Individual and consolidated financial statements

December 31, 2021
With Independent auditor's report

Transmissora Aliança de Energia Elétrica S.A. - TAESA

Individual and consolidated financial statements
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MANAGEMENT REPORT

(In thousands of reais, unless otherwise indicated)

The Management of Transmissora Aliança de Energia Elétrica S.A. - TAESA ("Taesa" or "Company") - Bovespa: TAEE11, one of the largest concessionaire groups of electricity transmission in Brazil, submits to your appreciation its Management Report and the Individual and Consolidated Financial Statements, together with the Independent Auditors' Report and the opinion of its Audit Committee for the year ended December 31, 2021.

MESSAGE FROM MANAGEMENT

NEW MANAGEMENT, GROWTH AND SUSTAINABILITY

With TAESA's new Executive Board appointed and taking office at the end of 2020, the Company approved its long-term strategic planning at the beginning of 2021, guiding its actions for the year, which has already resulted in improvements in the operating safety and security area, optimizing costs and increasing efficiency. The Executive Board defined a strategic alignment and the execution of the sustainability agenda, allowing for a better positioning of TAESA in the transmission sector, as observed in the results of the two transmission auctions held in 2021.

Within the scope of the regulatory result, the year was positively affected by two events: the new cycle of the 2021-2022 Annual Permitted Income (RAP), which started on July 1, and the start-up of Janaúba on September 1, the Company's largest greenfield undertaking so far, anticipating its delivery by almost six months and adding the amount of R$213.6 million in the RAP for TAESA. The (Category II) concessions adjusted by the IGP-M index had an inflation adjustment of 37%, and (Category III) concessions adjusted by the IPCA index had an inflation adjustment of 8%. Therefore, the operational RAP of the concessions from TAESA Group in the new 2021-2022 cycle totaled R$2.9 billion, 32.5% higher than the operational RAP of the previous cycle, already considering a 50% reduction in the RAP of the category II concessions that suffer this effect in the new cycle.

Thus, the Company recorded regulatory net operating income of R$1.8 billion in 2021, accounting for an annual growth of 20.5%. Consequently, regulatory EBITDA totaled R$1.5 billion in the year, recording an increase of 22.8% over 2020. The EBITDA margin reached 82.5% in 2021, 1.6 percentage points higher than the previous year.
Under IFRS, net income for 2021 totaled R$2.2 billion, recording an annual decrease of 2.2%, mainly due to lower investments in projects under construction, as they are in their final stage of completion, as well as higher net financial expenses, as a result of the higher IPCA and CDI rates and increased leverage.

Based on this result, the Board of Directors today approved the proposal for allocation of the 2021 profit, which includes the distribution of dividends of R$800.3 M (R$2.32/Unit), which is yet to be submitted to resolution of the Shareholders' Meeting. Once approved, the dividend payout will be 80.9% of net income – and 99.1% excluding the effects of CPC 47 – and a total distribution of R$5.20/Unit referring to the fiscal year of 2021.

It is worth highlighting that, on December 29, the Company paid R$ 523 million in dividends and JCP, totaling R$1.6 billion in dividends paid in the year, a volume 40.3% higher than the amount paid in 2020 and equivalent to R$4.50/Unit, recording a dividend yield of 12.4% at the end of 2021.

In the operational field, TAESA maintained its level of operational excellence, recording in 2021 a rate of availability of transmission assets of 99.86% and a Variable Portion of R$20.8 M, equivalent to 1.02% of RAP for the year. Said result demonstrates the execution capacity and efficiency in the operation and maintenance of the Company's transmission assets, one of the main strategic pillars of TAESA.

As of December 17, TAESA was awarded Lot 1 (the largest one) in the ANEEL 02/2021 Transmission Auction, located between the States of São Paulo and Paraná, a 363 km double circuit and with a planned investment of R$1.75 billion (ANEEL Capex). The new undertaking, called Ananaí, will have a regulatory term of 60 months for completion and will add a RAP of R$129.9 million to the Company as of its start-up date.

In the Sustainability agenda, the Company made progress in several actions. In February 2021, we started the work on the Integrated Management System (SGIT), whose purpose is to certify the Company in 4 ISO Standards (9001, 14001, 45001 and 55001). Also in February, TAESA became a signatory to the UN Women's Empowerment Principles and joined the Corporate Movement for Women Economic Development, known as +Mulher360. We created the Diversity Committee, comprised of Company's employees and representatives of different classes who work to create a diverse and inclusive environment within the company. There are almost 100 actions mapped and many already implemented, such as the Training of Female Electricians and Training of People with Disabilities. The long-term strategic plan approved in March has five pillars, including the Fundamental Sustainability Pillar.

We concluded the 10th issuance of TAESA debentures in May and the 2nd series obtained the "green" certification based on the guidelines of the Green Bond Principles. On that same month, we published the Company's first Sustainability Report under the GRI standard and pursuant to the principles of the Global Compact and Agenda 2030, as well as its Inventory of Greenhouse Gases in accordance with the GHG Protocol, both in 2020. We carry out several training and awareness forums, such as "Fighting Domestic Violence against Women," "Ethics: the Pillar of Human Relations" and "Diversity and Inclusion" and launched an eBook on the diversity pillars. We implemented the Business Continuity Management Program, whose goal is to increase TAESA's operational resilience and, consequently, its sustainability. In September, we achieved a new GPTW Certification, with favorability and climate indicators even better than in previous years.

On the Safety area, TAESA started the 100% Safety Program in 2021 with the purpose of strengthening the safety culture in practice, giving more voice and participation to everyone. The Company strategically implemented several projects, actions and initiatives aimed at improving its safety performance and strengthening safety as a value in each of its employees and partners. Among these actions, we highlight the implementation of the Security Committee in April; the creation of the TAESA Security Seal in October; the acquisition of a camera surveillance system aimed at monitoring operational activities, and the development of the "Security Observation" application, both in December.

TAESA ended the year with its Unit (TAEE11) integrating the portfolios of the Carbon Efficient Index (ICO2) and the IGPTW index of B3 for the year 2022. Joining the ICO2 demonstrates the companies' commitment to transparency in greenhouse gas emissions and anticipates the vision of how we are preparing for a low carbon economy. The IGPTW is the newest B3 index that tracks companies certified by the Great Place to Work, being the first GPTW index in the world covering a new ESG bias for the Brazilian market.

Finally, it is worth highlighting the holding of the first Investor Day, fully virtual and live, with over four hours of content. The event, aimed at the individual investor, had the participation of several employees to present their business in a didactic and interactive manner in workshop rooms, in addition to the participation of digital influencers in a dynamic chat and a conversation with an economist to talk about inflation, an important topic for the transmission business. This differentiated and interactive event was designed within the context of the capital market democratization and the increase of smaller investors in the Stock Exchange, which naturally affected TAESA's shareholder base, which grew 50% in number of shareholders in 2021 and, currently, it is among the 10 Brazilian stocks with the most individual investors in B3.

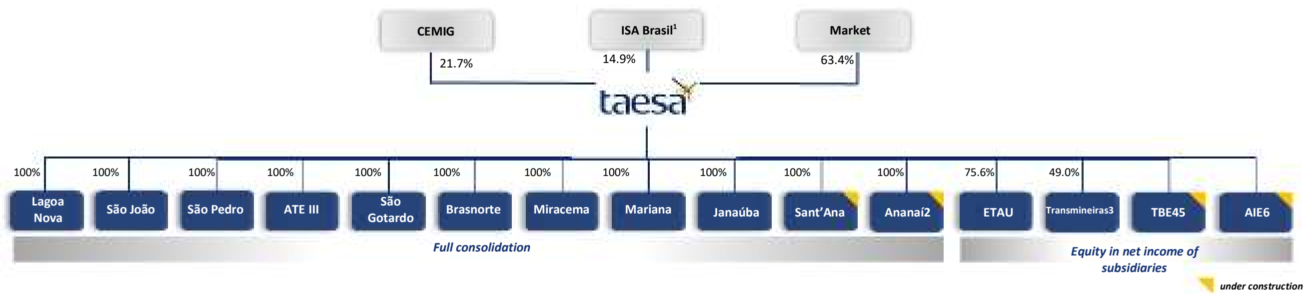
Considering the accomplishments and achievements of the last year, TAESA stresses its strategic position as one of the largest electric power transmission companies in the country and its focus on the strategic pillars of sustainable growth, value creation, financial discipline and operational efficiency, ratifying its commitment to transmit energy with reliability, transparency and security to the whole society and respecting the environment and all stakeholders.

THE COMPANY

Taesa is an electricity transmission concessionaire primarily engaged in carrying out services of operation and maintenance of electric power transmission installations in Brazil, as well as other activities related to the electricity transmission sector. It is one of Brazil's largest private electricity transmission groups, in terms of Annual Permitted Income (RAP), with 11,685 km of transmission lines in operation and 2,329 km under construction, totaling 14,014 km in length. It has assets in 100 substations with voltage levels between 230 and 525 kV and an Operation & Control Center, located in Brasília.

Taesa holds equity interest in forty transmission concessions: ten concessions at the holding company (TSN, NVT, ETEO, GTESA, PATESA, Munirah, NTE, STE, ATE and ATE II), eleven subsidiaries (ATE III, São Gotardo, Mariana, Miracema, Janaúba, Brasnorte, Sant'Ana, São João, São Pedro, Lagoa Nova and Ananaí), four jointly-controlled companies (ETAU, Paraguaçu, Aimorés and Ivaí), and fifteen associated companies, of which (i) twelve are called "TBE Group", which is comprised of four direct associated companies (EATE, ENTE, ETEP and ECTE), five indirect associated companies (STC, ESDE, Lumitrans, ETSE and ESTE), and three associated companies with direct and indirect stakes (EBTE, EDTE and ERTE), and (ii) three called "Transmineiras" (Transudeste, Transleste and Transirapé) with direct and indirect stakes.

ORGANIZATIONAL STRUCTURE AND LOCATION OF CONCESSIONS



[1] ISA Investimentos e Participações do Brasil S.A.
[2] Ananaí corresponds to Lot 1 of ANEEL Transmission Auction No. 02/2021. The process is currently in progress and awaits the undertaking approval and award, scheduled to occur until 02/22/2022. After this stage, the undertaking will be formally taken over by the Company on 03/31/2022, when the concession contract will be signed.
[3] Transmineiras is a set of Taesa's ownership interest in three concessions: Transirapé (54.0%), Transleste (54.0%) and Transudeste (54.0%).
[4] TBE - Transmissora Brasileira de Energia is an economic group, result of a partnership with majority shareholders, Taesa and Alupar.
[5] THIS is the only concession of the TBE group that is under construction.
[6] AIE – Aliança Interligação Elétrica is an economic group in partnership with companies TAESA and ISA CTEEP, currently responsible for implementing three new undertakings.
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MISSION, VISION AND VALUES

Mission: To transmit electricity with excellence, in a continuous and efficient way, ensuring profitability and sustainability.

Vision: To be the electricity transmission company in the Brazilian private sector with greatest market value, achieving this goal through sustainable growth and excellence in operational efficiency.

Amounts: Transparency, ethical and respectful behavior, safety, focus on results, sustainability, spirit of excellence, promoting growth of people, achievement through teamwork, commitment, and innovation.

CODES AND POLICIES

The corporate codes and policies adopted by Taesa express its values and organizational culture, which guide the conduct of business, as well as the relationship with the different stakeholders with whom the Company interacts. These documents are developed, reviewed and updated periodically to ensure their compatibility with the external and internal scenarios.

Taesa has an external reporting channel, operated by an independent company 24x7, with the option of anonymity and the guarantee of confidentiality of information, as well as non-retaliation to the whistleblower in good faith, enabling all employees and the external public to file reports related to the topics covered in the Code of Ethical Conduct and Compliance and other policies of the Integrity Program. The channel is disclosed on the intranet, institutional and investor relations websites, and complaints made are investigated and answered by Taesa’s Ethics Committee within 30 days.

QUALITY

TAESA Group's concessionaires, supported by its Top Management and employees, emphasizes its commitment with quality, and declares that the Company's global guidelines call for fully meeting the client's requirements, and the commitment with continuous improvement and excellence in the quality management system, aiming at performing operating services and transmission line maintenance, under the following strategic lines:

- ✓ A challenging and at the same time ethical corporate management that is focused on the client and on results;
- ✓ Meeting the sector's regulatory requirements duly in line with the Brazilian Electricity Regulatory Agency (ANEEL) and the Electric System National Operator;
- ✓ Making his internal public aware of the Quality Management System - Compliance with Safety Standards;
- ✓ Improving the quality of operating services and transmission line and substation maintenance; and
- ✓ Providing incentives to training its employees and improving their knowledge.

SUSTAINABILITY, INNOVATION AND CORPORATE RESPONSIBILITY

Sustainability is considered a core value for TAESA, being one of the strategic pillars and integrated in the strategy and business decisions. Thus, TAESA guarantees profitability through sustainable growth, with financial discipline and operational efficiency and stresses the value shared with society, fostering the improvement of the population’s quality of life with respect for the environment and sustainable development, attentive to the needs of future generations.

In line with our objective of being a benchmark company in sustainability in the Electric Transmission sector in Brazil, we started the SUSTAINABILITY PROJECT in 2019 with the purpose of creating initiatives for continuous improvement and innovation, in addition to improving socio-environmental results. We became signatories of the Global Compact, contributing to the 2030 Agenda - Sustainable Development Goals (SDGs).

<u>ESG Highlights and Commitments:</u>

- <u>Targets for reducing the consumption of fossil fuels in the fleet</u>: Aligned with the Climate agenda and considering results observed in greenhouse gas (GHG) emissions, at the end of 2020, proposal to reduce gasoline consumption in the Company's flex fleet was presented and approved by the Executive Board, by replacing it by an ethanol fleet. The purpose of this new commitment is to optimize natural resources consumption (eco-efficiency) and act responsibly, reducing volume of emissions that contribute to climate change.

- <u>Greenhouse gas inventory</u>: Preparation of the Inventory in accordance with the Greenhouse Gas Protocol – GHG Protocol, identifying the emission sources, accounting for consumption and emissions. The inventory is a fundamental tool as it allows us to identify which processes and inputs we can work on reducing/mitigating emissions, identifying adaptation needs to the current and projected climate scenario, and evaluating compensation measures.

- <u>Preparation of the social and environmental report based on the practices of the Global Reporting Initiative:</u> TAESA published its first Sustainability report in accordance with the GRI. Said fact strengthens the Company’s reporting standard, which improves stakeholder analysis of its socio-environmental activities and initiatives.

- Creation of Diversity Program: Created throughout 2020, the Diversity and Inclusion Program began in 2021, based on the Company's ethical principles. The main objective of the initiative is to establish guidelines for the respect and appreciation of differences, whether cultural, social, religious, ethnic etc. The combination of different perspectives contributes to problem solving, promotes innovation, increases engagement and contributes to sustainability and to society as a whole. In 2021, the Diversity Policy was approved, which applies to all employees of TAESA and other subsidiaries.

- Great Place to Work Certification: The Company is convinced that people are TAESA's greatest asset. The Company was recognized with the 1st place in the GPTW Energy 2021 Highlight - Cut, Generation, Distribution and Transmission of Electric Power award. Annually, the Company conducts an organizational climate survey in partnership with GPTW to measure the level of engagement and satisfaction of the teams. Last year, TAESA reached 94 points in the survey, earning the "Best Company to Work for" certification and reaffirming its position as a benchmark in the sector.

- Signature of UN Global Compact by committing to the 2030 Agenda regarding the Sustainable Development Goals: TAESA is a signatory of the United Nations Global Compact since 2019, an initiative that promotes a dialogue between companies, corporations and UN bodies on social and environmental responsibility policies. The Compact is currently the world's largest corporate sustainability initiative, with over 13,000 members spread across 160 countries. The central idea of the Global Compact is to promote the social dimension of globalization. To this end, this initiative seeks to engage the international business community in ten principles related to Human Rights, decent work, the environment and the fight against corruption.

- Gender equality: a commitment from all of us: Since 2021 TAESA has adhered to the Women's Empowerment Principles (WEPs), known as the seven principles of women's empowerment, an initiative of UN Women. Becoming a signatory to this movement reinforces TAESA's importance and commitment to supporting and promoting gender equality and women's empowerment in the workplace, market and community. The 7 principles are as follows: High-level corporate leadership; fair treatment of all women and men at work and without discrimination; Employee health, well-being and safety; Education and training for professional development; Enterprise development, supply chain and marketing practices; Community initiatives and advocacy; Measurement and reporting.

As a result of advances in the sustainability agenda and in line with the company's strategic planning, TAESA became part of the Carbon Efficient Index ("ICO2") portfolios, demonstrating its commitment to the transparency of its emissions and anticipating the vision of how it is preparing towards a low carbon economy; and the IGPTW ("IGPTW") index, tracking companies certified or ranked by the Great Place to Work, both from B3 for the year 2022.

Innovation through the Research and Development Program – R&D in the electrical segment:

Taesa's Research, Development and Innovation ("RD&I") Program, regulated by ANEEL, aims to develop solutions that contribute to national technological improvement, through relevant technical-scientific gains that, in turn, improve the safety, quality and efficiency of the provision of electric power transmission services. The Program fosters the search for innovation by electric power companies and encourages the continuous search of opportunities in the face of the technological challenges of the sector.

In this context, concessionaires, permissionaires or authorized electric power distribution, transmission and generation companies must annually apply a minimum percentage of their net operating income to the Research and Development Program.

The mandatory use of these funds is provided for by law and in the concession contracts, and ANEEL is responsible for regulating investment in the program, monitoring the execution of projects and evaluating their results.

The Company operates in accordance with the Program's regulations and in partnership with several technology-based institutions. In 2021, it carried out 15 projects and ended those described below:

ANEEL Code	Project's name	Expected result	Investments made until 12/31/2021
PD-07130-0045/2016	Diagnosis and development of Predictive and Non-Destructive Inspection Methodology of Corrosion on Electricity Transmission Tower Guy Lines.	Methodology for the diagnosis of corrosive processes occurring in the tie rods of towers, based on the combination of electrochemical techniques and impulse reflectometry, aiming to obtain reliable information about the right maintenance moment. Software in artificial neural network that classifies the risk of the likelihood of system failure; aiming at using it on site by maintenance teams was developed.	R$5,445
PD-07130-0047/2019	Smart monitoring of cable-stayed towers using IoT-based sensor fusion.	Technology for online monitoring of cable pulls on the towers and the publication of their data on a georeferenced basis, consisting of low-cost load cell sensors, data concentrators and computer system, which allows the installation of the system in all the towers to identify structural stability failures.	R$5,058
PD-07130-0048/2019	Methodology and tool for automatic analysis of occurrences using machine-learning algorithms.	System capable of automatically analyzing oscillographs of outages occurring in transmission lines, identifying their causes and assisting in the decision-making of real-time operators, maintenance and engineering technicians, based on the availability of information such as fault location and its electrical characteristics, using artificial intelligence techniques.	R$1,852
PD-07130-0049/2017	Tool for predicting the risk of occurrence of weather-related phenomena and optimized allocation of resources for emergency maintenance of networks	System that permits the forecast of electric discharges and wind gusts, as well as the monitoring of fires and storms aiming at guiding those responsible for the operation and maintenance of the transmission network, indicating the extreme climate events and optimization of emergency service teams through information arising from georeferenced systems and specialized systems that monitor meteorological events.	R$2,713
PD-07130-0060/2019	Protection relay with active oil and gas monitoring, and a smart system for diagnosing and monitoring high-voltage power transformers and reactors.	Development of an intelligent gas relay prototype with real-time oil and gas monitoring, integrated into the concessionaire's supervisory system, for installation in power transformers and reactors. Among the functions of the smart relay are the identification of the type and rate of formation of gases inside it, as well as the level, density and temperature of the insulating oil.	R$3,099
PG-07130-2019/2019	Management Project for the R&D Program (Year 2019).	The project aims at managing the seeks R&D Program activities carried out in the period from April 2019 to March 2021 based on the development of computational tools to improve management and provide conditions for efficient controls on resources used in the R, D&I Program.	R$641

The full list of projects in progress, completed and approved by ANEEL, is available on the Company's institutional website https://institucional.taesa.com.br/pesquisa-e-desenvolvimento.

Corporate responsibility:

- People Management

TAESA has a Human Resources Policy applied to the entire company. The development process for employees must be understood as a business strategy and is an integral part of its management model. The strategic function of every investment related to this matter is to ensure, in the present and in the future, availability of the competences required to provide business leadership. By making continuous investments in the growth and development of its employees, TAESA prepares them to create and offer better results.

The Company ensures to all employees, in an ethical and transparent way that respects diversity, to equal opportunities and to the possibility of pursuing a solid career, receiving remuneration compatible with that offered on the market and attractive fringe benefits in a motivating and challenging environment. Acts as facilitator of the information flow, promoting two-way objective and direct communication, in a respectful and honest manner.

Attraction and retention of talents - people are the company's propelling instruments, indispensable for continuous renovation in an environment of changes and challenges. Taesa adopts the practice of Internal Recruitment, aiming to provide opportunities to its employees before seeking new professionals on the market, which promotes real opportunities for growth and development, provides an expectation of a professional future, retains its talents, and values its human capital.

Training - Taesa's Training and Development Policy aims at promoting and providing learning actions and strategies that make it possible for employees to acquire and improve competences, skills and knowledge that may contribute to his/her professional development, reflecting the value given to the individual and meeting the quality and productivity standards, necessary to accomplish business strategy and maintenance.

Remuneration - The aim of remuneration policy is to define and maintain equitable criteria for valuation and development, aiming at reaching an internal and external balance in its structures of positions and salaries, as well as benefit package. Employees have variable remuneration, according to and aligned with the results of the global goals, by Executive Board and Management, together with the fulfillment of the responsibilities designed for their positions.

Communication processes - The Company believes that integrated communication is an important pillar in the structure. With the aim of increasingly strengthening the bond between its employees, seeks to maintain the communication processes updated, adding technology and innovation, through mechanisms and structured dialogue channels, making it possible to identify needs and expectations, in addition to exchanging information at all levels, in a transparent, effective, fast and objective manner, in line with the best business practices and strategies.

Occupational Health and Safety – the Company, for activities of implementation, operation and maintenance of electric energy transmission assets, considers the Safety, Environment and Health Management as a value to be stimulated and maintained as part of its culture, so as to contribute to the employees' and subcontractors' health, as well as for the improvement of the population's quality of life, protecting the environment and sustainable development. The Company adopts the following principles for safety, environment and health management:

- Labor risk prevention;
- Health and environment protection;
- Compliance with the three sustainability keystones: Economic; social and environmental;
- To fulfill the Company's obligations with safety, continuity and quality;

- To take actions protecting the environment and stakeholders' interest;
- To minimize, to the extent possible, the impact generated by works and coexistence of the transmission with the social and environmental life in the operation of transmission lines

Social Responsibility

In 2021, Taesa and its investee ATE III invested R$2,464 in projects that contribute to social development and o value citizenship:

- Rouanet and Audiovisual Law – "Pluriannual Plan of Activities and Maintenance of Inhotim Institute 2021/2024" and "Annual Plan of Activities of Mam Rio 2021 of Incentive to Culture".

- Sports Law – "Rocinha Stars," "Citizen Athlete."

- FIA – "Training of Adolescent Rural Entrepreneurs in Family Agriculture," "Essential Stimulation."

- Elderly Law – "Project Right to Food and Nutrition Security for Elderly Farmers and Family Farmers in the Sertão do Moxotó Pernambucano Microregion."

Corporate Governance

TAESA is a Company listed on the B3 S.A. – Brasil, Bolsa, Balcão ("B3") Corporate Governance segment, Level 2, granting its preferred shares the right to sell for 100% of the amount paid in transfer of control (Tag-Along), and is aligned with the market's best practices of management and corporate governance.

The Company's corporate governance structure is composed of the Annual General Meeting, the Board of Directors, assisted by 4 non-statutory committees (Audit Committee, Finance Committee, Strategy, Governance and Human Resources Committee and Implementation and New Business Committee), Audit Committee and Executive Statutory Board.

Board of Directors - It is comprised by thirteen (13) effective members Brazil residents or residents of other countries, elected by the General Meeting, with a unified term of office of one (1) year, with reelection permitted. In accordance with the Level-2 differentiated corporate governance practices agreement, the Board of Directors must have at least 20% of independent board members, identified as such in the minutes that will elect them. The shareholder ISA is responsible for appointing five members and shareholder CEMIG is responsible for appointing five members, the others are elected pursuant to item 5.3 of Corporate Governance Regulation Level 2 of B3. In addition to the competencies described by law and in the Company's Bylaws, the Board is responsible for: (i) overall guidance of the business, (ii) electing and removing members of the Executive Board, and supervising the exercise of their duties, through specific committees and (iii) deciding on participation in public competitions promoted by ANEEL or by any representative of the Concession Grantor with the authority to do so.

Advisory Committees to the Board of Directors – The Company has 4 Advisory Committees to the Board of Directors with technical and advisory functions, as mentioned above. The Committees have no executive duties and decision-making power and are composed mainly of Board Members to ensure objectivity, consistency and quality in the Company's decision-making process.

Audit Committee - The Audit Committee is a permanent body, formed by a minimum of three (3) and a maximum of five (5) effective members and their respective alternates. Its responsibilities are to oversee the activities of the administration, review the financial statements and report their findings to shareholders.

Executive Board - Executive Board will be formed by six (06) board members, shareholders or who are not necessarily shareholders, resident in Brazil, being one (1) Chief Executive Officer, one (1) CFO and Investor Relations Officer, one (1) CLO and Regulatory Officer and one (1) Implementation Officer and one (1) Chief Business and Ownership Interest Management Officer, all elected by the Board of Directors for an unified two-year (2) mandate, dismissible at any time, being allowed the accumulation of positions and the total or partial reelection of its members, pursuant to resolution of the Board of Directors. Executive officers are responsible for daily executive management of business and implementation of general policies and guidelines established by its Board of Directors.

BUSINESS PERFORMANCE

Acquisition of assets

In 2021, Taesa was awarded Lot 01 of Auction 002/2021 organized by ANEEL, which guaranteed Taesa an increase of 363 km of transmission lines and R$129,900 of RAP to its portfolio. In addition to the auctions, Taesa also analyzed opportunities in the secondary market, but without having completed the operation in 2021.

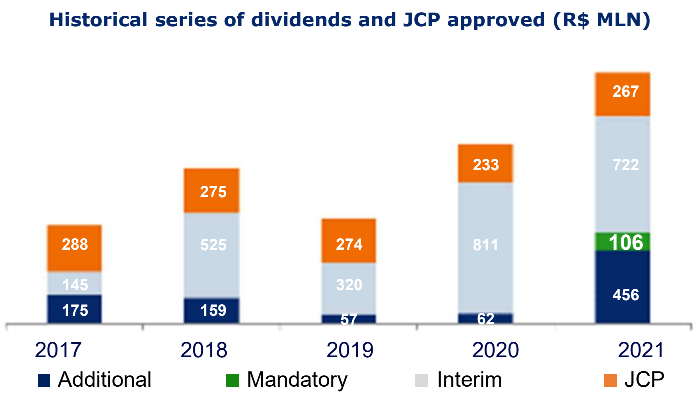
OPERATING AND ECONOMIC AND FINANCIAL PERFORMANCE CONSOLIDATED

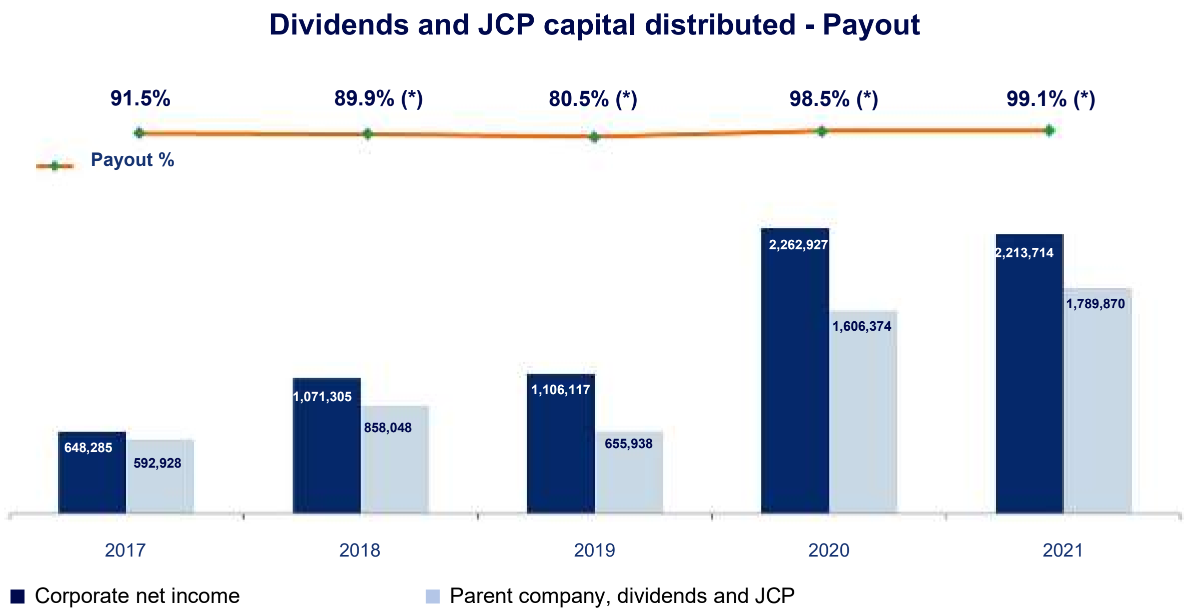
Dividends and interest on shareholders' equity paid

According to its bylaws, Taesa should distribute a minimum of 50% of its Net Income, after forming a legal and tax benefit reserve.

In 2021, payments of dividends and JCP in the amount of R$1,551,521 were approved, of which:

- R$456,035 - additional dividends in 2020;
- R$722.558 - Interim dividends in 2021;
- R$267,019 - JCP for 2021; and
- R$105,909 – Mandatory dividends remaining of 2020.

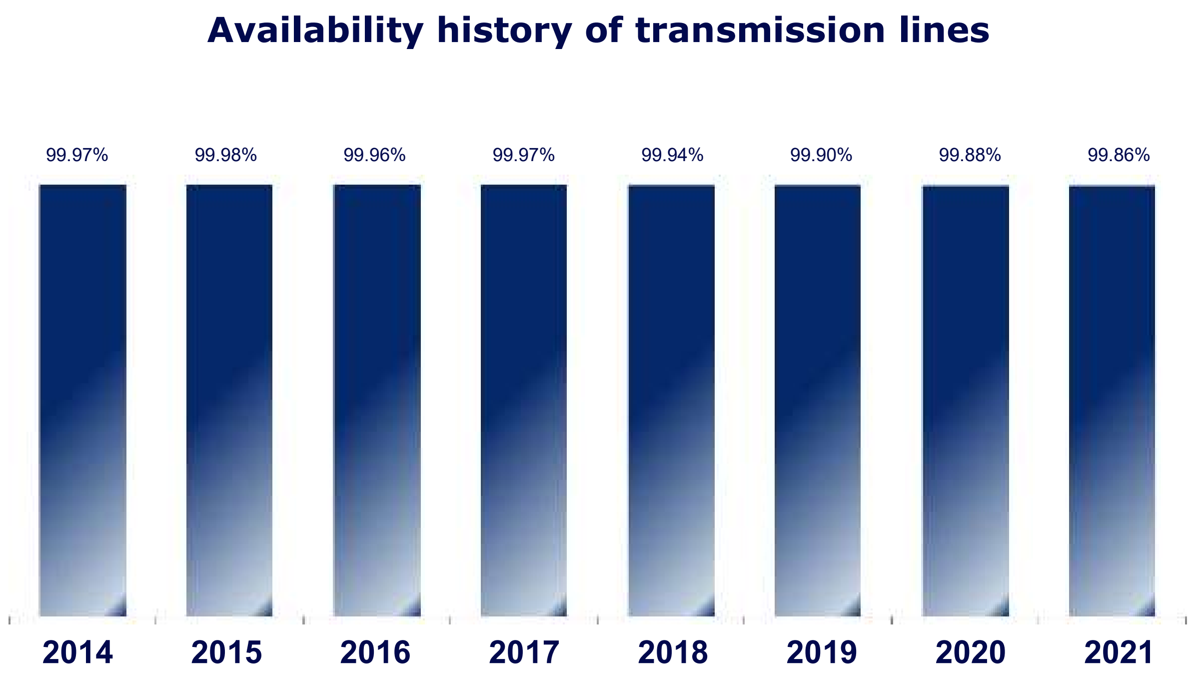




(*) For the calculation of Payout, net income were adjusted excluding the impacts of CPC 47. The impacts were R$408,098, R$631,470, R$291,323 and R$116,924 in the years 2021, 2020, 2019 and 2018, respectively. As well as impacts from CPC 47 determined in 2020, 2019 and 2018, Management's proposal is to allocate the impacts determined in 2021 to the Special Profit Reserve and to pay dividends to shareholders in future periods to not compromise the Company's cash and leveraging.

Availability of transmission lines

The Company proved its technical expertise and ability to keep the availability of the transmission lines at high levels, reaching the result of 99.86% in availability. Availability history of transmission lines is as follows:



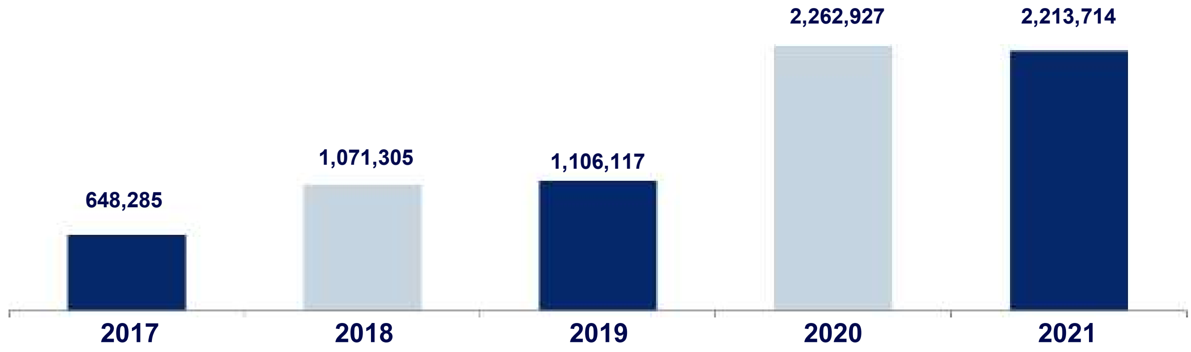
Natural Protection Against Inflation

As income is annually adjusted by IGPM or IPCA, Taesa's business is naturally protected against inflation. RAP is annually adjusted at each July 1, based on the 12-month inflation index, from June of the prior year to May of the current year.

Cycle	IPCA	IGP-M
2016 / 2017	9.3%	11.1%
2017 / 2018	3.6%	1.5%
2018 / 2019	2.9%	4.3%
2019 / 2020	4.7%	7.6%
2020 / 2021	1.8%	6.5%
2021 / 2022	8.0%	37.0%

Consolidated net income

Taesa is managed with a focus on maximizing returns to shareholders.



We highlight the main factors that influenced the net income for 2021 compared to 2020:

- Income

Operation and maintenance – The 22% growth in 2021 mainly refers to: (i) the inflation correction for the 2021-2022 cycle, in accordance with ANEEL Ratifying Resolution 2.895/21, and (ii) start-up of the Janaúba concession as of September 2021.

Remuneration of concession contract assets – Calculated by multiplying the project rate by the concession contract asset balance based on asset operationalization. The 23% growth in 2021 is mainly due to (i) the start of operations at the Janaúba concessions in September 2021, and (ii) the increase in contract assets due to the net effect of changes in macroeconomic indices and amortizations for the period.

Inflation correction of the concession contract asset - The 21% increase in 2021 basically refers to the (i) start of operations of concession Janaúba in September 2021 and (ii) changes in macroeconomic indices recorded in the compared periods, especially the IGP-M, which updates most of the Company's RAPs (IGP-M 17.9% and IPCA 10.7% in 2021 and IGP-M 24.5% and IPCA 4.3% in 2020).

Infrastructure implementation – The 40% decrease in 2021 refers to lower investments in the Janaúba project, which were partially offset by higher investments in the Sant'ana project.

Variable Portion – The 10% reduction in 2021 mainly refers to the reversal of the provision for events (i) fall of phase B cables of the Assis-Sumaré 440 kV TL (ETEO) in September 2021, caused by intentional sawing of the insulator support shackle, being treated as a non-recurring factor, external and unrelated to the Company, (ii) untimely shutdown caused in the Serra da Mesa-Gurupi C2 500 kV TL (NOVATRANS), by a non-recurring, external and unrelated factor to the Company, and (iii) scheduled shutdown at the Assis-Sumaré 440kV TL (ETEO), due to a non-recurring, external factor unrelated to the Company in April 2021.

Other operating income - The 26% reduction in 2021 mainly refers to the accounting of partial income from the Miracema and Mariana concessions, referring to the first months of operation in 2020. Said impacts were partially offset by the increase in income from the border network and DIT (other facilities) of the Miracema and São Pedro concessions in 2021.

- Deductions from gross income

The 6% decrease in 2021 mainly refers to the reduction in gross income, impacting taxes on revenue that was partially offset by R&D collections due to the increase in RAPs.

- Costs and expenses

Personnel – The increase of 10% in 2021 mainly refers to (i) the salary adjustment of employees through the collective bargaining agreement, (ii) meritocracy program, promotions and increase in staff, and(iii) consolidation of the acquired companies in the 1Q20.

Material - The 46% reduction in 2021 refers to lower investments in infrastructure implementation due to the operationalization of Janaúba project. The decrease was partially offset by higher investments in the Sant'ana project.

Third-party services - The 17% increase in 2021 mainly refers to (i) the increase in costs related to cleaning the right-of-way due to contractual readjustments and increased service provision in 2021, (ii) increase in IT advisory expenses and legal expenses related to M&A projects.

Depreciation and amortization – The 48% increase in 2021 mainly refers to the unitization of the systems implementation project, which generated an increase in depreciation between the compared periods.

Other costs and expenses – The 7% increase in 2021 mainly refers to (i) asset write-off in the subsidiary São Pedro related to advances to contractors, settled via a guarantee account of the purchase and sale agreement with Âmbar, (ii) ANEEL fine applied to the Mariana concession and (iii) favorable changes in forecasts of civil contingencies.

- Equity income (loss)

The 6% reduction in 2021 mainly refers to (i) the changes in macroeconomic indices linked to the investees' income and (ii) the reduction in the construction margin due to the performance in the execution of the works for the group's concessions (AIE). Said effects were offset by higher investments in the concession under construction ESTE (TBE).

- Financial income (loss)

Financial Income – The decrease of 12% in 2021 was due to the lower average volume of cash invested even with the increase in CDI. This is due to (i) interest and amortization payments of loans and debentures, and (ii) payments of JCP and dividends.

- Financial expenses

Loans and financing: The 47% reduction in 2021 mainly refers to the settlements of CCBs with Bradesco and Citibank in April and May 2021, respectively.

Debentures: The 68% increase in 2021 mainly refers to (i) the higher debt volume as a result of Taesa's 10th debentures issuances in the amounts of R$750,000 and (ii) the increase in the IPCA between the compared periods (10.06% in 2021 and 4.52% in 2020).

Derivative financial instruments: The 106% decrease in 2021, mainly refers to the variation of the CDI between the compared periods.

Lease: The 2% decrease in 2021, mainly refers to the amortizations occurred between the compared periods.

Other financial income and expenses: The 5% decrease in 2021 mainly refers to (i) the net impact of the monetary restatement of judicial deposits and civil, tax and labor provisions, and (ii) the reduction of PIS/COFINS expenses on financial investments.

- Taxes and social contributions

The 10% reduction in 2021 mainly refers to (i) the reduction in earnings before taxes (EBT) and (ii) the increase in payments of JCP.

Adjusted EBITDA vs. Standard EBITDA

	2021	2020	Change	Change (%)
Net operating income	3,472,049	3,561,286	(89,237)	-2.51%
Adjusted EBITDA	2,676,467	2,376,043	300,424	12.64%
EBITDA margin – Adjusted	**77.09%**	**66.72%**	**10,37pp**	
Reconciliation of Adjusted EBITDA				
Net income for the year	2,213,714	2,262,927	(49,213)	-2.17%
Equity in net income of subsidiaries	(781,438)	(833,942)	52,504	-6.30%
Financial income (loss)	810,109	475,523	334,586	70.36%
Income tax and social contribution	411,430	456,255	(44,825)	-9.82%
Depreciation and amortization	22,652	15,280	7,372	48.25%
Adjusted EBITDA	**2,676,467**	**2,376,043**	**300,424**	**12.64%**

	2021	2020	Change	Change (%)
Net operating income	3,472,049	3,561,286	(89,237)	-2.51%
EBITDA	3,457,905	3,209,985	247,920	7.72%
EBITDA margin – Standard	**99.59%**	**90.14%**	**9.45pp**	
Reconciliation of EBITDA				
Income (loss) for the year	2,213,714	2,262,927	(49,213)	-2.17%
Financial income (loss)	810,109	475,523	334,586	70.36%
Income tax and social contribution	411,430	456,255	(44,825)	-9.82%
Depreciation and amortization	22,652	15,280	7,372	48.25%
Standard EBITDA	**3,457,905**	**3,209,985**	**247,920**	**7.72%**

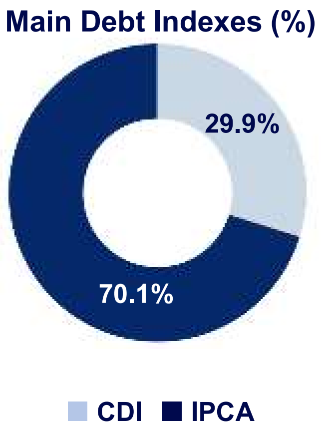
Standard EBITDA - it is the net income before taxes, net financial expenses, and depreciation, amortization expenses. Standard EBITDA is not recognized by accounting practices adopted in Brazil and IFRS, and does not represent cash flow for presented years, and should not be considered as alternative net income, and is not a performance indicator. Standard EBITDA is used by the Company to measure its own performance. CVM Instruction 527 of October 4, 2012 establishes the calculation of the standard EBITDA.

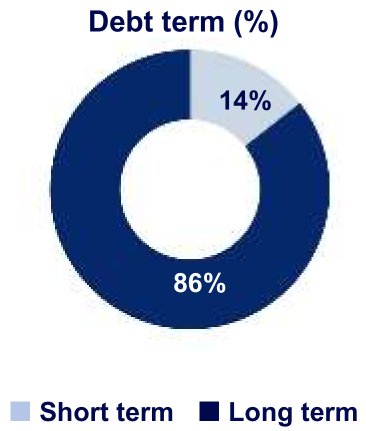
Adjusted EBITDA - is the standard EBITDA added to the value of the equity method. Company's Administration believes that adjusted EBITDA is conservative in relation to the standard EBITDA since it does not consider the equity in net income of subsidiaries of its investees.

Indebtedness

Net debt	2021	2020
Current	949,513	440,828
Non-current (includes the derivative financial instruments)	5,665,995	5,670,477
Gross debt	6,615,508	6,111,305
(-) Cash and cash equivalents and securities	(394,772)	(905,617)
Net debt	6,220,736	5,205,688
Net debt/Standard EBITDA	1.80	1.62

Net debt - is not recognized by Brazilian accounting practices and IFRS and does not have a standard interpretation and cannot be compared to similar measures provided by other companies and also, is not a cash flow, liquidity or ability to pay debt measurement. Net Debt represents the sum of Loans and Financing, Derivative Financial Instruments and Debentures of Current Liabilities and Non-Current Liabilities, less Cash and Cash Equivalents and Securities. Presented Net Debt is used by the to measure its own performance. The Company understands that some investors and financial analysts use Net Debt as an indication of its performance.

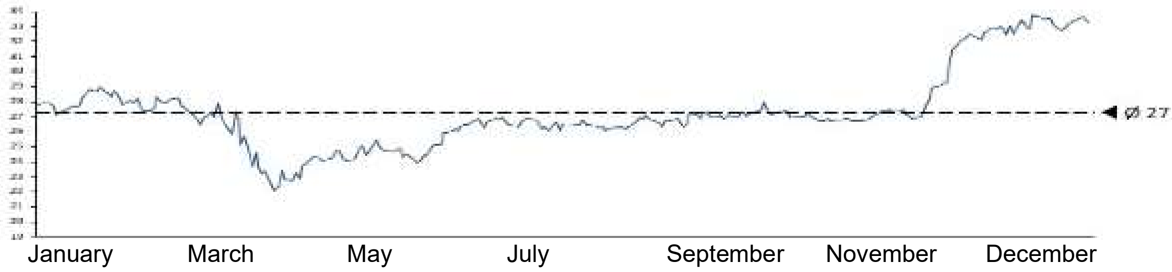




CAPITAL MARKET

As of December 31, 2021, the Company's market value was R$12.5 billion (R$11.6 billion as of December 31, 2020).

Unit Performance



Rating

In 2021, the Company had its outlook for local and foreign currency affirmed, and Fitch Ratings maintained the negative outlook. Moody's kept its rating and outlook stable on the national scale, but the Company opted to terminate the global scale ratings agreement in July 2021. On January 8, 2021, the Company announced the end of the credit risk rating and monitoring contract on a national and global scale between the Company and Standard & Poor's, clarifying that the current debt instruments issued by the Company did not have a risk rating assigned by S&P. The Company maintained the contracts with Moody's and Fitch that assigned the highest rating on the National Scale of Taesa, reflecting a perception of healthy profitability and strong cash generation, ensuring sound credit and liquidity profile indicators.

Fitch	Rating	Perspective
Domestic currency rating	BBB-	Negative
Foreign currency rating	BB	Negative
National scale rating	AAA(bra)	Stable

Moody’s	Rating	Perspective
Brazilian National Scale - Ratings	Aaa.br	Stable

TECHNICAL MANAGEMENT

Specialized maintenance in all transmission assets, make Taesa’s technical team a competitive differential in its operational processes, and the company continuously invests in the training of its maintenance and operation crews, as well as in methodologies to improve the results of interventions in the installations. Hot Line special services that enable an effective intervention in the equipment are also a highlight, without the need for shutting down the facilities, contributing to an increased availability of substations and transmission lines.

Updated maintenance plans contribute to the operational availability of transmission lines at the highest performance levels, in a consistent way, contributing to an increased reliability of the National Interconnected Electric System. Studies and proposals were systematically developed aiming at the implementation of new equipment and systems at substations, which were referred to as "Reinforcements" and "Improvements". The "Improvements" are aimed at maintaining the quality in Company's provision of services, Reinforcements, after approved by ANEEL, provide the Company with additional income to face the investments deemed necessary to expand facilities' transmission capacity or increase in system reliability.

RELATIONS WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction 381/2003, we hereby announce that Ernst&Young Auditores Independentes S.S. (“EY Brasil”) provides independent auditing services of the financial statements to the Company and its subsidiaries since March 2017. The Company contracted EY Brasil to provide independent audit services for five consecutive years, readjusted by the IPC-A. The amount referring to independent audit services is R$1,901 thousand for the year 2021.

Taesa's policies in the engagement of services not related to the external audit at its independent auditors aim to ensure that there is no conflict of interests, loss of independence or objectivity and are substantiated by the principles that preserve the independence of the auditor.

CVM - BM&FBOVESPA

The Company is subject to arbitration in the court of arbitration of the market, pursuant to an arbitration clause contained in its bylaws.

Annual social balance sheet – 2021 and 2020 – Consolidated information Transmissora Aliança de Energia Elétrica S.A.						
1 - Calculation basis	**2021**			**2020**		
Net income (NI)	3,472,049			3,561,286		
Operating income (OI)	2,653,815			2,360,763		
Gross payroll (GP)	183,009			166,615		
2 - Internal social indicators	**Amount**	**% on GP**	**% on NR**	**Amount**	**% on GP**	**% on NR**
Food	7,118	3.89%	0.21%	6,290	3.78%	0.18%
Compulsory social charges	34,962	19.10%	1.01%	33,678	20.21%	0.95%
Private pension	3,046	1.66%	0.09%	2,551	1.53%	0.07%
Healthcare	9,889	5.40%	0.28%	9,155	5.49%	0.26%
Occupational safety and security	370	0.20%	0.01%	338	0.20%	0.01%
Education	120	0.07%	0.00%	108	0.06%	0.00%
Culture	-	0.00%	0.00%	-	0.00%	0.00%
Training and professional development	1,091	0.60%	0.03%	1,261	0.76%	0.04%
Daycare or child care allowance	599	0.33%	0.02%	484	0.29%	0.01%
Profit sharing	26,930	14.72%	0.78%	21,176	12.71%	0.59%
Other	130	0.07%	0.00%	231	0.14%	0.01%
Total - Internal social indicators	84,255	46.04%	2.43%	75,272	45.18%	2.11%
3 - External social indicators	**Amount**	**% on RO**	**% on NR**	**Amount**	**% on RO**	**% on NR**
Education	-	0.00%	0.00%	-	0.00%	0.00%
Culture	1,544	0.06%	0.04%	2,190	0.09%	0.06%
Health and Sanitation	-	0.00%	0.00%	-	0.00%	0.00%
Sport	267	0.01%	0.01%	598	0.03%	0.02%
Fight against hunger and food security	364	0.01%	0.01%	427	0.02%	0.01%
Other	653	0.02%	0.02%	1,643	0.07%	0.05%
Total contributions to society	2,828	0.11%	0.08%	4,858	0.21%	0.14%
Taxes (excluding social charges)	740,248	27.89%	21.32%	795,849	33.71%	22.35%
Total - External social indicators	743,076	28.00%	21.40%	800,707	33.92%	22.48%
4 - Environmental indicators	**Amount**	**% on RO**	**% on NR**	**Amount**	**% on RO**	**% on NR**
Investments related to company's production/operation	2,794	0.11%	0.08%	4,777	0.20%	0.13%
Investments in external programs and/or projects	-	0.00%	0.00%	-	0.00%	0.00%
Total environmental investments	2,794	0.11%	0.08%	4,777	0.20%	0.13%
Regarding the establishment of "annual targets" to minimize waste, general consumption in production/operation and increase effectiveness in the use of natural resources, the company	( ) does not have targets ( ) fulfills 00–50% ( ) fulfills 51–75% (x) fulfills 76–100%			( ) does not have targets ( ) fulfills 00–50% ( ) fulfills 51–75% (x) fulfills 76–100%		
5 - Workforce indicators	**2021**			**2020**		
Number of employees at the end of the period	701			673		
Number of hirings during the period	97			111		
Number of outsourced employees	-			-		
Number of interns	32			33		
Number of employees above 45 years of age	146			154		
Number of women working at the company	126			116		
% of management positions held by women	19.72%			16.13%		
Number of blacks working at the company	236			145		
% of management positions held by black employees	22.54%			17.74%		
Number of people with disabilities or special needs	21			15		
6 - Relevant information regarding the practice of corporate citizenship	**2021**			**2020**		
Relation between the highest and lowest remuneration at the company	8.724%			9.796%		
Total number of occupational accidents	-			1		
Social and environmental projects developed by the company were defined by:	( ) executive board	(x) executive board and managements	( ) all employees	( ) executive board	(x) executive board and managements	( ) all employees
The safety and health standards in the workplace were defined by:	(x) executive board and managements	( ) all employees	( ) all employees + Cipa	(x) executive board and managements	( ) all employees	( ) all employees + Cipa
Regarding union freedom, the right of collective bargaining and internal representation of employees, the company:	( ) does not get involved	(x) follows the ILO standards	( ) encourages and follows ILO	( ) does not get involved	(x) follows the ILO standards	( ) encourages and follows ILO
The private pension plan encompasses:	( ) executive board	( ) executive board and managements	(x) all employees	( ) executive board	( ) executive board and managements	(x) all employees
Profit sharing encompasses:	( ) executive board	( ) executive board and managements	(x) all employees	( ) executive board	( ) executive board and managements	(x) all employees
Regarding supplier selection, the same ethical and social responsibility/environmental standards adopted by the company:	( ) are not considered	( ) are suggested	(x) are required	( ) are not considered	( ) are suggested	(x) are required
Regarding the participation of employees in volunteer work programs, the company:	(x) does not get involved	(x) supports	(x) organizes and promotes	(x) does not get involved	(x) supports	( ) organizes and promotes
Total number of consumer complaints and criticism:	in the company -	in Procon -	in Court -	in the company -	in Procon -	in Court -
% of complaints and criticism dealt with or solved:	in the company 0%	in Procon 0%	in Court 0%	in the company 0%	in Procon 0%	in Court 0%
Total added value payable (in thousands of reais):	**In 2021: 3,953,258**			**In 2020: 3,714,167**		
Distribution of added value:	18.73% government | 45.28% shareholders | 10.72% withheld 21.35% third party | 3.92% employees			21.43% government | 43.25% shareholders | 17.68% withheld | 13.85% third party | 3.80% employees		

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A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

Independent auditor's report on individual and consolidated financial statements

To the Shareholders, Board of Directors and Officers of
Transmissora Aliança de Energia Elétrica S.A. - TAESA
Rio de Janeiro – RJ

Opinion

We have audited the individual and consolidated financial statements of Transmissora Aliança de Energia Elétrica S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2021 and the statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of Transmissora Aliança de Energia Elétrica S.A. as at December 31, 2021, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

A key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the individual and consolidated financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Measurement of contract assets

As disclosed in Note 2.4, the Company understands that, even after construction of the concession infrastructure is concluded, contract assets still exist, due to construction revenue consideration, since the operation and maintenance obligation must be fulfilled in order for the Company to have an unconditional right to receive cash. As at December 31, 2021, Company contract assets amount to R$5,376,419 thousand and R$11,120,418 thousand – individual and consolidated, respectively.

Recognition of contract assets and of revenue from contract with customers in accordance with CPC 47 – Revenue from Contracts with Customers (IFRS15 – Revenue from contracts with customers) requires the use of significant judgment relating to when the customer obtains control over the asset. Additionally, measurement of the Company's progress in relation to compliance with performance obligations over time requires the use of significant estimates and judgments by the executive board to estimate the efforts or inputs necessary for complying with performance obligations, such as materials and labor, expected profit margins for each performance obligation identified and projections of expected revenues.

Also, referring to long-term contracts, the identification of the discount rate, which represents the financial component embedded in the future receipt flow, requires the use of judgment by the executive board. Due to the significance of the amounts and judgment involved, measurement of concession-related contract assets and revenue from contract with customers was considered a key audit matter.

Our audit approach

Our audit procedures included, among others: (i) obtaining an understanding of the Company's process for calculating concession-related contract assets; (ii) assessing the internal procedures relating to expenses with contract execution; (iii) analyzing the calculation of margin in projects under construction, relating to new concession contracts, and to reinforcement and improvement projects of already existing power transmission facilities, checking the methodology and assumptions adopted by the Company, to estimate total construction cost, and present value of future receipt flows, discounted at the implicit interest rate that represents the financial component embedded in the flow of receipts; (iv) with the assistance of professionals specialized in assessment of construction projects: (a) analyzing compliance with the physical timeline of construction in progress, and checking existence of unusual items in the construction's updated physical timeline, with possible project changes, or changes in suppliers that may give rise to costs not captured by Company internal controls; (b) assessing the differences between the initial budget and the updated budget of work in progress, and the explanations presented by construction management for such differences; and (c) if applicable, checking the indications of sufficiency of the costs to be incurred for concluding the project's construction phases; (v) reading the concession agreements and respective amendments in order to identify performance obligations contractually provided for, in addition to aspects relating to variable components applicable to contract price; (vi) reviewing projected cash flows, significant assumptions used in cost projections and in defining the implicit discount rate used in the model with the assistance of professionals specialized in company appraisal; (vii) analyzing any risk of penalties due to delay in construction or unavailability; (viii) analyzing whether there are any onerous contracts; (ix) analyzing communications with regulating authorities relating to electric power transmission activities and marketable securities market; and (x) analyzing the disclosures made by the Company in the individual and consolidated financial statements.

As a result of the audit procedures performed on the contract assets, we identified audit adjustments that indicate the need to supplement and monetarily adjust such contract assets. These adjustments were not recorded by the executive board due to their immateriality on the financial statements as a whole. Additionally, we assessed adequacy of the disclosures on these matters, which are mentioned in Note 6 to the financial statements.

Based on the result of the audit procedures performed, which are consistent with the executive board's assessment, we believe that the criteria and assumptions for contract assets adopted by the executive board are acceptable, as well as respective disclosures, in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2021, prepared under Company executive board responsibility, whose presentation is required as supplementary information under IFRS, have been subject to audit procedures in conjunction with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statements of Value Added. In our opinion, these statements of value added were fairly prepared, in all material respects, in accordance with the criteria defined in referred to Accounting Pronouncement and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and independent auditor's report

Company executive board is responsible for this other information included in the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatements of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.

- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we are required to determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, February 17, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Pia Leocádia de Avellar Peralta
Accountant CRC-1RJ101080/O-0

Balance sheet as of December 31, 2021 and 2020
(Amounts expressed in thousands of reais – R$)

		Consolidated		Parent company	
	Note	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	4	384,824	896,031	179,771	664,932
Accounts receivable from concessionaires and permissionaires	6	212,069	190,378	148,628	157,782
Concession contract asset	6	1,320,728	1,015,498	804,492	728,784
Current taxes and social contributions	8	160,897	124,355	144,943	109,522
Dividends receivable	12	208	50,332	446,545	242,182
Other accounts receivable and other assets		56,457	83,567	39,571	70,492
Total current assets		**2,135,183**	**2,360,161**	**1,763,950**	**1,973,694**
Non-current assets					
Securities	5	9,948	9,586	4,906	4,708
Accounts receivable from concessionaires and permissionaires	6	21,332	19,635	20,040	18,526
Concession contract asset	6	9,799,690	8,356,699	4,571,927	4,119,475
Other accounts receivable		35,616	41,526	24,224	21,673
Judicial deposits		64,771	44,870	45,660	31,895
Derivative financial instruments	18	207,267	157,169	207,267	157,169
Investments	11	3,436,678	2,952,525	7,009,221	5,952,339
Right-of-use	7	12,457	28,934	11,578	27,868
Property, plant and equipment		73,892	44,742	72,625	44,585
Intangible assets		98,801	89,572	98,782	89,547
Total non-current assets		**13,760,452**	**11,745,258**	**12,066,230**	**10,467,785**
Total assets		**15,895,635**	**14,105,419**	**13,830,180**	**12,441,479**

See the accompanying notes to the financial statements.

(Continued)

Balance sheet as of December 31, 2021 and 2020
(Amounts expressed in thousands of reais – R$)

	Note	Consolidated 12/31/2021	Consolidated 12/31/2020	Parent company 12/31/2021	Parent company 12/31/2020
Liabilities					
Current liabilities					
Suppliers		131,622	85,086	43,702	36,858
Loans and financing	13,1	15,672	121,355	6,896	112,833
Debentures	13,2	933,841	319,473	806,472	319,473
Lease liabilities	7	8,533	8,911	7,697	8,406
Current taxes and social contributions	8	58,894	55,157	37,646	30,270
Regulatory fees		51,679	62,536	44,208	55,673
Dividends and JCP payable	12	147,048	105,931	147,048	105,931
Other accounts payable		69,841	83,194	56,617	50,199
Total current liabilities		**1,417,130**	**841,643**	**1,150,286**	**719,643**
Non-current liabilities					
Loans and financing	13,1	614,073	922,669	562,825	865,829
Debentures	13,2	5,225,510	4,857,916	4,361,201	4,010,957
Derivative financial instruments	18	33,679	47,061	33,679	47,061
Lease liabilities	7	7,257	22,462	7,035	21,815
Deferred taxes and social contributions	9	1,172,751	763,630	707,146	470,283
Deferred taxes	10	638,209	524,897	269,260	238,407
Provision for labor, tax and civil risks	14	49,126	44,338	29,343	30,227
Provision for demobilization of assets	7	457	457	457	457
Other accounts payable		52,687	54,442	24,192	10,896
Total non-current liabilities		**7,793,749**	**7,237,872**	**5,995,138**	**5,695,932**
Total liabilities		**9,210,879**	**8,079,515**	**7,145,424**	**6,415,575**
Shareholders' equity					
Capital		3,042,035	3,042,035	3,042,035	3,042,035
Capital reserve		598,736	598,736	598,736	598,736
Profit reserve		2,368,240	1,944,396	2,368,240	1,944,396
Additional dividends proposed		653,282	456,035	653,282	456,035
Other comprehensive income	18	22,463	(15,298)	22,463	(15,298)
Total shareholders' equity	15	**6,684,756**	**6,025,904**	**6,684,756**	**6,025,904**
Total liabilities and shareholders' equity		**15,895,635**	**14,105,419**	**13,830,180**	**12,441,479**

See the accompanying notes to the financial statements.

Statement of income for the years ended as of December 31, 2021 and 2020 (Amounts expressed in thousands of Reais, except earnings per share)

		Consolidated		Parent company	
	Note	**2021**	**2020**	**2021**	**2020**
infrastructure's implementation income, inflation adjustment of the concession contract asset, operation and maintenance contract assets and others, net		2,664,691	2,903,468	1,348,193	1,318,470
Remuneration of concession contract assets		807,358	657,818	567,988	486,482
Net operating income	20	**3,472,049**	**3,561,286**	**1,916,181**	**1,804,952**
Operating costs					
Personnel		(81,657)	(72,654)	(64,040)	(59,811)
Material		(501,811)	(922,080)	(28,173)	(37,358)
Outsourced services		(45,238)	(40,483)	(32,468)	(29,654)
Depreciation and amortization		(8,560)	(7,200)	(7,654)	(6,649)
Other operating costs		(11,722)	(5,562)	(5,563)	(3,596)
	21	(648,988)	(1,047,979)	(137,898)	(137,068)
Gross income		**2,823,061**	**2,513,307**	**1,778,283**	**1,667,884**
General and administrative expenses					
Personnel and management		(101,352)	(93,961)	(99,074)	(91,770)
Outsourced services		(40,163)	(32,380)	(35,131)	(28,979)
Depreciation and amortization		(14,092)	(8,080)	(14,064)	(8,054)
Other operating expenses		(13,639)	(18,123)	(1,535)	(14,834)
	21	(169,246)	(152,544)	(149,804)	(143,637)
Income (loss) before net financial income (expenses), equity accounting, and taxes and contributions		**2,653,815**	**2,360,763**	**1,628,479**	**1,524,247**
Equity income (loss)	11	781,438	833,942	1,471,638	1,418,358
Financial income		34,283	38,813	23,645	24,213
Financial expenses		(844,392)	(514,336)	(686,435)	(425,607)
Net financial income (expenses)	22	**(810,109)**	**(475,523)**	(662,790)	(401,394)
Income (loss) before taxes and contributions		**2,625,144**	**2,719,182**	**2,437,327**	**2,541,211**
Current income tax and social contribution		(21,763)	(27,698)	(6,202)	(10,421)
Deferred income tax and social contribution		(389,667)	(428,557)	(217,411)	(267,863)
Income tax and social contribution	16	**(411,430)**	**(456,255)**	(223,613)	(278,284)
Net income for the year		**2,213,714**	**2,262,927**	**2,213,714**	**2,262,927**
Earnings per share					
Earnings per common share - Basic and diluted (in R$)	19	2.14196	2.18958	2.14196	2.18958
Earnings per preferred share - Basic and diluted (in R$)	19	2.14196	2.18958	2.14196	2.18958

See the accompanying notes to the financial statements.

Statement of comprehensive income for years ended as of December 31, 2021 and 2020 (Amounts expressed in thousands of reais – R$)

	Note	Consolidated		Parent company	
		2021	2020	2021	2020
Net income for the year		**2,213,714**	**2,262,927**	**2,213,714**	**2,262,927**
Equity valuation adjustment	18	37,761	(15,298)	37,761	(15,298)
Total comprehensive income for the year		**2,251,475**	**2,247,629**	**2,251,475**	**2,247,629**

See the accompanying notes to the financial statements.

Statement of changes in shareholders’ equity (parent company and consolidated) as of December 31, 2021 and 2020
(Amounts expressed in thousands of reais – R$)

				Profit reserve						
	Note	**Capital**	**Capital reserves, capital transactions**	**Legal**	**Tax benefit**	**Special reserve**	**Additional dividends proposed**	**Retained earnings**	**Equity valuation adjustment**	**Total**
Balances at December 31, 2019	15	**3,042,035**	**598,736**	**433,057**	**289,970**	**564,816**	**61,763**	**-**	**-**	**4,990,377**
Additional dividends approved		-	-	-	-	-	(61,763)	-	-	(61,763)
Interim dividends paid		-	-	-	-	-	-	(811,756)	-	(811,756)
Interest on shareholders' equity paid		-	-	-	-	-	-	(232,674)	-	(232,674)
Equity valuation adjustment	18	-	-	-	-	-	-	-	(15,298)	(15,298)
Net income for the year		-	-	-	-	-	-	2,262,927		2,262,927
Allocation of net income for the year:										
Tax benefit reserve		-	-	-	25,083	-	-	(25,083)	-	-
Special reserve		-	-	-	-	631,470	-	(631,470)	-	-
Minimum mandatory dividends		-	-	-	-	-	-	(105,909)	-	(105,909)
Additional dividends proposed		-	-	-	-	-	456,035	(456,035)	-	-
Balances at December 31, 2020	15	**3,042,035**	**598,736**	**433,057**	**315,053**	**1,196,286**	**456,035**	**-**	**(15,298)**	**6,025,904**
Additional dividends approved		-	-	-	-	-	(456,035)	-	-	(456,035)
Interim dividends paid		-	-	-	-	-	-	(722,558)	-	(722,558)
Interest on shareholders' equity paid		-	-	-	-	-	-	(267,019)	-	(267,019)
Equity valuation adjustment	18	-	-	-	-	-	-	-	37,761	37,761
Net income for the year		-	-	-	-	-	-	2,213,714		2,213,714
Allocation of net income for the year:										
Tax benefit reserve		-	-	-	15,746	-	-	(15,746)	-	-
Special reserve		-	-	-	-	408,098	-	(408,098)	-	-
Minimum mandatory dividends		-	-	-	-	-	-	(147,011)	-	(147,011)
Additional dividends proposed		-	-	-	-	-	653,282	(653,282)	-	-
Balances at December 31, 2021	15	**3,042,035**	**598,736**	**433,057**	**330,799**	**1,604,384**	**653,282**	**-**	**22,463**	**6,684,756**

See the accompanying notes to the financial statements.

Statement of cash flow for the years ended as of December 31, 2021 and 2020 (Amounts expressed in thousands of reais – R$)

	Note	Consolidated		Parent company	
		2021	2020	2021	2020
Cash flow from operating activities					
Net income for the year		2,213,714	2,262,927	2,213,714	2,262,927
Adjustments for:					
Equity income (loss)	11	(781,438)	(833,942)	(1,471,638)	(1,418,358)
Depreciation and amortization	21	13,979	8,391	13,952	8,389
Depreciation of right-of-use	7|21	8,673	6,889	7,766	6,314
Provision (reversal) of tax, social security, labor and civil lawsuits, net	14	753	9,813	(167)	9,201
Interest, inflation adjustment and exchange-rate changes and adjustment to fair value on loans and financing	13,1|22	74,229	141,053	66,217	138,150
Interest, inflation adjustment and adjustment at fair value on debentures	13,2|22	750,851	445,833	606,328	362,891
Derivative financial instruments	18|22	5,078	(87,417)	5,078	(87,417)
Interest on lease liability	7|22	2,633	2,697	2,535	2,564
Current income tax and social contribution	16	21,763	27,698	6,202	10,421
Deferred income tax and social contribution	16	389,667	428,557	217,411	267,863
Deferred taxes	20	113,312	150,115	30,853	23,653
Infrastructure's implementation cost	20|21	464,136	883,675	1,998	6,113
Remuneration of concession contract assets	6|20	(807,358)	(657,818)	(567,988)	(486,482)
Inflation adjustment of concession contract assets	6|20	(1,216,276)	(1,007,626)	(770,555)	(862,760)
Infrastructure implementation income	6|20	(915,031)	(1,523,739)	(6,932)	(10,736)
Financial investment income		(300)	(38,813)	(198)	(24,213)
Provision for variable portion	6	2,040	828	1,976	1,808
		340,425	219,121	356,552	210,328
Changes in assets and liabilities:					
Decrease in the balances of accounts receivable from concessionaires and permissionaires and concession contract asset		1,165,016	964,119	822,979	721,165
Decrease in the balance of income and social contribution tax assets, net of liabilities		4,317	5,564	6,674	6,264
Decrease (increase) in the balance of other credits		16,362	(29,987)	14,645	(37,156)
Increase (decrease) in balance of suppliers		(441,207)	(852,951)	4,846	(17,282)
(Decrease) in balance of regulatory rates		(10,857)	(7,498)	(11,465)	(8,884)
(Decrease) in balance of other accounts payable		9,594	(30,152)	18,958	(14,536)
Dividends received from subsidiaries	12	-	-	237,484	108,231
Dividends received from jointly-controlled subsidiaries and associated companies	12	423,809	291,984	423,809	291,984
		1,167,034	341,079	1,517,930	1,049,786
Cash generated by operating activities		**1,507,459**	**560,200**	**1,874,482**	**1,260,114**
Income tax and social contribution paid		(58,885)	(42,656)	(40,921)	(31,200)
Net cash generated by operating activities		**1,448,574**	**517,544**	**1,833,561**	**1,228,914**
Cash flow from investment activities					
Increase (decrease) in balance of securities		(62)	2,416,706	-	1,622,979
Additions in property, plant and equipment and intangible assets		(52,356)	(41,179)	(51,229)	(41,249)
Capital increase in subsidiaries	11	-	-	(374,500)	(383,608)
Capital increase in jointly-controlled subsidiaries and associated companies	11	(76,400)	(221,500)	(76,400)	(221,500)
Acquisition of subsidiaries	11	-	-	-	(773,023)
Acquisition of subsidiaries, net of acquired cash	11	-	(765,131)	-	-
Net cash (invested) generated in investment activities		**(128,818)**	**1,388,896**	**(502,129)**	**203,599**
Cash flow from financing activities					
Funding of loans and financing	13,1	-	446,218	-	447,522
Payment of loans and financing - Principal	13,1	(462,443)	(250,891)	(456,490)	(6,490)
Payment of loans and financing - Interest	13,1	(26,173)	(19,005)	(18,668)	(18,125)
Issuance of debentures	13,2	739,539	723,943	739,539	726,605
Payment of debentures – principal	13,2	(295,354)	(691,260)	(295,354)	(691,260)
Payment of debentures – Interest	13,2	(213,270)	(181,741)	(213,270)	(181,741)
Payment of dividends and JCP	12	(1,551,506)	(1,106,182)	(1,551,506)	(1,106,182)
Payment of lease liability	7	(10,412)	(8,712)	(9,500)	(7,964)
Payment of derivative financial instruments	18	(11,344)	(5,341)	(11,344)	(5,341)
Net cash (invested) in financing activities		**(1,830,963)**	**(1,092,971)**	**(1,816,593)**	**(842,976)**
(Decrease) increase in cash and cash equivalents		**(511,207)**	**813,469**	**(485,161)**	**589,537**
Opening balance of cash and cash equivalents	4	896,031	82,562	664,932	75,395
Closing balance of cash and cash equivalents	4	384,824	896,031	179,771	664,932
(Decrease) increase in cash and cash equivalents		**(511,207)**	**813,469**	**(485,161)**	**589,537**

See the accompanying notes to the financial statements.

Statement of added value for the years ended as of December 31, 2021 and 2020
(Amounts expressed in thousands of reais – R$)

	Note	Consolidated 2021	Consolidated 2020	Parent company 2021	Parent company 2020
Income					
Remuneration of concession contract assets	20	807,358	657,818	567,988	486,482
Restatement of concession contract assets	20	1,216,276	1,007,626	770,555	862,760
Operation and maintenance	20	826,013	676,162	735,580	600,538
Infrastructure implementation	20	915,031	1,523,739	6,932	10,736
Variable portion	20	(20,792)	(23,136)	(16,699)	(17,120)
Other income	20	23,966	32,402	22,952	18,160
		3,767,852	3,874,611	2,087,308	1,961,556
Inputs acquired from third parties					
(Include the tax amounts - ICMS, IPI, PIS and COFINS)					
Materials, Energy, outsourced services and other	21	(587,212)	(994,943)	(95,772)	(95,991)
General, administrative and other expenses		(20,451)	(22,976)	(6,301)	(17,987)
		(607,663)	(1,017,919)	(102,073)	(113,978)
Gross added value		**3,160,189**	**2,856,692**	**1,985,235**	**1,847,578**
Depreciation and amortization		(22,652)	(15,280)	(21,718)	(14,703)
Net added value produced by the Company		**3,137,537**	**2,841,412**	**1,963,517**	**1,832,875**
Added value received as transfer					
Equity income (loss)	11	781,438	833,942	1,471,638	1,418,358
Financial income	22	34,283	38,813	23,645	24,213
		815,721	872,755	1,495,283	1,442,571
Total added value payable		**3,953,258**	**3,714,167**	**3,458,800**	**3,275,446**
Distribution of added value					
Personnel					
Direct remuneration	21	98,277	91,344	88,251	83,564
Benefits	21	49,293	41,593	43,004	37,464
FGTS		7,334	8,118	6,597	7,469
		154,904	141,055	137,852	128,497
Taxes, duties and contributions					
Federal (include Aneel's regulatory fees)		738,558	794,741	419,501	457,553
State		493	276	267	102
Municipal		1,197	832	1,031	760
		740,248	795,849	420,799	458,415
Third-party capital remuneration					
Debt charges and inflation adjustment, net	22	825,080	586,886	672,545	501,041
Derivative financial instruments	22	5,078	(87,417)	5,078	(87,417)
Leases	22	2,633	2,697	2,535	2,564
Other	22	11,601	12,170	6,277	9,419
		844,392	514,336	686,435	425,607
Remuneration of own capital					
Interim dividends paid	15	722,558	811,756	722,558	811,756
Interest on shareholders' equity paid	15	267,019	232,674	267,019	232,674
Tax incentive reserve	15	15,746	25,083	15,746	25,083
Special reserve	15	408,098	631,470	408,098	631,470
Additional dividends proposed	15	653,282	456,035	653,282	456,035
Mandatory dividends	15	147,011	105,909	147,011	105,909
		2,213,714	2,262,927	2,213,714	2,262,927
Total added value paid		**3,953,258**	**3,714,167**	**3,458,800**	**3,275,446**

See the accompanying notes to the financial statements.

1. GENERAL INFORMATION

Transmissora Aliança de Energia Elétrica S.A. ("Taesa" or "Company") is a publicly-held corporation domiciled in Brazil, headquartered *in Praça XV de Novembro, 20, salas 601 e 602, Centro, Rio de Janeiro, Rio de Janeiro/RJ* (Brazil) and has the following business purpose:

- To operate and exploit the concession of public electric power transmission service for implementation, operation and maintenance of transmission lines belonging to the network of the Interconnected Electric System (SIN);
- To perform other activities related to the field of electricity transmission such as: (a) planning studies and activities and construction of project's facilities; (b) chemical analyses of materials and equipment; (c) basic and detailed engineering services, procurement and purchase process, constructions, commissioning, system operation and maintenance; (d) rental, loan, or paid transfers of equipment, infrastructure, and facilities; and (e) technical support;
- To practice any other activities that allow improved use and valuation of combined networks, structures, resources and competences;
- To operate, both in Brazil and abroad, alone or in a partnership with other companies, to take part in auctions and to develop any other associated activity or that may be somehow useful to achieve the corporate purpose;
- To hold interests in other Brazilian or foreign companies operating in the electricity transmission sector, as a partner, shareholder or quotaholder; and
- To implement projects related to the concession of the public services that it is undertaking, in particular the provision of services in telecommunications, data transmissions, operating and maintaining other concessionaires' facilities, besides supplementary services related to engineering, tests and research.

Controlling shareholders – The following enterprises have shared control of the Company, through a shareholders' agreement, Companhia Energética de Minas Gerais - CEMIG, and ISA Investimentos e Participações do Brasil S.A.

Subsidiaries, jointly-controlled subsidiaries and associated companies

Subsidiaries: ATE III, SGT, MAR, MIR, JAN, SAN, BRAS, SJT, SPT, LNT and ANT.
Jointly-controlled subsidiaries: ETAU, Aimorés, Paraguaçu and Ivaí.
Associated companies: (b) with direct interest: EATE, ECTE, ENTE and ETEP; (b) with indirect interest: STC, ESDE, Lumitrans, ETSE and ESTE; and (c) direct and indirect interest: EBTE, ERTE, EDTE, Transleste, Transirapé and Transudeste. The associated companies Transleste, Transirapé and Transudeste are jointly referred to as "Transmineiras," the other associated companies are jointly referred to as "TBE Group."

The subsidiaries, jointly-controlled subsidiaries and associated companies (hereinafter referred to as "Taesa Group" or "Group" when mentioned jointly with the Company) are privately-held companies, do not have shares traded on stock exchanges, are domiciled in Brazil, and headquartered in the following States: Rio de Janeiro (ATE III, SGT, MAR, MIR, JAN, ETAU, BRAS, SAN, SJT, SPT, LNT and ANT), Santa Catarina (Lumitrans, STC e ECTE), São Paulo (Aimorés, Paraguaçu, Ivaí, ERTE, EBTE, ETEP, ETSE, EATE, ENTE, ESDE and ESTE), Minas Gerais (Transleste, Transudeste e Transirapé) and Bahia (EDTE)

NOTES TO THE FINANCIAL STATEMENTS
ON DECEMBER 31, 2021
(Amounts expressed in thousands of reais, unless otherwise indicated)

All the companies in which the Company has an ownership interest are mainly engaged in the operation and use of electric power transmission concessions and implement, operate and maintain the facilities of the Interconnected Electric System (SIN) for a 30-year period.

Taesa Group concessions with direct or indirect interest								
Concession	Acquisition (*) Formation (**) Concession contract	Beginning End	Interest	Location	Periodic tariff review Term (years)	Periodic tariff review Next	Km (b) (Unaudited)	SE (c)
Taesa								
Transmissora Sudeste Nordeste S.A. ("TSN")	06/06/2006 (*) 097/2000	12/20/2000 12/20/2030	100%	BA and GO	5 (a)	2024	1,139	8
Novatrans Energia S.A. ("NVT")	06/06/2006 (*) 095/2000	12/20/2000 12/20/2030	100%	DF|GO|MA|TO	5 (a)	2024	1,278	6
Munirah Transmissora de Energia S.A. ("MUN")	06/06/2006 (*) 006/2004	02/18/2004 02/18/2034	100%	BA	5 (a)	2024	106	2
Goiânia Transmissora de Energia S.A. ("GTE")	11/30/2007 (*) 001/2002	01/21/2002 01/21/2032	100%	PB|PE	5 (a)	2024	52	3
Paraíso-Açu Transmissora de Energia S.A. ("PAT")	11/30/2007 (*) 087/2002	12/11/2002 12/11/2032	100%	RN	5 (a)	2024	146	4
Empresa de Transmissão de Energia do Oeste Ltda. ("ETEO")	05/31/2008 (*) 040/2000	05/12/2000 05/12/2030	100%	SP	5 (a)	2024	505	3
Sul Transmissora de Energia S.A. ("STE")	11/30/2011 (*) 081/2002	12/19/2002 12/19/2032	100%	RJ	5 (a)	2024	389	4
ATE Transmissora de Energia S.A. ("ATE")	11/30/2011 (*) 003/2004	02/18/2004 02/18/2034	100%	PR|SP	5 (a)	2024	370	3
ATE II Transmissora de Energia S.A. ("ATE II")	11/30/2011 (*) 011/2005	03/15/2005 03/15/2035	100%	BA|PI|TO	5 (a)	2024	942	4
Nordeste Transmissora de Energia S.A. ("NTE")	11/30/2011 (*) 002/2002	01/21/2002 01/21/2032	100%	PB|PE|AL	5 (a)	2024	383	4
Subsidiaries								
ATE III Transmissora de Energia S.A. ("ATE III")	11/30/2011 (*) 001/2006	04/27/2006 04/27/2036	100%	PA|TO	5 (a)	2024	454	4
São Gotardo Transmissora de Energia S.A. ("SGT")	06/06/2012 (**) 024/2012	08/27/2012 08/27/2042	100%	MG	5	2023	n/a	1
Mariana Transmissora de Energia Elétrica S.A. ("MAR")	12/18/2013 (**) 011/2014	05/02/2014 10/02/2046 (d)	100%	MG	5	2024	82	2
Miracema Transmissora de Energia S.A ("MIR")	04/26/2016 (**) 017/2016	06/27/2016 06/27/2046	100%	TO	5	2026	90	3
Janaúba Transmissora de Energia Elétrica S.A. ("JAN")	11/09/2016 (**) 015/2017	02/10/2017 02/10/2047	100%	MG|BA	5	2022	545	3
Sant'ana Transmissora de Energia Elétrica S.A ("SAN") (e)	01/11/2019 (**) 012/2019	03/22/2018 03/22/2048	100%	RS	5	2024	590	5
Brasnorte Transmissora de Energia S.A. ("BRAS")	09/17/2007 (**) 003/2008	03/17/2008 03/17/2038	100%	MT	5	2023	402	4
São João Transmissora de Energia S.A. ("SJT")	02/14/2020 (*) 08/2013	08/01/2013 08/01/2043	100%	PI	5	2024	413	2
São Pedro Transmissora de Energia S.A. ("SPT")	02/14/2020 (*) 015/2013	10/09/2013 10/09/2043	100%	BA|PI	5	2024	494	6
Lagoa Nova Transmissora de Energia Elétrica S.A. ("LNT")	03/13/2020 (*) 30/2017	08/11/2017 08/11/2047	100%	RN	5	2023	28	2
Ananaí Transmissora de Energia Elétrica S.A. ("ANT") (f)	05/12/2021 (**) (f)	(f)	100%	SP|PR	(f)	(f)	363	4
Jointly-controlled subsidiaries								
Empresa de Transmissão do Alto Uruguai S.A. ("ETAU")	12/28/2007 (*) 082/2002	12/18/2002 12/18/2032	75.62%	RS|SC	5 (a)	2024	188	4
Interligação Elétrica Aimorés S.A. ("Aimorés") (e)	11/18/2016 (**) 04/2017	02/10/2017 02/10/2047	50%	MG	5	2022	208	2
Interligação Elétrica Paraguaçu S.A. ("Paraguaçu") (e)	11/18/2016 (**) 03/2017	02/10/2017 02/10/2047	50%	MG|BA	5	2022	338	2
Interligação Elétrica Ivaí S.A. ("Ivaí") (e)	05/17/2017 (**) 22/2017	08/11/2017 08/11/2047	50%	PR	5	2023	593	5
Associated companies								
Empresa Amazonense de Transmissão de Energia S.A. ("EATE")	05/31/2013 (*) 042/2001	06/12/2001 06/12/2031	49.98%	PA|MA	5 (a)	2024	927	5
Empresa Paraense de Transmissão de Energia S.A. ("ETEP")	05/31/2013 (*) 043/2001	06/12/2001 06/12/2031	49.98%	PA	5 (a)	2024	328	2

(Amounts expressed in thousands of reais, unless otherwise indicated)

Taesa Group concessions with direct or indirect interest								
Concession	Acquisition (*) Formation (**) Concession contract	Beginning End	Interest	Location	Periodic tariff review Term (years)	Next	Km (b) (Unaudited)	SE (c)
Empresa Catarinense Transmissão de Energia S.A. ("ECTE")	05/31/2013 (*) 088/2000	11/01/2000 11/01/2030	19.09%	SC	5 (a)	2024	253	2
Empresa Norte de Transmissão de Energia S.A. ("ENTE")	05/31/2013 (*) 085/2002	12/11/2002 12/11/2032	49.99%	PA|MA	5 (a)	2024	459	3
Empresa Regional de Transmissão de Energia S.A. ("ERTE")	05/31/2013 (*) 083/2002	12/11/2002 12/11/2032	49.99%	PA	5 (a)	2024	155	3
Sistema de Transmissão Catarinense S.A. ("STC")	05/31/2013 (*) 006/2006	04/27/2006 04/27/2036	39.99%	SC	5 (a)	2024	230	4
Lumitrans Companhia Transmissora de Energia Elétrica S.A. ("Lumitrans")	05/31/2013 (*) 007/2004	02/18/2004 02/18/2034	39.99%	SC	5 (a)	2024	40	2
EBTE Empresa Brasileira de Transmissão de Energia S.A. ("EBTE")	05/31/2013 (*) 011/2008	10/16/2008 10/16/2038	74.49%	MT	5	2024	782	7
ESDE Empresa Santos Dumont de Energia S.A. ("ESDE")	05/31/2013 (*) 025/2009	11/19/2009 11/19/2039	49.98%	MG	5	2025	n/a	1
ETSE Empresa de Transmissão Serrana S.A. ("ETSE")	05/31/2013 (*) 006/2012	05/10/2012 05/10/2042	19.09%	SC	5	2022	n/a	2
Empresa Sudeste de Transmissão de Energia S.A. ("ESTE") (e)	11/11/2016 (*) 19/2017	02/10/2017 02/10/2047	49.98%	MG|ES	5	2022	237	2
Empresa Diamantina de Transmissão de Energia S.A. ("EDTE")	03/26/2018 (*) 015/2016	12/01/2016 12/01/2046	49.99%	BA	5	2022	165	3
Companhia Transleste de Transmissão S.A ("Transleste")	10/17/2013 (*) 009/2004	02/18/2004 02/18/2034	54.00%	MG	5 (a)	2024	139	2
Companhia Transudeste de Transmissão S.A. ("Transudeste")	10/17/2013 (*) 005/2005	03/04/2005 03/04/2035	54.00%	MG	5 (a)	2024	140	2
Companhia Transirapé de Transmissão S.A. ("Transirapé")	10/17/2013 (*) 012/2005	03/15/2005 03/15/2035	54.00%	MG	5 (a)	2024	61	2
Grand total							14,014	100

(a) The tariff review refers only to income from authorization processes (reinforcements and improvements).
(b) Kilometers ("km") arising from the auction for the concessions under construction and from Transmission Service Agreement - CPST signed with the Electric System National Operator - ONS for the concessions that are being operated.
(c) The total amount related to substations does not correspond to the sum of substations represented in the table, since repeated substations were not considered.
(d) Pursuant to ANEEL Order 3257, published on October 28, 2021, the termination of the MAR concession was extended by 883 days, as detailed in Note 24.
(e) The transmission lines are under construction and the estimated dates for energization are: SAN – March 2023, Aimorés, Paraguaçu, ESTE – February 2022 and Ivaí – August 2022.
(f) According to the Transmission Auction Notice 2/2021-ANEEL (Transmission Auction) - Process 48500.000032/2021-33, the execution of the concession contract is scheduled for March 31, 2022, with an energization period established for March 2027. The start of undertaking construction is subject to the execution of the aforementioned concession contract.

2. PREPARATION BASIS

2.1. Statement of compliance

The Company's financial statements comprise parent company's individual financial statements, referred to as parent company, consolidated financial statements, referred to as consolidated, were prepared according to accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). Accounting practices adopted in Brazil comprise those included in the Brazilian corporations act and the technical pronouncements, guidelines and interpretations issued by the Accounting Pronouncement Committee - CPC and approved by the Federal Accounting Council - CFC and Brazilian Securities Commission - CVM. The Company chose to present these individual and consolidated financial statements in a single set, side by side.

The Company's Administration states that all the relevant information in the financial statements is being evidenced and corresponds to information used in its management.

In addition, the Management considered the guidelines provided for in Guideline OCPC 07, issued by CPC in November 2014, in the preparation of its financial statements so that all relevant information of financial statements are disclosed and correspond to what is used in Company's Management.

The individual and consolidated financial statements were approved by the Executive Board, Audit Committee and the Board of Directors on February 17, 2022.

2.2. Measuring basis

The individual and consolidated financial statements were prepared based on the historical cost, except for derivative financial instruments measured at fair value and non-derivative financial instruments measured at fair value through profit or loss.

2.3. Functional and presentation currency

The individual and consolidated financial statements is presented in Reais, Company's functional currency and were rounded to the nearest thousand, unless otherwise indicated.

2.4. Use of estimates and judgments

The preparation of financial statements according to CPC standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed in a continuous manner. Reviews in relation to accounting estimates are recognized in the year in which the estimates are reviewed. The main matters involving estimates and assumptions are:

a) <u>Concession contract asset</u> – The Company conducts analyses that involve the Management's judgment, substantially regarding the applicability of interpretation of concession contracts, calculation and classification of income from performance obligation (implement, and operate and maintain transmission infrastructures).

The Company's Administration assesses the time for recognition of concession assets based on the economic characteristics of each concession contract. The concession contract asset is originated when the concessionaire fulfills the obligation of implementing the transmission infrastructure, and income is recognized over the project term. The concession contract asset is recorded against infrastructure implementation income, which is recognized based on the expenditures incurred, plus construction margin.

The portion of the final indemnifiable concession contract asset is identified when the infrastructure implementation is completed.

The profit margin attributed to the performance obligation for the infrastructure implementation is defined based on Management's best estimates and expectations for the projects implemented by the Company, where several factors are considered, such as (i) characteristics and complexity of projects, (ii) macroeconomic scenario and (iii) expectations about investments and receipts.

The profit margin for the transmission infrastructure operation and maintenance activity is determined based on the individual selling price of the service, based on available information on the consideration amount to which the entity expects to be entitled in exchange for providing the promised services to the client, in cases in which the Company is exclusively entitled to remuneration for the activity of operating and maintaining, in accordance with CPC 47/IFRS 15 – Income from Contracts with Customers, and the costs incurred for the provision of services.

The rate applicable to the concession contract asset reflects the implied rate of financial flow for each project and it is the one that best represents the Company's estimates for financial compensation of investments in transmission infrastructure, since it considers the risks and premiums specific of the business. The rate for pricing the financial components of the concession contract asset is established on the auction date, except for concessions that were acquired in the operation phase, where the rate considered was the discount rate adopted at the acquisition time.

When the Concession Grantor reviews or updates the income that the Company is entitled to receive, the amount recorded for the concession contract asset is adjusted to reflect the reviewed flows, and the adjustment is recognized as income or expense in income.

When the concessionaire provides infrastructure implementation services, infrastructure income is recognized at fair value and the respective costs related to infrastructure implementation services as they are incurred, plus the estimated margin for each project, considering the estimated consideration with variable portion.

When the concessionaire provides operation and maintenance services, income is recognized at the pre-established fair price, which considers the costs incurred and the estimated profit margin, as the services are provided. Operating and maintenance income will change due to inflation, according to the restatement index provided for in the concession contract (IPCA or IGP-M).

b) <u>Valuation of financial instruments</u> – assumptions and valuation techniques are used that include information that is not based on observable market data to estimate the fair value of certain types of financial instruments, as well as the sensitivity analysis of these assumptions.

c) <u>Taxes and contributions</u> - There are uncertainties in relation to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the long-term nature, differences between the real results and the assumptions adopted, or future changes in these assumptions, could require future adjustments in the tax income and expenses already recorded. When applicable, provisions are formed, with basis on most probable estimates, for possible consequences of inspections by tax authorities. The amount of those provisions is based on various factors, such as experience of prior tax audits and deferring depredations of tax regulations by the taxed entity and by the responsible tax authority.

d) <u>Deferred income and social contribution tax assets and recoverable</u> – deferred tax assets are recorded resulting from temporary differences between the accounting bases of assets and liabilities and the tax bases. Deferred tax assets are recognized to the extent that the generation of sufficient future taxable income is expected, based on projections prepared by Company's Management. These projections include assumptions related to the Company's performance and factors that may differ from the current estimates. Deferred income and social contribution tax assets are reviewed at each reporting date and reduced when their realization is no longer probable.

e) <u>Leases</u> - The Company, based on IFRS 16 (CPC 06 – R2), applies the lease accounting model for all types of leases, except for short-term leases (contracts with a term equal to or less than 12 months) and low-value asset leases. The Company remeasures its lease liabilities due to revaluations or modifications of the lease to reflect essentially reviewed fixed payments. Such adjustments are directly carried against the "right-of-use" asset.

f) Provisions for labor, tax and civil risks- the Company is a party in several judicial and administrative proceedings. Provisions are formed for all risks regarding lawsuits representing likely losses and estimated with a certain degree of assurance. Determination of the likelihood of loss includes determination of evidences available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of external legal advisors.

2.5. Segment information

The Taesa Group operates only in the electric power transmission segment, and carries out activity of making the basic network available based on the contract signed with the ONS, called the Agreement for the Use of the Transmission System, or "CUST" (Contrato de Uso do Sistema de Transmissão).

2.6. Seasonality

The Taesa Group does not have seasonality in its operations.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation and investment in subsidiaries

The consolidated financial statements include financial statements of Taesa and its subsidiaries, detailed in Notes 1 and 11. Control is achieved when the Company has the power to control financial and operating policies of an entity to gain benefits from its activities.

In the Company's individual financial statements, the financial information of the subsidiaries, jointly-controlled subsidiaries and associated companies is recognized under the equity method, and in the Company's consolidated financial statements, the financial information of subsidiaries is consolidated line by line, while the financial information of the subsidiaries and associated companies are recognized under the equity method. When necessary, subsidiaries' financial statements accounting policies are adjusted to those of the Group. All transactions, balances, income and expenses among Group's subsidiaries are fully eliminated in consolidated financial statements.

3.2 Investments in associated companies and joint ventures

An associated company is an entity in which the Group holds significant influence and which is not characterized as a subsidiary or an investment in a joint venture. Significant influence is the power to participate in decisions related to financial and operational policies of the investee, without exercising individual or joint control over these policies. A joint venture is an agreement under which the parties that have joint control over the agreement have rights over the net assets of the joint arrangement applicable only when decisions on the relevant activities require the unanimous consent of the parties who share control.

The results and assets and liabilities of associated companies or joint ventures are incorporated into these individual and consolidated under the equity method, where an investment in an associated company is initially recognized on the balance sheet at cost and then adjusted to recognize the Group's stake in the income and other comprehensive income of the associated company or joint venture.

In the acquisition of the investment in an associated company or joint venture, any excess of the investment cost over the Group's stake in the net fair value of the investee's identifiable assets and liabilities is recognized as goodwill, which is included in the book value of the investment. Any excess of the Group's stake in the net fair value of the investee's identifiable assets and liabilities on the cost of the investment, after the re-valuation, is immediately recognized in Income for the financial year in which the investment is acquired.

The requirements of technical pronouncement CPC 01 (R1) are applied to determine the need to recognize any impairment related to the Group's investment in an associated company or joint venture. When necessary, the total book value of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable value (which is either the value in use or the fair value less cost of sale, whichever is higher) with its book value. Any impairment recognized is part of the book value of the investment. Any reversal of such impairment is recognized pursuant to CPC 01 (R1) to the extent that the recoverable amount of the investment subsequently increases.

3.3 Foreign currency

Foreign transactions' assets and liabilities are translated into Reais at the exchange rate prevailing on presentation date. Foreign transactions' income and expenses are translated into Reais at exchange rates prevailing on transaction dates.

3.4 Income recognition

Concessionaires must record and measure income from services rendered in compliance with technical pronouncements CPC 47 – Revenue from Contracts with Customers and CPC 48 – Financial Instruments, even when provided under a single concession contract. Income is recognized (i) when or as the entity satisfies the performance obligations assumed in the contract with the customer; (ii) when it is possible to identify the rights; and (iii) when there is a commercial substance and it is probable that the Entity will receive the consideration to which it will be entitled. The Company's income is classified in the following groups:

a) <u>Infrastructure implementation income</u> - Implementation services, expansion, reinforcement and improvements of electricity transmission facilities. Income from infrastructure implementation is recognized according to expenditures incurred, plus a margin.

Income from the infrastructure implementation is recognized against the contract asset. However, the receipt of cash flow is subject to the fulfillment of the performance obligation to operate and maintain. Monthly, as the Company operates and maintains the infrastructure, the portion of the contract asset equivalent to the consideration of that month for the fulfillment of the performance obligation to build, becomes a financial asset (accounts receivable from concessionaires and permissionaires), since nothing besides the passage of time will be required for that amount to be received.

b) <u>Compensation of concession contract assets</u> - Interest recognized under the straight-line method based on the implicit rate applied to the value of the investments in the transmission infrastructure, and considers the specificities of each reinforcement project, improvements and auctions. The rate seeks to price the financial component of the concession contract asset and is determined at the beginning of the project and does not change afterwards. The implicit rates used by the Company and its subsidiaries are levied on the amounts receivable from future flows of cash receipts and vary between 5.31% and 9.74% per annum.

c) Income from inflation adjustment of contract asset – Inflation adjustment recognized based on the construction phase of the undertaking at the inflation ratio and methodology defined for each concession contract.

d) Operating and maintenance income – Operation and maintenance services for electricity transmission facilities, which starts after the end of the construction phase. This income is calculated considering the costs incurred in fulfilling the performance obligation, plus a margin.

3.5 Financial instruments

a) Financial assets

Classification and measurement - The financial instruments are classified into three categories: (i) measured at amortized cost, (ii) at fair value through other comprehensive income ("FVTOCI") and (iii) at fair value through profit or loss ("FVTPL"). The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows and the business model for managing these financial assets. The Company presents the financial instruments as follows:

- Financial assets at FVTPL - Financial assets at FVTPL include financial assets for trading and financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily measured at fair value. Financial assets with cash flows that are not exclusively payments of principal and interest are classified and measured at FVTPL. The net changes to the fair value are recognized in income (loss).

- Amortized cost - A financial asset is classified and measured at amortized cost when it is intended to receive contractual cash flows and generate cash flows that are "exclusively principal and interest payments" on the principal amount outstanding. This evaluation is performed at instrument level. Assets measured at amortized cost use the effective interest method, less any impairment. Interest income is recognized through the adoption of the effective interest rate, except for short-term credits when the recognition of interest would be immaterial.

(i) Impairment of financial assets - The model of expected losses is applied to financial assets measured at amortized cost or VFTOCI, with the exception of investments in equity instruments. The Company has not identified any impairment losses to be recognized in the years presented.

(ii) Write-off of financial assets - The write-off (derecognition) of a financial asset occurs when the contractual rights to the cash flows of the asset expire or when the contractual rights to the cash flows of the asset expire are transferred to a third party on a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities - Financial liabilities are classified at fair value through profit or loss when they are held for trading or designated at fair value through profit or loss. Other financial liabilities (including loans) are measured at amortized cost, using the effective interest method.

A financial liability is derecognized when the obligation under the liability is extinguished; that is, when the obligation specified in the contract is settled, canceled or expires. When an existing financial liability is replaced by another one from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is treated as a derecognition of the original liability and recognition of a new liability. The difference in the respective book values is recognized in the statement of profit or loss.

c) Derivative financial instruments and hedge accounting: The Company started using derivative financial instruments, such as interest rate swaps, to hedge against its interest rate risks and designated them as hedge accounting frameworks. These derivative financial instruments are initially recognized at fair value on the date the derivative agreement is entered into, and are subsequently remeasured at fair value. Derivatives are recorded as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. For hedge accounting purposes, the Company classified the instruments *as Cash Flow Hedge.*

At the beginning of a hedge relationship, the Company formally designates and documents the hedge relationship in which it intends to apply the hedge accounting, as well as the Company's objective and risk management strategy for the hedge. This documentation includes: identification of the hedge instrument, identification of the hedge item or transaction being hedged, the nature of the risk to be hedged and the risks excluded, and analysis of the hedge's effectiveness demonstrating that there is an economic relationship between the hedged item and the hedge instrument, that the effect of the credit risk does not influence changes in fair value resulting from the hedge relationship and how the hedge ratio is determined to prospectively assess effectiveness, including possible sources of ineffectiveness, which can be both qualitative (provided the terms of the hedged item are identical to those of the hedge instrument – nominal value, maturities, indexes) and quantitative.

Cash flow hedge accounting is recognized as follows:

The effective portion of the gain or loss on the hedging instrument is initially recorded directly in shareholders' equity or other comprehensive income (loss) and, if the protection no longer meets the hedge ratio, but the objective of risk management remains unchanged, the Company must adjust and "rebalance" the hedge ratio to meet the qualification criteria. Any remaining gain or loss on the hedge instrument (including arising from the "rebalancing" of the hedge ratio) is ineffective, and therefore must be recognized in the statement of income.

Amounts recognized in other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when the hedged income or financial expense is recognized, or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts recognized in equity are transferred to the initial book value of the non-financial asset or liability.

The Company should prospectively discontinue hedge accounting only when the hedge ratio no longer meets the qualification criteria (after considering any rebalancing of the hedge ratio).

If the forecast transaction is no longer expected to occur, the amounts previously recognized in equity are transferred to the statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in comprehensive income (loss) remains deferred in shareholders' equity within "Other Comprehensive Income" until the forecast transaction or firm commitment affects profit or loss.

The Company uses swap contracts to hedge against its exposure to the risk of an increase in floating interest rates related to its debenture transactions.

3.6 Property, plant and equipment

a) Recognition and measurement - Property, plant and equipment items (not related to concession infrastructure) are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses.

Gains and losses on disposal of a property, plant and equipment item (determined by comparing the proceeds from disposal with the book value of property, plant and equipment) are recognized in Other operating income (expenses) in profit or loss.

b) Depreciation - Fixed asset items are depreciated as from the date in which they are installed and become available for use under the straight-line method in income (loss) for the year based on estimated useful life of each component. Land is not depreciated.

The weighted average depreciation rates used for PP&E are as follows: machinery and equipment – 13.13%, construction, civil works and improvements – 3.37%, and furniture and fixtures - 6.31%. The depreciation methods, useful lives and residual values are reviewed at each end of fiscal year.

3.7 Intangible assets

a) Recognition and measurement - Intangible assets comprise: (i) Concession intangible assets relating to the allocation of added-value in business combinations, net of the amount allocated to concession contract asset, and record of deferred taxes, measured by total cost of acquisition, less amortization expenses, (ii) Software - measured by the total cost of acquisition, less amortization expenses, and (iii) Trademarks and patents - recorded at acquisition cost.

b) Amortization - calculated over the cost of the asset, or other amount substituted for cost, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, except goodwill, from the date they are available for use, since this is the method that best reflects the consumption pattern of the future economic benefits embodied in the asset.

The weighted average amortization rate used for intangible assets with a defined useful life is as follows: software - 20% and concession intangibles - 2%. Trademarks and patents have an undefined useful life and, therefore, do not undergo amortization.

3.8 Impairment

a) Financial assets (including receivables) - A financial asset not measured at fair value through profit or loss is assessed at each reporting date for an indication of impairment loss. An asset is impaired if there is an indication that a loss event has occurred after initial recognition of the asset, and that loss event had a negative effect on projected future cash flows that may be reliably estimated.

Indication that financial assets are impaired can include default or delinquency by a debtor, restructuring of the amount due to the Taesa Group on terms that Taesa Group would not consider otherwise, indication that the debtor or issuer will file for bankruptcy, or disappearance of an active market for a security. In addition, for an equity instrument, a significant or prolonged decrease in the fair value, below its cost, may be classified as an indication of impairment loss.

An impairment of a financial asset measured at amortized cost is calculated as the difference between the asset's book value and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The losses are recognized in the income (loss) against an account of provision against receivables. Interest on the impaired asset continues to be recognized. When a subsequent event indicates a reversal of impairment loss, impairment is recorded in income (loss). The Company has not identified any impairment losses to be recognized in the years presented.

b) Financial assets - The book values of the Company's non-financial assets, except for deferred income tax and social contribution, are reviewed at each reporting date for indication of impairment. If such indication exists, the asset's recoverable value is estimated. An impairment loss is recognized when the book value of an asset or CGU (cash generating unit) exceeds its recoverable value. The recoverable value of an asset or cash-generating unit is the greater of its value in use and its fair value less sales expenses. When evaluating value in use, estimated future cash flows are discounted to its present values at the discount rate, before taxes, that reflects currency market value and the asset's specific risks (or CGU) for which estimated future cash flows were not adjusted. For the purpose of impairment testing, the assets that cannot be individually tested are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or group of assets (CGU). Impairment losses are recognized in profit or loss.

Impairment losses are reversed only with the condition that the book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized, except for goodwill. The Company has not identified any impairment losses to be recognized in the years presented.

3.9 Provisions for labor, tax and civil risks

A provision is formed if the Company has a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation. The expense referring to the formation of any provision is presented in the statement of income, net of any reimbursement.

3.10 Capital

Preferred and common shares, if redeemable only at the Company's discretion, are classified in shareholders' equity. Additional costs directly attributable to the issuance of shares and share options are recognized as a deduction from shareholders' equity, net of any tax effects.

3.11 Government grants and assistance

They aim at offsetting incurred expenses are recognized in income (loss) on a systematic basis in the same period in which related expenses are incurred. The recording of that tax reduction or exemption for investment is done by recording the total tax against income as if it were payable, as a contra-entry to the corresponding grant income, both stated as one net of the other. The values recorded in income (loss) are allocated to the reserve for tax benefit under shareholders' equity when the allocation of income (loss) for the year is realized.

3.12 Financial income and expenses

Financial income includes interest income on interest earning bank deposits, changes in the fair value of financial assets measured at fair value through profit or loss. Interest income is recognized in income (loss) under the effective interest method.

Financial expenses include expenses with interest and net inflation adjustments on loans and financing, debentures, exchange-rate change, net of liabilities in foreign currency and income from hedge instruments.

3.13 Income tax and social contribution

The income tax and social contribution, both current and deferred, are calculated based on a rate of 15% plus a surcharge of 10% on taxable income in excess of R$240 for income-tax and 9% on taxable income for social contribution, and include the offsetting of tax loss carryforward and negative basis of social contribution limited to 30% of annual taxable income.

Current taxes are the taxes payable or receivable on the taxable income or loss for the year, at tax rates determined or substantively determined on the date of presentation of the financial statements, and any adjustments to taxes payable in relation to prior years.

Deferred taxes are recognized in relation to the temporary differences between the book values of assets and liabilities for accounting purposes and the related amounts used for tax purposes. Deferred taxes are measured at tax rates expected to be applied to temporary differences when they are reversed, based on current rates on financial statement date.

Current and deferred taxes are recognized in income unless they are related to the business combination, or items directly recognized in shareholders' equity.

A deferred income tax and social contribution asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the unused tax losses and credits can be utilized. Deferred income and social contribution tax assets are reviewed at each reporting date and reduced when their realization is no longer probable.

3.14 Leases

The Company evaluates, on the initial date of rental contract, if it is a lease or contains one. That is, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as a lessee, applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognized the lease liabilities to make lease payments and right-of-use assets which represent the right-of-use underlying assets.

a) Right-of-use assets

The Company recognizes the right-of-use assets on the lease start date (i.e., on the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any new remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of recognized lease liabilities measured at present value, initial direct costs incurred, and lease payments made up to the start date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shortest period between the lease term and the estimated service lives of the assets.

b) Lease liabilities

The Company determines the non-cancellable term of a lease by evaluating the options for extending and terminating the lease, considering the reasonableness of exercising or not exercising any of these options. On the lease start date, the Company recognizes lease liabilities measured at the present value of the payments to be made during the lease term. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and expected amounts to be paid under residual value guarantees. Lease payments also include the strike price of a call option reasonably certain to be exercised by the Company and payments of fines for terminating the lease, if the lease term reflects the Company’s exercising the option to terminate the lease.

When calculating the present value of lease payments, the Company uses its incremental loan rate on the start date, because the interest rate implied by the lease is not easily determinable. After the start date, the amount of the lease liability is increased to reflect the increase in interest and reduced for lease payments made. Additionally, the book value of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (for example, changes in future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the valuation of a call option of the underlying asset.

c) Short-term leases and low-value assets

The Company applies the exemption from recognition of short-term lease to its short-term leases (i.e., leases whose lease term is equal to or less than 12 months from the start date and that do not contain a renewal or call option). It also applies the granting of lease recognition exemption for which the underlying asset is of low value (amounts equal to or less than US$ 5). Payments of short-term leases and low-value leases are recognized as an expense using the straight-line method over the lease term.

3.15 Earnings per share

Basic and diluted earnings per share are calculated based on the income (loss) for the year attributable to the Company's shareholders and the weighted average of outstanding shares in the respective year. Diluted earnings per share are calculated considering the effect of dilutive instruments, where applicable.

3.16 Private pension plan (defined contribution)

Payments to the private pension plan are recognized as an expense when the services that grant the right to these payments are provided, i.e., when Fundação Forluminas de Seguridade Social (Forluz) provides services for the management of the Social Security Benefits Plan.

3.17 Statements of added value ("DVA")

It is aimed at evidencing wealth created by the Company and its distribution during a certain period and is presented as required by Brazilian corporation law, as part of its individual financial statements and as supplementary information to consolidated financial statements, since it is not a statement provided for or mandatory according to IFRSs.

The SAV has been prepared based on information obtained from the accounting records used as a basis for the preparation of the financial statements and following the provisions in technical pronouncement NBC TG 09 - Statement of Added Value.

3.18 Statements of cash flows ("DFC")

The Company classifies the interest paid as financing activities and the dividends received as operating activities since it understands that interest paid represents costs to obtain financial resources obtained and dividends received represent an extension of its operating activities.

3.19 New and reviewed standards and interpretations

Application of the new and reviewed standards, as of January 1, 2021, which had no effect or had no material effect on the amounts disclosed in the current period and in prior periods:

Amendments to CPC 06 (R2), CPC 11, CPC 38, CPC 40 (R1) and CPC 48: Benchmark Interest Rate Reform - On August 27, 2020, the IASB issued amendments to IFRS 16, IFRS 4, IAS 39, IFRS 7 and IFRS 9. The amendments to CPC 38 and 48 pronouncements provide temporary exceptions that address the financial statement effects when an interbank certificate of deposit rate is replaced with an alternative to an almost risk-free rate. The changes include the following practical expedients:

(i) A practical expedient that requires contractual changes, or changes in cash flows that are directly required by the reform, to be addressed as changes in a floating interest rate, equivalent to a movement in a market rate.
(ii) Allows reform-required changes to be made to hedging designations and documentation, without the hedging relationship being discontinued.
(iii) Provides a temporary exception for entities to comply when a risk-free rate instrument when it is designated as a hedge of a risk component.

Said amendments are effective as of January 1, 2021, but did not impact the Company's individual and consolidated financial statements. The Company intends to use the practical expedients in future periods if they become applicable.

Amendments to CPC 06 (R2): Benefits related to Covid-19 granted to lessees in lease agreements that go beyond June 30, 2021 - The amendments provide for granting to lessees in the application of the CPC 06 (R2) guidelines on the modification of the lease agreement, when accounting for the related benefits as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may choose not to assess whether a COVID-19-related benefit provided by the lessor is a modification of the lease. A lessee making this choice must account for any change in the lease payment resulting from the benefit granted in the lease agreement related to COVID-19 in the same way that it would account for the change applying CPC 06 (R2) if the change were not a lease agreement modification.

The amendment was intended to be applied until June 30, 2021, but as the impact of the COVID-19 pandemic may continue, on March 31, 2021, the CPC extended the period of application of this practical expedient to June 30, 2022. This amendment will become effective for fiscal years starting on or as of January 1, 2021. However, the Company has not yet received benefits granted to lessees related to COVID-19, but plans to apply the practical expedient when available within the period of the standard.

Amendments to CPC 00: Reference to the Conceptual Framework - On May 14, 2020, the IASB issued amendments to IFRS 3, correlated to CPC 00. The amendments update an outdated reference to the conceptual framework in IFRS 3 without materially changing the requirements of the standard.

These amendments are effective for periods beginning on or after January 1, 2022 and must be adopted retrospectively. The Company currently assesses the impact that the changes will have on current practice.

Amendments to CPC 25: Onerous contracts - Cost of fulfilling a Contract - On May 14, 2020, the IASB issued amendments to IAS 37, correlated to CPC 25. The amendments specify that the "cost of fulfilling" a contract includes the "costs that directly relate to the contract." Costs that relate directly to a contract may be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs directly related to fulfilling contracts (an example would be the allocation of the depreciation charge to a property, plant and equipment item used in the performance of the contract).

These amendments are effective for periods beginning on or after January 1, 2022 and must be adopted retrospectively. The Company currently assesses the impact that the changes will have on current practice.

Amendments to IAS 1: Classification of liabilities as current or non-current - In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 (CPC 26), to specify the requirements for classifying the liability as current or non-current. The amendments clarify:

(i) What is meant by a right to postpone settlement;
(ii) That the right to postpone must exist on the base date of the report;
(iii) That this classification is not affected by the likelihood that an entity will exercise its postponing right;
(iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not affect its classification.

The amendments are effective for periods beginning on or after January 1, 2023 and must be adopted retrospectively. The Company currently assesses the impact that the changes will have on current practice and whether existing loan agreements may require renegotiation.

(Amounts expressed in thousands of reais, unless otherwise indicated)

4. CASH AND CASH EQUIVALENTS

	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash and banks	4,222	6,683	3,011	1,263
Interest earning bank deposits	380,602	889,348	176,760	663,669
	384,824	**896,031**	**179,771**	**664,932**

Accumulated annual rate of return on financial investments	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
CDBs (Bank Deposit Certificates) and Purchase and sale commitments	100.63% of CDI	102.25% CDI	100.55% of CDI	101.93% CDI

Cash and cash equivalents include cash, bank deposits and short-term financial investments. Highly liquid interest earning bank deposits are promptly convertible into a known sum of cash and subject to an insignificant risk of change of value.

5. SECURITIES

Investment fund and restricted deposits	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
BNB Fund Reserve Account (a)	5,042	4,878	-	-
Reserve account (b)	4,906	4,708	4,906	4,708
Non-current assets	**9,948**	**9,586**	**4,906**	**4,708**

(a) Fundo BNB Automático Conta reserva FI - a non-exclusive fund, under its management and administration of Banco BNB, which has the characteristic of investing fixed income securities issued by the national treasury and with the purpose of seeking to keep up with interest rate fluctuations, with credit risk exposure. Fund set up to meet the covenants of the financing contract with BNB.
(b) Reserve Account – Deposits held with Banco do Nordeste deriving from tax benefits. Reinvestment is a product operated by the bank for companies in the industrial, agroindustrial, infrastructure and tourism sectors, located in the area of operation of Sudene (northeast region, north of Espírito Santo and north of Minas Gerais).

Remuneration	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
BNB Fund Reserve Account	78.89% of CDI	22.12% CDI	-	-
Reserve account	95.50% CDI	95.50% CDI	95.50% CDI	95.50% CDI

Average remuneration	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Fund and Reserve account	72.88% of CDI	81.67% CDI	95.50% CDI	76.18% CDI

6. ACCOUNTS RECEIVABLE FROM CONCESSIONAIRES AND PERMISSIONAIRES AND CONCESSION CONTRACT ASSET

I – Accounts receivable from concessionaires and permissionaires

Breakdown	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Concessionaires and permissionaires	243,574	218,146	175,225	180,889
Variable portion (i)	(10,173)	(8,133)	(6,557)	(4,581)
	233,401	**210,013**	**168,668**	**176,308**
Current	**212,069**	**190,378**	**148,628**	**157,782**
Non-current (ii)	**21,332**	**19,635**	**20,040**	**18,526**

(i) Variable portion outstanding or under discussion (provision) with ANEEL (Brazilian Electricity Regulatory Agency), arising from the automatic and scheduled disconnections that occurred in the years and 2021 and 2020, which – due to the discount limits established by ANEEL's regulation will be deducted from upcoming receipts. (ii) Balance refers to users who contested the collections of the amounts determined by ONS at the administrative and judicial levels. The Company monitors the evolution of the administrative proceedings with ONS and ANEEL, and is also awaiting the decision of the lawsuits.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Changes in variable portion	12/31/2020	Addition (*)	Reversal (*)	12/31/2021
Consolidated	**(8,133)**	(24,992)	22,952	**(10,173)**
Parent company	**(4,581)**	(7,374)	5,398	**(6,557)**

(*) Amount provisioned for the variable portion in the year, net of discounted amounts, according to the AVC.

Balances of clients per maturity	Balances falling due	Overdue up to 90 days	Overdue >90 days	12/31/2021	12/31/2020
Consolidated	221,122	2,728	19,724	**243,574**	**218,146**
Parent company	158,006	402	16,817	**175,225**	**180,889**

The Company does not calculate allowance for doubtful accounts, since in case of non-payment, the Company itself, as a transmission agent may request ONS to resort to the user's bank guarantee in connection with the guarantee agreement or bank letter of guarantee.

II – Concession contract asset:

Change in concession contract assets						
Concession	**12/31/2020**	**Addition (a)**	**Compensation**	**Inflation adjustment**	**Receipts**	**12/31/2021**
TSN	687,102	2,152	75,368	151,125	(92,971)	822,776
MUN	59,173	2,095	5,346	1,038	(9,604)	58,048
GTE	27,313	-	3,168	4,477	(4,079)	30,879
PAT	118,479	4	9,598	17,060	(13,582)	131,559
ETEO	404,226	-	43,678	66,181	(64,942)	449,143
NVT	1,403,286	2,122	219,734	272,854	(259,408)	1,638,588
NTE	351,598	253	53,981	57,748	(60,229)	403,351
STE	296,936	184	32,294	51,542	(40,820)	340,136
ATE	645,458	59	52,641	9,431	(81,162)	626,427
ATE II	854,688	63	72,180	139,099	(190,518)	875,512
Total Parent company	**4,848,259**	**6,932**	**567,988**	**770,555**	**(817,315)**	**5,376,419**
Current	**728,784**					**804,492**
Non-current	**4,119,475**					**4,571,927**
MAR	202,654	-	11,863	20,642	(15,362)	219,797
ATE III	487,604	19	34,252	99,536	(101,467)	519,944
SGT	65,324	-	3,497	6,541	(4,988)	70,374
MIR	554,845	-	52,162	69,516	(56,207)	620,316
JAN	1,576,026	548,168	33,552	102,321	(71,034)	2,189,033
BRAS	213,921	-	23,889	23,161	(26,887)	234,084
SAN	201,816	317,085	-	-	-	518,901
SJT	593,680	-	36,589	58,283	(45,956)	642,596
SPT	510,736	42,827	32,591	47,527	(39,416)	594,265
LNT	117,332	-	10,975	18,194	(11,812)	134,689
Total Consolidated	**9,372,197**	**915,031**	**807,358**	**1,216,276**	**(1,190,444)**	**11,120,418**
Current	**1,015,498**					**1,320,728**
Non-current	**8,356,699**					**9,799,690**

Change in concession contract assets							
Concession	**12/31/2019**	**Addition (a)**	**Acquisition**	**Remuneration**	**Inflation adjustment**	**Receipts**	**12/31/2020**
TSN	594,711	3,281	-	62,105	100,098	(73,093)	687,102
Munirah	52,139	4,947	-	5,829	15,002	(18,744)	59,173
Gtesa	23,225	-	-	2,586	4,838	(3,336)	27,313
Patesa	103,235	6	-	7,870	19,499	(12,131)	118,479
ETEO	349,030	-	-	36,216	72,100	(53,120)	404,226
NVT	1,187,077	1,885	-	182,348	244,091	(212,115)	1,403,286
NTE	296,414	223	-	43,600	60,578	(49,217)	351,598
STE	251,791	281	-	26,070	51,992	(33,198)	296,936
ATE	552,189	54	-	51,931	151,851	(110,567)	645,458
ATE II	842,132	59	-	67,927	142,711	(198,141)	854,688
Total Parent company	**4,251,943**	**10,736**	**-**	**486,482**	**862,760**	**(763,662)**	**4,848,259**
Current	**734,831**						**728,784**
Non-current	**3,517,112**						**4,119,475**
MAR	156,888	38,724	-	5,040	8,596	(6,594)	202,654

(Amounts expressed in thousands of reais, unless otherwise indicated)

Change in concession contract assets							
Concession	**12/31/2019**	**Addition (a)**	**Acquisition**	**Remuneration**	**Inflation adjustment**	**Receipts**	**12/31/2020**
ATE III	531,783	41	-	33,504	16,854	(94,578)	487,604
SGT	64,179	-	-	3,344	2,551	(4,750)	65,324
MIR	534,804	1,943	-	40,610	22,045	(44,557)	554,845
JAN	302,369	1,273,657	-	-	-	-	1,576,026
BRAS	209,698	-	-	22,639	7,103	(25,519)	213,921
SAN	34,824	166,992	-	-	-	-	201,816
SJT	-	-	542,047	31,053	60,057	(39,477)	593,680
SPT	-	31,646	456,419	26,574	28,827	(32,730)	510,736
LNT	-	-	118,615	8,572	(1,167)	(8,688)	117,332
Total Consolidated	**6,086,488**	**1,523,739**	**1,117,081**	**657,818**	**1,007,626**	**(1,020,555)**	**9,372,197**
Current	**855,975**						**1,015,498**
Non-current	**5,230,513**						**8,356,699**

(a) Main additions are related to reinforcements and new construction work of substations and transmission lines:

Concession	Description	Legislative Act	Annual Permitted Income - RAP	Estimated infrastructure implementation cost (ANEEL's Capex)	Estimated conclusion	REIDI (**)
New buildings						
MAR LT Itabirito 2 Vespasiano 2	Implementation of 500 kV transmission line	ANEEL Concession contract 011/2014	R$16,956	R$107,000	Energization completed on 05/25/2020	Executive Declaratory Act (ADE) of the Federal Revenue Service 394/2014 (***)
JAN Pirapora 2 – Janaúba 3 Janaúba 3 – Bom Jesus da Lapa 2	Deployment of transmission lines and expansion of related substations	ANEEL Concession contract 015/2017	R$213,631	R$959,604	Energization completed on 09/01/2021	Executive Declaratory Act (ADE) of the Federal Revenue Service 119/2017 (***)
SAN Livramento 3 – Alegrete 2 Livramento 3 – Cerro Chato Livramento 3 – Santa Maria 3 Livramento 3 – Maçambará 3 Seccionamento Maçambará – Santo Ângelo C1/C2 SE Livramento 3 and synchronous compensator SE Maçambará 3	Implementation of transmission lines. construction of associated substations.	ANEEL Concession contract 012/2019	R$67,080	R$610,364	March 2023	Executive Declaratory Act (ADE) of the Federal Revenue Service 89/2019 (***)
Reinforcements						
NVT Samambaia	Improvement of SCADA System - COC TAESA	Facilities Modernization Plan 2014-2017	(*)	(*)	December 2022	None
TSN SE Bom Jesus da Lapa II	Modernization of the Control System	ANEEL Authorization Resolution 5861/2016	(*)	(*)	February 2023	None
TSN Sapeaçu	Modernization of the Control System	REA 5861/2016	(*)	(*)	February 2023	None
TSN Serra da Mesa	Installation of digital disturbance recorder - DDR with the synchrophrasors functionalities (PMU) and TW.	ANEEL Authorization Resolution 8314/2019	(*)	R$246	Completed at 02/22/2020	None
TSN Serra da Mesa II	Installation of digital disturbance recorder -	ANEEL Authorizatio	(*)	R$407	Completed at 02/22/2020	None

(Amounts expressed in thousands of reais, unless otherwise indicated)

Concession	Description	Legislative Act	Annual Permitted Income - RAP	Estimated infrastructure implementation cost (ANEEL's Capex)	Estimated conclusion	REIDI (**)
	DDR with the synchrophrasors functionalities (PMU) and TW.	n Resolution 8314/2019				
TSN Sapeaçu	Installation of a single-phase reactor bank (3-phase plus a backup unit), short-circuit current limiters in the tertiary of the ATR-05T1.	ANEEL Authorizatio n Resolution 7761/2019	(*)	(*)	April 2022	None
TSN Sapeaçu	Installation of a single-phase reactor bank (3-phase plus a backup unit), short-circuit current limiters in the tertiary of the ATR-05T2.	ANEEL Authorizatio n Resolution 7761/2019	(*)	(*)	April 2022	None
TSN Sapeaçu	Installation of a single-phase reactor bank (3-phase plus a backup unit), short-circuit current limiters in the tertiary of the ATR-05T3.	ANEEL Authorizatio n Resolution 7761/2019	(*)	(*)	April 2022	None
MUN SE Camaçari	Replacement of lightning rod cable for OPGW cable of LT 500 kV Camaçari II / Sapeaçu.	ANEEL Authorizatio n Resolution 8314/2019	(*)	R$6,200	October 2022	Executive Declaratory Act (ADE) of the Federal Revenue Service 02/2021
SPT SE Rio Grande II	Implementation of the second 230/138 kV autotransformer	ANEEL Authorizatio n Resolution 7540/2018	R$2,601	R$17,777	Completed at 07/08/2020	None
SPT SE Barreiras II	Implementation of the second 500/230 kV autotransformer	ANEEL Authorizatio n Resolution 8091/2019	R$5,046	R$35,079	Completed at 12/22/2021	Executive Declaratory Act (ADE) of the Federal Revenue Service 1911/ 2019

(*) The RAP will be established only after the cycle, after the conclusion of the project. (**) Special Incentive Regime for Infrastructure Development. (***) Executive Declaratory Act of the Brazilian Federal Revenue Service.

- Main characteristics of concession contracts:

RAP - the provision of transmission services will take place on payment of the RAP to the transmission company, as of the date of availability of the transmission facilities for commercial operations. The RAP is annually adjusted by the General Market Price Index - IGP-M (TSN, Gtesa, Patesa, Munirah, Novatrans, ETEO, ETAU, ATE, ATE II, STE, EATE, ETEP, ENTE, ECTE, ERTE, Lumitrans, Transudeste, Transleste, Transirapé and NTE), and Broad Consumer Price Index - IPCA (BRAS, ATE III, SGT, MAR, MIR, JAN, STJ, SPT, LNT, Paraguaçú, Aimorés, STC, EBTE, ETSE, ESDE, ESTE, Ivaí, EDTE and SAN).

Billing operating, maintenance, and infrastructure implementation income - On making available the transmission facilities for commercial operations, the transmission company will be entitled during the first 15 years of commercial operations to annual operating, maintenance, and infrastructure implementation, with annual readjustments and review. In the 16th year of commercial operations, the transmission company's annual invoicing, maintenance, and infrastructure implementation (TSN, NVT, GTESA, NTE, STE, PATESA, MUNIRAH, ETEO, ATE, ATE II, ATE III, ETEP, EATE, ERTE, ENTE, ETAU, STC, ECTE, LUMITRANS, TRANSLESTE, TRANSUDESTE and TRANSIRAPÉ) will have a 50% decrease until the end of the concession.

In the case of the concessions gained by the companies BRAS, SGT, MAR, MIR, JAN, SAN, SPT, SJT, LNT, Paraguaçú, Aimorés, Ivaí, ETSE, EBTE, ESDE, ESTE and EDTE, as well as reinforcements in transmission lines performed after the year 2008, there will be no decrease in billings for the 16th year, and the RAP will be received at the same level throughout the concession's term.

Variable Portion - Operating, maintenance, and infrastructure implementation income will be subject to discounts on a monthly basis, according to the availability of the transmission facilities in accordance with the methodology provided for in the Transmission Service Agreement - CPST.

The portion regarding the annual discount for non-availability cannot exceed 12.5% (specifically in case of ECTE, 25%) of the transmission company's annual operating, maintenance, and construction income, in connection with the consecutive 12-month period prior to the month of non-availability, including this month. Should the above-mentioned limit be exceeded, the transmission company will be subject to a fine applied by ANEEL pursuant to Resolution no. 318 dated October 6, 1998, of a sum per violation not greater than 2% of the total annual operating, maintenance, and infrastructure implementation billing for the last 12 months prior to issuing the tax assessment notice.

Concession's extinction and reversal of assets related - the concession contract's final term lawfully establishes the concession's extinction, and ANEEL at its sole discretion may extend the mentioned agreement until take take-over by a new transmission company. The extinction of the concession will determine, the release of the assets linked to the service to the Concession Grantor, with the proper inspections and appraisals, as well as the determination of the amount to be reimbursed to the transmission company, taking into consideration the values and dates of their merger into the electric power system. The amount of the indemnity to be paid will be obtained from an inventory carried out by the ANEEL or by an entity specially appointed for this purpose, and the payment will be made by using the funds of the Overall Reversal Reserve (RGR). The Company is not obligated to remunerate the Concession Grantor for the Concessions of the energy transmission lines by means of additional investments upon the reversal of the assets associated with the public electric power service. Management understands that the best estimate of indemnity value is the residual book value of property, plant and equipment.

Renewal - At ANEEL's sole discretion and in order to ensure an ongoing quality of the public service, the concession's term may be extended for not more than an equal term upon previous requirement from transmission company.

Environmental aspects - The transmission company should implement, operate, and maintain the transmission facilities in accordance with legislation and the applicable environmental requisites, and should adopt all the measures required by the respective bodies to obtain any licenses, at its own account and risk, and to comply with all of its requirements.

Non-compliance with penalties - In case of non-compliance with the penalties owing to violations or to notices or orders by ANEEL and grid procedures, termination of the concession may be determined in order to resume normal service provision, as provided for in Law and in the concession contract, without prejudice to any responsibility by the transmission company with the Concession Grantor, ANEEL, users, and third parties, and the applicable reparations.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Alternately to termination being ordered, ANEEL may recommend expropriation of the transmission company's block of controlling shares and take them to a public auction. The minimum value defined for the auction will be the net sum of the indemnity due in case of termination. A calculated amount will be transferred to controlling shareholders, which corresponds to respective interest.

- Breakdown of Permitted Annual Income (RAP) - The concessions of the electric power transmission lines are remunerated for making their transmission facilities available, which comprise the Basic Network, the Border Network, or the other Transmission Facilities - DIT, and are not restricted to the charge of electric power transmitted, but to the amount approved by the ANEEL upon the grant of the concession contract. The remuneration for the Other Transmission Facilities (DIT), which do not belong to the Basic Network, occurs through a tariff defined by ANEEL.

Concession	Cycle 2021-2022 Resolution 2959, 10/05/2021 (i) Period: 07/01/2021–06/30/2022			Cycle 2020-2021 Resolution 2725, 07/14/2020 Period: 07/01/2020–06/30/2021			Cycle 2019–2020 Resolution 2565, 06/25/2019 Period: 07/01/2019–06/30/2020		
	RAP	PA	Total	RAP	PA	Total	RAP	PA	Total
TSN	457,100	(4,399)	452,701	325,134	(3,212)	321,922	300,992	(11,015)	289,977
GTE	8,054	(268)	7,786	5,877	(45)	5,832	5,516	(249)	5,267
MUN	29,883	(1,091)	28,792	28,957	450	29,407	40,947	(2,391)	38,556
PAT	23,851	(650)	23,201	17,405	(68)	17,337	18,079	(1,020)	17,059
ETEO	144,400	(4,837)	139,563	105,373	(997)	104,376	98,933	(3,625)	95,308
NVT (iii) and (iv)	483,263	(16,925)	466,338	352,463	(1,189)	351,274	292,844	(16,250)	276,594
STE	69,531	(1,770)	67,761	50,610	(190)	50,420	48,636	(3,285)	45,351
NTE	126,085	(4,032)	122,053	92,101	(410)	91,691	86,287	(4,962)	81,325
ATE	122,078	(4,703)	117,375	115,113	(1,657)	113,456	167,265	(6,071)	161,194
ATE II	273,639	(15,172)	258,467	275,495	(2,544)	272,951	258,669	(9,089)	249,580
ATE III (iii)	138,241	(4,523)	133,718	127,711	(724)	126,987	125,389	(4,507)	120,882
SGT	5,963	(338)	5,625	5,518	(815)	4,703	5,416	(4)	5,412
BRAS (iii) and (iv)	30,788	321	31,109	28,123	(77)	28,046	27,559	(774)	26,785
MAR	17,754	(444)	17,310	16,431	9	16,440	-	-	-
MIR (iii) and (iv)	74,527	(1,822)	72,705	67,939	1,249	69,188	-	-	-
SPT (iii) and (vi)	52,887	108	52,995	46,533	(2,542)	43,991	44,927	(91)	44,836
SJT (iii) and (vi)	53,853	(5,189)	48,664	49,835	(34,649)	15,186	47,573	(57,995)	(10,422)
LNT (v)	13,890	(350)	13,540	12,854	(525)	12,329	12,617	(756)	11,861
JAN (ii)	213,631	-	213,631	-	-	-	-	-	-
	2,339,418	**(66,084)**	**2,273,334**	**1,723,472**	**(47,936)**	**1,675,536**	**1,581,649**	**(122,084)**	**1,459,565**

(i) The Ratifying Resolution 2959 dated October 5, 2021, changed the Ratifying Resolution 2895 dated July 13, 2021. (ii) JAN's start-up date is September 1, 2021. (iii) The amounts of the RAP for the 2020-2021 cycle of the ATE III, MIR, BRA, NVT, SJT and SPT concessions were amended by Order 1698/2021, which judged the administrative appeals filed by the Company in light of Ratifying Resolutions 2725/2020 and 2724/2020, and differences will be received in the 2021-2022 cycle. (iv) The amounts of the RAP for the 2020-2021 cycle of the BRA, MIR and NVT concessions were adjusted in accordance with the ANEEL Order 3219/2020 which amended the annexes I, II, III, IV, V and VI of Ratifying Resolution 2725/2020. (v) On March 13, 2020, the Company concluded the acquisition of 100% of the shares of LNT. (vi) On February 14, 2020, the Company concluded the acquisition of 100% of the shares of SJT and SPT.

7. LEASE

The Company and its subsidiaries have lease agreements of real estate and automobiles. Property lease terms range from 13 and 101 months, while automobiles have lease terms of 39 months. There are no lease agreements that include renewal and termination options, or variable lease payments. The Company and its subsidiaries also have leases with terms of 12 months or less and leases whose underlying assets are of low value. For these cases, the Company and its subsidiaries apply exemptions from the recognition of short-term leases and leases of low value assets.

Right-of-use

Right-of-use assets were measured at cost, comprised of the initial measurement value of lease liabilities, remeasurement adjustment and the expected costs of the decommissioning.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Right-of-use	12/31/2020	Addition by new contracts	Depreciation	Remeasurement adjustment (*)	12/31/2021
Parent company					
Real estate	20,310	-	(4,232)	(9,022)	7,056
Automobiles	7,558	-	(3,534)	498	4,522
Non-current	**27,868**	**-**	**(7,766)**	**(8,524)**	**11,578**
Consolidated					
Real estate	20,494	-	(4,276)	(9,022)	7,196
Automobiles	8,440	687	(4,397)	531	5,261
Non-current	**28,934**	**687**	**(8,673)**	**(8,491)**	**12,457**

Right-of-use	12/31/2019	Addition by new contracts	Depreciation	Write-off of contract	Remeasurement adjustment (*)	12/31/2020
Parent company						
Real estate	21,971	98	(3,038)	-	1,279	20,310
Automobiles	10,064	-	(3,276)	-	770	7,558
Non-current	**32,035**	**98**	**(6,314)**	**-**	**2,049**	**27,868**
Consolidated						
Real estate	23,013	306	(3,333)	(771)	1,279	20,494
Automobiles	10,759	423	(3,556)	-	814	8,440
Non-current	**33,772**	**729**	**(6,889)**	**(771)**	**2,093**	**28,934**

(*) Change in expected term and changes in consideration due to inflation adjustment.

On December 31, 2021 and December 31, 2020, the provision for demobilization of leased assets was R$457 in Consolidated and in Parent company.

Lease liability

The lease liabilities recognized were measured at the present value of future payments.

Lease liability	12/31/2020	Interest for the year	Addition by new contracts	Consideration paid	Remeasurement adjustment (*)	12/31/2021
Parent company						
Real estate	21,776	1,987	-	(5,381)	(9,022)	9,360
Automobiles	8,445	548	-	(4,119)	498	5,372
	30,221	**2,535**	**-**	**(9,500)**	**(8,524)**	**14,732**
Current	**8,406**					**7,697**
Non-current	**21,815**					**7,035**
Consolidated						
Real estate	21,966	2,003	-	(5,435)	(9,022)	9,512
Automobiles	9,407	630	687	(4,977)	531	6,278
	31,373	**2,633**	**687**	**(10,412)**	**(8,491)**	**15,790**
Current	**8,911**					**8,533**
Non-current	**22,462**					**7,257**

Lease liability	12/31/2019	Interest for the year	Addition by new contracts	Consideration paid	Write-off of contract	Remeasurement adjustment (*)	12/31/2020
Parent company							
Real estate	22,729	1,801	98	(4,131)	-	1,279	21,776

(Amounts expressed in thousands of reais, unless otherwise indicated)

Lease liability	12/31/2019	Interest for the year	Addition by new contracts	Consideration paid	Write-off of contract	Remeasurement adjustment (*)	12/31/2020
Automobiles	10,745	763	-	(3,833)	-	770	8,445
	33,474	**2,564**	**98**	**(7,964)**	**-**	**2,049**	**30,221**
Current	**7,794**						**8,406**
Non-current	**25,680**						**21,815**
Consolidated							
Real estate	23,845	1,871	306	(4,569)	(766)	1,279	21,966
Automobiles	11,487	826	423	(4,143)	-	814	9,407
	35,332	**2,697**	**729**	**(8,712)**	**(766)**	**2,093**	**31,373**
Current	**8,521**						**8,911**
Non-current	**26,811**						**22,462**

(*) Change in expected term and changes in consideration due to inflation adjustment.

Below are the aging analyses of lease liabilities:

	Up to 1 month	2–3 months	4–12 months	1–5 years	Total
Real estate	456	902	4,520	3,855	9,733
Automobile	427	888	3,528	1,568	6,411
Consolidated	**883**	**1,790**	**8,048**	**5,423**	**16,144**
Real estate	447	884	4,439	3,733	9,503
Automobile	353	706	3,176	1,411	5,646
Parent company	**800**	**1,590**	**7,615**	**5,144**	**15,149**

The amounts recognized in income are shown below:

	Consolidated	Parent company
Depreciation expenses in right-of-use assets	8,673	7,766
Interest expense on lease liabilities	2,633	2,535
Expenses related to short-term leases and leases of low-value assets (included in the Other Operating Costs and Expenses lines)	2,431	1,531
Total recognized in income (loss)	**13,737**	**11,832**

The Company, in the application of CPC 06 (R2), used discounted cash flow techniques without considering projected inflation in lease payment flows. In fulfillment of guidelines issued by the CVM’s technical areas, the Company analyzed the impacts on balances of lease liabilities, right-of-use, depreciation and financial expenses, considering the application of projected inflation in lease payment flows and concluded that the effects are immaterial regarding the financial statements on December 31, 2021.

8. CURRENT TAXES AND SOCIAL CONTRIBUTIONS

	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
IRPJ and CSLL prepaid and to offset / IRRF on financial investments	137,932	107,023	124,796	97,430
PIS and COFINS recoverable	835	303	666	152
Withholding taxes and social contributions	17,913	10,343	16,795	10,073
Other	4,217	6,686	2,686	1,867
Current assets	**160,897**	**124,355**	**144,943**	**109,522**
Current IRPJ and CSLL	8,177	10,251	-	-
PIS and COFINS	34,808	27,692	26,045	23,035

(Amounts expressed in thousands of reais, unless otherwise indicated)

	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
INSS and FGTS	2,232	4,561	2,299	2,152
ISS	3,419	7,812	1,973	2,026
ICMS	3,079	1,384	715	240
Other	7,179	3,457	6,614	2,817
Current liabilities	**58,894**	**55,157**	**37,646**	**30,270**

9. DEFERRED TAXES AND SOCIAL CONTRIBUTIONS

The tax credits arising from tax losses, social contribution negative base, and other sums that form temporary differences, which will be employed to reduce future tax payments, were recognized based on the background of profitability and expectations for generating taxable income in the next years. Sums were stated according to CVM Instructions 319/99 and 349/01, as established by ANEEL, will be amortized according to the curve between expectations of future earnings and the concession periods of the Company and its subsidiaries.

Consolidated	12/31/2021			12/31/2020		
	Assets	Liabilities	Net effect – asset (liability)	Assets	Liabilities	Net effect – asset (liability)
TAESA (Parent Company)	401,277	(1,108,423)	(707,146)	401,118	(871,401)	(470,283)
JAN	68,282	(352,739)	(284,457)	32,919	(213,148)	(180,229)
ATE III	8,803	(75,091)	(66,288)	8,125	(39,327)	(31,202)
BRAS	1,257	(29,849)	(28,592)	945	(13,700)	(12,755)
SGT	-	(2,168)	(2,168)	-	(2,012)	(2,012)
SAN	-	(15,982)	(15,982)	-	(6,216)	(6,216)
MIR	-	(19,106)	(19,106)	-	(17,089)	(17,089)
MAR	-	(6,770)	(6,770)	-	(6,244)	(6,244)
SPT	-	(18,303)	(18,303)	-	(15,731)	(15,731)
SJT	-	(19,792)	(19,792)	-	(18,285)	(18,285)
LNT	-	(4,147)	(4,147)	-	(3,584)	(3,584)
Non-current liabilities	**479,619**	**(1,652,370)**	**(1,172,751)**	**443,107**	**(1,206,737)**	**(763,630)**
Total (Consolidated)	**479,619**	**(1,652,370)**	**(1,172,751)**	**443,107**	**(1,206,737)**	**(763,630)**

	Consolidated		Parent company	
	12/30/2021	12/31/2020	12/30/2021	12/31/2020
Tax credit absorbed - goodwill (i)	271,389	290,363	271,389	290,363
Temporary differences (ii)	157,971	115,899	129,888	110,755
Tax losses and the negative social contribution base	50,259	36,845	-	-
Non-current assets	**479,619**	**443,107**	**401,277**	**401,118**
Temporary differences (ii)	(1,652,370)	(1,206,737)	(1,108,423)	(871,401)
Non-current liabilities	**(1,652,370)**	**(1,206,737)**	**(1,108,423)**	**(871,401)**
Net balance	**(1,172,751)**	**(763,630)**	**(707,146)**	**(470,283)**

(i) Arising from merger of the spun off portion of Transmissora Atlântico de Energia S.A. in 2009 and merger of Transmissora Alterosa de Energia S.A. during 2010.

(ii) The temporary differences comprise the balances of the companies that opt the taxable income and are as follows:

	Calculation basis	IRPJ and CSLL	
	12/31/2021	12/31/2021	12/31/2020
Consolidated			
Advance Apportionment and Adjustment Portion	74,570	25,354	17,897
Provision for profit sharing	21,243	7,223	5,731

(Amounts expressed in thousands of reais, unless otherwise indicated)

	Calculation basis	IRPJ and CSLL	
	12/31/2021	12/31/2021	12/31/2020
Provision for suppliers	76,656	26,063	5,818
Provision for variable portion	9,536	3,242	2,106
Provision for labor, tax and civil risks	35,802	12,173	11,678
Taxes with payment requirement suspended	22,165	7,536	6,472
Cash flow hedge	-	-	7,881
Mark-to-market - Debt	18,218	6,194	3,117
Exchange-rate change on cash basis	206,431	70,186	55,199
Total assets		**157,971**	**115,899**
Derivative financial instruments	(207,267)	(70,471)	(53,438)
Technical Pronouncement CPC 08 (R1) - Cost of Transactions and Premiums in Issuing Securities	(82,535)	(28,062)	(29,858)
Cash flow hedge	(34,034)	(11,572)	-
Technical Pronouncement CPC 47 - Income from contract with Customer	(4,536,075)	(1,542,265)	(1,123,441)
Total liabilities		**(1,652,370)**	**(1,206,737)**
Parent company			
Advance Apportionment and Adjustment Portion	62,219	21,154	15,744
Provision for profit sharing	19,689	6,694	5,637
Provision for suppliers	19,360	6,582	5,444
Provision for variable portion	6,557	2,229	1,558
Provision for labor, tax and civil risks	29,343	9,977	10,277
Taxes with payment requirement suspended	20,204	6,869	5,897
Cash flow hedge	-	-	7,881
Mark-to-market - Debt	18,218	6,194	3,117
Exchange-rate change on cash basis	206,431	70,189	55,200
Total assets		**129,888**	**110,755**
Derivative financial instruments	(207,267)	(70,471)	(53,438)
Technical Pronouncement CPC 08 (R1) - Cost of Transactions and Premiums in Issuing Securities	(78,442)	(26,670)	(26,872)
Cash flow hedge	(34,034)	(11,572)	-
Technical Pronouncement CPC 47 - Income from contract with Customer	(2,940,324)	(999,710)	(791,091)
Total liabilities		**(1,108,423)**	**(871,401)**

The Company expectations for the realization of deferred assets are as follows:

	Tax credit absorbed – Goodwill	Timing differences		Tax losses and the negative social contribution base	Total	
	Parent company and Consolidated	Consolidated	Parent company	Consolidated	Consolidated	Parent company
2022	20,354	60,477	36,277	50,259	131,090	56,631
2023	21,762	93,275	90,285	-	115,037	112,047
2024	23,315	4,219	3,326	-	27,534	26,641
2025 – 2027	79,711	-	-	-	79,711	79,711
2028 – 2030	95,481	-	-	-	95,481	95,481
2031 – 2033	17,268	-	-	-	17,268	17,268
2034 – 2036	9,802	-	-	-	9,802	9,802
2037 – 2038	3,696	-	-	-	3,696	3,696
Total	**271,389**	**157,971**	**129,888**	**50,259**	**479,619**	**401,277**

(Amounts expressed in thousands of reais, unless otherwise indicated)

Estimates are reviewed regularly, so that any changes in the recovery outlook for these credits may be timely recorded and disclosed. In accordance with article 510 of the Income Tax Regulation (RIR/99), the tax loss and negative basis of social contribution are liable to be offset against future income up to 30% of taxable income.

10. DEFERRED TAXES

	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Deferred PIS and COFINS – liabilities (i)	**638,209**	**524,897**	**269,260**	**238,407**

(i) Amount related to the temporary difference (cash regime) on the Taesa Group's income, in the application of CPC 47, which will be amortized until the end of the concession.

11. INTEREST (IN SUBSIDIARIES, JOINTLY-CONTROLLED SUBSIDIARIES AND ASSOCIATED COMPANIES)

Direct investments	Total number of shares	Direct interest	Consolidated		Parent company	
			12/31/2021	12/31/2020	12/31/2021	12/31/2020
Subsidiaries						
ATE III	303,500,000	100.00%	-	-	452,695	540,112
SGT	10,457,000	100.00%	-	-	27,491	23,067
MAR	174,500,000	100.00%	-	-	196,497	186,631
MIR	277,940,000	100.00%	-	-	565,000	510,724
JAN	193,145,100	100.00%	-	-	390,972	290,645
SAN	420,301,000	100.00%	-	-	514,938	193,501
BRAS	191,052,000	100.00%	-	-	185,652	183,930
SJT	394,523,157	100.00%	-	-	604,027	536,318
SPT	537,235,007	100.00%	-	-	565,040	475,869
LNT	41,116,290	100.00%	-	-	70,231	59,017
			-	**-**	**3,572,543**	**2,999,814**
Jointly-controlled subsidiaries						
ETAU	34,895,364	75.62%	128,271	122,464	128,271	122,464
Aimorés	374,400,000	50.00%	302,195	254,302	302,195	254,302
Paraguaçu	554,000,000	50.00%	455,433	383,945	455,433	383,945
Ivaí	135,000,000	50.00%	321,267	187,057	321,267	187,057
			1,207,166	**947,768**	**1,207,166**	**947,768**
Direct associated companies (*)						
EATE	180,000,010	49.98%	974,661	790,604	974,661	790,604
EBTE	263,058,339	49.00%	176,000	186,705	176,000	186,705
ECTE	42,095,000	19.09%	75,392	65,812	75,392	65,812
ENTE	100,840,000	49.99%	520,025	478,384	520,025	478,384
ETEP	45,000,010	49.98%	148,702	155,352	148,702	155,352
ERTE	84,133,970	21.95%	57,662	53,221	57,662	53,221
EDTE	1,218,126	24.95%	60,456	68,382	60,456	68,382
Transudeste	30,000,000	49.00%	65,066	57,291	65,066	57,291
Transleste	49,569,000	49.00%	86,681	71,994	86,681	71,994
Transirapé	22,340,490	49.00%	64,867	77,012	64,867	77,012
			2,229,512	**2,004,757**	**2,229,512**	**2,004,757**
	Total investment		**3,436,678**	**2,952,525**	**7,009,221**	**5,952,339**

(*) On December 31, 2021, by means of its direct associated companies, the Company had indirect interests in the following associated companies: (i) STC - 39.99%; (ii) ESDE – 49.98%; (iii) Lumitrans – 39.99%; (iv) ETSE – 19.09%; (v) EBTE – 25.49%; (vi) ERTE – 28.04%; (vii) ESTE - 49.98%; (viii) EDTE - 25.04%; and (ix) Transudeste, Transleste and Transirapé - 5%.

Change in investments	12/31/2020	Capital increase	Dividends	Equity in net income of subsidiaries	12/31/2021
Subsidiaries					
ATE III	540,112	(145,000)	(46,750)	104,333	452,695
SGT	23,067	-	(4,344)	8,768	27,491
MAR	186,631	-	(16,746)	26,612	196,497
MIR	510,724	-	(66,129)	120,405	565,000
JAN	290,645	152,500	(258,314)	206,141	390,972
SAN	193,501	300,000	(5,455)	26,892	514,938

(Amounts expressed in thousands of reais, unless otherwise indicated)

Change in investments	12/31/2020	Capital increase	Dividends	Equity in net income of subsidiaries	12/31/2021
BRAS	183,930	-	(18,373)	20,095	185,652
SJT (*)	536,318	-	(21,304)	89,013	604,027
SPT (*)	475,869	67,000	(47,280)	69,451	565,040
LNT (*)	59,017	-	(7,276)	18,490	70,231
	2,999,814	**374,500**	**(491,971)**	**690,200**	**3,572,543**
Jointly-controlled subsidiaries					
ETAU	122,464	-	(18,397)	24,204	128,271
Aimorés	254,302	29,250	-	18,643	302,195
Paraguaçu	383,945	47,150	-	24,338	455,433
Ivaí	187,057	-	-	134,210	321,267
	947,768	**76,400**	**(18,397)**	**201,395**	**1,207,166**
Direct associated companies					
EATE	790,604	-	(132,461)	316,518	974,661
EBTE	186,705	-	(30,807)	20,102	176,000
ECTE	65,812	-	(7,637)	17,217	75,392
ENTE	478,384	-	(71,984)	113,625	520,025
ETEP	155,352	-	(46,527)	39,877	148,702
ERTE	53,221	-	(5,048)	9,489	57,662
EDTE	68,382	-	(12,842)	4,916	60,456
Transudeste	57,291	-	(6,739)	14,514	65,066
Transleste	71,994	-	(6,125)	20,812	86,681
Transirapé	77,012	-	(35,118)	22,973	64,867
	2,004,757	**-**	**(355,288)**	**580,043**	**2,229,512**
	5,952,339	**450,900**	**(865,656)**	**1,471,638**	**7,009,221**

(*) In 2020, Taesa completed the acquisitions of equity interests in the companies SJT, SPT and LNT. The measurement periods for the values of the business combinations ended the first quarter of 2021 and the Company did not identify any changes in the amounts initially accounted for.

Change in investments	12/31/2019	Acquisition of companies	Capital increase	Dividends	Equity in net income of subsidiaries	12/31/2020
Subsidiaries						
ATE III	508,592	-	-	(31,165)	62,685	540,112
SGT	22,743	-	-	(4,249)	4,573	23,067
MAR	147,921	-	27,500	(4,489)	15,699	186,631
MIR	472,186	-	5,000	(40,661)	74,199	510,724
JAN	100,250	-	-	(89,066)	279,461	290,645
SAN	41,224	-	149,200	(882)	3,959	193,501
BRAS	190,745	-	-	(22,091)	15,276	183,930
SJT	-	358,402	114,912	(16,079)	79,083	536,318
SPT	-	354,139	86,996	(12,480)	47,214	475,869
LNT	-	60,482	-	(3,732)	2,267	59,017
	1,483,661	**773,023**	**383,608**	**(224,894)**	**584,416**	**2,999,814**
Jointly-controlled subsidiaries						
ETAU	95,650	-	-	(15,377)	42,191	122,464
Aimorés	104,585	-	94,000	-	55,717	254,302
Paraguaçu	174,772	-	127,500	-	81,673	383,945
Ivaí	92,072	-	-	-	94,985	187,057
	467,079	**-**	**221,500**	**(15,377)**	**274,566**	**947,768**
Direct associated companies						
EATE	664,870	-	-	(142,651)	268,385	790,604
EBTE	169,544	-	-	(3,339)	20,500	186,705
ECTE	64,589	-	-	(15,274)	16,497	65,812
ENTE	445,192	-	-	(89,981)	123,173	478,384
ETEP	168,675	-	-	(54,982)	41,659	155,352
ERTE	54,606	-	-	(2,223)	838	53,221
EDTE	42,844	-	-	(2,495)	28,033	68,382
Transudeste	45,916	-	-	(4,655)	16,030	57,291
Transleste	54,784	-	-	(3,398)	20,608	71,994
Transirapé	61,199	-	-	(7,840)	23,653	77,012
	1,772,219	**-**	**-**	**(326,838)**	**559,376**	**2,004,757**
	3,722,959	**773,023**	**605,108**	**(567,109)**	**1,418,358**	**5,952,339**

Changes in dividends receivable were presented in Note 12 – Related parties.

(Amounts expressed in thousands of reais, unless otherwise indicated)

The base date of the financial statements of investees is December 31 of each year.

Summarized financial statements

Considering that directly associated companies in which Taesa holds an ownership interest are managed as a group of concessions (TBE Group and Transmineiras), Company management decided to aggregate the financial statements for reporting the balance sheet and statement of income.

Balance sheet	12/31/2021				12/31/2020			
	Jointly-controlled subsidiaries	Associated Companies		Total	Jointly-controlled subsidiaries	Associated Companies		Total
		TBE Group	Transmi-neiras			TBE Group	Transmi-neiras	
Cash and cash equivalents	279,419	100,954	8,749	389,122	141,603	106,515	16,993	265,111
Concession contract asset (i)	316,485	620,479	74,977	1,011,941	18,455	557,665	87,303	663,423
Other current assets	18,581	125,919	6,720	151,220	948,897	84,526	5,040	1,038,463
Current assets	**614,485**	**847,352**	**90,446**	**1,552,283**	**1,108,955**	**748,706**	**109,336**	**1,966,997**
Concession contract asset (i)	4,851,618	4,166,033	460,018	9,477,669	3,362,687	3,792,659	413,445	7,568,791
Other noncurrent assets	3,882	1,427,564	3,276	1,434,722	51,648	1,167,395	3,757	1,222,800
Non-current assets	**4,855,500**	**5,593,597**	**463,294**	**10,912,391**	**3,414,335**	**4,960,054**	**417,202**	**8,791,591**
Loans, financing, debentures (ii)	3,468	116,652	35,339	155,459	6,012	158,921	44,391	209,324
Lease	202	4,713	99	5,014	150	3,656	119	3,925
Other current liabilities	111,689	410,062	43,725	565,476	257,601	486,213	49,854	793,668
Current liabilities	**115,359**	**531,427**	**79,163**	**725,949**	**263,763**	**648,790**	**94,364**	**1,006,917**
Loans, financing, debentures (ii)	2,023,972	1,375,523	63,975	3,463,470	1,733,257	1,084,925	47,861	2,866,043
Lease	1,135	21,441	95	22,671	1,190	17,440	314	18,944
Other non-current liabilities	1,074,847	1,283,117	48,293	2,406,257	770,997	1,072,744	42,921	1,886,662
Non-current liabilities	**3,099,954**	**2,680,081**	**112,363**	**5,892,398**	**2,505,444**	**2,175,109**	**91,096**	**4,771,649**
Individual shareholders' equity	**2,254,672**	**3,229,441**	**362,214**	**5,846,327**	**1,754,083**	**2,884,861**	**341,078**	**4,980,022**
Individual shareholders' equity – Taesa's stake	**1,152,159**	**1,430,506**	**177,484**	**2,760,149**	**901,081**	**1,276,313**	**167,129**	**2,344,523**
Allocated fair value of concession contract asset, net of taxes and other	55,007	582,392	39,130	676,529	46,687	522,148	39,167	608,002
Total investment of Taesa	**1,207,166**	**2,012,898**	**216,614**	**3,436,678**	**947,768**	**1,798,461**	**206,296**	**2,952,525**

Statement of income	12/31/2021				12/31/2020			
	Jointly-controlled subsidiaries	Associated Companies		Total	Jointly-controlled subsidiaries	Associated Companies		Total
		TBE Group	Transmineiras			TBE Group	Transmineiras	
Net operating income	1,661,484	1,162,928	147,607	2,972,019	2,068,825	1,151,614	158,672	3,379,111
Costs and expenses	(824,913)	(82,098)	(20,341)	(927,352)	(1,156,614)	(196,605)	(14,691)	(1,367,910)
Financial income	23,233	12,641	1,253	37,127	38,741	7,098	427	46,266
Financial expenses	(295,960)	(140,318)	(9,000)	(445,278)	(166,617)	(67,919)	(5,571)	(240,107)
Financial income (loss)	**(272,727)**	**(127,677)**	**(7,747)**	**(408,151)**	**(127,876)**	**(60,821)**	**(5,144)**	**(193,841)**
Equity in net income of subsidiaries	-	328,197	-	328,197	-	319,427	-	319,427
Current and deferred IRPJ and CSLL	(191,727)	(233,054)	(5,262)	(430,043)	(263,289)	(242,839)	(5,367)	(511,495)
Income for the year	**372,117**	**1,048,296**	**114,257**	**1,534,670**	**521,046**	**970,776**	**133,470**	**1,625,292**
Income for the year - Taesa interest	**193,072**	**471,069**	**55,987**	**720,128**	**272,529**	**443,416**	**65,401**	**781,346**
Allocation of allocated fair value of concession contract asset, net of taxes and other	8,323	50,675	2,312	61,310	2,037	55,670	(5,111)	52,596
Equity income (loss) - Taesa	**201,395**	**521,744**	**58,299**	**781,438**	**274,566**	**499,086**	**60,290**	**833,942**

(Amounts expressed in thousands of reais, unless otherwise indicated)

(i) Infrastructure implementation in progress

Concession	Description	ANEEL Resolution	RAP	Estimated infrastructure cost (Capex Aneel)	Estimated conclusion	REIDI [1]
New buildings						
AIMORÉS LT 500 kV Padre Paraíso 2 - Governador Valadares 6 C2	Deployment of transmission line	Concession contract 004/2017	R$87,379	R$341,118	February 2022	MME Ordinance 171/2017. Executive Declaratory Act (ADE) of the Federal Revenue Service no. 191/2017
PARAGUAÇU LT 500 kV Poções III - Padre Paraíso 2 C2	Deployment of transmission line	Concession contract 003/2017	R$130,428	R$509,595	February 2022	MME Ordinance 181/2017. Executive Declaratory Act (ADE) of the Federal Revenue Service no. 98/2017
Ivaí Guaíra - Sarandi - CD, C1 and C2; LT Foz do Iguaçu - Guaíra - CD, C1 and C2; Londrina - Sarandi, CD, C1 and C2; Sarandi - Paranavaí Norte, CD; Guaíra; SE Sarandi; SE Paranavaí Norte	Deployment of transmission lines and substations and expansion of related substations	Concession contract 022/2017	R$323,652	R$1,936,474	August 2022	MME Ordinance 355/2017. Executive Declaratory Act (ADE) of the Federal Revenue Service 10/2018
ESTE Mesquita - João Neiva 2; SE João Neiva 2	Deployment of transmission lines and expansion of related substations.	Concession contract 019/2017	R$123,585	R$485,841	February 2022	MME Ordinance 216/2017. Executive Declaratory Act (ADE) of the Federal Revenue Service no. 167/2017

[1] Special Regime of Incentives for the Development of Infrastructure.

(ii) Loans, financing and debentures

Concession	Lender	Final maturity	Guarantees	Financial charges	12/31/2021	12/31/2020
IVAÍ	Itaú	Dec 2043	(g)	IPCA + 4.9982%	2,021,689	1,727,550
ETAU	BNDES Finame Alston	Jan 2021	(f)	Fixed rate 9.5% p.a.	-	7
	BNDES Finame Toshiba	Jan 2021	(d)	Fixed rate 9.5% p.a.	-	75
	Automatic BNDES Credit Line	Aug 2021	(b)	TJLP + 5.20% / SELIC + 3.76%	-	2,442
	BNDES Giro	Aug 2023	(d)	TLP + 2.78%	5,751	9,195
Jointly-controlled subsidiaries					**2,027,440**	**1,739,269**
EATE	Itaú	Sep 2021	(a)	116% CDI	-	54,054
EATE	Itaú	Sep 2022	(a)	107.75% CDI	11,456	26,661
EATE	Bradesco	June 2023	(a)	112% CDI	27,805	46,226
EATE	Bradesco	July 2024	(a)	108.6% CDI	278,014	272,013
EATE	Itaú	Apr 2026	(a)	CDI + 1.9%	203,844	-
ECTE	Bradesco	Sep 2022	(a)	107.75% CDI	23,290	54,216
ECTE	Bradesco	July 2024	(a)	108.6% CDI	51,427	50,295
ECTE	Santander	July 2025	(a)	CDI + 2.9%	77,926	81,321
ECTE	Itaú	Apr 2026	(a)	CDI + 1.9%	50,897	-
EDTE	Santander	Dec 2028	(e)	IPCA + 5.29%	370,124	333,301
ENTE	Bradesco	July 2024	(a)	108.6% CDI	51,420	50,287
ENTE	Santander	July 2025	(a)	CDI + 2.9%	102,457	101,672
ETEP	Bradesco	June 2023	(a)	112% CDI	16,522	27,466
ETEP	Santander	July 2025	(a)	CDI + 2.9%	92,211	91,503
ETEP	Itaú	Apr 2026	(a)	CDI + 1.9%	50,899	-
EBTE	Bradesco	June 2023	(a)	112% CDI	32,984	54,831
EBTE	Itaú	Apr 2026	(a)	CDI + 1.9%	50,899	-
TRANSUDESTE	Itaú	Sep 2022	(a)	107.75% CDI	9,188	21,382
TRANSLESTE	Itaú	Sep 2022	(a)	107.75% CDI	10,806	25,151
TRANSLESTE	BDMG	Feb 2025	(d)	9.50%	7,835	10,310
TRANSLESTE	BNB	Mar 2025	(d)	9.50%	2,384	3,129
TRANSIRAPÉ	Itaú	Sep 2022	(a)	107.75% CDI	7,300	16,987
TRANSIRAPÉ	Itaú	Apr 2026	(a)	CDI + 1.9%	50,904	-
TRANSIRAPÉ	BDMG	Apr 2026	(c)	TJLP + 6.5%	2,488	3,062
TRANSIRAPÉ	BDMG	Jan 2024	(c)	3.5%	4,970	7,357

(Amounts expressed in thousands of reais, unless otherwise indicated)

Concession	Lender	Final maturity	Guarantees	Financial charges	12/31/2021	12/31/2020
TRANSIRAPÉ	BDMG	Apr 2021	(c)	TJLP + 4.5%	-	995
TRANSIRAPÉ	BDMG	Oct 2029	(c)	TJLP + 3.5%	3,439	3,879
Direct and indirect associated companies					**1,591,489**	**1,336,098**
					3,618,929	**3,075,367**

(a) No guarantees; (b) Letter of Guarantee issued by Taesa, in favor of Banco Santander, formalized in a separate instrument. The contracted amount was R$ 13,619, and the funds will be released upon financial proof; (c) Pledge of Company's shares held by EATE and Transminas Holding S.A., recognition of a reserve account and attachment of Company's income; (d) Letter of Guarantee issued by Taesa, in favor of Banco Santander, formalized in a separate instrument at the limit of 52.6% of the amount of R$125, proportional to the ownership interest; (e) Alupar proportional guarantee of 50.01% of the total amount (Taesa - 49.99% of the total amount); (f) Letter of Guarantee issued by Taesa, in favor of Banco Santander, formalized in a separate instrument at the limit of 52.6% of the amount of R$125, proportional to the ownership interest; (g) CTEEP proportional guarantee of 50.00% of the total amount (Taesa - 50.00% of the total amount).

The loan and financing agreements have financial and non-financial covenants regarding early maturity, including compliance with certain financial indicators during the term of the contracts. On December 31, 2021, all covenants in the loans and financing agreements in force were fulfilled by jointly-controlled subsidiaries and associated companies of the Taesa Group.

(iii) Provision for labor and civil risks and contingent liabilities

	Provision for risks		Contingent liabilities	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
ETAU	141	411	51	35
Jointly-controlled subsidiaries	**141**	**411**	**51**	**35**
EATE	393	1,376	4,525	4,356
EBTE	26	21	449	776
ECTE	52	52	240	203
ETEP	7	7	-	-
ENTE	-	-	1,342	1,177
Direct associated companies	**478**	**1,456**	**6,556**	**6,512**
	619	**1,867**	**6,607**	**6,547**

(iv) Annual Permitted Income

Concession	Cycle 2021-2022 Resolution 2959, 10/05/2021 (i) Period: 07/01/2021–06/30/2022			Cycle 2020-2021 Resolution 2725, 07/14/2020 Period: 07/01/2020–06/30/2021			Cycle 2019–2020 Resolution 2565, 06/25/2019 Period: 07/01/2019–06/30/2020		
	RAP	PA	RAP	RAP	PA	Total	RAP	PA	Total
ETAU (ii)	51,665	2,274	53,939	39,506	1,786	41,292	50,913	(1,578)	49,335
ENTE	184,456	(5,262)	179,194	134,579	(2,169)	132,410	204,038	(9,025)	195,013
EATE (iii)	358,143	(11,526)	346,617	261,211	(2,107)	259,104	244,572	(9,496)	235,076
EBTE	52,862	(1,229)	51,633	48,889	1,223	50,112	46,126	(1,609)	44,517
ECTE	77,886	(2,587)	75,299	56,825	(542)	56,283	53,352	(1,838)	51,514
ETEP	80,563	(2,620)	77,943	58,788	(461)	58,327	55,143	(1,997)	53,146
ERTE	41,999	(17,292)	24,707	30,648	(12,395)	18,253	38,978	(1,998)	36,980
STC	52,396	(1,265)	51,131	48,133	(769)	47,364	47,345	(1,478)	45,867
Lumitrans	43,634	(1,487)	42,147	31,841	(346)	31,495	29,910	(1,038)	28,872
ESDE	15,680	(220)	15,460	14,363	(482)	13,881	14,098	(1,957)	12,141
ETSE	25,408	(214)	25,194	21,485	(142)	21,343	21,089	(792)	20,297
EDTE (iii)	76,120	(2,579)	73,541	70,445	597	71,042	-	-	-
Transirapé	54,365	(3,090)	51,275	41,048	1,774	42,822	37,175	(1,221)	35,954
Transleste	33,421	(1,626)	31,795	35,664	(472)	35,192	45,794	(1,484)	44,310
Transudeste	34,154	(1,387)	32,767	30,231	(324)	29,907	28,384	(938)	27,446
TOTAL	**1,182,752**	**(50,110)**	**1,132,642**	**923,656**	**(14,829)**	**908,827**	**916,917**	**(36,449)**	**880,468**

(i) The Ratifying Resolution 2959 dated October 5, 2021 amended the Ratifying Resolution 2895 dated July 13, 2021. (ii) The amount of the RAP for the 2020-2021 cycle of the ETAU concession was amended by Order 1698/2021, which judged the administrative appeal filed by the concessionaire against Ratifying Resolutions 2725/2020, 2724/2020 and differences will be received in the 2021–2022 cycle. (iii) The amounts of the RAP of the EATE and EDTE for 2020-2021 cycle were adjusted in accordance with ANEEL Order 3219/2020, which amended annexes I, II, III, IV, V and VI of Ratifying Resolution 2725/2020.

(Amounts expressed in thousands of reais, unless otherwise indicated)

12. RELATED PARTY TRANSACTIONS

I - Other Accounts Receivable – OCR, Other Accounts Payable – OCP, and Accounts Receivable from Concessionaires and Permissionaires – CRCP:

a) Assets and income

REF	Accounting classification, nature of contract and counterparty	Original value	Effectiveness period	Interest rate charged / Inflation adjustment	Main conditions for termination or extinction and other relevant information
	Transactions between Taesa and jointly-controlled subsidiary				
1	OCR vs. Other income - Back-office – ETAU	R$69 Monthly amount	07/09/2018–07/09/2023	Fine of 2% p.m. / Annual restatement at IGP-M.	This contract was terminated and fully absorbed by the Infrastructure and Human Resources Sharing agreement.
2	OCR vs. Other Income – Infrastructure and HR Sharing – ETAU	N/A	12/01/2021–12/01/2026	Annual restatement at IGP-M.	The amounts are defined through the apportionment and allocation criteria that are based on the contracting party's property, plant and equipment. If the apportionment amount exceeds the annual amount of R$2,386, the contracting party may request a review.
3	OCR vs. Other income – O&M – ETAU	R$18 Monthly amount	08/01/2020–08/01/2024	Annual restatement at IGP-M.	This contract was terminated on 11/30/2021.
4	OCR vs. Other income – O&M – ETAU	R$14 Monthly amount	12/01/2021–11/30/2026	Annual restatement at IPCA (National amplified consumer price index).	Default and any contractual clause, court-ordered recovery, bankruptcy, judicial liquidation.
	Transactions between Taesa and its associated companies				
5	OCR vs. cash and cash equivalents - CCI – EDTE	R$229 Total amount	12/27/2018 until termination of the concession	Fine of 2% p.m. + late-payment interest of 12% p.a. / annual restatement at IPCA.	None.
	Transactions between Taesa Group and the parent company				
6	CRCP vs. Other income - CCT contract - CEMIG D vs. SGT	R$57 Monthly amount	03/18/2014 up to the end of concession.	Effective late-payment interest of 12% p.a. and fine of 2% / annual restatement at IPCA, as update of RAP.	By either party due to declaration of bankruptcy, judicial dissolution, or any change in Bylaws of the parties that undermines the capability to fulfill the obligations of this contract, unforeseeable events or force majeure.
7	CRCP x income - Electric power transmission service agreement ("PSTEL") – TAESA Group vs. CEMIG	The values are defined by the ONS for each issue of the AVC	Up to the end of concession.	Not applicable.	Not applicable.

There are no provisions for doubtful accounts related to the amount of existing balances.

REF	Consolidated				
	Contracts and other transactions	Assets		Income	
		12/31/2021	12/31/2020	2021	2020
	Transactions with jointly-controlled subsidiaries				
1	Back-office - Taesa vs. ETAU	-	82	1,092	960
2	Infrastructure Sharing. and HR - Taesa vs. ETAU	88	-	88	-
3	O&M - Taesa vs. ETAU	17	18	215	91
	Transactions with associated companies				
5	CCI - Taesa vs. EDTE	7	6	80	440
	Transactions between subsidiaries and related companies				
6	CCT - CEMIG D vs. SGT	89	83	1,036	986
7	PSTEL - ETAU vs. CEMIG	166	146	1,861	1,989
7	PSTEL - BRASNORTE vs. CEMIG	155	153	1,836	1,653
7	PSTEL - ATE III vs. CEMIG	731	759	8,855	8,240
7	PSTEL - SGT vs. CEMIG	311	157	4,308	4,077
7	PSTEL - MAR vs. CEMIG	68	111	984	609
7	PSTEL - MIR vs. CEMIG	324	332	3,938	3,670

(Amounts expressed in thousands of reais, unless otherwise indicated)

REF	Contracts and other transactions	Consolidated			
		Assets		Income	
		12/31/2021	12/31/2020	2021	2020
7	PSTEL - JAN vs. CEMIG	1,572	-	4,704	-
7	PSTEL - SJT vs. CEMIG	249	18	2,067	1,308
7	PSTEL - SPT vs. CEMIG	227	209	2,634	2,162
7	PSTEL - LNT vs. CEMIG	45	46	544	428
	Transactions between Taesa and its Parent Company				
7	PSTEL - TAESA vs. CEMIG	8,522	7,294	93,371	79,107
		12,571	**9,414**	**127,613**	**105,720**

b) Liabilities, costs and expenses

REF	Main information on contracts and transactions with related parties				
	Accounting classification, nature of contract and counterparty	Original value	Effectiveness period	Interest rate charged / Inflation adjustment	Main conditions for termination or extinction and other relevant information
	Transactions between Taesa and related companies				
1	OCP vs. Services provided - Data Center Services - Active	R$47, monthly amount	09/29/2020– 09/29/2023	Interest of 1% p.m. and fine of 2% / Annual restatement at IPCA.	Each party shall be entitled to terminate the contract, by sending written notice to the other party at least 90 days in advance, in the event of any occurrence such as declaration of bankruptcy, partial or total transfer of equity or assets, or if any of the parties violates any provisions of the contract.
2	OCP vs. services rendered - Provision of technical services and post-production support of Mega system – Axxiom	R$1,318 Contract's total amount.	09/02/2016 - undetermined end.	Interest of 1% p.m.	The contract has been terminated.
3	OCP vs. Cost and Expense with personnel - Private Pension Plan – Forluz	Investment according to employee's option.	03/19/2012 - undetermined end.	None.	1% administration fee on the total monthly contributions.
4	OCP vs. services rendered - CCI - TAESA (ETEO) – CTEEP	R$2 Monthly amount.	07/20/2001 until termination of the concession by one of the parties	None.	It may only be terminated in the event of extinction of the concession of any of the parties or by legal determination. An amendment that discontinues the collection by CTEEP was signed on 08/20/2021.
5	OCP vs. services rendered - CCI - TAESA (ATE) – CTEEP	R$10 Monthly amount	July 22, 2004 until termination of the concession by one of the parties	None.	It may only be terminated in the event of extinction of the concession of any of the parties or by legal determination. An amendment that discontinues the collection by CTEEP was signed on 08/20/2021.
6	OCP vs. Services rendered - Telecommunications - TAESA - INTERNEXA	R$3 Monthly amount	08/30/2020– 08/30/2021	Interest of 1% p.m. and fine of 2% / Annual restatement at IGP-M (general market price index).	This contract has been terminated.
	Transactions between subsidiaries and related companies				
7	OCP vs. Services rendered - CCI - SGT vs. CEMIG GT	R$3 Monthly amount	As of 02/17/2014, until expiration of the concession.	Effective late-payment interest of 1% p.m. and fine of 2% / Annual restatement at IPCA.	It may be terminated in the event of extinction of the concession of any of the parties or by legal determination.

(Amounts expressed in thousands of reais, unless otherwise indicated)

REF	Main information on contracts and transactions with related parties				
	Accounting classification, nature of contract and counterparty	**Original value**	**Effectiveness period**	**Interest rate charged / Inflation adjustment**	**Main conditions for termination or extinction and other relevant information**
8	OCP vs. O&M - SGT vs. CEMIG GT	R$49 Monthly amount	07/10/2019–07/10/2024	Effective late-payment interest of 1% p.m. and fine of 2% / Annual restatement at IPCA.	It may be terminated, unilaterally and in advance, at its sole discretion, for failure to comply with any term or condition for a period agreed upon between the parties, forfeiture of concession relating to transmission installations; and by decision of the principal after 18 months have elapsed from the signing of CPSOM.
9	OCP vs. Services rendered - CCI - MAR vs. CEMIG GT	R$205 lump sum and R$50 Monthly amount	11/12/2015 until termination of the concession by one of the parties.	Annual restatement at IPCA (National amplified consumer price index).	None.
10	OCP vs. Services rendered - O&M - MAR vs. CEMIG GT	R$48 Monthly amount	03/03/2020–03/02/2025	Annual restatement at IPCA (National amplified consumer price index).	The contract can be unilaterally terminated at any time, by means of written notice at least 180 days in advance; as a result of non-compliance with the agreed conditions; and the occurrence of fortuitous or force majeure events.
	Transactions between Taesa and its Parent Company				
11	OCP vs. Investment – acquisition Transmineiras – Additional Amount -CEMIG	Bullet Payment of R$12,883	Upon the awarding of the favorable decision for Transmineiras in lawsuits.	Accumulated change of 100% CDI from 01/01/2017.	None.

REF	Contracts and other transactions	Consolidated			
		Liabilities		Cost/Expense	
		12/31/2021	12/31/2020	2021	2020
	Transactions between Taesa and related companies				
1	Data Center - Taesa vs. Ativas	46	159	542	638
2	Support of the MeGA system - Taesa vs. Axxiom	-	-	-	243
3	Private pension plan - Taesa vs. Forluz – expenses	-	-	2,097	1,735
3	Private pension plan - Taesa vs. Forluz – cost	-	-	949	813
4	CCI - Taesa (ETEO) vs. CTEEP	-	-	-	22
5	CCI - Taesa (ATE) vs. CTEEP	-	-	-	95
6	Telecommunications - Taesa vs. INTERNEXA	-	9	80	89
	Transactions between subsidiaries and related				
7	CCI - SGT vs. CEMIG GT	4	4	51	48
8	O&M - SGT vs. CEMIG GT	48	45	637	601
9	CCI - MAR vs. CEMIG GT	-	16	233	48
10	O&M - MAR vs. CEMIG GT	-	46	605	378
	Transactions between Taesa and its Parent Company				
11	Transmineiras acquisition - TAESA vs. CEMIG	12,883	12,883	-	-
		12,981	**13,162**	**5,194**	**4,710**

II – Dividends and JCP payable and receivable

Dividends receivable	12/31/2020	Addition (a)	Receipt	12/31/2021
Jointly-controlled subsidiaries and associated companies				
ETAU	354	18,397	(18,545)	206
EATE	49,976	132,461	(182,437)	-
EBTE	-	30,807	(30,807)	-
ECTE	-	7,637	(7,637)	-
ENTE	2	71,984	(71,984)	2
ERTE	-	5,048	(5,048)	-
ETEP	-	46,527	(46,527)	-
EDTE	-	12,842	(12,842)	-
TRANSLESTE	-	6,125	(6,125)	-

(Amounts expressed in thousands of reais, unless otherwise indicated)

Dividends receivable	12/31/2020	Addition (a)	Receipt	12/31/2021
TRANSIRAPÉ	-	35,118	(35,118)	-
TRANSUDESTE	-	6,739	(6,739)	-
Consolidated	**50,332**	**373,685**	**(423,809)**	**208**
ATE III	-	46,750	(46,750)	-
BRAS	103	18,373	(16,329)	2,147
SGT	35,642	4,344	(2,565)	37,421
MAR	5,295	16,746	(10,641)	11,400
MIR	18,526	66,129	(63,494)	21,161
JAN	99,061	258,314	-	357,375
SAN	932	5,455	-	6,387
SJT	16,079	21,304	(34,297)	3,086
SPT	12,480	47,280	(59,760)	-
LNT	3,732	7,276	(3,648)	7,360
Parent company	**242,182**	**865,656**	**(661,293)**	**446,545**

Dividends receivable	12/31/2019	Addition (a)	Receipt	12/31/2020
Jointly-controlled subsidiaries and associated companies				
ETAU	101	15,377	(15,124)	354
EATE	-	142,651	(92,675)	49,976
EBTE	-	3,339	(3,339)	-
ECTE	-	15,274	(15,274)	-
ENTE	-	89,981	(89,979)	2
ERTE	-	2,223	(2,223)	-
ETEP	-	54,982	(54,982)	-
EDTE	-	2,495	(2,495)	-
TRANSLESTE	-	3,398	(3,398)	-
TRANSIRAPÉ	-	7,840	(7,840)	-
TRANSUDESTE	-	4,655	(4,655)	-
Consolidated	**101**	**342,215**	**(291,984)**	**50,332**
Subsidiaries				
ATE III	-	31,165	(31,165)	-
BRAS	7,270	22,091	(29,258)	103
SGT	34,393	4,249	(3,000)	35,642
MAR	806	4,489	-	5,295
MIR	22,673	40,661	(44,808)	18,526
JAN	9,995	89,066	-	99,061
SAN	50	882	-	932
SJT	-	16,079	-	16,079
SPT	-	12,480	-	12,480
LNT	-	3,732	-	3,732
Parent company	**75,288**	**567,109**	**(400,215)**	**242,182**

Dividends and JCP payable	12/31/2020			Addition (a)		Payment		12/31/2021		
	Dividends	JCP	Total	Dividends	JCP	Dividends	JCP	Dividends	JCP	Total
Consolidated and Parent company										
ISA	15,758	-	15,758	197,239	39,730	(191,123)	(39,730)	21,874	-	21,874
Cemig	22,956	-	22,956	287,333	57,878	(278,423)	(57,878)	31,866	-	31,866
Non-controlling shareholders (b)	67,208	9	67,217	841,032	169,411	(814,947)	(169,405)	93,293	15	93,308
	105,922	**9**	**105,931**	**1,325,604**	**267,019**	**(1,284,493)**	**(267,013)**	**147,033**	**15**	**147,048**

Dividends and JCP payable	12/31/2019			Addition (a)		Payment		12/31/2020		
	Dividends	JCP	Total	Dividends (c)	JCP	Dividends	JCP	Dividends	JCP	Total
Consolidated and Parent company										
ISA	-	-	-	145,734	34,620	(129,976)	(34,620)	15,758	-	15,758
Cemig	-	-	-	212,296	50,434	(189,340)	(50,434)	22,956	-	22,956
Non-controlling shareholders (b)	7	4	11	621,398	147,620	(554,197)	(147,615)	67,208	9	67,217
	7	**4**	**11**	**979,428**	**232,674**	**(873,513)**	**(232,669)**	**105,922**	**9**	**105,931**

(a) Refers to mandatory dividends, proposed additional items approved, interim dividends, and interest on shareholders' equity receivable, which are presented net of withheld income tax. Interest on shareholders' equity payable are presented gross of withheld income tax.

(b) Dividends and JCP payable to non-controlling shareholders, not yet paid for lack of these shareholders' data in the brokerage firm.

(Amounts expressed in thousands of reais, unless otherwise indicated)

(c) The amount of R$105,909 refers to the remaining mandatory dividends for 2020, approved by the Annual General Meeting of April 29, 2021 and paid on May 27, 2021.

Approval of dividends and JCP (*)	Year of accrual	Approval date	Approval agency	Date of Payment	Approved amount	Value per common share	Value per preferred share
Interim dividends	2021	12/01/2021	CA	12/29/2021	320,985	0.31058	0.31058
Interim dividends	2021	05/13/2021	CA	05/27/2021	401,573	0.38856	0.38856
Additional dividends proposed	2020	04/29/2021	AGO	05/27/2021	456,035	0.44125	0.44125
					1,178,593		
Interest on own capital	2021	12/01/2021	CA	12/29/2021	202,015	0.19547	0.19547
Interest on own capital	2021	05/13/2021	CA	05/27/2021	65,004	0.0629	0.0629
					267,019		
Remaining mandatory dividends	2020	04/29/2021	AGO	05/27/2021	105,909	0.10248	0.10248
					105,909		
Interim dividends	2020	11/11/2020	CA	11/25/2020	410,772	0.39746	0.39746
Interim dividends	2020	08/12/2020	CA	08/26/2020	220,542	0.21339	0.21339
Interim dividends	2020	05/14/2020	CA	05/28/2020	180,442	0.17459	0.17459
Additional dividends proposed	2019	04/30/2020	AGO	05/15/2020	61,763	0.05976	0.05976
					873,519		
Interest on own capital	2020	12/10/2020	CA	12/28/2020	54,218	0.0246	0.0246
Interest on own capital	2020	11/11/2020	CA	11/25/2020	58,415	0.05652	0.05652
Interest on own capital	2020	08/12/2020	CA	08/26/2020	58,765	0.05685	0.05685
Interest on own capital	2020	05/14/2020	CA	05/28/2020	61,276	0.05929	0.05929
					232,674		

(*) Interim dividends and interest on shareholders' equity were allocated to minimum mandatory dividends addressed in Article 202 of the Brazilian Corporations Act.

III - Remuneration of the Board of Directors, Executive Board and Audit Committee - Classified in Income – personnel expenses

Proportion of total remuneration	2021		2020	
	Fixed	Floating	Fixed	Floating
Board of Directors	100%	-	100%	-
Audit Committee	100%	-	100%	-
Statutory Executive Board (*)	57%	43%	55%	45%

(*) Remuneration of fixed remuneration: Directors' fees, charges, direct and indirect benefits (private pension, health plan, dental plan, life insurance and meal/food tickets), post-employment benefits (health plan and dental plan). Breakdown of variable remuneration: profit sharing, cessation of the tenure of office and indemnities.

Amounts recognized in income (loss) from January to December	Board of Directors		Statutory Executive Board		Audit Committee	
	2021	2020	2021	2020	2021	2020
Average paid members for the year (*)	11.33	10.42	5	3.83	5.08	4.83
Fixed remuneration (**)	**2,752**	**2,391**	**8,108**	**7,140**	**739**	**580**
Salary or Directors' fee	2,398	2,092	5,982	3,608	616	483
Direct and indirect benefits	n/a	n/a	897	506	n/a	n/a
Charges	354	299	1,229	2,482	123	97
Provisions	n/a	n/a	n/a	544	n/a	n/a
Variable remuneration	**n/a**	**n/a**	**6,086**	**5,918**	**n/a**	**n/a**
Profit sharing	n/a	n/a	4,464	3,275	n/a	**n/a**
Indemnities	n/a	n/a	22	1,695	n/a	n/a
Bonus	n/a	n/a	1,600	948	n/a	**n/a**
Total amount of remuneration	**2,752**	**2,391**	**14,194**	**13,058**	**739**	**580**

(*) Includes sitting members and alternate members, whereas alternate fiscal board members receive remuneration when replacing the effective members. The average remuneration of paid members was calculated monthly, excluding the members who waived their remuneration. The fixed remuneration cost of the Board includes "Directors' fees" payments and 20% of Employer INSS.

(Amounts expressed in thousands of reais, unless otherwise indicated)

	Board of Directors		Statutory Executive Board		Audit Committee	
	2021	2020	2021	2020	2021	2020
No. of effective members	12	12	5	5	5	5
No. of alternate members	-	-	-	-	5	5
Highest individual remuneration in the year (monthly)	21	20	354	449	12	10
Lowest individual remuneration in the year (monthly)	17	17	149	48	11	9
Average individual remuneration in the financial year (monthly) (*)	21	20	237	218	14	10

(*) The amount was calculated by the average of the remunerated members.

(Amounts expressed in thousands of reais, unless otherwise indicated)

13. LOANS, FINANCING AND DEBENTURES

13.1 Loans and financing

Lender	Concession	Funding				Annual financial charges	12/31/2021				12/31/2020			
		Signature date	Type	Amount contracted and received	Final maturity		Unallo-cated cost	Principal	Interest	Total	Unallo-cated cost	Principal	Interest	Total
Foreign currency - US$ [1]														
Citibank - Contract B (Renegotiation)	Taesa	05/11/2018	Law 4.131/62	350,000	05/10/2023	Libor + 0.34% p.a.	-	560,832	433	561,265	-	507,701	466	508,167
Domestic currency - R$ [2]														
BNDES FINAME	TSN	12/05/2012	CCB - Subcredit A	20,250	12/15/2022	Fixed rate of 2.5% p.a.	-	2,538	3	2,541	-	5,077	6	5,083
BNDES FINAME	TSN	06/20/2012	CCB - Subcredit A	727	07/15/2022	Fixed rate of 5.5% p.a.	-	53	-	53	-	144	-	144
BNDES FINAME	TSN	06/13/2013	CCB - Subcredit A	30,458	06/15/2023	Fixed rate of 3.5% p.a.	-	5,711	8	5,719	-	9,519	13	9,532
BNDES FINAME	Pate-sa	10/14/2014	CCB - Subcredit A	430	08/15/2024	Fixed rate of 6% p.a.	-	143	-	143	-	197	-	197
CCB-BRADESCO[3]	Taesa	04/13/2020	CCB	100,000	04/08/2021	CDI + 2.5505%	-	-	-	-	(150)	100,000	3,492	103,342
CCB–CITIBANK [4]	Taesa	04/15/2020	CCB	350,000	04/14/2022	CDI + 2.8500%	-	-	-	-	(1,274)	350,000	3,471	352,197
Parent company							**-**	**569,277**	**444**	**569,721**	**(1,424)**	**972,638**	**7,448**	**978,662**
Current										**6,896**				**112,833**
Non-current										**562,825**				**865,829**
BNDES FINAME	SGT	12/04/2012	CCB - Subcredit A	19,571	12/15/2022	Fixed rate of 2.5% p.a.	-	2,446	3	2,449	-	4,894	5	4,899
BNB - FNE	LNT	04/27/2018	CCB-FNE	62,749	05/15/2038	Apportionment of constitutional funds rate (TFC) p.m.	(4,742)	59,243	3,074	57,575	(5,147)	62,749	2,861	60,463
Consolidated							**(4,742)**	**630,966**	**3,521**	**629,745**	**(6,571)**	**1,040,281**	**10,314**	**1,044,024**
Current										**15,672**				**121,355**
Non-current										**614,073**				**922,669**

[1] Loan measured at fair value. [2] Loans at amortized cost. [3] Contract settled on April 8, 2021, in the total amount of R$104,765.[4] Contract settled on May 21, 2021 in the total amount of R$352,000.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Changes in loans and financing	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Opening balance	**1,044,024**	**424,952**	**978,662**	**417,605**
(+) Acquisition	-	301,697	-	-
(+) New funding	-	446,218	-	447,522
(+) Interest, inflation adjustment and exchange-rate change	65,180	143,037	57,168	140,134
(-) Fair value adjustment	9,049	(1,984)	9,049	(1,984)
(-) Amortization of principal	(462,443)	(250,891)	(456,490)	(6,490)
(-) Interest paid	(26,173)	(19,005)	(18,668)	(18,125)
(+) Reversal of loan costs	108	-	-	-
Closing balance	**629,745**	**1,044,024**	**569,721**	**978,662**

Installments maturing per index - Consolidated							
Index	Current	Non-current					Total
		2023	2024	2025	After 2025	Subtotal	
Fixed rate	8,912	1,957	36	-	-	1,993	10,905
Libor + Dollar	433	560,832	-	-	-	560,832	561,265
IPCA	6,617	3,541	3,595	3,632	44,932	55,700	62,317
(-) Cost to be amortized	(290)	(278)	(278)	(278)	(3,618)	(4,452)	(4,742)
	15,672	**566,052**	**3,353**	**3,354**	**41,314**	**614,073**	**629,745**

Loans and financing contracts have non-financial covenants providing for early maturity during contract effective period. As of December 31, 2021, covenants were complied with.

Information regarding derivative financial instruments (swap transactions) contracted to hedge the Citibank debt service, as well as the Company's exposure to interest rate risks, is disclosed in Note 18.

13.2 Debentures

Emissions	Quantity	Payment events	Remuneration	Issuance Maturity	12/31/2021				12/31/2020			
					Unallocated cost	Principal	Interest	Total	Unallocated cost	Principal	Interest	Total
Domestic currency - R$												
Itaú BBA - 3rd Issuance - 2nd series (*) – Taesa	793,000	Interest on 10/15 of each year and amortization in 3 annual installments, the 1st maturing on	IPCA + 4.85%	10/15/2012 10/15/2020	-	-	-	**-**	(396)	-	-	**(396)**

(Amounts expressed in thousands of reais, unless otherwise indicated)

Emissions	Quantity	Payment events	Remuneration	Issuance Maturity	12/31/2021				12/31/2020			
					Unallocated cost	Principal	Interest	Total	Unallocated cost	Principal	Interest	Total
		10/15/2018.										
Itaú BBA - 3rd Issuance - 3rd series (*) – Taesa	702,000	Interest on 10/15 of each year and amortization in 4 annual installments, the 1st maturing on 10/15/2021.	IPCA + 5.10%	10/15/2012 10/15/2024	(581)	908,586	9,555	**917,560**	(396)	1,097,342	11,540	**1,108,486**
Itaú BBA/BB/Santander - 4th Issuance - 1st series – Taesa	255,000	Interest on 09/15 of each year and amortization in 2 annual installments, the 1st maturing on 09/15/2023.	IPCA + 4.41%	09/15/2017 09/15/2024	(1,637)	320,411	4,086	**322,860**	(3,020)	289,255	3,689	**289,924**
BB/Safra/Bradesco - 5th Issue - 1st Series – Taesa	525,772	Interest on 07/15 of each year and amortization in 2 annual installments, the 1st maturing on 07/15/2024.	IPCA + 5.9526%	07/15/2018 07/15/2025	(6,430)	636,289	17,316	**647,175**	(8,879)	574,421	15,630	**581,172**
Santander-ABC-BB - 6th Issuance - 1st Series – Taesa	850,000	Interest on 11/15 and 05/15 of each year and single amortization on 05/15/2026.	108% of CDI (**)	05/15/2019 05/15/2026	(9,121)	850,000	9,078	**849,957**	(9,881)	850,000	2,197	**842,316**
Santander/ABC/BB - 6th Issuance – 2nd series – Taesa	210,000	Interest on 11/15 and 05/15 of each year and semi-annual amortization, with the 1st maturing on 05/15/2023.	IPCA + 5.50%	05/15/2019 05/15/2044	(9,121)	245,730	1,729	**238,338**	(9,881)	222,584	1,518	**214,221**
BTG/Santander/XP Investimentos - 7th Issuance - 1st series – Taesa	508,960	Interest on 03/15 and 09/15 of each year and semi-annual amortization, with the 1st maturing on 09/15/2025.	IPCA + 4.50%	09/15/2019 09/15/2044	(27,017)	594,223	59,575	**626,781**	(29,046)	536,216	28,355	**535,525**
Santander - 8th issuance - 1st series – Taesa	300,000	Interest on 06/15 and 12/15 of each year and semi-annual amortization, with the 1st maturing on 12/15/2022.	IPCA +4.7742	12/18/2019 12/15/2044	(17,810)	366,706	815	**349,711**	(19,293)	311,274	14,077	**306,058**
Santander - 9th issuance - 1st series – Taesa	450,000	Interest on 04/08 and 10/08 of each year and single amortization on 04/08/2022.	CDI + 2.85%	04/08/2020 04/08/2022	(419)	450,000	10,132	**459,713**	(1,677)	450,000	4,801	**453,124**
Santander - 10th	650,000	Interest on 11/15 and	CDI + 1.70%	05/15/2021	(4,905)	650,000	7,788	**652,883**	-	-	-	**-**

(Amounts expressed in thousands of reais, unless otherwise indicated)

Emissions	Quantity	Payment events	Remuneration	Issuance Maturity	12/31/2021				12/31/2020			
					Unallocated cost	Principal	Interest	Total	Unallocated cost	Principal	Interest	Total
issuance - 1st series – Taesa		05/15 of each year and single amortization on 05/15/2028.		05/15/2028								
Santander - 10th issuance - 2nd series – Taesa	100,000	Interest on 11/15 and 05/15 of each year and amortization in the 13th, 14th and 15th years, with the 1st maturity on 05/15/2034.	IPCA + 4.7605%	05/15/2021 05/15/2036	(4,905)	106,947	653	**102,695**	-	-	-	**-**
Parent company					**(81,946)**	**5,128,892**	**120,727**	**5,167,673**	**(82,469)**	**4,331,092**	**81,807**	**4,330,430**
Current								**806,472**				**319,473**
Non-current								**4,361,201**				**4,010,957**
Domestic currency - R$												
BTG-Santander-XP - 1st Issuance - 1st series – JAN	224,000	Interest and amortization on 01/15 and 07/15 of each year with interest as of 12/15/2022.	IPCA + 4.5%	01/15/2019 07/15/2033	(9,506)	267,095	35,741	**293,330**	(11,136)	241,124	20,539	**250,527**
Itaú - BTG - 2nd Issuance - Single Series – JAN	575,000	Interest and amortization on 06/15 and 12/15 of each year, with interest payments as of 12/15/22 and amortization as of 12/15/25.	IPCA + 4.8295%	12/15/2019 12/15/2044	(32,793)	664,827	66,314	**698,348**	(35,450)	602,207	29,675	**596,432**
Consolidated					**(124,245)**	**6,060,814**	**222,782**	**6,159,351**	**(129,055)**	**5,174,423**	**132,021**	**5,177,389**
Current								**933,841**				**319,473**
Non-current								**5,225,510**				**4,857,916**

(*) Instruments traded on the secondary market, whose fair values of which were measured based on quotations and are shown in Note 18.
(**) The Company designated derivatives in the amount of R$400,000, referring to 1st series of the 6th Issuance of debentures, as a hedge instrument for a cash flow hedge structure. The derivatives contracted were swaps that exchange the risk of 108% of the CDI (interest rate on debentures) for the IPCA + fixed rates.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Changes in debentures	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Opening balance	**5,177,389**	**4,882,920**	**4,330,430**	**4,116,241**
(+) New funding	750,000	750,000	750,000	750,000
(+) Incurred interest and inflation adjustment	735,775	431,331	595,345	352,529
(-) Payment of principal	(295,354)	(691,260)	(295,354)	(691,260)
(-) Payment of interest	(213,270)	(181,741)	(213,270)	(181,741)
(-) Funding costs (new fundings)	(10,461)	(26,057)	(10,461)	(23,395)
(+) Amortization of fund raising costs	15,076	14,502	10,983	10,362
(+) Hedge accounting adjustment	-	(2,306)	-	(2,306)
(+) Reversal of debenture costs	196	-	-	-
Closing balance	**6,159,351**	**5,177,389**	**5,167,673**	**4,330,430**

Installments maturing per index	Current	Non-current					Total
		2023	2024	2025	After 2025	Subtotal	
CDI	476,999	-	-	-	1,100,000	1,100,000	1,576,999
IPCA	468,882	536,387	798,737	365,145	2,537,446	4,237,715	4,706,597
(-) Issuance costs to be amortized	(12,040)	(10,924)	(9,198)	(15,621)	(76,462)	(112,205)	(124,245)
	933,841	**525,463**	**789,539**	**349,524**	**3,560,984**	**5,225,510**	**6,159,351**

(Amounts expressed in thousands of reais, unless otherwise indicated)

The debentures are simple, non-share convertible.

Contracts for the 3rd, 4th, 5th, 6th, 7th, 8th, 9th and 10th issuances of Taesa's debentures and 1st and 2nd issuance of Janaúba's debentures have non-financial covenants providing for early maturity.

2nd Series of 6th and 8th Issuance of Taesa's debentures have the following non-financial and early maturity covenants:

Opening of an account with Banco Santander in favor of debentureholders named "Account for Payment of Debentures," in which a minimum balance corresponding to at least the value of next installment of Adjusted Nominal Value plus value of next Remuneration installment must be maintained.

As of December 31, 2021, all covenants were complied with.

Information regarding derivative financial instruments (swap transactions) contracted to hedge the service associated with the 1st Series in 6th issuance of debentures, as well as the Company's exposure to interest rate risks, is disclosed in Note 18.

14. PROVISION FOR LABOR, TAX AND CIVIL RISKS

The Company and its subsidiaries are parties in judicial actions and administrative proceedings before several courts and governmental bodies, arisen out of the ordinary course of operations, involving tax, civil and labor and other matters.

Based on opinion from its external legal advisors and analysis of pending legal proceedings, Management formed a provision for labor, tax and civil risks in amounts considered sufficient to cover estimated losses from current lawsuits.

The lawsuits and administrative proceedings provisioned, presented on December 31, 2021 have a judicial deposit in the restated amount of R$46,515 (R$26,007 as of December 31, 2020). Balances refer to civil, labor and tax lawsuits involving disputes regarding administrative easement, outsourcing, tax foreclosures, respectively, and manifestations of nonconformity related to offset of Federal taxes and contributions (IRPJ, CSLL, PIS, COFINS, IRRF and CSRF) not approved by Federal Revenue Service (RFB).

Changes in provisions	12/31/2020	Additions	Reversals (a)	Restatements (b)	Write-off	Easements (c)	12/31/2021
Labor	5,699	736	(711)	71	(3,568)	-	2,227
Tax	11,475	39	-	2,975	(532)	-	13,957
Civil	11,569	3,202	(3,433)	3,516	(3,218)	39	11,675
Other	1,484	-	-	-	-	-	1,484
Parent company	**30,227**	**3,977**	**(4,144)**	**6,562**	**(7,318)**	**39**	**29,343**
Labor	5,700	736	(711)	71	(3,568)	-	2,228
Tax	14,079	60	(20)	2,989	(542)	-	16,566
Civil	23,075	5,263	(4,575)	6,853	(4,903)	3,135	28,848
Other	1,484	-	-	-	-	-	1,484
Consolidated	**44,338**	**6,059**	**(5,306)**	**9,913**	**(9,013)**	**3,135**	**49,126**

Changes in provisions	12/31/2019	Acquisition (d)	Additions	Reversals (a)	Write-off	Easements (c)	12/31/2020
Labor	4,057	-	2,405	(607)	(156)	-	5,699
Tax	12,404	-	420	-	(1,349)	-	11,475
Civil	4,800	-	7,112	(129)	(214)	-	11,569
Other	1,484	-	-	-	-	-	1,484
Parent company	**22,745**	**-**	**9,937**	**(736)**	**(1,719)**	**-**	**30,227**
Labor	4,058	-	2,446	(608)	(196)	-	5,700
Tax	14,978	-	450	-	(1,349)	-	14,079
Civil	10,758	20	7,658	(133)	(241)	5,013	23,075
Other	1,484	-	-	-	-	-	1,484
Consolidated	**31,278**	**20**	**10,554**	**(741)**	**(1,786)**	**5,013**	**44,338**

(a) Reversals occurred, basically, due to conclusion of several tax lawsuits, with no need of making payment, therefore, amounts were converted in favor of the Company and its subsidiaries. (b) (a) As of June 30, 2021, based on the reports of its legal advisors, the

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Company started to record monetary restatements, when applicable. (c) Refers to provisions for civil risks referring to right of way. (d) Acquisition of the company SPT for the year 2020.

Contingent liabilities

	12/31/2021				12/31/2020			
	Labor	Tax	Civil	Total	Labor	Tax	Civil	Total
Taesa	6,868	894,432	26,222	927,522	3,802	749,435	54,448	807,685
ATE III	-	19,707	-	19,707	-	5,226	5,949	11,175
BRAS	-	9,645	-	9,645	-	4,760	-	4,760
MAR	-	79	-	79	24	75	-	99
JAN	403	214	83	700	-	-	-	-
SAN	679	-	-	679	-	-	-	-
SPT	14	-	2,597	2,611	11	-	1,997	2,008
SGT	-	16	-	16	-	-	-	-
SJT	50	-	739	789	45	-	150	195
Total	**8,014**	**924,093**	**29,641**	**961,748**	**3,882**	**759,496**	**62,544**	**825,922**

Main reasons for possible loss are related to tax risks by means of tax foreclosures and manifestations of non-conformity, civil risks by annulment actions and arbitration procedures. These are:

Taesa-TSN – alleged irregularities at offsets of federal tax and contributions, including PIS, COFINS, IRPJ, and CSLL in the restated amount of R$58,618 on December 31, 2021 and the historical value of R$27,377 on December 31, 2020.

Taesa-NVT - Manifestations of nonconformity referring to alleged irregularities in the offsetting of federal taxes and contributions, among these: COFINS and IRPJ, totaling the restated amount of R$6,888 as of December 31, 2021 and the historical value of R$4,802 as of December 31, 2020.

Taesa-ETEO - Proceeding regarding the deductibility of goodwill amortization expenses paid by Lovina Participações S.A. (“Lovina”) for the acquisition of ETEO, related to the 2014 tax assessment notice, referring to calendar years 2009 and 2010 in a restated amount of R$107,151 on December 31, 2021 and historical value of R$68,737 on December 31, 2020. The lawsuit is awaiting the judgment of the Voluntary Appeal filed against the unfavorable decision rendered by Brazil’s Federal Revenue Service office in Ribeirão Preto.

Taesa-NTE – Manifestations of nonconformity referring to alleged irregularities in offsets of federal taxes and contributions, including PIS, COFINS, IRPJ, IRRF and CSLL, totaling the restated amount of R$13,367 on December 31, 2021 and the historical value of R$8,717 on December 31, 2020 and the amount of R$5,448 refers to proceedings started before acquisition by Taesa of UNISA Group’s companies.

Taesa-ATE - Alleged irregularities in the offsetting of federal taxes and contributions, including corporate income tax (IRPJ), totaling the updated amount of R$7,332 on December 31, 2021 and the historic amount of R$2,872 on December 31, 2020, originated before the acquisition of the companies of UNISA Group by Taesa.

Taesa-STE - Non-compliance referring to alleged irregularities in offsets of federal taxes and contributions, including PIS, COFINS, IRPJ, CSLL, CSRF and IRRF, totaling the restated amount of R$9,033 on December 31, 2021 and the historical value of R$4,212 on December 31, 2020, related to proceedings started before acquisition of UNISA Group’s companies by Taesa.

Taesa-ATE II - Manifestations of nonconformity referring to alleged irregularities in offsets of federal taxes and contributions, including IRPJ and CSLL, totaled the restated amount of R$5,132 on December 31, 2021 and the historical value of R$3,631 as of December 31, 2020;

the amount of R$2,465 refers to proceedings started before acquisition by Taesa of companies of UNISA Group.

Taesa-ATEII/TSN – Civil cancellation suit judged to annul the tax assessment notice 27/2015 issued by ANEEL deriving from inspection conducted to verify causes and consequences of failures provoked by fires in the right of way at LT Ribeiro Gonçalves - São João do Piauí. Aiming to avoid irreparable damage, in view of the failure of the punitive administrative proceeding 48500.005494/2013-37, being charged a fine in the updated amount of R$2,784 on December 31, 2021 and the historic amount of R$2,401 on December 31, 2020. The case awaits the judge’s final analysis through a decision.

ATE III – Tax proceedings started before acquisition by Taesa of companies of UNISA Group and ICMS tax court collections, totaling the restated amount of R$19,191 on December 31, 2021 and historical value of R$5,183 as of December 31, 2020.

BRAS – Tax foreclosure related to the dispute regarding the ICMS requirement in the State of Mato Grosso, totaling the updated amount of R$5,047 on December 31, 2021 and the historic amount of R$2,180 on December 31, 2020.

Other relevant matters:

Atlântico/Alterosa Goodwill - Taesa received Letter of the Federal Revenue Service (RFB) requested clarifications and documentation on the exclusions recorded in code 152 (goodwill), declared in the e-lalur and e-lacs of 2014/2015 and 2016. The Company presented on timely basis the information required by the Tax Auditor. Taesa was notified of the Tax Procedure Filing Documents, related to corporate income tax and social contribution not collected during the calculation period from January 2014 to December 2015 and in 2016, before deduction of the calculation basis of the amounts referring to goodwill arising from the acquisition of TERNA by CEMIG and FIP. The Company received the Closing Terms related to ongoing tax proceedings, the result of which was the drawing up of tax assessment notices in the historical value of R$143,085 (restated on December 31, 2021 in the amount of R$153,006) for the 2014/2015 calendar year and in the historic amount of R$89,125 (restated on December 31, 2021 in the amount of R$93,820) for the 2016 calendar year. The Company challenged the tax assessment notices, which were denied by the Federal Revenue Service. The Company filed a Voluntary Appeal against the decisions. As of December 31, 2021, the Company awaited trial.

PIS/COFINS Audit, Calendar Year 2015 - On November 11, 2019, the Company became aware of the Tax Assessment Notice issued in the historical value of R$173,163 (updated on December 31, 2021 in the amount of R$185,614), resulting from the closure of tax procedure 07.1.85.00-2019-00012, initiated for the purpose of analyzing the legal compliance of the calculation of contributions to the Social Integration Program/ Public Servant Fund Program (PIS/Pasep) and Contribution to Social Security Financing (COFINS), from January 1 to December 31, 2015. The reason for the notice of infraction stems from an alleged error in the definition of the tax regime adopted by the Company whereby, according to what was contained in the statement of closure, all of the Company’s concessions should have been taxed under the non-cumulative regime for PIS and COFINS. As of December 11, 2019, the Company presented the challenge of tax assessment notice. In view of the lower court decision that maintained the assessment notice, a Voluntary Appeal was filed. As of December 31, 2021, the Company awaited trial.

PIS/COFINS Audit, Calendar Year 2016 - On November 13, 2019, the Company became aware of the Tax Assessment Notice issued in the historical value of R$140,589 (updated on December 31, 2021 in the amount of R$150,887), resulting from the closure of tax procedure 07.1.85.00-2019-00078-7, initiated for the purpose of analyzing the legal compliance of the calculation of contributions to the Social Integration Program/ Public Servant Fund Program (PIS/Pasep) and

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Contribution to Social Security Financing (COFINS), from January 1 to December 31, 2016. The reason for the notice of infraction is an alleged error in the definition of the tax regime adopted by the company. In light of the foregoing, all of the Company's concessions should have been taxed under the non-cumulative regime for PIS and COFINS. As of December 11, 2019, the Company presented the challenge of tax assessment notice. In view of the lower court decision that maintained the assessment notice, a Voluntary Appeal was filed. As of December 31, 2021, the Company awaited trial.

15. SHAREHOLDERS' EQUITY

a) Capital stock - On December 31, 2021 and 2020, subscribed and paid-in capital of the Company was R$3,067,535, represented by 590,714,069 common shares and 442,782,652 preferred shares, nominative, registered, with no par value.

The amount of capital stock of R$25,500, net of taxes and contributions, was deducted from capital value in accounting books, pursuant to the terms of Brazilian Securities Commission (CVM) Decision 649/10 that addresses share issuance costs, thus resulting in net capital stock of R$3,042,035.

As per bylaws, the Company is authorized increase its capital stock as per resolution of the Board of Directors, not depending on statutory reform, up to the limit of five million reais (R$5,000,000), with or without the issuance of common or preferred shares, and it is incumbent upon the Board of Directors to establish the issuance conditions, including price, term and payment method.

Each common share grants its holders the right to have one vote in the Annual Shareholders' Meetings, which resolutions shall be taken pursuant to the applicable legislation, and these Bylaws.

Preferred shares have the following preferences and benefits: (i) priority in capital reimbursement, without premium; (ii) the right to share in the distribution of profits on an equal basis in relation to the common shares; and (iii) the right to be included in public offer resulting from disposal of Company's Control, by the same price and conditions of the common shares pertaining to the Controlling Block.

The preferred shares grant their holders the right to vote in any decisions of the Annual General Meeting on: (i) transformation, Take-over, Merger or Spin-off of the Company; (ii) approval of agreements entered into between the Company and the Controlling Shareholder, directly of by means of third parties, as well as other companies in which the Controlling Shareholder holds interest, whenever their resolution is required in a General Meeting, pursuant to legal disposition or to these Bylaws; (iii) appraisal of assets earmarked for the capital increase subscription of the Company; (iv) choice of a specialized company for determination of the Company's Economic Value; and (v) alteration or revocation of statutory provisions that alter or modify any of the requirements provided for in item 4.1 of the regulation of differentiated corporate governance practices at level 2, except that this voting right will prevail while the Agreement on the Adoption of Differentiated Corporate Governance Practices at Level 2 remains in force.

Shareholding position as of December 31, 2021 and 2020								
	Common shares		Preferred shares		Total		Controlling block	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%
CEMIG (*)	218,370,005	36.97	5,646,184	1.28	224,016,189	21.68	215,546,913	58.36
ISA	153,775,790	26.03	-	-	153,775,790	14.88	153,775,790	41.64
Free Float	218,568,274	37.00	437,136,468	98.72	655,704,742	63.44	-	-
	590,714,069	**100.00**	**442,782,652**	**100.00**	**1,033,496,721**	**100.00**	**369,322,703**	**100.00**

(*) There are 2,823,092 common shares and 5,646,184 preferred shares that do not belong to control block.

b) Legal reserve - formed based on a basis of 5% of the net income determined in each fiscal year before other allocation, under the terms of art. 193, Law 6404/76, limited to 20% of capital stock. The purpose of the legal reserve is to ensure the integrity of capital stock and can only be used to increase capital or offset losses. The Company may stop forming the legal reserve when the balance of this reserve, plus the amount of capital reserves, exceeds 30% of capital stock, in accordance with §1 of said law.

c) Tax Benefit Reserve - Income tax incentives on earned income received from the public utility concession for the electric power transmission lines located in Pernambuco, Paraíba, Rio Grande do Norte, Piauí, Bahia, Maranhão, Tocantins, Goiás states and Federal District, granted by SUDAM and SUDENE, in the amount of R$15,746 as of December 31, 2021 and R$25,083 as of December 31, 2020. Grants are recorded in accounting books in a separate account of the statement of income and submitted to the Shareholders' Meeting for approval of their destination, considering restrictions provided for in respective constitutive reports and prevailing tax law.

d) Goodwill special reserve - Based on provision in CVM Instruction 319 dated December 3, 1999, art 6, in December 2009, a goodwill reserve was set up in the value of R$412,223, regarding the counterparty of the net assets of Transmissora do Atlântico de Energia Elétrica S.A. in the merger process of the latter by the Company. On December 31, 2010, the amount of R$182,284 relating to the merger of Transmissora Alterosa de Energia S.A., totaling R$ 594,507. The annual percentage of use of the tax benefit was defined by studying the goodwill amortization curve, based on the projected income of each concession. The tax benefit used by the Company up to December 31, 2021 was R$323,118 (R$304,144 up to December 31, 2020).

e) Other comprehensive income - Changes in the fair value of financial instruments designated as cash flow hedges are recognized under "Other comprehensive income." As of December 31 As of 2021, the Company recognized a gain in the amount of R$57,214 (R$37,761, net of taxes) and of R$23,180 as of December 31, 2020 (R$15,298, net of taxes).

f) Remuneration to shareholders - The Bylaws provides for the payment of a minimum compulsory annual dividend of 50%, calculated on the net income for the year, under the terms of Law 6404/76. At the discretion of Management, the Company may pay interest on shareholders' equity, the net value of which shall be imputed to mandatory minimum dividends, as stipulated by article 9 of Law 9249/95. Interest on shareholders' equity is calculated based on the balance of shareholders' equity, limited to the pro rata day change in the Long-Term Interest Rate (TJLP). The actual payment or credit of interest on shareholders' equity is conditioned on the existence of profit (net income for the year after deducting the social contribution on net income and before deducting the provision for income tax), computed before the deduction of interest on shareholders' equity, or of retained earnings and profit reserves at an amount at least as high as twice the interest to be paid or credited. Interest shall be subject to the incidence of withholding income tax at the rate of 15% on the date of payment or credit to the beneficiary.

The common and preferred shares issued by the Company entitle the owner with profit sharing for each year under the same conditions, and the owners of each preferred share are also entitled with the priority in the capital reimbursement, without premium, in the case of the Company's liquidation and, in the case of the disposal of shareholding control, both through one transaction or continuous transactions, the right to dispose the shares under the same terms and conditions assured to the Disposing Controlling Shareholder (tag-along with 100% of the price).

(Amounts expressed in thousands of reais, unless otherwise indicated)

Allocation of income for the year	12/31/2021	12/31/2020
Net income for the year	2,213,714	2,262,927
Tax incentive reserve	(15,746)	(25,083)
Adjusted net income for the year	2,197,968	2,237,844
Minimum mandatory dividends - 50% (R$1.06336 per common and preferred share in 2021 and R$1.08266 per common and preferred share in 2020 – in Brazilian Reais-R$)	1,098,984	1,118,922
Interim dividends paid (R$0.69914 per common and preferred share in 2021 and R$0.78545 per common and preferred share in 2020 - in Reais)	(722,558)	(811,756)
Interest on shareholders' equity paid (R$0.25836 per common and preferred share in 2021 and R$0.22513 per common and preferred share in 2020 - in Reais)	(267,019)	(232,674)
	(989,577)	(1,044,430)
IRRF (Withholding income tax) on interest on shareholders' equity	37,604	31,417
Interim dividends and interest on shareholders' equity paid attributed to minimum mandatory dividends.	(951,973)	(1,013,013)
Minimum mandatory dividends (R$0.14225 per common and preferred share in 2021 and R$0.10248 per common and preferred share in 2020)	(147,011)	(105,909)
Additional dividends proposed (R$0.63211 per common and preferred share in 2021 and R$0.44125 per common and preferred share in 2020 - in Reais)	(653,282)	(456,035)
Special reserve	(408,098)	(631,470)
Summary of allocations:		
Reserves	(423,844)	(656,553)
Dividends and interest on shareholders' equity (R$1.73186 per common and preferred share in 2021 and R$1.55431 per common and preferred share in 2020 - in Reais)	(1,789,870)	(1,606,374)
	(2,213,714)	**(2,262,927)**

16. CREDIT (EXPENSE) FROM INCOME TAX AND SOCIAL CONTRIBUTION

	Consolidated		Parent company	
	2021	2020	2021	2020
Current IRPJ and CSLL	(21,763)	(27,698)	(6,202)	(10,421)
Deferred income tax and social contribution	(389,667)	(428,557)	(217,411)	(267,863)
	(411,430)	**(456,255)**	**(223,613)**	**(278,284)**

Reconciliation of effective rate of IRPJ and CSLL - Taxable income	Consolidated		Parent company	
	2021	2020	2021	2020
Income (loss) before taxes	2,625,144	2,719,182	2,437,327	2,541,211
IRPJ and CSLL expenses, calculated at the rate of 34%	(892,549)	(924,522)	(828,691)	(864,012)
Equity in net income of subsidiaries	265,689	283,541	500,357	482,242
Tax incentive - IRPJ (Corporate Income Tax) - SUDAM/SUDENE	36,588	39,253	15,746	25,083
Tax benefit - IRPJ - Audiovisual Sponsorships	1,100	1,800	1,100	1,800
JCP paid	90,787	79,109	90,787	79,109
Consolidated companies - Deemed Income	108,412	68,229	-	-
Other	(21,457)	(3,665)	(2,912)	(2,506)
IRPJ (Corporate Income Tax) and CSLL (Social contribution on net income) expense	**(411,430)**	**(456,255)**	**(223,613)**	**(278,284)**
Effective rate	**16%**	**17%**	**9%**	**11%**

Tax benefit - SUDAM/SUDENE

The Company and its subsidiaries ATE III and Brasnorte are entitled to tax benefits granted by the Superintendency of Development for the Amazon - SUDAM and by the Northeast Development Authority (SUDENE), which represent a reduction of 75% of income tax owed due to exploration of transmission concessions. Such benefits have some obligations, among which we highlight the following: (a) distribution to shareholders of tax amount not paid as a result of this benefit is prohibited; (b) recognition of a tax benefit reserve with amounts resulting from this benefit, which may only be used to absorb losses or increase capital; and (c) obtained benefit must be invested in activities directly related to production in benefitted region.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Concession	Authorizing Agency	Constitutive report	Location	Term
Parent company				
TSN	SUDENE	139/2014	BA and GO	12/31/2023
NVT	SUDAM	207/2014	TO|MA|DF	12/31/2023
GTE	SUDENE	143/2014	PB|PE	12/31/2023
MUN	SUDENE	138/2014	BA	12/31/2023
ATE II	SUDENE | SUDAM	38/2007 | 237/2017	TO|PI|MA|BA	12/31/2026 | 12/31/2017 (*)
PAT	SUDENE	100/2016	RN	12/31/2025
Subsidiaries				
ATE III	SUDAM	222/2018	PA|TO	12/31/2027
BRAS	SUDAM	239/2018	MT	12/31/2027
MIR	SUDAM	(**)	TO	(**)

(*) Benefit approved by SUDENE by means of Appraisal Report 0237/2017 and ratified by Federal Revenue Service. The benefit by the area with incentive from SUDAM, approved by Appraisal Report 38/2007 is in phase of renewal. (**) On November 29, 2019, Taesa completed the last energizations of the Miracema undertaking, and is currently in the process of preparing the project to request the final report before SUDAM.

Considering all companies merged by Taesa over the last years, the Company's total tax benefit on December 31, 2021 is approximately 56.26% on income from exploration of benefited areas.

The Company and its subsidiaries do not incur non-performance of the obligations of the conditions relating to tax benefits.

Tax Benefit - NTE - On December 28, 2004, NTE registered with the Federal Revenue Service a request for recognition of the right to reduce Corporate Income Tax based on Constitutive Report 323/04, issued by SUDENE, which granted to the concessionaire tax benefit of 75% reduction in Corporate Income tax from 2005 to 2013.

Pursuant to the terms of prevailing Law, as a result of elapsing of 120 days counted as of request presentation as provided for in paragraph 1 of Article 60 of Federal Revenue Service (SRF) Regulatory Instruction 267/02, and without Federal Revenue Service having issued an opinion about claim made, NTE obtained tacit recognition of the right to Corporate Income tax reduction and started to legitimately enjoy such tax benefit beginning as of calendar-year 2005.

On July 9, 2012, the Federal Revenue Service (RFB) communicated NTE, through Decision 237/12, that it did not prepare the request for recognition of the right to Corporate Income tax reduction filed by NTE because it understood that presentation of the Constitutive Report original copy was an indispensable condition for claim analysis, and decided that the request was misbegotten for not complying with this requirement. Since then, the Company has been filling appeals with the competent bodies.

Based on arguments and evidences presented and on its external legal advisors, Management considers that tax benefit amount determined up to December 31, 2012, of R$64,988, was properly recognized and that likelihood of administrative and court losses is remote. As regards benefits determined beginning as of the date in which said Order was known (July 9, 2012) up to December 31, 2013 (benefit effective period), the Company will only enjoy this reduction of R$14,308 after conclusion of lawsuit.

There were no updates to the process up to December 31, 2021.

17. INSURANCE COVERAGES

Taesa and its subsidiaries and subsidiaries adopt the policy of contracting insurance coverage for assets subject to risks to cover eventual casualties, considering the nature of its activity, have insurance coverage against fire and multiple peril for tangible assets tied to the concession, except for project's transmission lines. Such fact is a consequence of coverage comprised in policies not been compatible with the actual risks of transmission lines and premiums charged in the insurance and reinsurance market being extremely high. The Company and its subsidiaries maintain only an insurance for damages in equipment in an amount greater than R$500, sheds and inventories and civil liability coverage for directors and administrators - "Director and Officer - D&O" and fleet.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Type of insurance	Insurance company	Maturity	Maximum indemnity limit	DM - Value at risk (*)	Full Indemnity	Premium
General liability	FACTOR	09/20/2021–09/19/2022	10,000	-	-	61
Operating risk	Mapfre Seguros FAIRFAX	06/01/2021–12/01/2022 07/31/2021–07/30/2022	- -	1,073,586 80,921	- -	3,445 203
Vehicle insurance – Fleet	Tokio Marine Sompo	03/06/2021–03/05/2022 07/19/2021–07/18/2022	-	-	100% FIPE table	147 167
Directors' and officers' civil liability	EZZE	09/18/2021–09/18/2022	40,000	-	-	52

(*) DM – Material damage to third parties - R$600; personal injuries to third parties - R$600; personal accidents - R$5; and pain and suffering - R$60.

Guarantee insurance of faithful compliance

Subsidiaries JAN and SAN contracted insurance of faithful compliance for losses deriving from non-performance of obligations assumed in concession contract, referring solely to construction, operation and maintenance of facilities described in said contract.

Concession	Auction	Insurance company	Maturity	Insured amount
JAN	13/2015 – step 2	Austral Seguradora S.A.	02/07/2017–11/06/2022	95,960
SAN	004/2018	Fator Seguradora S.A.	03/02/2019–12/17/2023	30,518

The Company's insurance is purchased according to the respective risk management and insurance policies, and considering its nature, is not in the scope of our independent auditors.

18. FINANCIAL INSTRUMENTS

18.1 Risk management structure

Risk management of the Company and its subsidiaries intends to identify and analyze risks considered relevant by Management, including market (currency, interest rate and other operating risks), credit and liquidity risks. The Company and its subsidiaries do not contract or trade financial instruments, including derivative financial instruments for speculative purposes.

18.2 Capital risk management

The Company and its subsidiaries manage its capitals to ensure the maintenance of its regular activities and, at the same time, maximize return to all stakeholders or parties involved in its operation, through debt and equity balance optimization. Capital structure is formed by net indebtedness, that is, loans and financing, derivative financial instruments, debentures, and lease liability, less cash and cash equivalents, securities, and shareholders' equity.

(Amounts expressed in thousands of reais, unless otherwise indicated)

18.3 Categories of financial instruments

	Consolidated		Parent company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Financial assets				
Fair value through profit or loss:				
- Securities	9,948	9,586	4,906	4,708
- Cash equivalents - Interest earning bank deposits	380,602	889,348	176,760	663,669
Amortized cost:				
- Cash and banks	4,222	6,683	3,011	1,263
- Accounts receivable from concessionaires and permissionaires	233,401	210,013	168,668	176,308
- Advance Apportionment and Adjustment Portion	939	4,126	-	2,617
	629,112	**1,119,756**	**353,345**	**848,565**
Financial liabilities				
Fair value through profit or loss:				
- Loans and financing	561,265	508,167	561,265	508,167
- Derivative financial instruments	(207,267)	(157,169)	(207,267)	(157,169)
Fair value through other comprehensive income				
- Derivative financial instruments	33,679	47,061	33,679	47,061
Other financial liabilities at amortized cost:				
- Suppliers	131,622	85,086	43,702	36,858
- Loans and financing	68,480	535,857	8,456	470,495
- Debentures	6,159,351	5,177,389	5,167,673	4,330,430
- Lease liability	15,790	31,373	14,732	30,221
- Advance Apportionment and Adjustment Portion	25,285	3,432	13,296	-
	6,788,205	**6,231,196**	**5,635,536**	**5,266,063**

18.4 Market risk

18.4.1 Foreign exchange rate risk management

The Company is subject to currency risk in the loans denominated in a currency other than the Company's functional currency, the Real (R$).

On December 31, 2021, the Company had 8.46% (R$561,265) of its total debt (loans and financing, debentures, financial instruments and lease liability) linked to foreign exchange rate. To mitigate this risk, the Company contracted derivative financial instruments ("swap") to protect total principal and interest future payments from fluctuations in US dollar and in interest rate (Libor). The Company intends to settle both instruments on the same date.

18.4.2 Interest rate risk management

The Company and its subsidiaries' income is adjusted on a monthly basis at inflation rates. In case of deflation, the concessionaires will have their income reduced. In case of sudden increase of inflation, the concessionaires could not have their income timely adjusted, consequently suffering impacts on income (loss).

To minimize the risk of raising insufficient funds with adequate costs and reimbursement periods, the Company permanently monitors its obligations' payment schedule and cash generation. There were no changes in Company's market risk or in the management and measurement method of these risks.

The Company and its subsidiaries are exposed to fluctuations of floating interest rate for loans and financing, debentures and financial investments. This risk is administered by monitoring changes in interest rates and by maintaining a proper mix of assets and liabilities denominated in floating interest rates. Moreover, the Company contracts different interest rate swaps, in which the Company agrees to exchange, at specific intervals, the difference between the amounts of the variable interest rates (CDI) calculated based on the notional principal amount agreed between the parties. Said swaps are intended to hedge the debenture obligations that are the hedge object. On December 31, 2021, after considering the effect of interest rate swaps, approximately 74.63% of the debentures issued by the Group were subject to inflation adjustment + a fixed rate.

(Amounts expressed in thousands of reais, unless otherwise indicated)

The Company's debt is segregated by index in Note 13.1 – Loans and Financing and Note 13.2 – Debentures.

18.5 Hedge accounting activities and derivative financial instruments

Derivatives not designated as hedge instruments

In the management of its exposures, the Company raises loans in foreign currency and enters into swap contracts. These forward currency contracts are not designated as cash flow hedges, fair value hedges or net investment hedges, but are entered into for periods consistent with the currency transaction exposures.

The Company and its subsidiaries contract derivative financial instruments to administer their exposure to risk related to foreign exchange rate, i.e., foreign exchange swap without cash - US$ versus CDI.

	Citibank foreign exchange swap – Renegotiation
Reference value (notional) as of 12/31/2021	US$ 98,592
Reference value (Notional) as of 12/31/2020	US$ 98,592
The company's right to receive (long position)	(3-month Libor + Spread: 0.34%) – (1) 1.17647
The company's obligation to pay (short position)	106.0% CDI
Maturity on	05/10/2023
Long position - 12/31/2021	561,265
Short position - 12/31/2021	(353,998)
"Swap" assets (liabilities) as of 12/31/2021(2)	207,267
"Swap" assets (liabilities) as of 12/31/2020(2)	157,169
Amount receivable (payable) as of 12/31/2021	207,267
Amount receivable (payable) as of 12/31/2020	157,169
Fair value as of 12/31/2021	207,267
Fair value as of 12/31/2020	157,169
Gains (losses) 01/01/2021–12/31/2021	40,533
Gains (losses) 01/01/2020–12/31/2020	110,319

(1) Factor 1.17647 represents gross up of income tax owed upon amortization and interest payments.
(2) Unrealized gains recorded in the parent company's balance sheet and in consolidated, deriving from swaps.

The transactions are registered with clearance and custody chambers. There is no margin deposited in guarantee, and the operation has no initial cost.

Derivatives designated as hedge instruments - Cash flow hedges

As of January 2020, the Company designated derivatives in the amount of R$400,000 million, referring to part of the issuance of its debentures, as a hedge instrument for a cash flow hedge structure. The derivatives contracted were swaps that exchange the risk of 108% of the CDI (interest rate on debentures) for the IPCA + fixed rates.

(Amounts expressed in thousands of reais, unless otherwise indicated)

The effect of cash flow hedge on the statement of income and in other comprehensive income is presented below:

Hedge rating	Hedged item	Hedge instrument	Reference value	Index	Maturity	Gain (loss) in Other comprehensive income
						12/31/2021
Cash flow hedge	Debenture indexed at 108% of CDI	Swaps	50,000	IPCA + 3.94%	05/15/2026	6,983
			50,000	IPCA + 3.91%	05/15/2026	6,946
			100,000	IPCA + 4.00%	05/15/2026	13,971
			50,000	IPCA + 3.53%	05/15/2026	8,796
			50,000	IPCA + 3.66%	05/15/2026	6,638
			100,000	IPCA + 3.99%	05/15/2026	13,880
Parent company and Consolidated						**57,214**

Changes in derivative financial instruments

Contract	12/31/2020	Interest, inflation adjustment and exchange-rate change	Fair value adjustment (Income)	Fair value adjustment (OCI)	(Payments) Receipts	12/31/2021
SWAP contract (Citibank 4131) [1]	(157,169)	(31,484)	(9,049)	-	(9,565)	(207,267)
SWAP contract (Santander) [2]	15,460	16,936	-	(20,518)	(581)	11,297
SWAP contract (BR Partners) [2]	18,155	17,481	-	(20,917)	(850)	13,869
SWAP contract (Itaú) [2]	5,946	5,785	-	(6,983)	(266)	4,482
SWAP LP Agreement (ABC Brasil) [2]	7,500	5,409		(8,796)	(82)	4,031
Parent company and Consolidated	**(110,108)**	**14,127**	**(9,049)**	**(57,214)**	**(11,344)**	**(173,588)**

Lender	12/31/2019	Interest, inflation adjustment and exchange-rate	Fair value adjustment (Income)	Fair value adjustment (OCI)	Hedge accounting adjustments	(Payments) Receipts	12/31/2020
SWAP contract (Citibank 4131)	(43,907)	(112,295)	1,984	-	-	(2,951)	(157,169)
SWAP contract (Santander)	128	7,523	-	7,832	826	(849)	15,460
SWAP contract (BR Partners)	995	9,005	-	8,373	826	(1,044)	18,155
SWAP contract (Itaú)	77	3,014	-	2,860	327	(332)	5,946
SWAP LP Agreement (ABC Brasil)	(129)	3,352	-	4,115	327	(165)	7,500
Parent company and	**(42,836)**	**(89,401)**	**1,984**	**23,180**	**2,306**	**(5,341)**	**(110,108)**

[1] Derivative financial instrument and loan measured at fair value. [2] Financial instrument measured at fair value and debentures at amortized cost.

18.6 Sensitivity analysis of financial instruments and derivatives

The Company and its subsidiaries carried out sensitivity analyses as required by accounting practices, prepared based on net exposure to variable rates of relevant derivative and non-derivative asset and liability financial instruments outstanding at the end of this report’s year, assuming that the value of assets and liabilities below were outstanding during the entire year, adjusted based on rates estimated for a probable scenario of risk behavior that may generate adverse results, in case it occurs.

Rates used to calculate probable scenarios are referenced by an independent, external source, and these scenarios are used as the basis to define two additional scenarios with deterioration of 25% and 50% in risk variable (scenarios A and B, respectively) considered for net exposure, when applicable, as follows:

(Amounts expressed in thousands of reais, unless otherwise indicated)

	Probable scenario	Scenario A (25% deterioration)	Scenario B (50% deterioration)	Realized up to December 31, 2021 Annualized
CDI (i)	11.75%	14.69%	17.63%	4.39%
IPCA (i)	5.44%	6.80%	8.16%	10.06%
Libor (ii)	0.3390%	0.4238%	0.5085%	0.2160%
PTAX	5.6000	7.0000	8.4000	5.5805

(i) According to data disclosed by the Central Bank of Brazil (BACEN) (Focus Report - Mediana Agregado), on February 04, 2021. (ii) As rates disclosed on Bloomberg website on February 04, 2021.

Sensitivity analysis of the net exposure of financial instruments to an increase in interest rates and/or foreign exchange	Balance at 12/31/2021	Effect on income before taxes - from January to December 2021 – increase (decrease)		
		Probable	Scenario A	Scenario B
Unhedged				
Consolidated				
Financial assets				
Cash equivalents and securities				
- CDI	390,550	28,745	40,217	51,689
Financial liabilities				
Financing and debentures				
- CDI	1,576,999	(116,109)	(162,433)	(208,758)
- IPCA	4,768,914	220,324	155,467	90,609
		132,960	**33,251**	**(66,460)**
Unhedged				
Parent company				
Financial assets				
Cash equivalents and securities				
- CDI	181,666	13,371	18,707	24,043
Financial liabilities				
Financing and debentures				
- CDI	1,576,999	(116,109)	(162,433)	(208,758)
- IPCA	3,672,619	169,615	119,727	69,780
		66,877	**(23,999)**	**(114,935)**
Hedged				
Parent company and Consolidated				
Financial liabilities (protected debt)				
Loans and financing				
- Libor	561,265	(690)	(1,166)	(1,642)
- Dollar	561,265	(1,961)	(142,768)	(283,574)
Derivatives				
Asset leg – Libor	(561,265)	690	1,166	1,642
Asset leg – Dollar	(561,265)	1,961	142,768	283,574
Liability leg - CDI	353,998	(26,064)	(36,462)	(46,861)
Net effect		**(26,064)**	**(36,462)**	**(46,861)**
Financial liabilities				
Debentures				
- CDI	404,272	(29,765)	(41,641)	(53,516)
- IPCA	437,950	20,233	14,277	8,321
Derivatives				
Long position - CDI	(404,272)	29,765	41,641	53,516
Short position - IPCA	(437,950)	(20,233)	(14,277)	(8,321)
Net effect		-	-	-

(Amounts expressed in thousands of reais, unless otherwise indicated)

18.7 Credit Risk Management

Credit risk refers to the risk of a counterparty not complying with its contractual obligations, thus causing the Company to incur financial losses. This risk derives basically from investments held with Banks and financial institutions.

Credit risk of funds and derivative financial instruments is limited because counterparties are represented by Banks and financial institutions that have satisfactory credit rating levels, showing great likelihood that no counterparty fails to comply with its obligations.

As regards credit risk deriving from client transactions and concession contract asset, Management understands that it is not necessary to recognize a provision for losses or credit analyses in relation to its clients, as CUST, entered into by ONS and network users, which has the purpose of ensuring receipt of amounts owed by users for transmission companies for the services rendered. Furthermore, the CUST implements mechanisms to protect the payment of charges by users through the execution of the Guarantee Constitution Agreement - CCG or the Bank Guarantee Letter - CFB. It is through CUST that the management of the collection and settlement of charges for the use of transmission and the execution of the guarantee system is carried out, in which ONS acts on behalf of the transmission concessionaires. Main advantages of these protection mechanisms are: (i) diluted risks, as all users have the obligation to pay all the transmission companies; (ii) Financial guarantees are provided individually by users; and (iii) payment discussions take place between transmission companies and users. In case of non-payment, the Company as a transmission agent may request ONS to resort to the user's bank guarantee in connection with the guarantee agreement (CCG) or bank letter of guarantee (CFB).

18.8 Liquidity risk management

The Company and its subsidiaries manage liquidity risk by maintaining proper reserves and bank credit facilities and they also manage liquidity risk to raise loans - through monitoring cash flows and maturity profiles.

Table below: (a) shows in detail the remaining contractual maturity of non-derivative financial liabilities (and the contractual repayments terms of the Company and its subsidiaries); (b) was prepared in accordance with financial liabilities undiscounted cash flows based on the closest date in which the Company and its subsidiaries shall settle respective obligations; and (c) includes interest and principal cash flows.

Loans, financing and debentures	Up to 1 month	1–3 months	3–12 months	1–5 years	>5 years	Total
Floating rate	46,040	1,695	1,158,477	2,993,557	9,346,732	13,546,501
Fixed	773	1,532	6,789	2,014	-	11,108
Derivative financial instruments	-	7,974	73,212	601,629	508,142	1,190,957
Consolidated	**46,813**	**11,201**	**1,238,478**	**3,597,200**	**9,854,874**	**14,748,566**
Floating rate	46,040	1,695	1,158,477	2,993,557	9,346,732	13,546,501
Fixed	563	1,116	4,934	2,014	-	8,627
Derivative financial instruments	-	7,974	73,212	601,629	508,142	1,190,957
Parent company	**46,603**	**10,785**	**1,236,623**	**3,597,200**	**9,854,874**	**14,746,085**

18.9 Management of operating risks

It is the risk of direct or indirect losses arising from different causes related to the Company's processes, personnel, technology and infrastructure and external factors, except credit, market and liquidity risks, as those arising from legal and regulatory requirements and from generally accepted corporate behavior standards. Main operating risks that the Company and its subsidiaries are exposed to are the following:

Regulatory risks - Extensive governmental legislation and regulation issued by the following bodies: Ministry of Environment (MME), ANEEL, ONS, Ministry of Mines and Energy and Brazilian Securities Commission (CVM). If the Company infringes any provisions of applicable law or regulation, such infringement may result in the imposition of sanctions by the competent authorities.

Insurance risk - Hiring of operating risk and civil responsibility insurance for their substations. Despite the adoption criteria for obtaining insurance against operating risks and civil liability with the purpose of employing practices adopted by other representative companies in the activity, damage to transmission lines such as losses due to fire, lightning, explosions, short-circuits, and electricity outage are not covered by this insurance, which may give rise to significant costs and additional investments.

Risk of interruption in services - In case of interruption in services, the Company and its subsidiaries will be subject to reduction in their income due to application of certain penalties, depending on the type, level and duration of service unavailability, as rules established by regulatory body. In case of extended interruptions, the effects may be relevant.

Risk of construction and development of infrastructure - in the event the Company and its subsidiaries shall expand its business by constructing new transmission installations, it may incur in risks inherent to the construction activity, delays in the execution of the work, and potential environment damages that may result in costs not provided for and/or penalties. If any delay or environmental damage occurs in connection with the construction and development of infrastructures, such events may adversely affect the operating performance of the Company and its subsidiaries or delay their expansion programs, in which case the financial performance of the Company or its subsidiaries could suffer an adverse impact.

Since the Company and its subsidiaries may depend on third parties to provide the equipment used in their facilities, they are subject to price increases and failures on the part of such suppliers, including delays in delivery or delivery of damaged equipment. Such failures could adversely affect the activities and have an adverse effect on the results.

Additionally, due to the technical specifications of equipment used in their facilities, some suppliers are at their disposal and one single supplier for certain equipment, there is only one supplier.

If a supplier discontinues the production or stop the sale of any equipment purchased, they may not be able to acquire such equipment with other suppliers. In this case, the provision of electricity transmission service provided may be materially affected, and the Company and its subsidiaries may be obliged to make not expected investments in order to develop or fund the development of new technology to replace the unavailable equipment, which may negatively impact the financial condition and operating income.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Technical risk - Events related to Act of God or force majeure may cause economic and financial impacts bigger than those provided for in the original project. In such cases, the costs necessary to replace installations in operating conditions should be supported by the Company and its subsidiaries. If such risks materialize, the Company's financial and operating performance could be adversely affected.

Litigation risk - The Company and its subsidiaries are parties to a number of lawsuits and administrative proceedings which are followed-up by legal advisors. The Company periodically analyzes information made available by its legal advisors to conclude on likelihood of obtaining success in lawsuits, avoiding financial losses and damage in reputation and seeking for cost effectiveness.

Top Management is responsible for developing and implementing controls to mitigate operating risks. (i) Proper function segregation requirements, including independent authorization of operations; (ii) Transaction reconciliation and monitoring requirements; (iii) conformity with regulatory and legal requirements; (iv) documentation of controls and procedures; (v) Requirements of periodic evaluation of operating risks and adequacy of controls and procedures to address identified risks; (iv) Operating loss reporting requirements and proposed corrective measures; (vii) development of contingency plans; (viii) Training and professional development; (ix) ethical and commercial standards; and (x) risk mitigation, including insurance, if effective.

18.10 Fair value hierarchy of derivative and non-derivative financial instruments

The different levels were defined as follow: (a) Level 1 – Prices quoted (not adjusted) in active markets for identical assets and liabilities; (b) Level 2 - inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices). and (c) Level 3 - assumptions, for assets or liabilities, which are not based on observable market data (non-observable inputs). There was no change in the level of these financial instruments in the year ended December 31, 2021.

18.10.1 Financial instruments stated at fair value through profit or loss

	Note	12/31/2021	12/31/2020	Fair value hierarchy
Consolidated				
Securities	5	9,948	9,586	Level 2
Cash equivalents - Interest earning bank deposits	4	380,602	889,348	Level 2
Financial assets		**390,550**	**898,934**	
Loans and financing	13,1	561,265	508,167	Level 2
Derivative financial instruments	18,5	(207,267)	(157,169)	Level 2
Financial liabilities		**353,998**	**350,998**	

18.10.2 Financial instruments not measured at fair value through profit or loss (however, fair value disclosures are required)

Except as detailed in table below, Management considers that accounting values of other financial assets and liabilities not measured at fair value and recognized in this financial information approximate their fair values.

(Amounts expressed in thousands of reais, unless otherwise indicated)

	Note	12/31/2021		12/31/2020		Fair value hierarchy
		Book value	Fair value	Book value	Fair value	
Consolidated						
Debentures - Financial liabilities	13,2	6,159,351	5,933,954	5,177,389	5,325,196	Level 2
Parent company						
Debentures - Financial liabilities	13,2	5,167,673	5,002,135	4,330,430	4,432,879	Level 2

Debentures: Management considers that debentures' accounting balances, classified as "other financial liabilities at amortized cost" approximate their fair values, except when these debentures have Unit Price (PU) in secondary market close to report period whose fair value were measured based on quotation.

As regards other financial assets and liabilities not measured at fair value, Management considers that book values approximate fair values, as: (i) they have average receipt/ payment period of less than 60 days; (ii) they are concentrated on fixed income securities remunerated at CDI rate; and (iii) there are no similar instruments with comparable maturities and interest rates.

19. EARNINGS PER SHARE

	Parent company	
	2021	2020
Net income for the year	2,213,714	2,262,927
Net income for the year proportional to common shares (1)	1,265,289	1,293,418
Weighted average number of common shares (2) (*)	590,714	590,714
Net income for the year proportional to preferred shares (3)	948,425	969,509
Weighted average value of preferred shares (4) (*)	442,783	442,783
Earnings per common share - Basic and diluted in R$ = (1) and (2) (**)	2.14196	2.18958
Earnings per common share - Basic and diluted in R$ = (3) and (4) (**)	2.14196	2.18958

(*) Quantity per thousand shares. (**) The Company does not have instruments with a dilutive effect.

20. NET OPERATING INCOME

Breakdown of the net operating income	Consolidated		Parent company	
	2021	2020	2021	2020
Remuneration of concession contract assets	807,358	657,818	567,988	486,482
Inflation adjustment of concession contract assets	1,216,276	1,007,626	770,555	862,760
Operation and maintenance	826,013	676,162	735,580	600,538
Infrastructure implementation income	915,031	1,523,739	6,932	10,736
Variable portion (a)	(20,792)	(23,136)	(16,699)	(17,120)
Other income	23,966	32,402	22,952	18,160
Gross operating income	**3,767,852**	**3,874,611**	**2,087,308**	**1,961,556**
Current PIS and COFINS	(111,957)	(95,402)	(80,650)	(73,916)
Deferred PIS and COFINS	(113,312)	(150,115)	(30,853)	(23,653)
ISS	(638)	(507)	(638)	(507)
ICMS	(129)	(93)	(76)	(13)
Sectoral charges (b)	(69,767)	(67,208)	(58,910)	(58,515)
Deductions from income	**(295,803)**	**(313,325)**	**(171,127)**	**(156,604)**
Net operating income	**3,472,049**	**3,561,286**	**1,916,181**	**1,804,952**

(a) Portion to be deducted from transmission company income because public transmission service was not properly provided. Variable portion may be classified into *Not scheduled*, when system is not available due to accident, and into *Scheduled* when transmission line equipment is maintained. (b) Sectorial charges defined by ANEEL, provided for in the law, and intended to P&D benefits, establishment of RGR of public services, Inspection Rate, Energy Development Account and Alternative Electricity Sources Incentive Program.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Performance obligation margins	**Consolidated**		**Parent company**	
	2021	**2020**	**2021**	**2020**
Infrastructure implementation				
- Income	915,031	1,523,739	6,932	10,736
- Costs	(464,136)	(883,675)	(1,998)	(6,113)
Margin (R$)	**450,895**	**640,064**	**4,934**	**4,623**
Perceived margin (%) *(*)*	**49.28%**	**42.01%**	**71.18%**	**43.06%**
Operation and maintenance – O&M				
- Income	826,013	676,162	735,580	600,538
- Costs	(184,852)	(164,304)	(135,900)	(130,955)
Margin (R$)	**641,161**	**511,858**	**599,680**	**469,583**
Perceived margin (%) *(**)*	**77.62%**	**75.70%**	**81.52%**	**78.19%**

(*) Changes mainly refers to: (i) lower investments in the JAN concession with the completion of the project in 2021; and (ii) higher investments in the SAN concession in 2021, according to the work schedule. (**) The change mainly refers to higher O&M costs in 2021.

Reconciliation between gross and recorded income corporate income tax and social contribution	**Consolidated**		**Parent company**	
	2021	**2020**	**2021**	**2020**
Gross operating income	3,767,852	3,874,611	2,087,308	1,961,556
(+/-) Effects of corporate adjustments and taxation at cash system	(1,335,228)	(2,076,758)	(657,766)	(793,105)
Taxable gross operating income	**2,432,624**	**1,797,853**	**1,429,542**	**1,168,451**

21. NATURE OF COSTS AND EXPENSES

	Consolidated		**Parent company**	
	2021	**2020**	**2021**	**2020**
- Direct remuneration	(98,277)	(91,344)	(88,251)	(83,564)
- Benefits	(49,293)	(41,593)	(43,004)	(37,464)
- FGTS and INSS	(35,439)	(33,678)	(31,859)	(30,553)
Personnel	**(183,009)**	**(166,615)**	**(163,114)**	**(151,581)**
- Cost of infrastructure implementation	(464,136)	(883,675)	(1,998)	(6,113)
- Operation and maintenance	(32,077)	(34,587)	(22,632)	(28,383)
- Other	(5,598)	(3,818)	(3,543)	(2,862)
Material	**(501,811)**	**(922,080)**	**(28,173)**	**(37,358)**
Outsourced services	**(85,401)**	**(72,863)**	**(67,599)**	**(58,633)**
Depreciation and amortization	**(22,652)**	**(15,280)**	**(21,718)**	**(14,703)**
- Indemnities	531	(8,306)	(161)	(7,927)
- Sponsorships	(4,067)	(5,622)	(3,055)	(4,482)
- Insurance	(2,775)	(2,897)	(2,120)	(1,698)
- Taxes and contributions	(4,909)	(708)	(797)	(443)
- Asset write-off	(11,585)	-	-	-
- Other	(2,556)	(6,152)	(965)	(3,880)
Other operating costs and expenses	**(25,361)**	**(23,685)**	**(7,098)**	**(18,430)**
Total costs and expenses	**(818,234)**	**(1,200,523)**	**(287,702)**	**(280,705)**

Statement of income uses cost and expenses classification based on their function, and nature of their main amounts is as follows:

Costa and expenses with outsourced services: Expenditures on operation and maintenance, sharing of facilities, communication, surveillance and cleaning of Right of Way, expenses on administrative and legal consulting services, printing services, maintenance of properties, transportation, communication, vehicle maintenance, travel, and auditing.

Costs and expenses with materials: Expenses related to the construction, operation and maintenance of transmission lines and substations.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Other operating costs and expenses: Expenditures with rents, insurance, expenses with fees, contributions, consumption material, gains on disposal of assets, write-off of assets in the SPT concession, indemnities, sponsorships, and environmental compensation.

22. FINANCIAL INCOME (EXPENSES)

	Consolidated		Parent company	
	2021	2020	2021	2020
Yields of interest earning bank deposits	34,283	38,813	23,645	24,213
Financial income	**34,283**	**38,813**	**23,645**	**24,213**
Loans and financing				
- Interest accrual	(21,100)	(28,079)	(13,088)	(25,176)
- Exchange-rate change	(44,080)	(114,958)	(44,080)	(114,958)
- Fair value adjustment	(9,049)	1,984	(9,049)	1,984
	(74,229)	**(141,053)**	**(66,217)**	**(138,150)**
Debentures				
- Interest accrual	(340,824)	(270,217)	(284,892)	(225,338)
- Inflation adjustments	(410,027)	(175,616)	(321,436)	(137,553)
	(750,851)	**(445,833)**	**(606,328)**	**(362,891)**
Derivative financial instruments				
- Interest accrual	(58,207)	(25,557)	(58,207)	(25,557)
- Exchange-rate change	44,080	114,958	44,080	114,958
- Fair value adjustment	9,049	(1,984)	9,049	(1,984)
	(5,078)	**87,417**	**(5,078)**	**87,417**
Total financial expenses related to debts	**(830,158)**	**(499,469)**	**(677,623)**	**(413,624)**
Lease	(2,633)	(2,697)	(2,535)	(2,564)
Other financial income (expenses), net	(11,601)	(12,170)	(6,277)	(9,419)
Financial expenses	**(844,392)**	**(514,336)**	**(686,435)**	**(425,607)**
Net financial income (expenses)	**(810,109)**	**(475,523)**	**(662,790)**	**(401,394)**

Financial expenses linked to debts - per type	Consolidated		Parent company	
	2021	2020	2021	2020
Interest accrual	(420,131)	(323,853)	(356,187)	(276,071)
Inflation adjustment	(410,027)	(175,616)	(321,436)	(137,553)
	(830,158)	**(499,469)**	**(677,623)**	**(413,624)**

23. PRIVATE PENSION PLAN – DEFINED CONTRIBUTION

The Taesaprev Plan was created at Forluz, a closed supplementary pension entity, of which the Company and its subsidiaries ATE III, MIR, JAN, BRAS, SAN, SJT, SPT and LNT became sponsors. The PREVIC approvals were published in the Official Gazette on March 27, 2012 (Taesa, ATE III, MIR, JAN) and August 2, 2021 (BRAS SAN, SJT, SPT AND LNT). On December 31, 2021, 72.68% of effective staff of the Company and its subsidiaries participated in Taesaprev Plan (75% as of December 31, 2020).

The Company's single obligation is to make contributions in accordance with the private pension plan's rules, which are settled up to the month subsequent to recognition of these expenses. The plan's assets are maintained segregated from the Company's other assets, under control of Forluz. Forluz main sponsor is CEMIG (founder-sponsor), one of the Company's parent company.

The Company may, at any time and following the law, request withdrawal of sponsorship, which will depend on approval by competent government authority and will be subject to pertinent law. In case of hypothetical withdrawal of the plan sponsor, sponsor's commitment is fully covered by the plan's assets. Liability, cost and expense values are presented in Note 12.

(Amounts expressed in thousands of reais, unless otherwise indicated)

24. OTHER INFORMATION

Operation and maintenance	Concessions
Carried out with own resources	Taesa (TSN, MUN, GTE, PAT, NVT, ETEO, STE, ATE, ATE II, NTE), ATE III, BRAS, JAN, LNT, MIR, SJT and SPT (maintenance), ETAU (maintenance of TL and SE of Barra Grande and SE Campos), ETEP (only the maintenance of transmission line), ECTE, ERTE (maintenance of TL and SE of Castanhal and operation of the entire concession), STC, LUMITRANS, EBTE, EATE (maintenance of TLs and SE of Açailândia), ENTE (Maintenance and operation of the whole concession since 12/20/2020), ETSE, EDTE.
Performed by Taesa	ATE III, BRAS, JAN, LNT, MIR, SJT and SPT (emergency and special operation and maintenance), and ETAU (emergency and special operation and maintenance of Barra Grande TL and SE and of Campos Novos SE)
Performed by Eletronorte	EATE (operation of the entire concession and maintenance of substations, except for Açailândia substation), ETEP (maintenance of Tucuruí and Vila do Conde substations and operation of the entire concession) and ERTE (maintenance of Vila do Conde and Santa Maria).
Performed by CEEE-GT	ETAU (operation and maintenance of Lagoa Vermelha TL and SE and Santa Marta SE)
Performed by CEMIG GT	ESDE, SGT, MAR, Transleste, Transirapé and Transudeste (SE Juiz de Fora 1 and LT)
Performed by Furnas	Transudeste (SE Itutinga)

Environmental impacts

The obligations for execution of Environmental Compensation projects are under way, based on schedules established in the relevant instruments, when applicable. Environmental compensations for which provisions were recognized by the Company and its subsidiaries are recorded under caption "Other accounts payable".

The national environment policy establishes that the regular operation of activities considered actually or potentially polluting, or that, in any way, cause degradation to the environment, is subject to prior environment licensing.

Permits issued for the Company and its subsidiaries						
Company	**Stretch**	**Operating Permit**	**Issuance Date**	**Maturity**	**Issuing Authority**	
Taesa (NVT)	Samambaia/DF –Imperatriz/MA	384/2004	09/06/2011	09/06/2021	IBAMA	(a)
Taesa (TSN)	Serra da Mesa/GO - Sapeaçu/BA	287/2002	08/27/2018	08/27/2028	IBAMA	
Taesa (MUN)	Camaçari II - Sapeaçu	2005-002212/TEC/LO-0044	07/24/2005	07/24/2010	IMA	(b)
Taesa (GTE)	Goianinha - Mussuré SE Norfil	339/2003 742/2019	06/26/2015 04/01/2019	06/26/2025 03/30/2024	IBAMA	
Taesa (PAT)	Paraíso-Açu	2018-130625/TEC/RLO-1289	06/05/2020	06/05/2026	IDEMA	(d)
Taesa (ETEO)	Taquaraçu – Sumaré	00026/2008	06/13/2008	06/13/2014	CETESB	(c)
Taesa (NTE)	Angelim - Campina Grande Xingó – Angelim	349/2003 350/2003	12/23/2015 12/23/2015	12/23/2025 12/23/2025	IBAMA	
Taesa (ATE)	Londrina – Araraquara	492/2005	02/29/2012	02/29/2022		
Taesa (STE)	Uruguaiana - Santa Rosa	08827/2019	12/26/2019	03/31/2022	FEPAM	(g)
Taesa (ATE II)	Colinas - Sobradinho	579/2006	02/01/2016	02/01/2026	IBAMA	
ATE III	Itacaiunas - Colinas Marabá - Carajás	753/2008 10275/2016	06/17/2008 12/28/2016	06/17/2012 12/17/2021	IBAMA SEMAS/PA	(a) (h)
MIR	SE Palmas SE Miracema Lajeado – Palmas SE Lajeado Miracema – Lajeado	3359/2019 3523/2019 4149/2019 4174/2019 5297/2019	07/11/2019 07/16/2019 08/07/2019 08/08/2019 09/02/2019	07/11/2024 07/16/2024 08/07/2029 08/08/2024 09/02/2029	NATURATINS	
MAR	Itabirito II – Vespasiano II	160/2018	01/24/2019	12/21/2028	COPAM	
SPT	LT 230 SE Barreira II, SE Rio Grande II-	10707/2017	11/06/2015	11/06/2020	INEMA	(b)

(Amounts expressed in thousands of reais, unless otherwise indicated)

Permits issued for the Company and its subsidiaries						
Company	**Stretch**	**Operating Permit**	**Issuance Date**	**Maturity**	**Issuing Authority**	
	Barreiras/São Desidério LT 230 SE Gilbués, SE Bom Jesus, SE Eliseu Martins – PI	382/2016	06/16/2016	06/16/2020	SEMAR-PI	(f)
SJT	LT 500 SE Gilbués II - SE São João do Piauí	381/2016	06/16/2016	06/16/2020	SEMAR-PI	(f)
LNT	LT Currais Novos II - Lagoa Nova II	111138/2017	12/08/2017	12/08/2023	IDEMA	(e)
	SE Currais Novos II	129600/2018	12/28/2018	12/28/2024		
BRA	Brasnorte – Nova Mutum	324072/2021	04/14/2021	04/13/2026	SEMAT/MT	
BRA	Juba – Jauru	312086/2015	10/07/2021	10/06/2026	SEMAT/MT	
JAN	LT 500 KV Bom Jesus da Lapa 2 - Janaúba 3 - Pirapora 2	1623/2021	08/31/2021	08/31/2031	IBAMA	

(a) Renewal requested to IBAMA and valid until its declaration (CONAMA Resolution 237/97);
(b) The Environment Institute (IMA) of the State of Bahia, (Decree 11235/08) exempts, specially, transmission or distribution lines from the renewal of the operating permit (LO);
(c) Renewal requested to CETESB and valid until its declaration;
(d) The former license 2014-072326 TEC/LS 0062 referring to the Sectioning of Paraíso-Açu Lagoa Nova II, effective up to 8/19/2020, was unified in the recent renewal of the license of Paraíso-Açu;
(e) Simplified license;
(f) Renewal requested to SEMAR/PI and valid until its declaration (CONAMA Resolution 237/97);
(g) Renewal requested to FEPAM/RS in a timely manner;
(h) Renewal requested to SEMAS/PA in a timely manner.

Permits issued subsidiaries, jointly-controlled subsidiaries and associated companies under construction					
Company	**Stretch**	**Installation Permit**	**Issuance Date**	**Maturity**	**Issuing Authority**
SAN	LT 230kV Livramento 3 / Santa Maria 3	417/2020	11/11/2020	11/11/2025	FEPAM
	LT 230kV Livramento 3 / Alegrete 2	140/2020	04/08/2020	04/08/2025	FEPAM
	SE Maçambará 3	147/2019	10/17/2019	10/18/2024	FEPAM
	SE Livramento 3	152/2019	10/18/2019	10/21/2024	FEPAM
Paraguaçu	LT 500 kV Poções 3 – Padre Paraíso 2 C 2	1287/2019	05/07/2019	12/31/2021	IBAMA (a)
Aimorés	LT 500 kV Padre Paraíso 2 – Governador Valadares 6 C2	1284/2019	04/18/2019	10/18/2021	IBAMA (a)
Ivaí	LT 230 KV Sarandi – Paranavaí Norte CD	23606/2019	06/18/2019	06/18/2023	IAP
	SE 230/138kV – Paranavaí Norte	23563/2019	05/01/2019	05/01/2023	IAP
	SE Sarandi 230kV/525kV	23550/2019	04/11/2019	04/11/2023	IAP
	SE Londrina 525Kv	23634/2019	08/05/2019	08/05/2023	IAP
	SE Guaira 525Kv/230kV	23649/2019	08/20/2019	08/20/2021	IAP (b)
	SE Foz do Iguaçu 525kV	23636/2019	08/06/2019	08/06/2023	IAP
	LT 525kV Guaíra – Sarandi – CD	23754/2019	12/20/2019	12/20/2021	IAP ©
	LT 525KV Foz do Iguaçu – Guaíra	23737/2019	12/09/2019	12/09/2021	IAP (d)
	LT 525Kv Sarandi – Londrina	23648/2019	08/20/2019	08/20/2023	IAP
ESTE	LT 500 KV SE Mesquita – SE João Neiva 2	1316/2019	10/15/2019	10/15/2023	IBAMA

(a) Request for Operating Permit made on 07/08/21.
(b) Request for Operating Permit made on 06/30/21.
(c) Request for Operating Permit made on 12/13/21.
(d) Request for Operating Permit made on 12/03/21.

COVID-19 - The beginning of 2020 was marked by the COVID-19 pandemic, which affected everyone and also Taesa. Since then, the Company has been adopting measures for the protection, safety and health of its employees, their families and local communities, with the purpose of protecting its greatest asset — people — and reducing the speed of dissemination of the new coronavirus within the country. Thus, we highlight the main measures implemented to date:

Employees' health protection

- Adoption of measures to safeguard our major asset, people, and guarantee the continuity of our operations;
- Frequent and updated communication for all employees on the new coronavirus;
- Gradual resumption of activities in a hybrid model, combining presential and remote work and maintaining all the necessary health and safety protocols;
- Monitoring of employees, providing support in the handling of suspected or positive COVID-19 cases;
- Provision of several service channels to take care of the physical and mental health of employees and their families;
- Flu Vaccination Campaign to everyone;
- Reinforcement of the communication on the importance of complying with protection and care measures (Campaign "I take care of you and you take care of me");
- Incentive to full immunization: 99.59% of the staff currently have 2 doses or 1 dose of Janssen vaccine and we are stressing the importance of the booster dose.
- Reinforcement of information on preventive care that should continue after the vaccine.

Continuity of operations and undertakings under construction

- Creation of the Overcoming Committee and the Supplier Management Committee;
- Maintenance of operation and maintenance activities to ensure the safety of people and the electrical system;
- Maintenance of high availability rates (99.86% in 2021);
- All works on the undertakings under construction are in progress;
- The Company continues working towards the fulfillment of the project delivery schedule;
- Maintenance of investments in undertakings under construction – R$ 2.5 billion invested between 2020 and 2021.

Preservation of the Company's financial health

- Maintenance of a comfortable liquidity position;
- Adequate debt profile with low costs and extended terms;
- The highest credit risk rating with Moody's and Fitch (AAA on the National Scale);
- 100% of the funds to finance the projects under construction were raised;
- Consistent operating cash generation, maintaining the Company's low historical default levels;
- Financial discipline linked to adequate remuneration to shareholders;
- Continuous monitoring of defaults and the effects of the crisis in the electricity sector;

Ananaí Undertaking – On December 17, 2021, the Company was awarded Lot 01 of Auction 002/2021, of 363 km of 500 Kv transmission lines, in the States of São Paulo and Paraná. The new undertaking, called Ananaí Transmissora de Energia Elétrica S.A. ("ANT"), will have a RAP of R$129,900, ANEEL CAPEX of R$1,750,054, a concession period of 30 years and an ANEEL construction period of 60 months, both as of the date of signature of the concession contract scheduled for March 2022.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Recognition of the exclusion of liability for delay in the start-up of commercial operation of LT Itabirito 2 – Vespasiano 2 – MAR - Through ANEEL Order 3257/2021 published in the Official Gazette on October 28, 2021, ANEEL deliberated on the requests presented by MAR. The Collegiate Executive Board of ANEEL recognized 883 days of contractual recomposition on behalf of MAR, extending the term of Concession Contract 011/2014, formalized through the execution of the Second Amendment to the Concession Contract on January 20, 2022.

For the delay portion attributed to MAR, a discount of R$2,011 was applied to the RAP, through the Variable Portion per Delay (PVA). This amount was discounted in 18 monthly installments, and fully paid-up in January 2022. Furthermore, an Administrative Fine in the amount of R$4,774 was issued.

In administrative proceedings, MAR requested a 25% discount (R$1,194) on the total amount of the fine from the Superintendence of Administration and Finance (SAF/ANEEL), using the benefits brought by REN 846/2019 (Penalties), which was granted by the Superintendence. The Federal Prosecutor's Office of ANEEL (PF), through Opinion 00370/2021/PFANEEL/PGF/AGU), stated that, in line with the final aspect of Article 38, in its § 2, of REN 846/2019, it is favorable to the reduction in the amount of the fine. Through SAF/ANEEL Memorandum 360/2021, SAF/ANEEL communicated the Superintendence of Concessions, Permissions and Transmission and Distribution Authorizations (SCT/ANEEL) on the settlement of the fine for the subsequent filing of the proceeding.

Statement of Regulatory Accounting - DCR - The statement of regulatory accounting for the year ended December 31, 2021 will be available on the Company's website until April 30, 2022, as provided for by the Accounting Manual for the Electric Sector.

25. SUBSEQUENT EVENTS

Resignation of Board of Directors' member – On January 24, 2022, Mr. Bernardo Vargas Gibsone renounced from board member's position of the Company's Management.

Payment of interest and amortization of the 1st issue of debentures by JAN – On January 17, 2022, JAN paid the debenture holders the amount of R$51,333, of which R$36,409 as interest and R$14,724 as amortization.

11th issue of Debentures - On January 15, 2022, the Company issued 800,000 simple, non-convertible and unsecured debentures for public placement, in two series, not monetarily restated.

	1st Series	2nd Series
Volume	150,000	650,000
Term	3 years	5 years
Interest	semiannual (no grace period)	semiannual (no grace period)
Amortization	annual (2nd and 3rd years)	annual (3rd, 4th and 5th years)
Remuneration	CDI + 1.18% p.a.	CDI + 1.36% p.a.

(Amounts expressed in thousands of reais, unless otherwise indicated)

Advance for future capital increase in subsidiary and capital increase in jointly-controlled companies:

Investee	Payment date	Approval date	Approving agency	Amount
Ananaí - AFAC	01/05/2022	01/03/2022	AGE	5,000
Aimorés – Capital increase	01/06/2022	12/02/2021	AGE	1,500
Paraguaçu – Capital increase	01/06/2022	12/02/2021	AGE	10,000
Aimorés – Capital increase	02/07/2022	12/02/2021	AGE	1,500
Paraguaçu – Capital increase	02/07/2022	12/02/2021	AGE	6,000

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Executive Board	
Officers	**Position**
André Augusto Telles Moreira	CEO
André Augusto Telles Moreira	Chief Legal and Regulatory Officer
Erik da Costa Breyer	CFO and Investor Relations Officer
Marco Antônio Resende Faria	Chief Technical Officer
Fábio Antunes Fernandes	Chief Business and Ownership Interest Management Officer
Luis Alessandro Alves	Chief Implementation Officer

Board of Directors
Full members
Reynaldo Passanezi Filho (CEMIG)
José Reinaldo Magalhães (CEMIG)
Reinaldo Le Grazie (CEMIG)
Jaime Leôncio Singer (CEMIG)
José João Abdalla Filho (CEMIG)
César Augusto Ramírez Rojas (ISA)
Fernando Augusto Rojas Pinto (ISA)
Fernando Bunker Gentil (ISA)
Luis Augusto Barcelos Barbosa (independent member)
André Fernandes Berenguer (independent member)
Celso Maia de Barros (independent member)
Hermes Jorge Chipp (independent member)

Audit Committee	
Full members	**Alternate members**
Custódio Antonio de Mattos (CEMIG)	Eduardo José de Souza (CEMIG)
Júlia Figueiredo Goytacaz Sant'Anna (CEMIG)	Luiz Felipe da Silva Veloso (CEMIG)
Manuel Domingues de Jesus e Pinho (ISA)	João Henrique de Souza Brum (ISA)
Murici dos Santos (Preferred minority shareholders)	Renato Venícius da Silva (Preferred minority shareholders)
Marcello Joaquim Pacheco (Preferred minority shareholders)	Alberto Jorge Oliveira da Costa (Preferred minority shareholders)

Wagner Rocha Dias
Accountant CRC RJ-112158/O-3
CPF (SSN) 778.993.777-49

Capital budget proposal

In compliance with article 196 of Brazil's Corporations Act and CVM Instruction 480, article 25, §1, item IV, we submit the proposed Consolidated Capital Budget for fiscal year 2021, for analysis and subsequent approval for submission to the Annual General Meeting to be held no later than April 29, 2022.

Aiming to meet its commitments, the Company proposes to allocate the amount of R$408,098,711.76 to the Special Reserve, whose approval will be submitted to shareholders, pursuant to article 196 of Law 6404/76 and subsequent amendments.

Source: Effects of CPC 47 – Income from Contracts with Customers, as follows:

- ✓ Profit retention for the year 2021 amounting to R$408,098,711.76;

Rio de Janeiro, February 17, 2022.

AUDIT COMMITTEE’S OPINION

The members of the Audit Committee of Transmissora Aliança de Energia Elétrica S.A. (the “Company”), undersigned, exceptionally brought together by videoconferencing, in the performance of their legal and statutory duties, considering the decision of the Company’s Executive Board dated February 17, 2022, examined the Management Report and other documents that make up the Company’s individual and consolidated Financial Statements for the fiscal year ended December 31, 2021, along with the opinion from the independent auditors issued on this date, as well as Management’s proposal for allocation of the Earnings for fiscal year 2021 and capital budget. After verifying that the aforementioned documents reflect the Company’s equity, financial and management situation, and also considering the clarifications provided by the representatives of the Management and of its independent auditors (Ernst & Young Auditores Independentes), are in favor of approving the aforementioned documents to be forwarded to the Annual General Meeting, under Law 6404/76 and subsequent legislation.

Rio de Janeiro, February 17, 2022.

Manuel Domingues de Jesus e Pinho Full Member	Custódio Antônio de Mattos Full Member
Julia Figueiredo Goytacaz Sant’Anna Full Member	Murici dos Santos Full Member

Marcello Joaquim Pacheco
Full Member

STATEMENT OF EXECUTIVE BOARD

The members of the Executive Board of Transmissora Aliança de Energia Elétrica S.A. (the "Company"), who sign below, while performing their legal and statutory functions, hereby state that they reviewed, discussed, and agree with the opinions expressed in the Company's Independent auditors' report on financial statements for the fiscal year ended December 31, 2021, and corresponding supplementary documents.

Rio de Janeiro, February 17, 2022.

André Augusto Telles Moreira
CEO and Chief Legal and Regulatory Officer

Erik da Costa Breyer
CFO and Investor Relations Officer

Marco Antônio Resende Faria
Chief Technical Officer

Fábio Antunes Fernandes
Chief Business and Ownership Interest Management Officer

Luis Alessandro Alves
Chief Implementation Officer

STATEMENT OF EXECUTIVE BOARD

The members of the Executive Board of Transmissora Aliança de Energia Elétrica S.A. (the "Company"), who sign below, while performing their legal and statutory functions, hereby state that they reviewed, discussed, and agree with the Company's financial statements for the year ended December 31, 2021, and corresponding supplementary documents.

Rio de Janeiro, February 17, 2022.

André Augusto Telles Moreira
CEO and Chief Legal and Regulatory Officer

Erik da Costa Breyer
CFO and Investor Relations Officer

Marco Antônio Resende Faria
Chief Technical Officer

Fábio Antunes Fernandes
Chief Business and Ownership Interest Management Officer

Luis Alessandro Alves
Chief Implementation Officer