01%	(3)

Loss Rate considers the Global Corporate Average Default Rate for 1 year released by S & P on 4/5/2018

6 Escrow account

On March 31, 2019 and December 31, 2018, the balance of bank deposits is 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.

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 March 31, 2019 and December 31, 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:

	03/31/2019	**12/31/2018**
Assets:		
Accounts receivables		
GNA Infra (a)	629	118
GNA HoldCo (b)	12,379	10,345
UTE GNA 2 (a)	7	-
Total assets	**13,015**	**10,463**
Liabilities		
Accounts payables		
GNA HoldCo (c)	2,826	17,171
GNA Infra (c)	680	3,252
Prumo Logística S.A (c)	300	174
Porto do Açu Operações S.A (c)	269	165
Siemens (d)	219,640	-
Total liabilities	**223,715**	**20,762**

Operating expenses:

Shared costs	**03/31/2019**	**03/31/2018 (not reviewed)**
GNA HoldCo (e)	(5,263)	-
GNA Infra (e)	(549)	-
UTE GNA 2 (e)	7	-
Porto do Açu Operações S.A (e)	(114)	-
Total	**(5,919)**	**-**

(a) Shared costs receivable and cost related the work of Termica

(b) Transaction costs on financing;

(c) Charge referring to shared costs, timesheet and recovery of expenses;

(d) Purchase of Termica and Terminal equipments;

(e) Shared personnel and administrative costs.

The compensation of key management staff has been presented below:

	03/31/2019	03/31/2018 (not reviewed)
Executive Officers		
Management fees	(1,035)	-
Bonuses	(892)	-
Benefits and charges	(313)	-
Total	**(2,239)**	**-**

8 Prepaid expense

	03/31/2019	12/31/2018
Insurance premium (a)	31,340	21,459
Transaction cost (b)	34,642	33,873
Total	**65,982**	**55,332**
Current	51,597	43,715
Non-current	14,385	11,617
Total	**65,982**	**55,332**

(a) Insurance premiums: engineering risks, civil liability, transportation and bail.

(b) Transaction cost to obtain financing from the thermal and LNG regasification terminal. The amounts are presented in current and non-current assets until the effective funding of financing resources occurs, where they will be from that moment, reclassified to the liability, as reducing accounts of the outstanding balance of the loans

9 Recoverable taxes

	03/31/2019	12/31/2018
Income tax withheld at source (“IRRF”)	1,064	612
PIS and COFINS on imports	363	252
Taxes on imported products to be recovered (“IPI”)	290	-
	1,717	**864**
Income tax and social contribution (“IRPJ/CSLL”)	489	489
Total	**2,206**	**1,353**

10 Deffered tax

	03/31/2019	12/31/2018
Deffered tax assets	11,412	7,019
Deffered tax liabilities	(4,851)	-
Total	**6,561**	**7,019**

	Deffered tax assets	Deffered tax liabilities
Balance as January 01, 2018	**-**	**-**
Change in the period	-	-
Change in other comprehensive income	-	-
Balance as March 31, 2018 (not reviewed)	**-**	**-**
Balance as January 01, 2019	**7,019**	**-**
Change in the period	4,393	-
Change in other comprehensive income	-	(4,851)
Balance as March 31, 2019	**11,412**	**(4,851)**

	03/31/2019	03/31/2018 (not reviewed)
Profit before tax	**(16,576)**	**(284)**
Income tax and social contribution rate	34%	34%
Deferred income and social contribution taxes (base x aliquot)	**5,636**	**97**
Addtions:		
Provision for PLR	550	-
Provision for estimated loss	174	-
Pre-operating expenses	3,669	-
Total deferred income and social contribution	**4,393**	**-**
Current	-	-
Deferred	4,393	-
Effective rate	**27%**	**-**

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.

11 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 1, 2018	**8,138**	**3,922**	**-**	**-**	**12,060**
Additions	327,177	456,751	112	60	**784,100**
Writte-off PPE	-	-	-	-	**-**
Transfers	(56,822)	56,822	-	-	**-**
Depreciation	-	-	(1)	-	**(1)**
Balance as December 31, 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 31, 2018	**278,493**	**517,495**	**111**	**60**	**796,159**
Additions (***)	137,496	417,622	2	464	**555,584**
Writte-off PPE	-	-	-	-	**-**
Transfers	(407,019)	407,019	-	-	**-**
Depreciation	-	-	(4)	(12)	**(16)**
Balance as March 31, 2019	**8,970**	**1,342,136**	**109**	**512**	**1,351,727**
Cost	8,970	1,342,136	114	524	**1,351,744**
Accumulated depreciation	-	-	(5)	(12)	**(17)**
Balance as March 31, 2019	**8,970**	**1,342,136**	**109**	**512**	**1,351,727**
Annual depreciation rate %	**-**	**-**	**10%**	**20%**	

(*) Advance for formation of fixed assets: The balance of advances on March 31, 2019 consists of advances made to suppliers for equipment delivery.

(**) The works in progress as of March 31, 2019 consists of expenses incurred on works on the thermal power plant.

(***) Of the additions occurred in the period, the total amount of R$ 219,640 had no cash flow effect, being a liability, as shown in note 7.

12 Intangible assets

	Usefull life	03/31/2019	12/31/2018
Energy sale receivable (*)	23 years	30,000	30,000
Software licenses	5 years	813	813
		30,813	**30,813**

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

13 Right-of-use assets / Leases 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 quarter of 2019 of the right of use and the lease liability is shown in the table below:

	01/01/2019	Amortization	03/31/2019
Assets			
Right-of-use assets - Land	135,038	(1,529)	133,509
	135,038	**(1,529)**	**133,509**
Liabilities			
Leases liabilities - current	(11,698)	-	(11,698)
Leases liabilities - non-current	(123,340)	-	(123,340)
	(135,038)	**-**	**(135,038)**
Operating expenses			
Right-of- use assets - Land	-	1,529	1,529
	-	**1,529**	**1,529**

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

14 Suppliers

	03/31/2019	12/31/2018
National suppliers	68,284	7,287
Foreign suppliers	-	1,302
Total	**68,284**	**8,589**

15 Salaries and charges payable

	03/31/2019	12/31/2018
Bonuses payable	4,271	2,572
Holiday payable	771	513
Holiday charges payable	422	300
13º Salary	269	-
13º Salary charges payable	99	-
National Institute of Social Security “INSS” payable	813	591
Guarantee fund for time of service“FGTS” payable	87	111
Insurance	5	3
Union contribution	2	1
Total	**6,739**	**4,091**

16 Taxes payable

	03/31/2019	12/31/2018
Services tax ("ISS")	1,116	194
INSS third parties	1,775	7
Tax on the circulation of goods and services ("ICMS")	975	115
Income tax withheld at source ("IRRF")	218	806
PIS/COFINS	11	18
PIS/COFINS/CSLL - Withheld	42	1,292
Total	**4,137**	**2,432**

17 Trade accounts payable

	03/31/2019	12/31/2018
TCCA - commitment term environmental compensation (a)	2,395	9,579
Bolognesi Energia (b)	21,290	21,385
Total	**23,685**	**30,964**
Current	7,717	9,579
Non-current	15,968	21,385
Total	**23,685**	**30,964**

(a) Commitment term environmental compensation
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, to be paid monthly, in 12 equal installments in the amount of R$ 2,395.

On March 31, 2019, the Company has already paid 11 installments, leaving 1 outstanding, totaling the amount of R$ 2,395. This last installment will be paid on April 10, 2019.

(b) 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 and the variable installments will be recognized at the start of the operation. The variable installments will be paid annually, as of April / 2021, being 90 days after the start of the thermal 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.

18 Shareholders' equity

	03/31/2019		12/31/2018	
Shareholder´s	**Number of common shares (thousand)**	**% participation**	**Number of common shares (thousand)**	**% participation**
GNA Infra	796,293	67%	597,178	67%
Siemens	392,204	33%	294,132	33%
Total	**1,188,497**	**100%**	**891,310**	**100%**

a. Share Capital

At March 31, 2019, the Company's capital stock is R$ 594,249, represented by 1,188,497 registered common shares with no par value (R$ 445,698, represented by 891,310 registred common shares as of December 31, 2018). The contributions of capital increase made in the period are shown below:

	Shareholder´s		
Opening balance	**GNA Infra**	**Siemens**	**Share capital**
01/01/2019	298,618	147,080	445,698
Payment date			
01/08/2019	66,435	32,722	99,157
03/11/2019	33,094	16,300	49,394
Total	**398,147**	**196,102**	**594,249**

b. Capital reserve

On March 31, 2019, the Company's capital reserve is R$ 594,249, where GNA Infra owns R$ 398,147 and Siemens R$ 196,102 (On December 31, 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**	**Capital reserve**
01/01/2019	298,560	147,052	445,612
Payment date			
01/08/2019	66,493	32,750	99,243
03/11/2019	33,094	16,300	49,394
Total	**398,147**	**196,102**	**594,249**

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 financial year ended March 31, 2019 and did not pay out dividends.

19 Administrative expenses

	03/31/2019	**3/31/2018 (not reviewed)**
Personal	(9,459)	(22)
Legal expenses	(501)	-
Consulting and audit	(290)	-
Taxes and fees	(71)	(2)
IT and Telecom	(153)	-
Communication and institutional matters	(154)	-
Environmental and land expenses	(335)	-
Travelling	(1,554)	-
Administrative service	(2,195)	-
Operational servisse	(31)	-
Insurance	(74)	(249)
Depreciation and amortization	(1,816)	-
Overhead and maintenance	(307)	-
Other third services	(279)	-
Other expenses	(95)	-
Total	**(17,314)**	**(273)**

20 Financial Results

As of March 31, 2019, the balance of finance income, amounted to R$ 735, as follows:

	03/31/2019	**3/31/2018 (not reviewed)**
Finance expenses		
Bank expenses	(3)	-
Commissions and brokerages	(2)	-
IOF	(53)	(15)
Exchange losses - IPCA	(190)	-
Exchange variation	(1,320)	-
	(1,568)	**(15)**
Finance income		
Interest on investments	2,015	4
Exchange gain - IPCA	285	-
Interest income or earned	3	-
	2,303	**4**
Net finance income	**735**	**(11)**

21 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 March 31, 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 March 31, 2019, the Company had a total of short-term investments of R$ 27,461.

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	**03/31/2019**	**12/31/2018**	**Maturity (year)**	**03/31/2019**	**12/31/2018**	**03/31/2019**
Term USD	224,636	-	2019	7,688	-	3,176
Term USD	78,928	-	2020	2,473	-	-
Term USD	87,250	-	2021	1,659	-	-
Term EUR	621,445	-	2019	4,825	-	4,720
Term EUR	76,513	-	2020	(1,378)	-	-
Term EUR	41,109	-	2021	(995)	-	-
Net				14,272	-	7,896

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.

21.1 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 March 31, 2019 and December 31, 2018:

	Hierarchy	03/31/2019		12/31/2018	
		Acconting	Fair value	Accounting	Fair value
Financial assets (current / non-currents)					
Measured at amortized cost		**27,897**	**27,897**	**53,427**	**53,427**
Cash and cash equivalentes		27,897	27,897	53,427	53.427
Measured at fair value through comprehensive income		**18.545**	**18,545**	**-**	**-**
Non-deliverable forwards (NDF) - Hedge Instruments	2	18,545	18,545	-	-
Financial liabilities (current / non-current)					
Measured at amortized cost		**291,999**	**291,999**	**8,589**	**8,589**
Suppliers		68,284	68,284	8,589	8.589
Accounts payable		223,715	223,715	-	-
Measured at fair value through comprehensive income		**(4.280)**	**(4,280)**	**-**	**-**
Non-deliverable forwards (NDF) - Hedge Instruments	2	(4,280)	(4,280)	-	-

There were no transfers between Level 1 and Level 2 during the period ended March 31, 2019.

22 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 March 31, 2019 and December 31, 2018, the main risks covered are:

	03/31/2019	12/31/2018
Material damages	3,486,071	3,466,479
Civil Liability and Environmental Damages	82,578	82,578
Lost Earnings	4,668,196	4,641,960
Transportation of Imported Equipment	1,467,696	1,459,447

23 Commitments

On March 31, 2019 the Company had commitments for future purchases in the amount of R$ 1,427,327 (R$ 2,264,995 as of December 31, 2018), which should be fulfilled in the course of the works.

24 Subsequent events

a. Capital increase and capital reserve

Through the AGE of April 01, 2019, Gás Natural Açu Infraestrutura subscribed 142,123 new shares with unit price per share of R$ 1, which totaled R$ 71,062 for share capital and R$ 71,061 for capital reserve, and Siemens subscribed 70,001 new shares with a unit price per share of R$ 1.00, which totaled R$ 35,001 for share capital and R$ 35,000 for capital reserve.