

2Q20 RESULTS

Rio de Janeiro
August 13, 2020



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Legal notice

The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, comprising the Brazilian Corporation Law, Statements, Guidance and Interpretations issued by Accounting Pronouncement Committee (“CPC”) and the standards of the Brazilian Securities Exchange Commission (CVM), combined with specific legislation issued by Electricity Regulatory Agency - ANEEL. ANEEL, as a regulatory agency, has the power to regulate concessions. Results will be presented in both formats, IFRS format and the regulatory format to allow comparison with other years. Note that Regulatory results will not be audited. Taesa's dividend declaration is performed based on the reviewed IFRS results.

Statements in this document related to business perspectives, projections on operating and financial income, and those related to Taesa's growth perspective are merely projections and, as such, are based solely on Executive Board's expectations about business future. These expectations depend substantially on changes in market conditions, on Brazilian economy performance, and on industry and international market performance; therefore, subject to unannounced changes.

EBITDA is net income before taxes, net financial expenses, and depreciation, amortization and income expenses. EBITDA is not recognized by accounting practices adopted in Brazil or in IFRS, does not represent cash flow for presented periods, and should not be considered as alternative net income. Presented EBITDA is used by Taesa to measure its own performance. Taesa understands that some financial investors and analysts use EBITDA as an operating performance index.

“Net Debt” is not recognized by accounting practices adopted in Brazil nor by IFRS and does not represent cash flow for presented periods. Presented Net Debt is used by Taesa to measure its own performance. Taesa understands that some investors and financial analysts use Net Debt as an indication of its financial performance.

Presented managerial results are the sum of Taesa consolidated income with equity in its partially-owned subsidiaries and associated companies. The purpose of this information is to permit better understanding of Taesa business.

Monitoring the impacts of COVID-19

1 Employees' health protection

- **Maintenance of the home office** for all administrative employees in the last five months, with initial discussions for a gradual return to the offices;
- Hiring of specialized medical advice to support the protocols implemented and to resume activities;
- Several **channels to take care** of the physical and emotional health of Taesa's employees and families;
- Monitoring of employees with support **in the treatment of suspected or positive cases identified by COVID-19.**

2 Continuity of the operations and projects under construction

- **More restrictive measures** in the O&M staff due to the less constrained social isolation in some cities;
- Beginning **of the confinement regime for operators** who work at the Operation and Control Center as they are essential for the operation of the SIN;
- **Maintenance of high availability rates** (99.96% in 6M20);
- **Progress in investments** in the projects under construction, totaling R\$ 695.3 million in 6M20;
- Due to the lengthening of the crisis and the decrees of some municipalities imposing paralysis and social isolation, there is a **slowdown in the progress of the works, but we are working towards complying with the projects delivery schedule.**

3 Company's financial health protection

- **Solid liquidity position** (R\$ 2.2 billion in cash¹) and **adequate leverage level** (3.3x net debt / EBITDA²);
- **R\$900 million raised in April** to strengthen the cash position;
- Consistent **operating cash generation, maintaining the** Company's low historical default levels;
- **Continuous monitoring of the default and impacts of the crisis** in the energy sector, with evaluation of alternatives to promote short-term liquidity.

¹ The cash balance is the sum of Taesa's consolidated Cash & Cash Equivalent and Investments.

² It considers the proportional net debt and EBITDA of the jointly controlled and affiliated companies.

Environmental, Social and Governance Initiatives (ESG)



Sustainability Project aims to create initiatives and identify opportunities for a clear communication of Taesa's current social-environmental and governance practices, in addition to seeking an ongoing advance of best ESG practices.

Adherence to the UN Global Compact - voluntary initiative that provides guidelines for the promotion of sustainable growth and citizenship, through **10 principles in the areas of Human Rights, Labor, Environment and Anti-Corruption**, which are followed by committed and innovative corporate leaders.

UN Global Compact

Sustainable Development Goals

Responsibility for contributing to the achievement of the global sustainability agenda through the 2030 Agenda, whose main pillar is the **17 Sustainable Development Goals, the SDGs**.

Other implemented initiatives: Issuance of four debentures, with **Green Bonds** certification; **Social Responsibility Projects**, under the incentive laws; **Environmental Management System:** Environmental Programs, Environmental Management Guide and Health, Environment and Security Policy; **Social communication and environmental education campaigns;** **Voluntary Projects;** **Great Place to Work Certification.**



2Q20 Highlights



IFRS net income totaled **R\$ 437.8 million** in 2Q20, registering an **y.o.y increase of 42.4%** (+R\$ 130.4 million)



Positive impact of the **consolidation of the results of the new brownfield and greenfield assets** recently concluded



Improvement of the Financial Results due to macroeconomic indexes (**more than 60% y.o.y**)



Maintenance of **maximum earnings distribution** (ex-CPC 47) – **R\$ 0.81 per Unit** over 2Q20 results



Solid liquidity position amid the global crisis (**R\$ 2.2 billion** at the end of 2Q20)



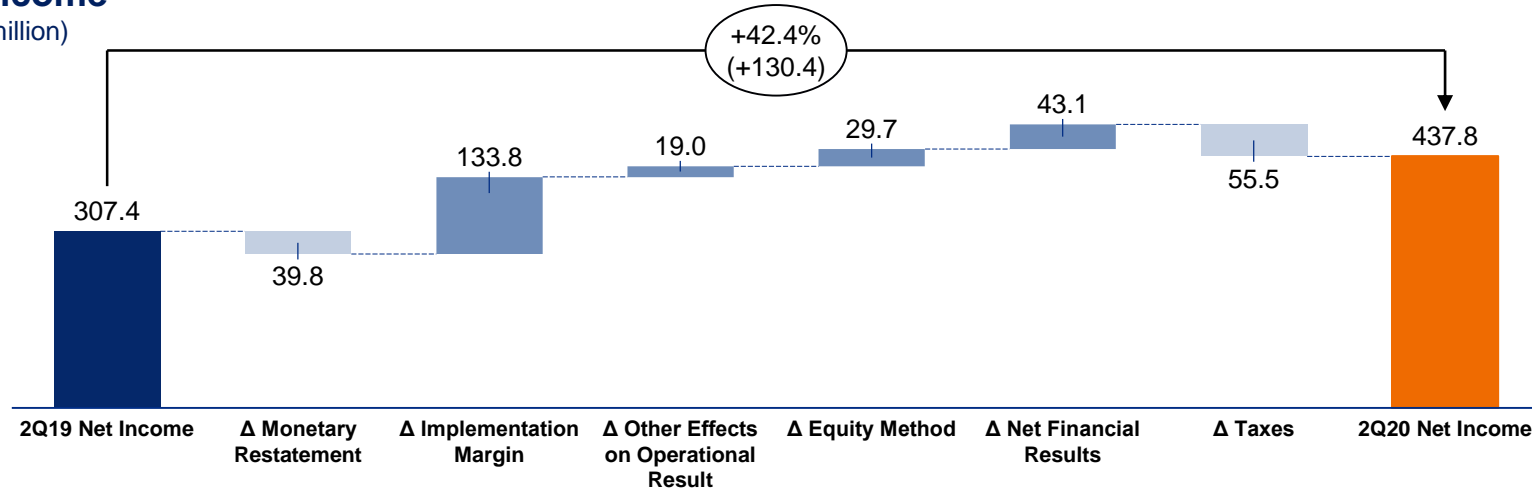
Progress in investments in projects under construction (**R\$ 695.3 million** in 6M20)



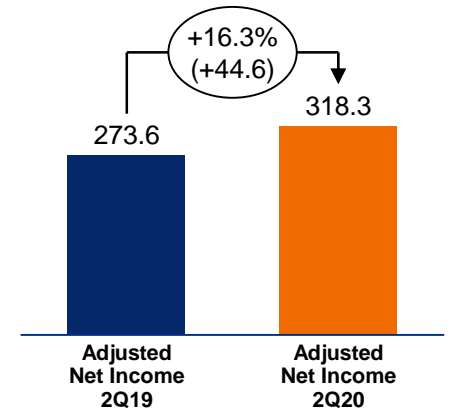
Availability level remains high without significant impacts from the pandemic (**99.96%** in 6M20)

Net Income under IFRS

Net Income
(in R\$ million)

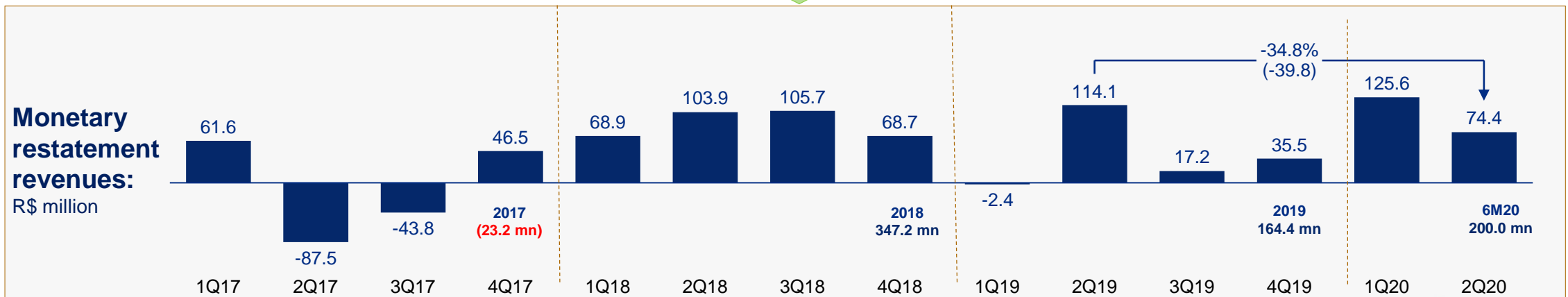
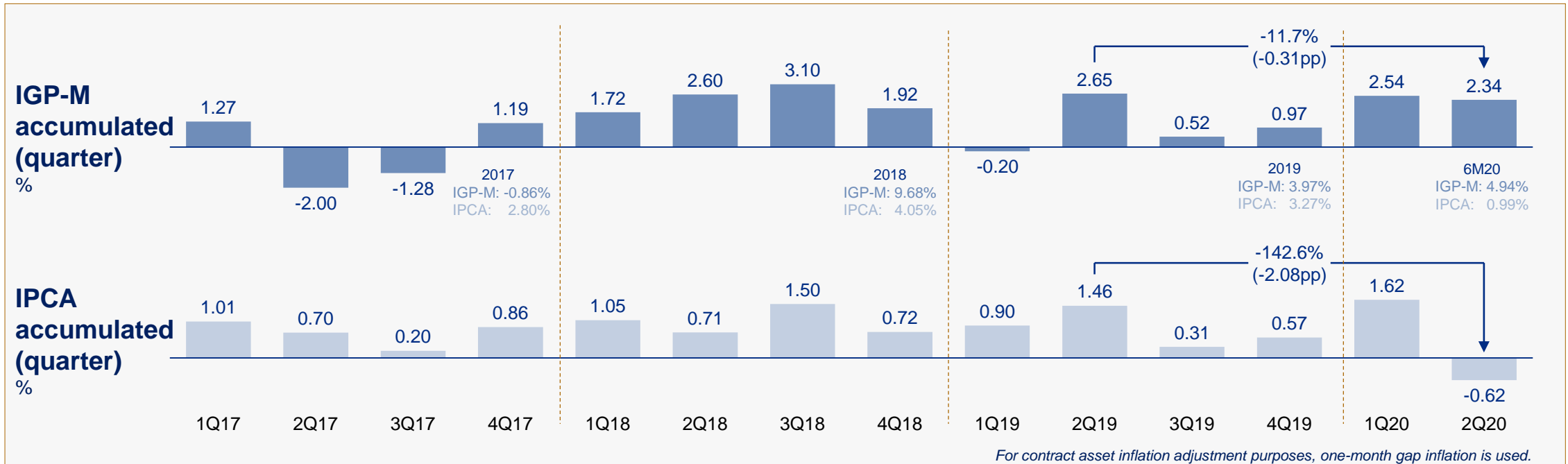


Adjusted Net Income – ex-CPC 47
(in R\$ million)



- **Implementation of infrastructure margin increased** due to higher investments in projects under construction, positively affecting the Company's implementation revenues
- **Equity method improved** due to the growth of implementation margin of jointly-controlled and affiliated companies
- Reduction in **net financial expenses**, mainly due to the accumulated deflation of IPCA recorded in the quarter
- **Consolidation of the results of the new brownfield and greenfield assets** recently concluded, adding approximately R\$ 25 million to the IFRS net income

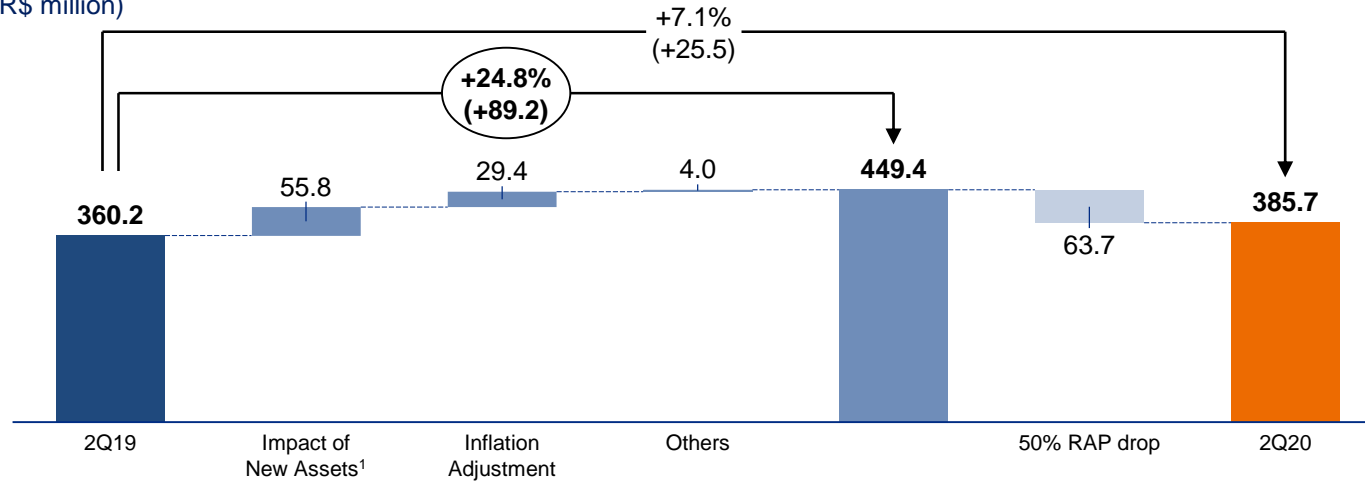
Macroeconomic impact on IFRS Revenues



Regulatory EBITDA

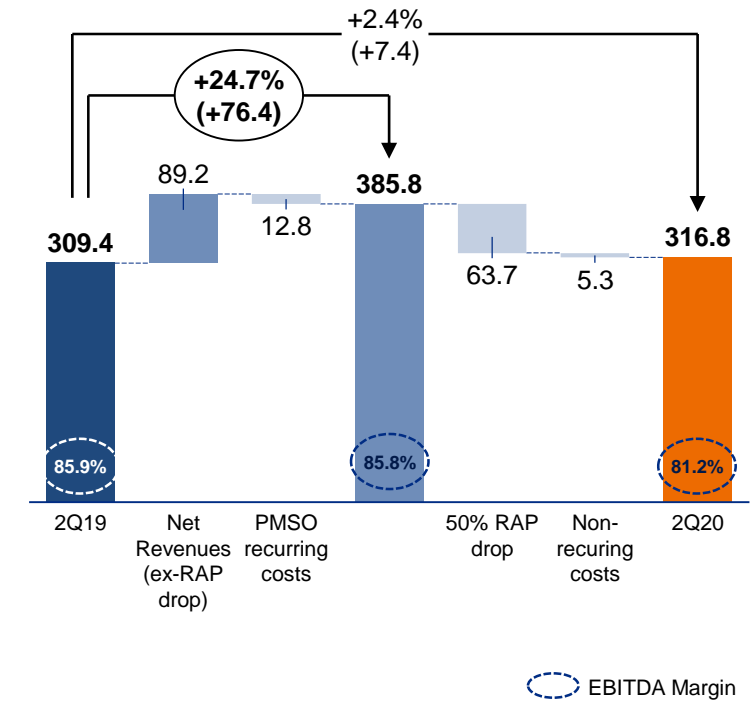
Regulatory Net Revenues

(in R\$ million)



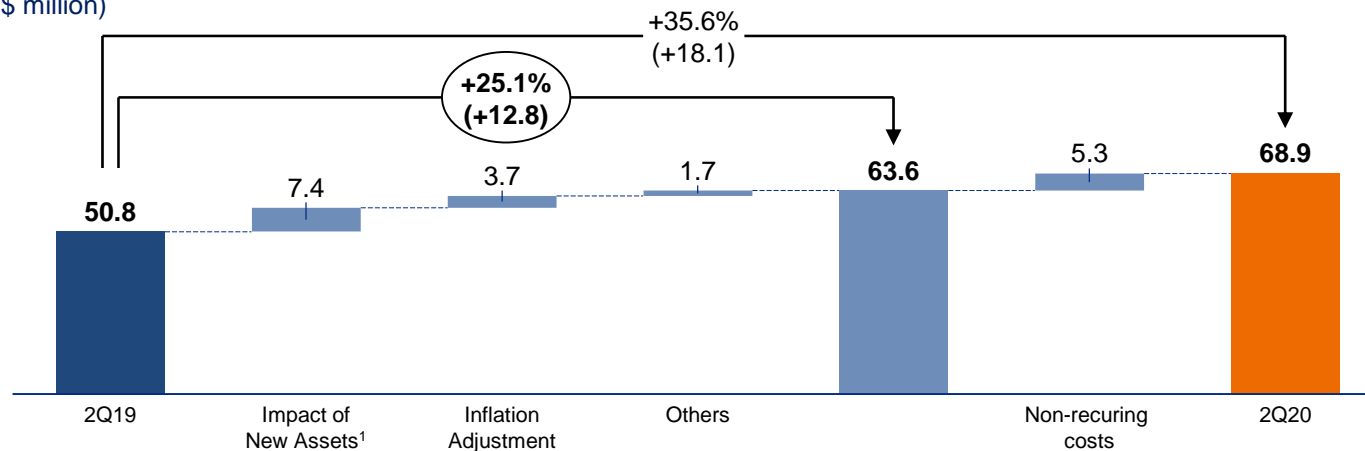
Regulatory EBITDA

(in R\$ million)



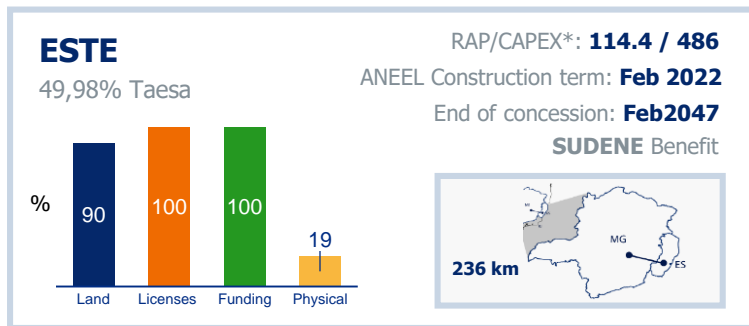
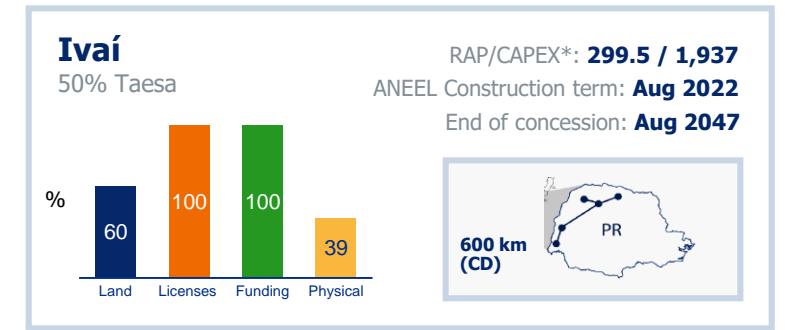
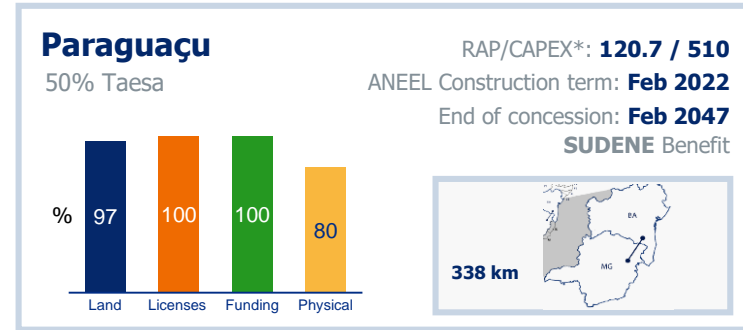
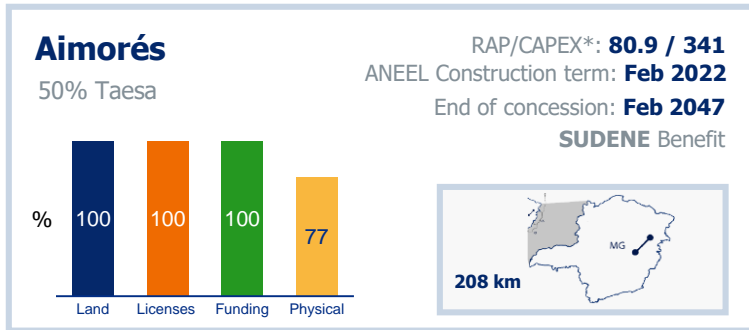
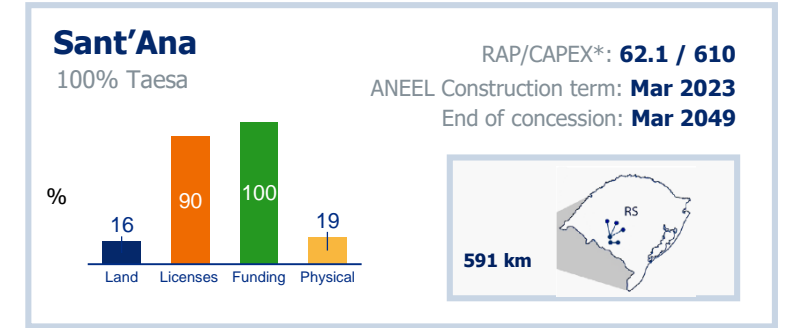
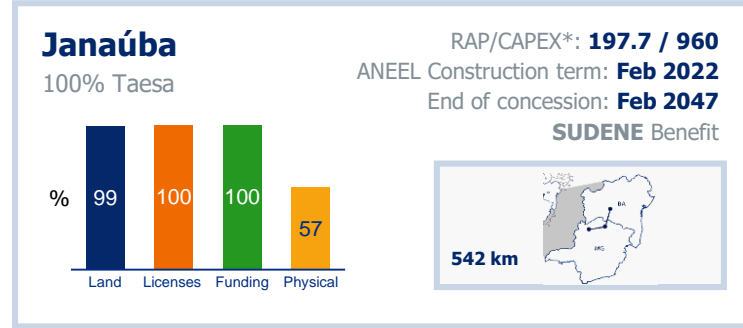
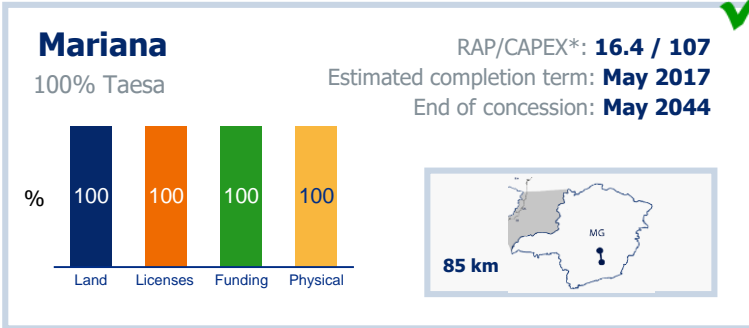
Regulatory PMSO Costs

(in R\$ million)



(1) Considers the acquisitions of São João, São Pedro, Lagoa Nova and Brasnorte, as well as the conclusion of Miracema, Mariana and reinforcements of Novatrans.

Projects under Construction



✓ Completed Project

* R\$ millions (2020-2021 RAP cycle / ANEEL CAPEX)

** Funding does not consider the fundraising of Taesa's partners in each project



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