

2Q21

RESULTS

Rio de Janeiro, August 11, 2021

Transmissora Aliança de Energia Elétrica S.A. (“Taesa” or the “Company”; B3: TAEE3, TAEE4, TAEE11), one of Brazil’s largest concessionaire groups in electricity transmission, announces today its results for the second quarter of the year of 2021.

The consolidated financial statements of the Company are prepared and issued in accordance with the accounting practices set forth in the Accounting Manual for the Electricity Sector, by the National Electrical Energy Agency (ANEEL) and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), defined in this document as Regulatory Results and IFRS Results, respectively. The presentation of this information is in line with the standards issued by the Brazilian Securities Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

The Company adopted, as of January 1, 2018, CPC 47 (IFRS 15) - Revenues from Contracts with Customers, based on the modified retrospective method, explained in section 4.4 of this document.

As of the second quarter of 2020 the Company revised and changed the nomenclatures of revenues and costs related to the construction of transmission infrastructures, where: Construction Revenues became Implementation of Infrastructure Revenues, Construction Margin became Implementation of Infrastructure Margin, and Construction Costs became Implementation of Infrastructure Costs.

The Securities and Exchange Commission (CVM), through Circular Letter 04/2020 dated December 1, 2020, provided guidance on relevant aspects of CPC 47 and CPC 48 (equivalent to IFRS 15 and IFRS 9, respectively) for publicly-listed transmission companies mainly related to: (i) determination and allocation of infrastructure implementation margin over the period of the works; (ii) application of an implicit discount rate to the assets of the concession contracts; (iii) guidance on the classification of the assets of Law 12,783 – SE as a Contractual asset; (iv) segregation of the remuneration revenues from the concession assets in a specific item of the Income Statement; and (v) recognition of the impacts of the Periodic Tariff Review (RTP) due to changes in the regulatory base (BRR) or in the capital remuneration rate (regulatory WACC) in an item below the operating margin.

The Company adapted its accounting practices to its contractual assets, reviewing its estimates and judgments on the projects’ margins and remuneration rates (implicit rates), since in the previous model the regulatory WACC defined by ANEEL was used. All impacts were calculated and recorded in 4Q20. However, for comparability purposes, the Company restated the corresponding amounts as of March 31 and June 30, 2020. The balances for the quarters ended on September 30, 2020 will also be restated in the quarterly earnings release at the respective quarter of 2021.

With the adoption of CPC 06 (IFRS 16) - Leasing Operations, as of January 1, 2019, rental expenses are no longer accounted for as other operating expenses, but are now accounted for as financial expenses (in the line “Leasing”), and depreciation, against Lease Liabilities (short and long term) in the balance sheet, and Right of Usage (long term) of the Asset. Therefore, as of 2019, differences are observed in the lines of other operating costs and expenses and financial expenses, between the Regulatory Results and IFRS. It is important to note that on the lease start date, the lessee recognizes a liability to make the payments (a lease liability) and an asset representing the right to use the underlying asset during the lease term (a right-of-use asset).

In the Regulatory Results presented below, prepared based on the structure prevailing in the Accounting Manual for the Electricity Sector as issued by ANEEL, all investments in the construction of transmission lines and substations are recorded as fixed assets and the effects of the application of CPC 47 (IFRS 15) are eliminated, including the fiscal impact (deferred IR and social contribution and deferred PIS and COFINS) are recognized on the differences arising from the temporary application of this interpretation.

It is important to mention that the Regulatory Results are audited annually in the disclosure of the regulatory financial statements to ANEEL. Therefore, the deadline for completing the audit of the Regulatory Financial Statements



2021 Second Quarter Earnings Release

(DCR's) ends on April 30 of each year; that is, matters specifically related to regulatory accounting disclosed prior to the conclusion of the DCRs are subject to change.

In this regard, the Company informs that it proceeded with a write-off of R\$ 15.1 million in Taesa's and São João Transmissora de Energia S.A.'s DCR's, under Other Operating Expenses line, related to accounts receivable recorded based on an injunction referring to receipts of São João's RAP for the months of July, August, October and November 2019, in view of the non-recoverability of the same. Therefore, the Company will proceed with the restatement of the corresponding amounts in the 2020 fiscal year results when releasing the 2021 fiscal year earnings.

To facilitate the understanding of the information presented herein, the terms associated with the words Regulatory and IFRS follow the same principles and structure defined above for the Regulatory Results and IFRS Results, respectively.

In line with accounting standards, Taesa does not proportionally consolidate jointly controlled and associated companies. Thus, the results of Transirapé, Transudeste, Transleste (together, "Transmineiras"), ETAU, Aimorés, Paraguaçu, Ivaí and the TBE group are accounted for in the equity method line both in the IFRS and in the Regulatory Results.

Taesa's dividends distribution is based on the IFRS Results as reviewed by the auditor.

Video Conference call in English (simultaneous translations)

Webcast in English and Portuguese: [Click here](#)

August 12, 2021

Thursday

New York 10am

Brasília 11am

André Augusto Telles Moreira	CEO
Erik da Costa Breyer	CFO and IRO
Cristiano Prado Grangeiro	IR Manager
IR Contact	investor.relations@taesa.com.br
Telephone	+55 21 2212 6060

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1. MESSAGE FROM THE ADMINISTRATION

SOLID EARNINGS ONCE AGAIN

The Company's regulatory net operating revenues grew by 4.3% compared to the second quarter of 2020, totaling R\$ 402.4 million. Regulatory EBITDA in 2Q21 reached R\$ 333.1 million and a cumulative R\$ 647.8 million for 6M21, presenting a year-over-year increase of 4.5% and 2.9%, respectively. As such, EBITDA margin came in at 82.3% this quarter and a cumulative 82.1% for the first half of 2021.

Similar to last quarter, the broader macroeconomic indices such as the IGP-M, a key inflation indicator, registered a significant readjustment this quarter. The cumulative IGP-M for 2Q21 reached +8.77%; the strongest factor leading to an increase of R\$ 233.7 million in IFRS net income year-on-year. As such, IFRS net income totaled R\$ 697.9 million this quarter and R\$ 1,253.7 million in the first half of the year, a y.o.y increase of 50.3% and 46.6%, respectively.

Looking at operations, the Company maintained a high availability rate at 99.94% and a cumulative Variable Portion (PV) of 1.28% of the RAP this year, highlighting its high operating performance as evidenced by the excellence in the operation and maintenance of its transmission lines.

It is worth noting that in May of this year, the Company concluded its tenth issuance of debentures in an amount totaling R\$ 750 million, bifurcated in two series: (i) the first series in the amount of R\$ 650 million at a rate of CDI + 1.70%, maturing in 7 years (bullet), and (ii) the second series denoted as "Green Bonds" in the amount of R\$ 100 million at a rate of IPCA + 5.7605%, maturing in 15 years, to be allocated to two projects under construction: Ivaí and reinforcements for São Pedro.

Taesa continues to evolve in its sustainability program. In the social component, the Company created the Diversity and Inclusion Program comprising a plan of 18 actions broken down into nearly 100 initiatives aimed at valuing, promoting and embracing diversity and inclusion, recognizing that varying perspectives come together to solve problems, foster innovation, promote engagement and contribute to the sustainability of the Company and society as a whole.

On July 13, ANEEL published its Ratifying Resolution no. 2.895/21 establishing the RAP for the 2021-2022 cycle. Effective from July 1, 2021 through June 30, 2022, this new cycle will impact Taesa's results starting in the third quarter of this year. Category II concessions, driven by the IGP-M inflation index, were adjusted upwards by 37.0%, while Category III concessions, driven by the IPCA inflation index, were adjusted upwards by 8.06%. Therefore, the RAP for Taesa's 39 concessions for the new period has been established at R\$ 3,323.4 million, reflecting the pre-determined 50% RAP reductions for Category II concessions and representing an increase of 21.0% from the previous RAP period.

The Company remains focused on delivering six projects under construction with a proportionate share in total 2021-2022 RAP of R\$ 613.2 million. It is important to note that, to date, Taesa has deployed a total of R\$ 3.1 billion in greenfield investments, R\$ 2.1 billion of which were deployed in 2020 and 2021, amidst an adverse and challenging landscape during a global pandemic. This attests to the Company's commitment to the completion of projects and creation of value.

Finally, Taesa reaffirms its focus on the strategic pillars of sustainable growth, financial discipline, operational efficiency and value creation for its shareholders, reinforcing its commitment to transmit energy with reliability, transparency and safety to all, while respecting the environment and all stakeholders.

2. SUMMARY OF RESULTS

Consolidated						
R\$ mn	2Q21	2Q20*	Chg.%	6M21	6M20*	Chg.%
Net Revenues IFRS	904.3	760.1	19.0%	1,812.8	1,448.5	25.2%
Net Income IFRS	697.9	464.2	50.3%	1,253.7	855.5	46.6%
Net Revenues Reg.	402.4	385.7	4.3%	788.8	758.5	4.0%
EBITDA Reg.	331.1	316.8	4.5%	647.8	629.5	2.9%
EBITDA Margin Reg.	82.3%	82.1%	0.1 bps	82.1%	83.0%	-0.9 bps
Net Debt	5,936.5	4,433.5	33.9%	5,936.5	4,433.5	33.9%
Dividends and IoE Paid	1,028.5	303.5	238.9%	1,028.5	303.5	238.9%

Consolidated and Associated Concessions						
R\$ mn	2Q21	2Q20*	Chg.%	6M21	6M20*	Chg.%
Net Revenues IFRS	1,508.6	1,352.0	11.6%	2,864.2	2,151.3	33.1%
Net Income IFRS	999.4	859.8	16.2%	1,739.2	1,133.2	53.5%
Net Revenues Reg.	507.0	470.7	7.7%	998.3	980.6	1.8%
EBITDA Reg.	422.5	416.3	1.5%	831.8	825.4	0.8%
EBITDA Margin Reg.	83.3%	83.5%	-0.2 bps	83.3%	84.2%	-0.9 bps
Net Debt	7,470.1	5,024.1	48.7%	7,470.1	5,024.1	48.7%
Net Debt/EBITDA	4.6	3.3	0.4 bps	4.6	3.3	0.4 bps

*The Company performed the adjustments and reclassifications of its balance sheets as of June 30, 2020 in order to present such amounts for comparative purposes with the interim information as of June 30, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS).

IFRS RESULTS

- Net income totaled R\$ 697.9 million in 2Q21, 50.3% increase y.o.y, primarily due to:
 - (i) Broader macroeconomic indices recorded between the periods, primarily the IGP-M, which positively affected the monetary restatement revenues (+R\$ 363.1 million);
 - (ii) An increase of 89.5% in equity method, also resulting from the higher macroeconomic indices that positively impacted the monetary restatement revenues from the Company's jointly-controlled investees;
 - (iii) The above effects were partially offset by the following:
 - a. Reduction in the implementation of infrastructure margin due to the lower investments in Janaúba, which is reaching its conclusion.
 - b. An increase in net financial expenses as a result of the increase in IPCA and the lower average cash balance between the periods.
- Payment of R\$ 1.03 billion in dividends and interest on equity during the first half of 2021, referring to the additional and remaining dividends for the 2020 earnings, in the amount of R\$ 561.9 million, and dividends and IoE based on the 1Q21 earnings, in the amount of R\$ 466.6 million.

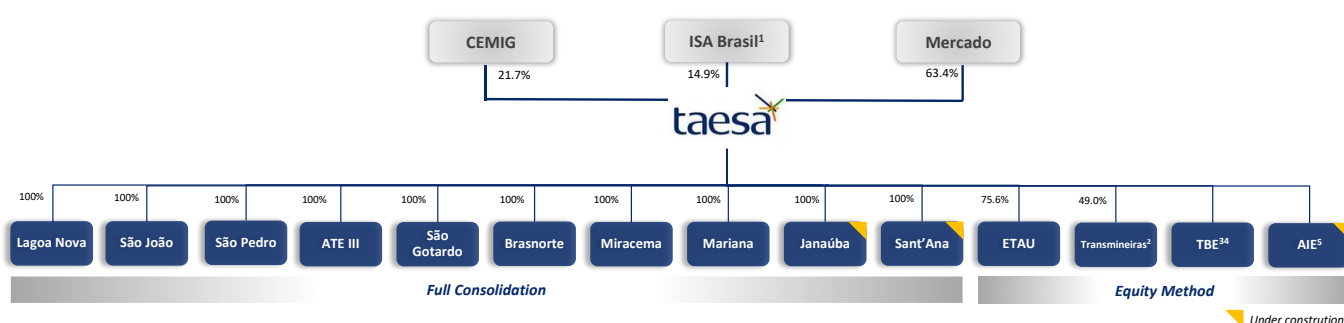
REGULATORY RESULTS

- Net revenues totaled R\$ 402.4 million in 2Q21, registering an increase of 4.3% y.o.y. explained by the inflationary adjustments of the 2020-2021 RAP cycle and by the entry into operation of Mariana. These effects offset the pre-determined decrease in RAP of some concessions.
- PMSO expenses reached R\$ 71.3 million in 2Q21, 3.5% higher y.o.y, growing below inflation, primarily due to lower civil contingencies and sponsorship expenses.
- EBITDA totaled R\$ 331.1 million in 2Q21, a y.o.y increase of 4.5% and an EBITDA margin of 82.3%.
- Net financial expenses totaled R\$ 172.4 million, registering an annual increase of 521.6%, as a result of the increase in IPCA and the lower average cash balance this quarter.
- Net Income came in at R\$ 111.9 million in 2Q21, a y.o.y decrease of 56.5%.
- On June 30, 2021, gross debt totaled R\$ 6,665.7 million, a 6.5% q.o.q increase. The Company's cash position was R\$ 729.3 million (or +29.3% q.o.q), resulting in a net debt of R\$ 5,936.5 million (or +13,6% q.o.q).
- The ratio of Taesa's net debt to EBITDA, proportionally consolidating the jointly-controlled and affiliated companies, was 4.6x (versus 3.9x in 1Q21).
- The availability rate was 99.94% and the Variable Portion (PV) was R\$ 11.3 million (or 1.28% of the consolidated RAP) in 6M21. The annual increase of R\$ 1.8 million in PV is primarily explained by disconnections/applicable provisionings occurred at Novatrans and TSN in the semester.

3. OVERVIEW

3.1. Corporate Structure

The 39 concessions/interests of transmission assets owned by TAESA are segregated into: (i) 10 concessions that make up the holding company (TSN, Novatrans, ETEO, GTESA, PATESA, Munirah, NTE, STE, ATE, and ATE II); (ii) 10 full investees (ATE III, Brasnorte, São Gotardo, Mariana, Miracema, Janaúba, Sant'Ana, São João, São Pedro, and Lagoa Nova (new name for Rialma I)); and (iii) shareholding interest in 19 companies (ETAU, Transmineiras, AIE, and TBE). Six of these concessions (Janaúba, Sant'Ana, ESTE, Aimorés, Paraguaçu and Ivaí) are under construction, as shown in the Company's corporate structure below:



¹ ISA Investimentos e Participações do Brasil S.A.

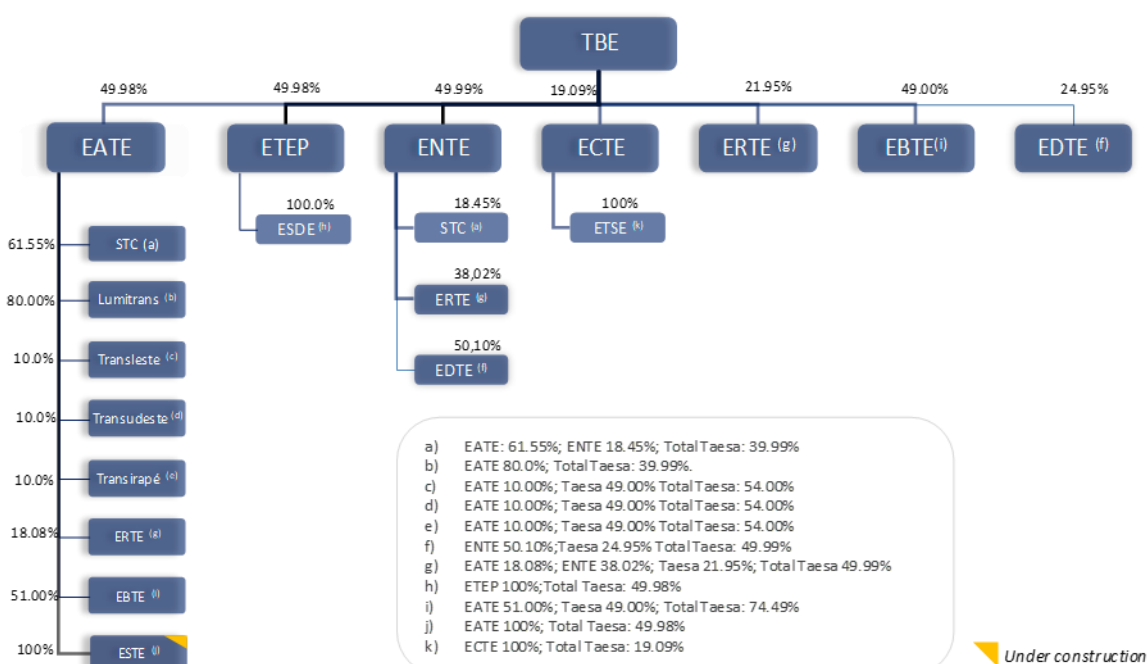
² Transmineiras is a group in which Taesa holds stakes in 3 concessions : Transirapé (54.0%), Transleste (54.0%) and Transudeste (54.0%)

³ TBE - Transmissora Brasileira de Energia is a group resulting from the partnership of majority shareholders Taesa and Alupar.

⁴ ESTE is the only concession of the TBE group that is under construction

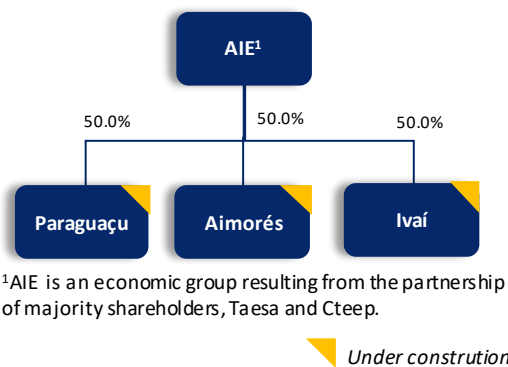
⁵ AIE – Aliança Interligação Elétrica is an economic group of the partnership of the companies TAESA and ISA CTEEP, currently responsible for implementing 3 new projects.

3.2. TBE Corporate Structure



TBE - Transmissora Brasileira de Energia is an economic group resulting from the partnership of majority shareholders, Taesa and Alupar.

3.3. AIE Corporate Structure

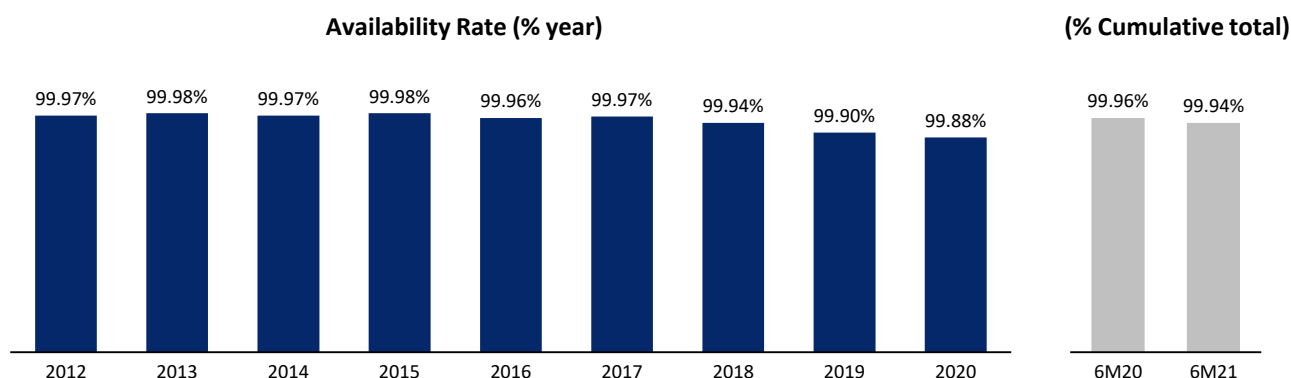


4. ECONOMIC AND FINANCIAL PERFORMANCE

4.1. Operational Performance

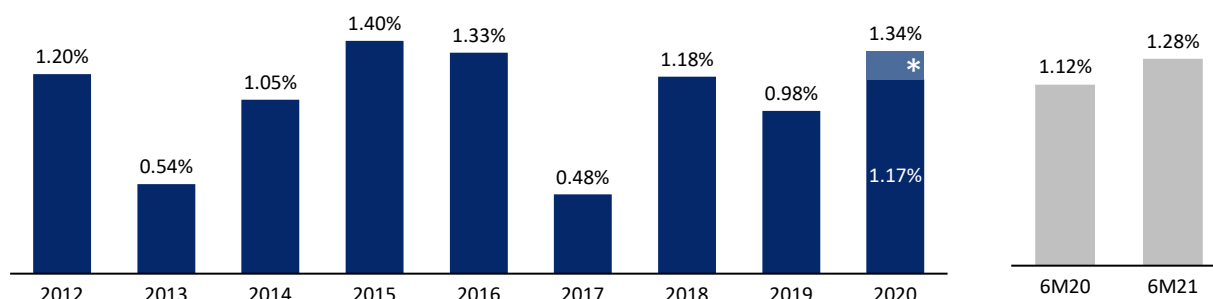
With a strong operating performance over the years, Taesa recorded a consolidated availability rate of 99.94% in 6M21, as shown in the diagram below, disregarding partially owned assets such as ETAU, Transmineiras, AIE and TBE.

The availability rate is a measure of time and is strictly an operational indicator. The calculation consists of: number of hours that the line is available, divided by the number of hours contained in 1 year (8,760 hours), measured by 100km increments.



$$\sum \frac{(\text{Length of the line} \times \text{hours available})/100}{(\text{Length of the Line} \times 8.760 \text{ hours})/100} \times 100$$

The metric showing the impact of unavailability in transmission on the Company's income statements is the variable portion (PV). Due to the unstable behavior of the PV in the short term, one way to better understand Taesa's performance is to analyze the value of PV divided by RAP, as shown in the diagram below.



*PV's referring to events occurred prior to the acquisition of São João concession that were indemnified within the scope of the transaction.

The PV in 6M21 was R\$ 11.3 million, a y.o.y increase of R\$ 1.8 million, primarily due to higher disconnections/applicable provisionings occurred at Novatrans and TSN in the first half of the year. The main events are as follows: (i) Novatrans: corrective maintenance with an equipment replacement at the SE Serra da Mesa, connected to the LT Serra da Mesa-Gurupi, referring to the Novatrans capacitor bank, in June, 2021; (ii) Novatrans: unscheduled shutdown caused at the LT 500 kV Serra da Mesa-Gurupi C2, due to a non-recurring, external and unrelated factor to the Company, in May 2021; (iii) ETEO: scheduled shutdown in the LT 440kV Assis-Sumaré, due to a non-recurring, external and unrelated factor to the Company, in April 2021; (iv) TSN: unscheduled shutdown caused by a failure to close the SE Serra da Mesa circuit breaker, in January 2021; and (v) Novatrans: scheduled shutdown at SE Gurupi for maintenance of the BSGUMI4 capacitor bank, in December 2020. The Company has been working to reverse these PVs, in the amount of R\$ 4.8 million, related to events (ii) and (iii) above given their nature.

4.2. 2020-2021 RAP Cycle

On July 17, 2021, ANEEL published the Ratifying Resolution 2.895/2021, which established the Annual Permitted Revenues (RAP) for transmission concessions for the 2021-2022 cycle, effective from July 1, 2021 to June 30, 2022, and therefore affecting the Company's results from 3Q21 onwards. The concessions affected by IGP-M (Category II) were monetarily restated by +37.04%, and concessions affected by IPCA (Category III) were monetarily restated by +8.06%.

RAP (R\$ mn)	2019-2020 Cycle	2020-2021 Cycle	2021-2022 Cycle
IGP-M Adjustment	7.6%	6.5%	37.04%
Novatrans ²	330.9	352.5	483.3
TSN ²	301.0	325.1	454.6
Munirah	40.9	29.0	29.9
GTESA	5.5	5.9	8.1
PATESA ²	18.1	17.4	23.9
ETAU ¹²	38.5	29.9	39.1
ETEO	98.9	105.4	144.4
NTE ²	86.3	92.1	126.1
STE ²	48.6	50.6	69.5
ATE I ²	167.3	115.1	122.1
ATE II ²	258.7	275.5	273.6
EATE ¹²	122.2	130.6	179.0
ETEP ¹	27.6	29.4	40.3
ENTE ¹	102.0	67.3	92.2
ECTE ¹	10.2	10.8	14.9
ERTE ¹²	19.5	15.3	21.0
Lumitrans ¹²	12.0	12.7	17.4
Transleste ¹	24.7	19.3	18.0
Transirapé ¹	20.1	22.2	29.4
Transudeste ¹	15.3	16.3	18.4
Subtotal	1,748.3	1,722.3	2,205.1
IPCA Adjustment	4.7%	1.9%	8.06%
ATE III ²³⁵	125.4	127.7	138.2
São Gotardo ³	5.4	5.5	6.0
Mariana ³	15.4	16.4	17.8
Miracema ³	65.0	67.9	74.5
Janaúba ³⁴	194.1	197.7	213.6
Aimorés ¹³⁴	39.7	40.4	43.7
Paraguaçu ¹³⁴	59.2	60.4	65.2
Brasnorte ¹²³	27.6	28.1	30.8
STC ¹²³	18.9	19.2	21.0
EBTE ¹²³	34.4	36.4	40.4
ESDE ¹³	7.0	7.2	7.8
ETSE ¹²³	4.0	4.1	4.9
ESTE ¹³⁴	56.1	57.2	61.8
Ivaí ¹³⁴	147.0	149.8	161.8
EDTE ¹³	34.6	35.2	38.1
Sant'Ana ⁴	60.9	62.1	67.1
São João	47.6	49.8	53.9
São Pedro	44.9	46.5	57.9
Lagoa Nova	12.6	12.9	13.9
Subtotal	999.8	1,024.6	1,118.3
Total	2,748.1	2,746.9	3,323.4

¹ RAP amount proportional to TAESA's stake

² Including reinforcements

³ Gross up PIS/COFINS

⁴ Under Construction

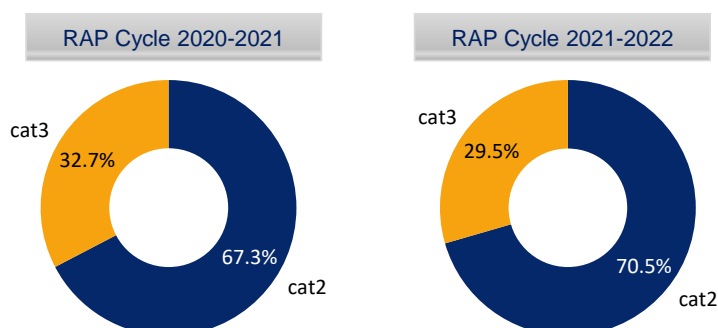
⁵ Category II Concession with IPCA Adjustment

Including the controlled concessions, jointly-controlled investees and affiliates, Taesa's total RAP¹ (operational and under construction) for 2021-2022 cycle is R\$ 3,323.4 million, of which 52.2% is at the holding company level. Taesa's operating RAP for 2021-2022 cycle was R\$ 2,710 million, against R\$ 2,179 million for 2020-2021 cycle.

The RAP readjustment for 2021-2022 cycle differed from inflation adjustments in some concessions for the following reasons: (i) **Munirah, ETAU, ATE I, ATE II, Transleste, Transirapé and Transudeste** were impacted by a 50% drop in RAP due to their entry in the 16th year of operation (for further details, see section 4.3); (ii) **São Pedro, EATE and ENTE** reinforcements became operational; (iii) **Novatrans, TSN, GTESA, NTE, STE, ECTE and ETAU, ATE II and Brasnorte** were affected by tariff price adjustments in its reinforcements; and (iv) **Miracema, STC, EBTE and ESDE** were affected by tariff price adjustments.

The applicable PIS/COFINS must be added to the published RAP values of ATE III, São Gotardo, Mariana, Miracema, Janaúba, Aimorés, Paraguaçu, Brasnorte, STC, EBTE, ESDE, ETSE, ESTE, Ivaí, EDTE, Sant'Ana, São João, São Pedro, and Lagoa Nova concessions.

It is important to highlight that the values for the 2021-2022 cycle are still in the approval stage and subject to change.



4.3. 50% Reduction in RAP

The transmission concession contracts offered in auctions between 1999 and 2006 (Category II) provide for a 50% reduction in RAP (Basic Network) as of the 16th year of commercial operation of the facilities. Considering that the concession contracts include facilities whose associated RAP portion will be reduced by 50% on different dates throughout its cycle, an equivalent RAP was calculated to be received by the concessionaires over said cycle and future cycles, considering the pro-rata amounts of RAP installments without reduction from the beginning of the cycle (July 1st) to the end of the 15th year of commercial operation of facilities, and the pro-rata amounts of the RAP installments with a reduction of 50%, as of the start date of the 16th year of commercial operation of the installations until the end of the same cycle (June 30th).

For the 2016-2017, 2017-2018, 2018-2019, 2019-2020 and 2020-2021 cycles, the following concessions reached or will reach the 16th year of operation¹:

- **ETEO**: 100% of RAP from ETEO started the 16th year of operation on 10/19/2016.
- **ECTE³**: 67.6% of RAP from ECTE started the 16th year of operation on 3/9/2017, and 28.4% started on 3/26/2017.
- **ETEP³**: 99.7% of RAP from ETEP reached the 16th year of operation on 8/25/2017.
- **EATE³**: 19.0% of RAP from EATE reached the 16th year of operation on 2/1/2018, 45.6% of RAP on 2/20/2018, and 33.5% of RAP on 3/10/2018.
- **TSN³**: 89.9% of RAP from TSN reached the 16th year of operation on 3/4/2018, 4.0% of RAP on 4/5/2018, 0.7% of RAP on 5/22/2018, and 1.3% of RAP on 6/3/2018.
- **Novatrans**: 16.3% of RAP from Novatrans reached the 16th year of operation on 6/3/2018, 19.4% of RAP on 12/8/2018, 19.1% of RAP on 12/23/2018, and 45.2% of RAP on 4/8/2019.
- **GTESA**: 100% of RAP from GTESA reached the 16th year of operation on 8/26/2018.
- **NTE**: 100% of RAP from NTE reached the 16th year of operation on 1/25/2019.
- **STE³**: 19.0% of RAP from STE reached the 16th year of operation on 6/27/2019, 36.6% of RAP on 7/13/2019, and 42.1% of RAP on 7/18/2019.
- **PATESA³**: 98.2% of RAP from PATESA reached the 16th year of operation on 9/1/2019.
- **ERTE³**: 71.5% of RAP from ERTE reached the 16th year of operation on 09/15/2019.
- **ENTE**: 100% of RAP from ENTE reached the 16th year of operation on 2/12/2020.
- **ETAU³**: 34.2% of RAP from ETAU reached the 16th year of operation on 4/17/2020, and 36.0% of RAP on 9/29/2020.
- **Munirah**: 100% of RAP from Munirah reached the 16th year of operation on 10/30/2020.
- **ATE I**: 54.0% of RAP from ATE I reached the 16th year of operation on 10/8/2020, and 46.0% of RAP on 10/27/2020.
- **Transleste**: 100% of RAP from Transleste reached the 16th year of operation on 12/18/2020.

For the incoming 2021-2022 cycle, the following concessions will reach the 16th year of operation¹:

- **ATE II**: 100% of RAP from ATE II will reach the 16th year of operation on 12/11/2021.
- **Transudeste**: 100% of RAP from Transudeste will reach the 16th year of operation on 2/23/2022.
- **Transirapé³**: 45.1% of RAP from Transirapé will reach the 16th year of operation on 05/23/2022, and 15.9% of RAP on 5/30/2022.

For the future 2022-2023 cycle, the following concessions will reach the 16th year of operation¹:

- **Lumitrans**³: 99.9% of RAP from Lumitrans will reach the 16th year of operation on 10/3/2022.
- **STC**³: 71.9% of RAP from STC will reach the 16th year of operation on 11/8/2022.
- **ATE III**³: 54.4% of RAP from ATE III will reach the 16th year of operation on 4/27/2023, and 40.1% of RAP on 5/23/2023.

Notes:

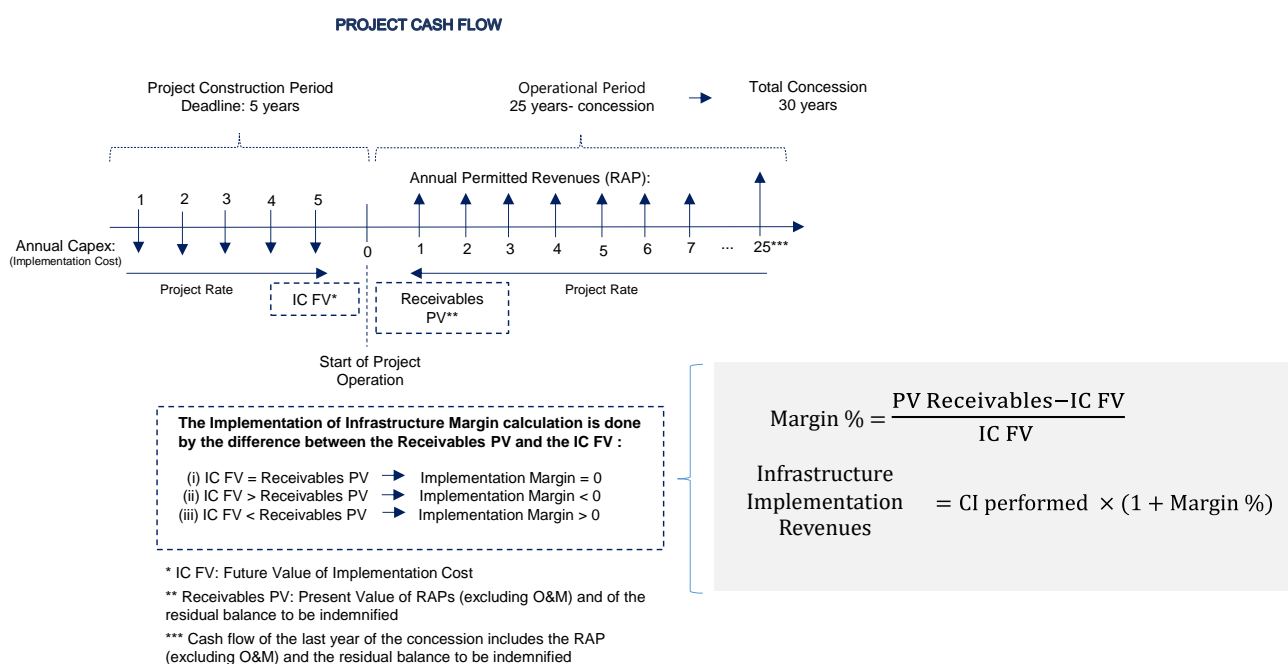
1. The 50% reduction schedule of RAP mentioned above was taken from the Technical Note n. 144-2018-SGT published by ANEEL.
2. The RAP percentages were calculated based on the value of the RAP immediately prior to the date of the first 50% reduction.
3. For those concessions whose percentages of RAP indicated above do not add up to 100%, the difference is due to reinforcements/improvements that do not fit into the Category II assets subject to the 50% drop in RAP at the beginning of the 16th year of operation.

4.4. Impact of Accounting Changes (CPC 47)

Under IFRS accounting, until the 3rd quarter of 2018, the investments were recognized as Financial Assets and amortized at cost, pursuant to Resolution n. 1,261 of 12/10/2009 (Federal Accounting Council). Consequently, revenues under IFRS reflected the movement of Financial Assets. As of January 1, 2018, the adoption of IFRS 9 (CPC 48) or IFRS 15 (CPC 47) became mandatory, in effect as of the disclosure of the Annual Financial Statements for 2018. The Company adopted IFRS 15, whose principles are based on the business model that identifies the contract with the client (goods or services) and its respective contractual performance obligations, defining the price of the transaction and recognition of income as of the realization of these obligations (recognition of the Contractual Assets).

The rate considered in calculating the Financial Assets was the Financial Assets Remuneration Rate (TRAF) which matched the present value of investments with the present value of the flow of receipts from financial assets, that is, it was the internal rate of return of the flow. For the calculation of the Contractual Asset, the rate adopted becomes the market rate at the time of the auction, fixed over the term of the concession ("Project Rate"). The Company chose to adopt the real auction WACC (ANEEL) as the Project Rate as it is a known benchmark rate for the market. It is important to mention that this change in the rate explained above applies only to companies that were built by Taesa or are in the process of construction. In the case of acquisitions, brownfield, there was no rate change, as it is not possible to retrace the project's construction date. Thus, the Company believes that the rate used until then is the most appropriate one.

Based on the above, the accounting for the transmission asset became effective as a Contractual Asset and no longer as a Financial Asset. Therefore, the Contractual Asset is calculated monthly from the future flow of receipts brought to present value according to the Project Rate.



Under the accounting method (CPC 47 - Contractual Asset), the efficiencies/inefficiencies generated in the project under construction are recorded as implementation of infrastructure margin. That is, the implementation of infrastructure revenues will comprise the implementation margin, calculated by the difference between the Present Value of the RAP and the Future Value of Implementation Cost in the start-up of operations (see picture above). Accordingly, if in the Financial Asset the impact of the construction in the result was basically null during the pre-operational stage (implementation revenues were equal to the implementation cost plus PIS/COFINS), in the Contractual Asset the implementation margin will impact the Income Statements of the project. In other words, the implementation revenues will be calculated, over the pre-operational period, as the implementation cost plus the implementation margin, which also includes the interest on the remuneration of the asset in the period, calculated by the Project Rate over the balance of the contractual asset.

Another important change refers to the remuneration of the asset. Under the Financial Asset method, the revenues from remuneration were calculated based on the TRAF levied on the balance of the financial asset since the beginning of the concession. Under the Contractual Asset method, such revenues from the remuneration are calculated based on the Project Rate levied on the balance of the contractual asset and is recorded solely after the start-up of operations of the project. During the construction period, the interest on the remuneration is included in the Implementation of Infrastructure Revenues and the calculation is performed as described above.

The other lines of the revenues under IFRS (O&M and Monetary Restatement) maintain the same recording criterion of the method that was formerly adopted.

Another change in the adoption of CPC 47 occurs in the treatment of advances with suppliers. Previously the advance related to Financial Asset was recorded directly on the balance sheet as a financial asset, and therefore not recognized in the statement of income. Under the Contractual Asset method, this advance must necessarily pass through the result as implementation of infrastructure cost.

In addition, the Brazilian Securities and Exchange Commission (CVM) published Circular Letter No. 04/2020 of December 1, 2020, with guidance on relevant aspects of CPC 47 and CPC 48 (equivalent to IFRS 15 and IFRS 9, respectively) for publicly traded electric power transmission companies. Thus, the Company adapted its accounting practices in relation to its contractual assets, reviewing its estimates and identified the following impacts, net of taxes: (i) R\$ 124.9 million for the year 2020, recorded in the income for the year; and (ii) R\$ 63.5 million for previous years, recorded in Shareholders' Equity.

Impacts of the accounting changes due to CPC-47 recorded so far:

The adjustments generated by the adoption of CPC 47 as of January 1, 2018 were:

- (i) For the initial (starting) balance of the Contractual Asset on January 1, 2018, the adjustment was entered into the special reserve account for the 2018 financial year (Shareholders' Equity), in the amount of R\$ 113,399,544.45, referring to previous years.
- (ii) For Fiscal year 2018, the adjustment was entered into the Income Statements in the amount of R\$ 116,924,085.17 and allocated to the special reserve account at the end of the year, net of the 5% that were retained as legal reserve.
- (iii) For Fiscal year 2019, the adjustment was entered into the Income Statements in the amount of R\$ 291,323,518.24 and allocated to the special reserve account at the end of the year, net of the 5% that were retained as legal reserve.
- (iv) For the Fiscal Year 2020, the adjustment was entered in the Income Statements in the amount of R\$ 631,469,547.58 (including the amount of R\$ 124,947,792.20 related to the CIRCULAR LETTER / CVM / SNC / SEP / nº04 / 2020) that was allocated to the special reserve account at the end of the year. In addition, the amount of R\$ 63,583,002.83 also related to the CIRCULAR LETTER / CVM / SNC / SEP / nº 04/2020 for previous years was recorded in the special reserve account, in the 2020 shareholders' equity.



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It is important to note that for the year 2020 and for 1Q21, the legal reserve (5%) was not constituted based on art. 193 paragraph 1 of the Brazilian Corporation Law, which says that the Company may stop constituting the legal reserve for the year when the balance of that reserve, plus the amount of capital reserves referred to in paragraph 1 of article 182, exceeds 30% of the share capital.

The aforementioned adjustments totaled R\$ 1,216,699,698.28, of which R\$ 1,196,287,318.11 recorded as Special Reserve and R\$ 20,412,380.17 as Legal Reserve (5%).

On June 30, 2021, the adjustments generated by the adoption of CPC 47 in the net income amounted to R\$ 151,746,824.21, recorded in the Accumulated Profits account.

It is important to note that the effects related to the adoption of CPC 47 are excluded from the distributable net income and, during the year, are recorded in the Accumulated Profits account, being allocated to the Special Reserve and Legal Reserve accounts at the end of the fiscal year.

4.5. Net Revenues under IFRS

Net Revenues under IFRS in 2Q21 totaled R\$ 904.3 million, 19.0% higher y.o.y due to the higher monetary restatement of contractual assets explained by the increase in macroeconomic indices, and partially offset by lower infrastructure implementation revenues.

IFRS Net Revenues in 6M21 was R\$1,812.8 million, 25.2% higher y.o.y.

Since the adoption of CPC 47 (IFRS 15), as explained in section 4.4, the change in the recognition of the transmission asset has an effect on the Implementation of Infrastructure Revenues that now accounts for an implementation of infrastructure margin, thus generating an impact on net income.

Considering the monetary restatement of revenues assured in the concession agreement, the Company records the monetary restatement of the concession's contractual asset in its results on a monthly basis. Thus, the inflationary effect is diluted month by month considering the inflation as per the IGP-M or the IPCA verified in the previous month. The indices used for the monetary restatement of the second quarter of 2021 were: IGP-M of 2.94%, 1.51% and 4.10% (a cumulative +8.77%), and IPCA of 0.93%, 0.31% and 0.83% (a cumulative +2.08%), referring to the months of March, April and May 2021, respectively. In the second quarter of 2020, the IGP-M was 1.24%, 0.80% e 0.28% (a cumulative +2.34%), and IPCA of 0.07%, -0.31% and -0.38% (a cumulative -0.62%), referring to the respective months of 2020.

Net Revenues - IFRS (Consolidated)

R\$ mn	2Q21	2Q21*	Chg.%	6M21	6M20*	Chg.%
Operation and Maintenance	175.0	165.1	6.0%	350.1	326.3	7.3%
Remuneration of contractual assets	186.8	163.9	14.0%	373.8	312.7	19.6%
Monetary restatement of contractual assets	441.0	77.9	466.1%	805.9	201.2	300.4%
Implementation of infrastructure	169.8	425.2	-60.1%	419.0	740.8	-43.4%
Total IFRS Revenues	972.7	832.1	16.9%	1,948.7	1,581.1	23.3%
Variable Portion	(7.0)	(3.1)	123.4%	(11.3)	(9.5)	18.8%
Other Revenues	6.1	6.0	1.7%	11.9	20.1	-40.4%
Total Gross Revenues	971.8	835.0	16.4%	1,949.4	1,591.7	22.5%
PIS/Cofins	(51.1)	(56.6)	-9.7%	(103.9)	(107.1)	-2.9%
Service Tax	(0.2)	(0.1)	66.8%	(0.3)	(0.2)	66.3%
ICMS	(0.0)	(0.0)	-91.5%	(0.0)	(0.0)	-82.2%
Consumer's Fees	(16.2)	(18.2)	-10.7%	(32.4)	(35.9)	-9.7%
Deductions	(67.5)	(74.9)	-9.9%	(136.7)	(143.2)	-4.6%
Total Net Revenues	904.3	760.1	19.0%	1,812.8	1,448.5	25.2%

*The Company performed the adjustments and reclassifications of its balance sheets as of June 30, 2020 in order to present such amounts for comparative purposes with the interim information as of June 30, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

The variation and composition of Taesa's net revenues under IFRS primarily reflect the following aspects:

- **Operation and maintenance:** The 6.0% y.o.y increase in O&M revenues is primarily due to the inflation adjustment for the 2020-2021 cycle, or +6.51% related to the IGP-M and +1.88% related to the IPCA, between the periods from July 2020 to June 2021, according to the Ratifying Resolution 2,275/20.
- **Remuneration of the contractual asset of concession:** Calculated by multiplying the project rate over the balance of the contractual asset (recorded only in the operating period of the concession). 2Q21 results reflect a 14.0% y.o.y increase due to: (i) the monetary restatement of the contractual asset in the last twelve months more than offset the expected amortization of the asset balance by its receivables; and (ii) the entry into operation of the Mariana concession in May 2020.

- **Monetary restatement of the concession contractual asset:** Based on the monthly inflation adjustment, the Monetary restatement revenues showed an y.o.y increase of R\$ 363.1 million mainly due to the increase in the macroeconomic indices registered in the compared periods, with a greater effect of the IGP-M, which registered 8.77% in the accumulated of the quarter, against 2.34% in the same period of 2020, as described above. It is worth mentioning the monetary restatement of the contractual asset was also affected by the entry into operation of Mariana concession in May, 2020.
- **Implementation of infrastructure:** As explained in section 4.4, since the adoption of CPC 47, the efficiencies generated until then in projects under construction are now accounted for as an implementation margin in this revenues line. Also bearing in mind that the interest on the remuneration of the asset is also added to implementation revenues during the pre-operating period. The 60.1% y.o.y reduction in implementation revenues is basically due to lower investments in Janaúba which were partially offset by the higher investments in Sant'Ana and the reinforcement of São Pedro.
- **Variable Portion (PV):** PV increased 123.4% y.o.y due to the greater disconnections/applicable provisionings occurred in Novatrans and TSN. For more details see section 4.1.
- **Other operating revenues:** The result of other operating revenues in 2Q21 was practically in line with the result presented in 2Q20.
- **Deductions of gross revenues:** Despite the increase in the gross operational revenues, there was a y.o.y reduction of 9.7% due to the fall of the implementation revenues from Janaúba resulted from lower investments in this project, considering that Janaúba has a higher PIS/Cofins rate (9.25%). This drop was partially offset by higher monetary restatement revenues from concessions with a lower PIS/Cofins rate.

4.6. Costs, Expenses, Depreciation and Amortization under IFRS

Costs, Expenses, and Depreciation and Amortization totaled R\$ 169.4 million in 2Q21, 47.0% lower y.o.y.

Costs, Expenses, and Depreciation and Amortization totaled R\$ 409.1 million in the first half, 28.9% higher y.o.y.

Cost, Expenses and D&A - IFRS (Consolidated)

R\$ mn	2Q21	2Q20	Chg. %	6M21	6M20	Chg. %
Personnel	(43.3)	(41.1)	5.3%	(86.1)	(79.7)	8.1%
Material	(96.3)	(249.8)	-61.4%	(264.9)	(444.6)	-40.4%
Third Party Services	(23.8)	(20.0)	18.8%	(35.8)	(34.3)	4.1%
Other	(0.2)	(4.7)	-95.8%	(11.8)	(9.5)	24.5%
Total	(163.6)	(315.7)	-48.2%	(398.6)	(568.2)	-29.8%
Depreciation and amortization	(5.8)	(4.0)	43.6%	(10.5)	(7.5)	40.1%
Total	(169.4)	(319.7)	-47.0%	(409.1)	(575.7)	-28.9%

The variations in IFRS costs were caused primarily by the following events:

- **Personnel:** The y.o.y increase of 5.3% is explained by the employees' salary adjustments of 5.45% under the collective bargaining agreement (as a result of the combined inflation indices for the 2020-2021 RAP cycle – 6.51% for IGP-M and 1.88% for IPCA).
- **Material:** The y.o.y decrease of R\$ 148.6 million is primarily due to lower investments in project under construction of Janaúba (-R\$ 177.4 million) and to the Mariana concession (-R\$ 10.9 million), the latter of which was concluded in May 2020. This reduction was partially offset by higher investments in the Sant'ana project (+98.2 million) and a new reinforcement of São Pedro (+2.8 million).
- **Third-party services:** The y.o.y increase of 18.8% was primarily due to the increase in IT consulting and services expenses.
- **Other:** These expenses reflect an annual reduction of 95.8% mainly due to lower civil contingencies and sponsorship expenses.
- **Depreciation and amortization:** The annual increase of 43.6% is explained by the unitization of the SAP S/4 Hana implementation project, which generated an increase in depreciation expenses in 2Q21 compared to 2Q20.

4.7. EBITDA and EBITDA Margin under IFRS

In 2Q21, EBITDA under IFRS totaled R\$ 740.7 million with an EBITDA margin of 81.9%. The y.o.y increase of 66.7% in EBITDA under IFRS is primarily explained by the higher macroeconomic indices recorded in the period, which positively impacted the revenues related to the monetary restatement of the contractual assets.

EBITDA IFRS is not a measure that reflects the Company's operating cash generation, since the IFRS standards create a mismatch between the Income Statement and the Cash Flow Statement.

EBITDA IFRS (Consolidated)

	R\$ mn	2Q21	2Q20*	Chg.%	6M21	6M20*	Chg.%
Net Revenues		904.3	760.1	19.0%	1,812.8	1,448.5	25.2%
Costs and Expenses		(163.6)	(315.7)	-48.2%	(398.6)	(568.2)	-29.8%
EBITDA		740.7	444.4	66.7%	1,414.2	880.3	60.7%
EBITDA margin		81.9%	58.5%	23.4 pp	78.0%	60.8%	17.2 pp

**The Company performed the adjustments and reclassifications of its balance sheets as of June 30, 2020 in order to present such amounts for comparative purposes with the interim information as of June 30, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.*

4.8. Regulatory Net Revenues

Regulatory Net Revenues in 2Q21 reached R\$ 402.4 million, 4.3% higher y.o.y, explained by the inflation adjustment and by the entry into operation of Mariana, effects that were partially offset by the RAP reduction for some Category II concessions.

Regulatory Net Revenue in 6M21 amounted to R\$ 788.8 million, presenting an annual increase of 4.0%.

The Regulatory Net Revenues are not impacted by recognition of the inflationary effects described in section 4.5 of the Net Revenues under IFRS, since this recognition is an IFRS accounting definition on the monetary restatement of the contractual asset that therefore influences only the Net Revenues under IFRS. On the other hand, the RAP is annually adjusted by inflation at each new cycle that starts on the 1st of July of each year and ends on the 30th of June of the following year (see section 4.2).

The 2.0% y.o.y growth in the line of RAP is explained, basically, by the inflation adjustment of the 2020-2021 RAP cycle (6.51% from IGP-M and 1.88% from IPCA) and by the entry into operation of Mariana concession. This increase was partially offset by the RAP drop from Munirah, PATESA, STE and ATE I (more details on the effects and cutoff dates in sections 4.2 and 4.3).

The Variable Portion (PV) registered an increase of R\$ 3.9 million due to higher disconnections/applicable provisionings mainly in the Novatrans concessions. For more details see section 4.1.

Other revenues presented an increase of R\$ 9.1 million due to a reversal in 2Q21 of São João's adjustment portion accounted for in 1Q21, which is now recorded directly in liabilities due to a change in the accounting understanding of this event. This adjustment portion has been accounted for since 3Q20 due to the cancellation of São João's TLD (Definitive Release Term) defined in the ratifying resolution 2,275/20, referring to ANEEL's administrative process No. 48500.002803/2017-41 established before the conclusion of the acquisition of this asset. It is important to mention that it had no financial impact on the Company since the amount was settled through escrow account on the transaction completion date.

The 6.7% reduction in sectorial charges (or Consumer's Fees below) is explained by the reduction of the Global Reversion Reserve - RGR tariff, between the compared periods, as a result of the effects of the ANEEL order 2,403/2020. It is worth noting that the new concessions that positively affected the results in the annual comparison are exempt from the collection of RGR, according to Law 12,783/2013, which waives this payment for concessions auctioned after September 12, 2012.

Net Revenues - Regulatory (Consolidated)

R\$ mn	2Q21	2Q20	Chg. %	6M21	6M20	Chg. %
RAP Concessions	439.9	431.3	2.0%	879.6	850.0	3.5%
Variable Portion	(7.0)	(3.1)	123.4%	(11.3)	(9.5)	18.8%
Service Revenues	433.0	428.2	1.1%	868.4	840.5	3.3%
Other Revenues	9.4	0.3	3404.1%	0.7	0.5	39.9%
Total Gross Revenues	442.3	428.5	3.2%	869.1	841.0	3.3%
PIS/Cofins	(23.6)	(24.4)	-3.5%	(47.5)	(46.4)	2.5%
Service Tax	(0.2)	(0.1)	66.8%	(0.3)	(0.2)	66.0%
ICMS	(0.0)	(0.0)	-91.5%	(0.0)	(0.0)	-82.1%
Consumer's Fee	(16.2)	(18.2)	-10.7%	(32.4)	(35.9)	-9.7%
Deductions	(40.0)	(42.7)	-6.5%	(80.3)	(82.5)	-2.7%
Total Net Revenues	402.4	385.7	4.3%	788.8	758.5	4.0%

4.9. Regulatory Costs, Expenses, Depreciation and Amortization

Costs, Expenses, and Depreciation and Amortization totaled R\$ 135.6 million in 2Q21, 4.8% higher y.o.y. PMSO costs totaled R\$ 71.3 million, registering a y.o.y increase of 3.5%.

Costs, Expenses and Depreciation and Amortization in the first half of the year reached R\$ 268.4 million, 8.8% higher in the annual comparison. PMSO costs totaled R\$ 141.0 million in 6M20, a y.o.y increase of 9.3%.

Costs, Expenses and D&A - Regulatory (Consolidated)

R\$ mn	2Q21	2Q20	Chg. %	6M21	6M20	Chg. %
Personnel	(43.3)	(41.1)	5.3%	(86.1)	(79.7)	8.1%
Material	(1.7)	(0.8)	113.3%	(2.4)	(1.1)	115.7%
Third Party Services	(23.8)	(20.0)	18.8%	(35.8)	(34.3)	4.1%
Other	(2.5)	(7.0)	-63.7%	(16.7)	(13.9)	20.4%
Total	(71.3)	(68.9)	3.5%	(141.0)	(129.0)	9.3%
Depreciation and amortization	(64.3)	(60.5)	6.2%	(127.4)	(117.7)	8.3%
Total	(135.6)	(129.4)	4.8%	(268.4)	(246.7)	8.8%

The differences between the Regulatory and IFRS Results, in the line of costs, expenses, depreciation and amortization are observed in the lines of materials and in depreciation and amortization. The IFRS Results recognize the investment in the construction of new assets, reinforcements and improvements, such as expenses related to materials, while at the same time capitalizing the implementation revenues in the contractual asset. The Regulatory Results depreciate the investments in fixed assets. In addition, since the adoption of CPC 06 (IFRS 16) - Leasing Operations in 2019, differences between the Regulatory and IFRS Results are also observed in the lines of Other Operating costs and Expenses.

The costs and expenses for PMSO totaled R\$ 71.3 million in 2Q21 (+3.5% y.o.y), explained by the following events:

- **Personnel:** The y.o.y increase of 5.3% is explained by the employee's salary adjustments of 5.45% under the collective bargaining agreement (a result of the combination of the inflation indices for the 2020-2021 RAP cycle – 6.51% for IGP-M and 1.88% for IPCA).
- **Material:** The y.o.y increase of R\$ 0.9 million is due to higher operation and maintenance expenses related to São João and TSN.
- **Third-party Services:** The y.o.y increase of 18.8% was primarily due to the increase in IT consulting and services expenses.
- **Other:** These expenses reflect an annual reduction of 63.7% primarily due to lower civil contingencies and sponsorship expenses.
- **Depreciation and Amortization:** The y.o.y increase of 6.2% reflect the unitization of companies acquired from the Mariana project completed in 2020, the São Pedro reinforcement and the implementation of SAP S/4 Hana system.

4.10. Regulatory EBITDA and EBITDA Margin

The Regulatory EBITDA for 2Q21 reached R\$ 331.1 million, 4.5% higher y.o.y, and an EBITDA margin of 82.3%. As previously mentioned, the inflation adjustment of the 2020-2021 RAP cycle (6.51% in IGP-M and 1.88% in IPCA) and the entry into operation of Mariana in 2020 offset the 50% drop in the RAP of Category II concessions. These effects associated with costs under control explain the positive performance of EBITDA and the increase in EBITDA margin in the annual comparison.

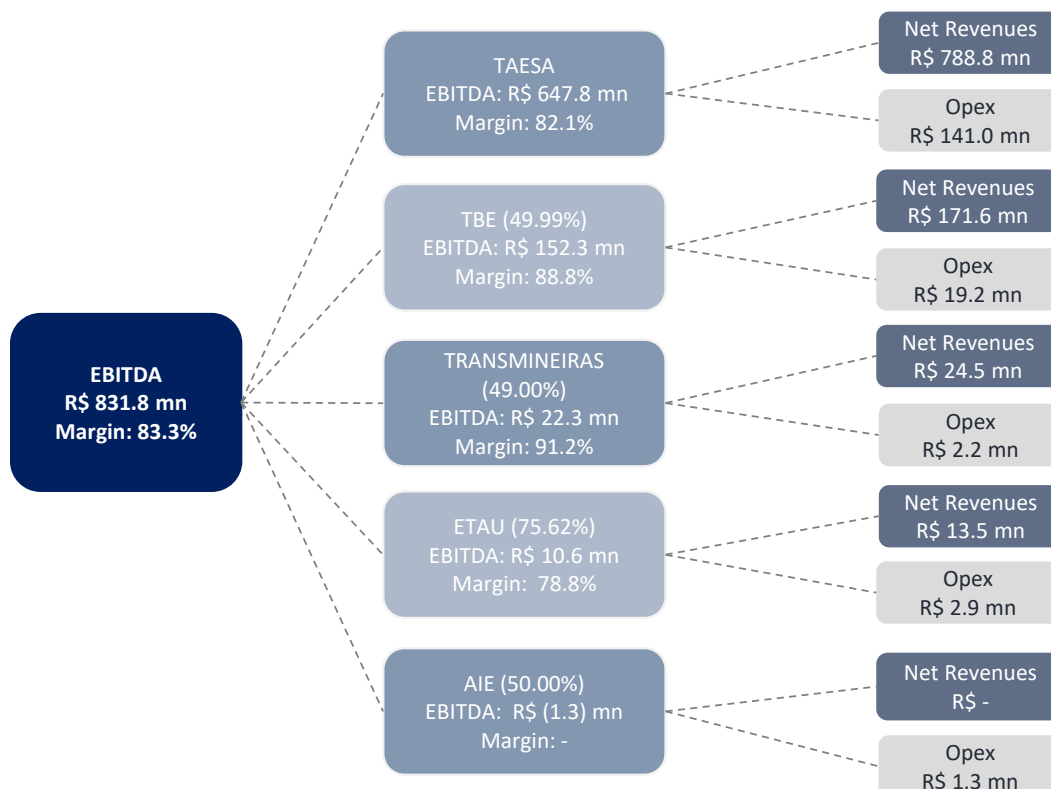
In the power transmission sector, the **Regulatory EBITDA** is an important operating and financial performance indicator, since it is reflective of the Company's effective operating cash generation.

EBITDA Regulatory (Consolidated)

	R\$ mn	2Q21	2Q20	Chg.%	6M21	6M20	Chg.%
Net Revenues		402.4	385.7	4.3%	788.8	758.5	4.0%
Costs and Expenses		(71.3)	(68.9)	3.5%	(141.0)	(129.0)	9.3%
EBITDA		331.1	316.8	4.5%	647.8	629.5	2.9%
EBITDA margin		82.3%	82.1%	0.1 pp	82.1%	83.0%	-0.9 pp

4.11. Composition of Regulatory EBITDA

The diagram below shows the Regulatory EBITDA in the first half of 2021 considering all concessions of the Taesa group proportionally. It is important to note that according to the Brazilian accounting standards, the consolidated results do not include the jointly-controlled investees and affiliates (ETAU, Brasnorte, Transmineiras, AIE, and TBE).



4.12. Equity Method under IFRS

The Equity Method under IFRS in 2Q21 totaled R\$ 280.2 million, 89.5% higher y.o.y. In the first half of 2021, IFRS Equity Income closed at R\$ 485.4 million, 50.8% higher than the same period in 2020.

Equity Method - IFRS

	R\$ mn	2Q21	2Q20*	Chg. %	6M21	6M20*	Chg. %
ETAU		11.0	3.1	260.0%	24.1	6.7	258.1%
TBE		191.8	79.3	142.0%	328.6	180.0	82.5%
Aimorés		5.5	12.6	-56.4%	10.3	35.9	-71.3%
Paraguaçu		7.9	21.4	-62.9%	14.9	60.4	-75.4%
Ivaí		35.5	22.9	54.9%	63.1	22.2	183.8%
Transmineiras		28.4	8.6	228.4%	44.5	16.5	169.0%
Total Equity method		280.2	147.8	89.5%	485.4	321.8	50.8%

*The Company performed the adjustments and reclassifications of its balance sheets as of June 30, 2020 in order to present such amounts for comparative purposes with the interim information as of June 30, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

The y.o.y increase of 89.5% in the IFRS results of the jointly-controlled investees and affiliates is primarily due to: (i) increase in the monetary restatement revenues for TBE, Transmineiras and ETAU by higher macroeconomic indexes recorded in the quarter; and (ii) greater investments in the concessions under construction (ESTE, which is part of TBE, and Ivaí of the AIE group). These effects were partially offset by lower investments in Aimorés and Paraguaçu concessions, by the higher financial expenses related to the 1st issuance of Ivaí's debentures and the 2nd issuance of EDTE's debentures indexed by IPCA and by the funding raise made by the EATE, EBTE, ECTE, ETEP and Transirapé concessions in the total amount of R\$ 400.0 million in April 2021.

4.13. Regulatory Equity Method

The Regulatory Equity Method totaled R\$ 32.8 million in 2Q21, 43.1% lower y.o.y. In the first half of 2021, the Regulatory Equity Method totaled R\$ 71.5 million, 27.1% lower y.o.y.

Equity method - Regulatory

	R\$ mn	2Q21	2Q20	Chg. %	6M21	6M20	Chg. %
ETAU		3,0	4,3	-31,2%	12,8	8,6	48,9%
TBE		47,4	59,8	-20,7%	97,4	115,7	-15,8%
Aimorés		0,0	(0,1)	-	0,0	(0,2)	-
Paraguaçu		(0,0)	(0,2)	-96,1%	(0,1)	(0,3)	-73,6%
Ivaí		(12,9)	(1,2)	1010,7%	(29,2)	(14,9)	95,6%
Transmineiras		8,9	8,5	5,4%	17,8	16,5	8,2%
Subsidiaries Net Income		46,4	71,2	-34,8%	98,8	125,4	-21,2%
Amortization of goodwill - TBE		(13,6)	(13,6)	0,0%	(27,3)	(27,3)	0,0%
Total Equity Method		32,8	57,5	-43,1%	71,5	98,1	-27,1%

The Regulatory Equity Method in 2Q21 presented a y.o.y reduction of 43.1% due (i) the 50% RAP reduction of ETAU, Transleste, ERTE and ENTE, from the TBE group, (ii) by the increase in financial expenses related to the first issuance of debentures by Ivaí and the second issuance of debentures by EDTE, both indexed to the IPCA, and partially offset by the inflation adjustment of RAP in the 2020-2021 cycle.

The difference between the Equity Method in Taesa and the sum of the results of ETAU, Brasnorte, Aimorés, Paraguaçu, Ivaí, Transmineiras, and TBE is due to the amortization of the goodwill arising from the allocation of the price paid for the acquisition of TBE.

4.14. Net Financial Results

The net financial expenses under IFRS totaled R\$ 173.1 million in 2Q21, 508.4% higher y.o.y. The Regulatory net financial expenses totaled R\$ 172.4 million, 521.6% higher y.o.y.

In the first half of 2021, the IFRS net financial expenses closed at R\$356.2 million, an increase of 118.1% compared to 6M20. The regulatory net financial expense reached R\$ 354.8 million, a 119.2% increase compared to the first half of 2020.

Net Financial Expenses IFRS

	R\$ mn	2Q21	2Q20	Chg.%	6M21	6M20	Chg.%
Financial Revenues		7.1	9.3	-23.5%	11.6	22.3	-48.2%
Revenues from financial investments		7.2	9.3	-23.4%	11.6	22.3	-48.2%
Financial Expenses		(180.3)	(37.8)	377.0%	(367.8)	(185.6)	98.2%
Interest incurred		(98.1)	(73.4)	33.6%	(185.3)	(149.2)	24.2%
Monetary and exchange variations		(76.4)	28.5	n/a	(171.2)	(26.1)	555.0%
Fair Value Adjustment		(0.0)	12.4	-	(0.0)	0.0	n/a
Leasing		(0.7)	(0.7)	-0.9%	(1.4)	(1.4)	-2.1%
Other financial expenses/revenues		(5.0)	(4.6)	10.2%	(9.9)	(8.8)	12.3%
Total IFRS		(173.1)	(28.5)	508.4%	(356.2)	(163.3)	118.1%

The 23.4% y.o.y reduction in Financial Revenues occurred primarily due to the lower average cash balance invested as a result of the payment of R\$ 1.03 billion in dividends and interest on equity and the Citibank and Bradesco Bank Letters of Credit repayment in the amount of R\$ 456.7 million. The drop was partially offset by (i) the higher profitability of financial investments associated with the increase in the CDI, (ii) the fundraising of R\$ 750 million related to the Company's 10th issuance of debentures on May 15, 2021 and (iv) the receipt of R\$ 225.4 million in dividends from its subsidiaries.

The increase in the line of interest incurred is due to the increase in the outstanding debt principal as a result of the inflation adjustment, affecting the basis to calculate interest incurred, and a higher CDI between the compared periods.

The y.o.y. increase in the line of monetary and exchange variations is explained by the increase of cumulative inflation of IPCA recorded in the period, despite the reduction in the average IPCA-driven debt balance. It is worth noting that deflation was recorded in 2Q20, positively impacting this line of financial expenses for that quarter.

The reduction in the fair value adjustment line refers to the accounting of R\$ 12.4 million in 2Q20 due to the update of the swap methodology of the first series of the sixth issuance of Taesa's debentures, from CDI to IPCA, in 2019.

Other financial expenses/revenues increased by 10.2% y.o.y., explained by the monetary restatement of amounts previously provisioned for civil, tax and labor contingencies, an effect that was partially offset by the lower PIS/COFINS expenses related to financial investments.

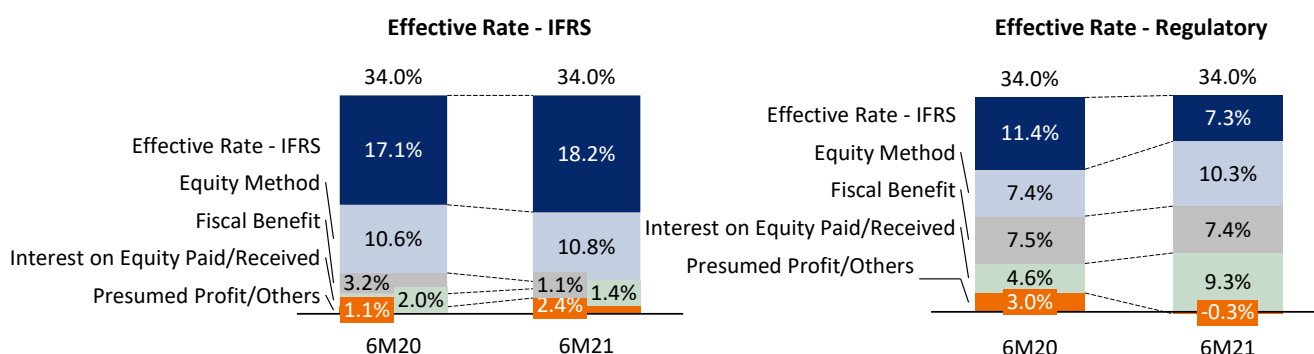
4.15. Taxes

The 50.8% increase in IFRS Income Tax and Social Contribution between 2Q21 and 2Q20 is explained by an increase in earnings before taxes. It is worth noting that the 84.1% reduction in the SUDAM/SUDENE benefit is due to the decrease in taxable income, which is the basis for the recognition of current tax, related to tax adjustments for the purpose of taxation of the contractual assets and to higher financial expenses, resulting in less tax benefit for the period. This effect was offset by the increase in the net income of the companies with the presumed profit regimen.

R\$ mn	IFRS					
Reconciliation of Income Tax	2Q21	2Q20*	Chg.%	6M20	6M20*	Chg.%
PreTax Profit	841.9	559.7	50.4%	1,532.9	1,031.3	48.6%
IRPJ and CSLL rate of 34%	(286.2)	(190.3)	50.4%	(521.2)	(350.6)	48.6%
Equity Method	95.3	50.3	89.5%	165.0	109.4	50.8%
SUDAM/SUDENE	3.2	20.4	-84.1%	17.6	33.5	-47.5%
Presumed Profit Companies	23.6	2.5	862.7%	44.9	10.6	325.8%
Others	(2.0)	0.9	-328.8%	(7.6)	0.5	n/a
IRPJ and CSLL recognized in profit	(144.0)	(95.5)	50.8%	(279.1)	(175.8)	58.7%
Effective Rate	17.1%	17.1%	0.0 pp	18.2%	17.1%	1.2 pp

* The Company performed the adjustments and reclassifications of its balance sheets as of June 30, 2020 in order to present such amounts for comparative purposes with the interim information as of June 30, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

R\$ mn	Regulatory					
Reconciliation of Income Tax	2Q21	2Q20	Chg.%	6M21	6M20	Chg.%
PreTax Profit	127.1	286.1	-55.6%	237.1	448.0	-47.1%
IRPJ and CSLL rate of 34%	(43.2)	(97.3)	-55.6%	(80.6)	(152.3)	-47.1%
Equity Method	11.1	19.6	-43.1%	24.3	33.3	-27.1%
SUDAM/SUDENE	3.2	20.4	-84.1%	17.6	33.5	-47.5%
Interest on Equity Paid/Received	22.1	20.8	6.1%	22.1	20.8	6.1%
Presumed Profit Companies	11.8	2.5	366.4%	14.1	8.1	n/a
Others	(20.2)	5.5	n/a	(14.8)	5.4	n/a
IRPJ and CSLL recognized in profit	(15.2)	(28.5)	-46.7%	(17.4)	(51.2)	-66.1%
Effective Rate	11.9%	10.0%	-2.0 pp	7.3%	11.4%	-4.1 pp



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The table below shows the tax regimen for each concession, as well as those that enjoy a tax benefit, the date in which the benefit expires, and the respective PIS and COFINS rate applicable to each concession.

Concession	Fiscal Regimen	Fiscal Benefit	% Area	Maturity	PIS	COFINS
TSN	"Real"	"Sudene"	84%	2023	0.65%	3.00%
NVT	"Real"	"Sudam"	73%	2023	0.65%	3.00%
GTESA	"Real"	"Sudene"	100%	2023	0.65%	3.00%
PATESA	"Real"	"Sudene"	100%	2025	0.65%	3.00%
Munirah	"Real"	"Sudene"	84%	2023	0.65%	3.00%
ETEO	"Real"	-	-	-	0.65%	3.00%
NTE	"Real"	-	-	-	0.65%	3.00%
STE	"Real"	-	-	-	0.65%	3.00%
ATE I	"Real"	-	-	-	0.65%	3.00%
ATE II	"Real"	"Sudene"	85%	2026	1.65%	7.60%
ATE III	"Real"	"Sudam"	100%	2027	1.65%	7.60%
São Gotardo	"Presumed"	-	-	-	0.65%	3.00%
Mariana	"Presumed"	-	-	-	0.65%	3.00%
Miracema	"Presumed"	"Sudam"	100%	2029	0.65%	3.00%
Janaúba	"Real"	"Sudene"	100%	2032	1.65%	7.60%
Aimorés	"Real"	"Sudene"	80%	2032	1.65%	7.60%
Paraguaçu	"Real"	"Sudene"	100%	2032	1.65%	7.60%
ETAU	"Real"	-	-	-	0.65%	3.00%
BRASNORTE	"Real"	"Sudam"	100%	2027	1.65%	7.60%
EATE	"Real"	"Sudam"	100%	2023	0.65%	3.00%
ENTE	"Real"	"Sudam"	100%	2025	0.65%	3.00%
ECTE	"Real"	-	-	-	0.65%	3.00%
ETEP	"Real"	"Sudam"	100%	2025	0.65%	3.00%
ERTE	"Presumed"	-	-	-	0.65%	3.00%
LUMITRANS	"Presumed"	-	-	-	0.65%	3.00%
EBTE*	"Real"	"Sudam"	100%	2020	1.65%	7.60%
ESDE	"Presumed"	-	-	-	0.65%	3.00%
STC	"Presumed"	-	-	-	0.65%	3.00%
ETSE	"Presumed"	-	-	-	0.65%	3.00%
ESTE	"Real"	"Sudene"	22%	2032	1.65%	7.60%
IVAÍ	"Real"	-	-	-	1.65%	7.60%
TRANSUDESTE	"Presumed"	-	-	-	0.65%	3.00%
TRANSESTE	"Presumed"	-	-	-	0.65%	3.00%
TRANSIRAPÉ	"Presumed"	-	-	-	0.65%	3.00%
EDTE	"Real"	"Sudene"	100%	2029	1.65%	7.60%
Sant'Ana	"Presumed"	-	-	-	0.65%	3.00%
São João	"Presumed"	-	-	-	0.65%	3.00%
São Pedro	"Presumed"	-	-	-	0.65%	3.00%
Lagoa Nova	"Presumed"	-	-	-	0.65%	3.00%

* EBTE requested the renewal of the SUDAM tax benefit in August 2020 and is awaiting the position of the competent body.

The SUDAM/SUDENE tax benefit is calculated based on the net income under IFRS of each concession. These benefits are tax incentives granted by the Superintendency of Development for the Amazon (SUDAM) and by Superintendency of Development of the Northeast (SUDENE) in activities directly related to production in the region and they reduce 75% of income tax due to exploration of transmission concessions.

Income and social contribution taxation rules by fiscal regimen

Lucro Real (real profit): The company must anticipate taxes monthly, based on monthly revenues, over which predetermined percentages are applied, according to the activities, in order to obtain an estimated profit margin on which the income tax (IRPJ) and social contribution (CSLL) are levied. At the end of each fiscal year, the legal entity reports its annual balance sheet and adjusts the profit for the year, calculating the final IRPJ and CSLL and discounting the anticipated taxes paid monthly. Eventually, the anticipated tax payments may be higher than the real taxes due, generating a credit in favor of the taxpayer.

Lucro Presumido (presumed profit): IRPJ and CSLL for “Lucro Presumido” are calculated quarterly. The rate of each tax (IRPJ and CSLL) is levied on revenues based on a percentage of variable presumption, depending on the activity. In Taesa’s case, the presumption rates of IRPJ and CSLL are 8% and 12%, respectively.

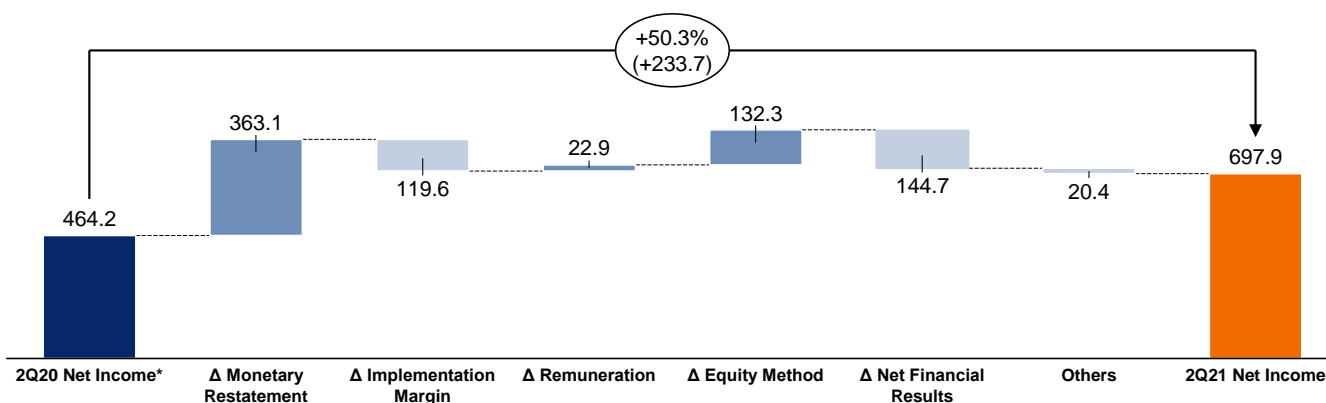
With the Law 12,973/2014, from 2015 until November 2017 the Company accounted the income and social contribution taxes using the presumption rate of 32%. However, based on past law cases, in 4Q17 the Company reversed previously provisioned amounts for IRPJ and CSLL in ETAU* and São Gotardo, and began to account them using the previous rates (8% and 12%). The same occurred for concessions of the TBE group that adopt “Lucro Presumido” regime.

* In 2015, ETAU used the “Lucro Presumido” regime. However, from January 2016, it opted for the “Lucro Real” regime, aiming to reduce the tax rate of IRPJ and CSLL, due to the enactment of Law 12,973/14.

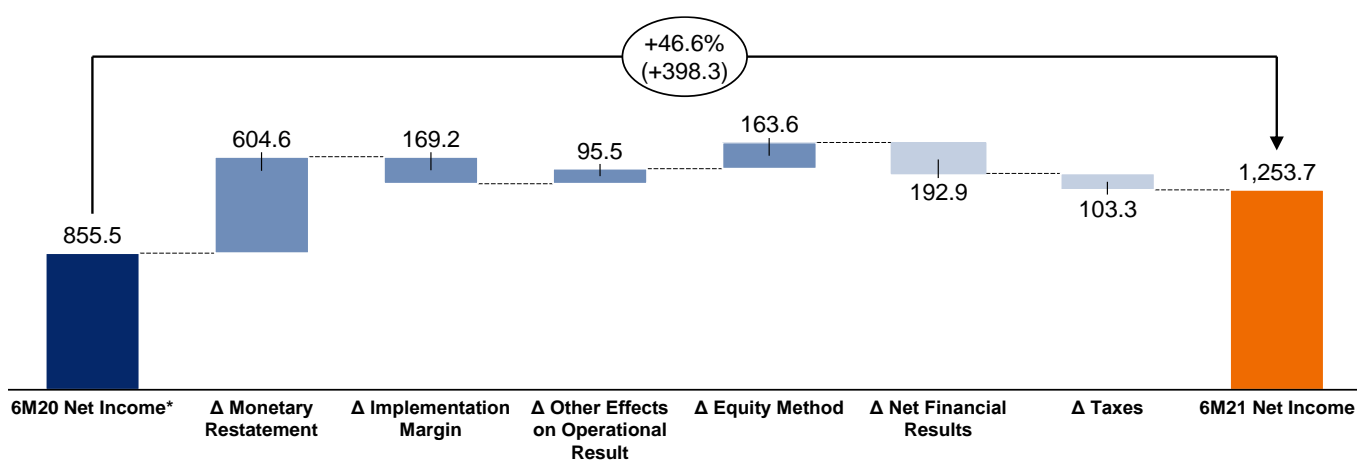
4.16. Net Income

Net Income under IFRS totaled R\$ 697.9 million in 2Q21, 50.3% higher y.o.y. In the first half of 2021, Net Income under IFRS totaled R\$ 1,253.7 million, 46.6% higher y.o.y.

2Q21 Net Income under IFRS:



6M21 Net Income under IFRS:

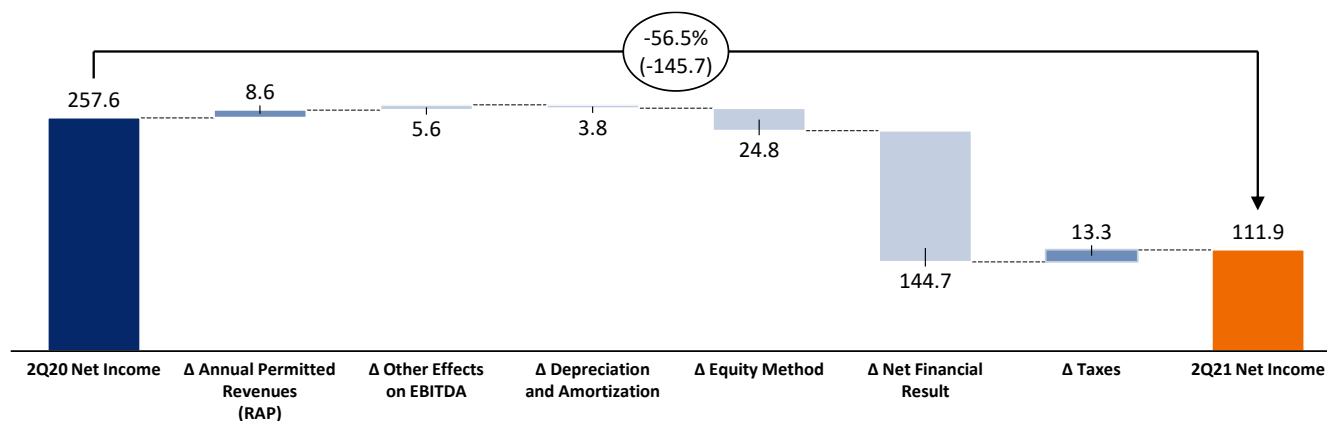


*The Company performed the adjustments and reclassifications of its balance sheets as of June 30, 2020 in order to present such amounts for comparative purposes with the interim information as of June 30, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

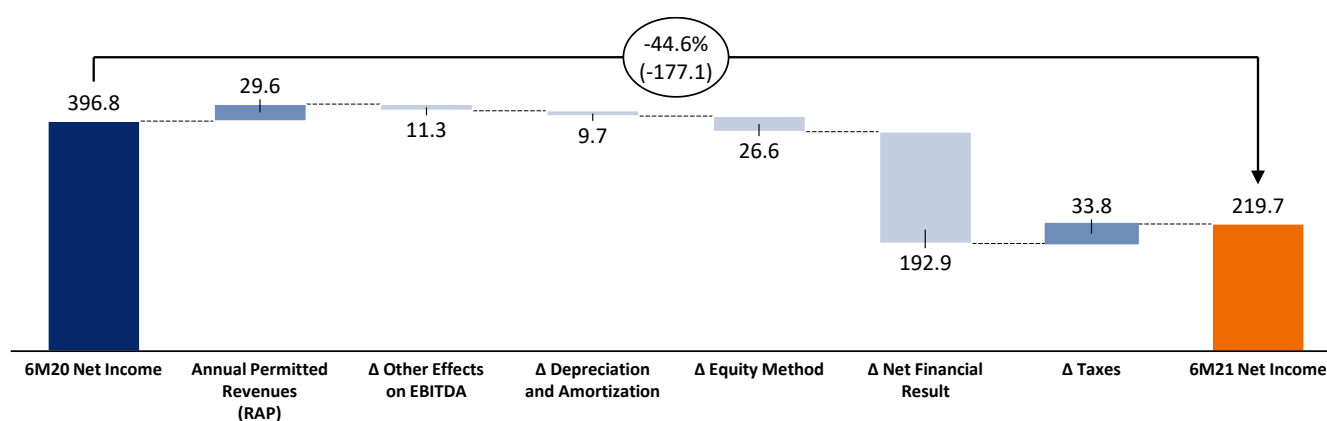
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Regulatory Net Income totaled R\$ 111.9 million in 2Q21, presenting an y.o.y decrease of 56.6%. In 6M21, Regulatory Net Income totaled R\$ 219.7 million, 44.6% lower y.o.y.

2Q21 Regulatory Net Income:



6M21 Regulatory Net Income:



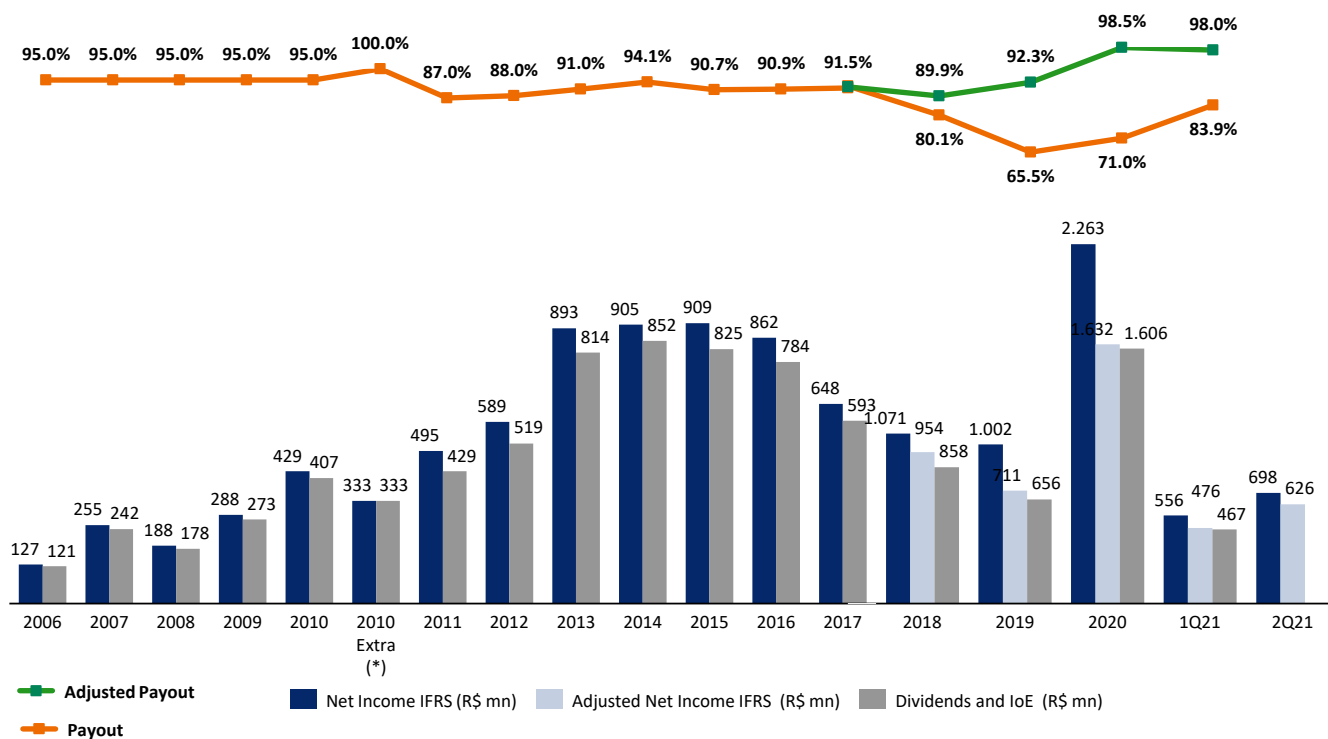
Adjusted Net Income

With the adoption of CPC 47 for 2018 onwards, the Company began to anticipate strictly-accounting (non cash effect) results in connection with the efficiency of the projects construction (see section 4.4 for further details). However, for purposes of distribution of dividends and in order to maintain the flow of dividends that Taesa has historically paid, without impacting its cash and leverage position, the Company will record, on a quarterly basis, the adjusted net income excluding the effects of construction margins. That is, the adjusted net income approximates the previously adopted accounting method (financial asset at amortized cost). Consequently, the Company will record the special earnings reserve relating to such adjustments, which may be distributed as dividends in the future.

	R\$ '000	Financials (CPC 47)	Adjustments	Adjusted Financials
GROSS OPERATING REVENUES				
Operation and Maintenance		350,058		350,058
Remuneration of the Contractual Asset		373,848	(45,214)	328,634
Monetary Restatement of the Contractual Asset		805,863		805,863
Implementation of Infrastructure Revenues		418,974	(16,400)	402,574
Other Revenues		11,945		11,945
Variable Portion		(11,264)		(11,264)
TOTAL GROSS REVENUES		1,949,424	(61,614)	1,887,809
PIS/Cofins		(103,899)	5,575	(98,324)
Service Tax		(308)		(308)
ICMS		(7)		(7)
RGR, P&D, TFSEE, CDE and PROINFA		(32,440)		(32,440)
Others Deductions		-		-
Gross Revenue deductions		(136,654)	5,575	(131,079)
NET REVENUES		1,812,770	(56,039)	1,756,731
COSTS AND OPERATING EXPENSES				
Personnel		(86,144)		(86,144)
Material		(264,888)	-	(264,888)
Third party services		(35,766)		(35,766)
Depreciation and amortization		(10,495)		(10,495)
Other operating expenses		(11,797)		(11,797)
Costs and Expenses		(409,090)	-	(409,090)
Gains (losses) on company acquisitions		-		-
GROSS PROFIT		1,403,680	(56,039)	1,347,641
Equity method		485,413	(114,102)	371,311
Revenues from financial investments		11,559		11,559
Financial Expenses		(367,795)		(367,795)
Financial Revenues (Expenses)		(356,236)	-	(356,236)
NET INCOME BEFORE INCOME TAXES		1,532,857	(170,141)	1,362,716
Income taxes and social contribution		(279,110)	18,394	(260,716)
NET INCOME		1,253,747	(151,747)	1,102,000
Controlling Shareholder Interest (Distributable)		1,253,747	(151,747)	1,102,000
Participation of non-controlling shareholders		-		-
Legal Reserve (5%)		-	-	-
Fiscal Incentive Reserve		(7,630)		(7,630)
Special Reserve - Initial Adoption CPC 47		(151,747)	151,747	-

4.17. Dividends and Interest on Equity

On May 27, 2020, the Company paid a total of R\$ 1,028.5 million in the following manner: (i) R\$ 561.9 million (R\$ 1.63 / Unit) as additional and remaining dividends for the 2020 earnings, and (ii) R\$ 466.6 million for which R\$ 401.6 million (R\$ 1.17 / Unit) as interim dividends and R\$ 65.0 million (R\$ 0.19 / Unit) as interest on equity, both based on results reported as of March 30, 2021.



* IFRS Reserve

4.18. Indebtedness

On 2Q21, Taesa's Gross Debt totaled R\$ 6,665.7 million, 6.5% higher q.o.q. The Company's cash position totaled R\$ 729.3 million, a decrease of 29.3% this quarter as a result of an increase in net debt of R\$ 5,936.5 million, or 13.6% q.o.q.

R\$ mn					
Net Debt	2Q21	% Outst. Debt	1Q21	% Outst. Debt	Chg.%
Short Term	884.2	13.3%	528.1	8.4%	67.4%
Fixed Coupon	9.0	0.1%	9.0	0.1%	0.0%
CDI	461.7	6.9%	122.3	2.0%	277.4%
IPCA	413.5	6.2%	396.9	6.3%	4.2%
Long Term	5,781.6	86.7%	5,729.4	91.6%	0.9%
Fixed Coupon	6.4	0.1%	8.7	0.1%	-25.8%
CDI	1,433.4	21.5%	1,591.4	25.4%	-9.9%
IPCA	4,341.7	65.1%	4,129.4	66.0%	5.1%
Total Debt	6,665.7	100.0%	6,257.6	100.0%	6.5%
(-) Cash and cash equivalents*	(729.3)		(1,031.5)		-29.3%
(=) Net Debt	5,936.5		5,226.1		13.6%

* The cash value is the sum of the Cash and Cash Equivalent and Securities lines.

On 2Q21, gross debt totaled R\$ 6,665.7 million and while the cash position totaled R\$ 729.3 million resulting in a net debt of R\$ 5,936.5 million. The 6.5% increase in gross debt this quarter is due to the 10th issuance of debentures in the amount of R\$ 750 million and the increase in IPCA compared to the previous quarter. This increase was partially offset by the repayment of Citibank and Bradesco's Bank Letters of Credit in the amount of R\$ 456.7 million.

The 29.3% reduction in Cash and Investments this quarter is primarily explained by (i) payment of proceeds in the amount of R\$ 1,028.5 million, (ii) repayment of Citibank and Bradesco's Bank Letters of Credit in the amount of R\$ 456.7 million, and (iii) disbursement of Capex for projects under construction in the amount of R\$102.4 million. This reduction was partially offset by (i) operating cash generated this quarter in an amount of R\$ 285.0 million, (ii) dividends received from affiliates and subsidiaries in the amount of R\$ 261.5 million, and (iii) the fund raised via Taesa's 10th issuance of debentures in the amount of R\$ 750 million.

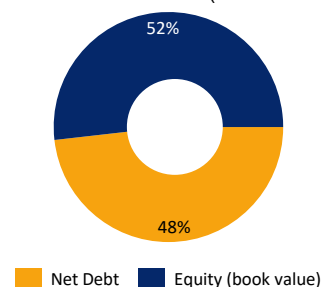
By proportionally consolidating the jointly-controlled and affiliated companies, the total gross debt totaled R\$ 8,630.0 million and the cash position totaled R\$ 1,159.8 million, considering the following amounts: (i) TBE's debt in the amount of R\$ 966.6 million and cash/investments of R\$ 84.8 million; (ii) ETAU's debt in the amount of R\$ 6.1 million and cash/investments of R\$ 4.8 million; (iii) Transmineiras' debt in the amount of R\$ 64.9 million and cash/investments of R\$ 27.8 million; and (iv) AIE's debt (Aimorés, Paraguaçu and Ivaí) of R\$ 926.6 million and cash/investments R\$ 313.5 million.

Considering the proportional net debt of jointly-controlled and affiliated companies, the net debt to EBITDA ratio was 4.6x in 2Q21, higher than 1Q21 (3.9x). Excluding the results of the jointly-controlled and affiliated companies, this ratio would be 4.7x in 2Q21 against 4.2 x registered in 1Q21.

Debt by Company (R\$ mn)

Company	Gross Debt R\$ mn	Cash Balance R\$ mn	Net Debt R\$ mn
TAESA	6,665.7	729.3	5,936.5
ETAU (75.6%)	6.1	4.8	1.3
TBE (49.99%)	966.6	84.8	881.8
Transmineiras (49%)	64.9	27.8	37.1
AIE (50%)	926.6	313.1	613.5
TOTAL	8,630.0	1,159.8	7,470.1

Capital Structure Taesa (Book Value)



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The debt of Taesa, jointly-controlled and associated companies is detailed in the table below, proportionally.

Company	Creditor	Index	Principal (R\$ / 000)	Interest (R\$ / 000)	Cost	Issuance Rating	Maturity	Amort	Coupons per Year
Taesa	3rd Debentures	IPCA	1,143,358	40,443	IPCA + 5.10%	Br.AAA	Oct - 2024	Annual	1
	4th Debentures	IPCA	300,166	10,377	IPCA + 4.41%	AAA.br	Sep - 2024	Annual	1
	5th Debentures	IPCA	592,954	34,002	IPCA + 5.9526%	-	Jul - 2025	Annual	1
	6th Debentures	CDI	440,496	4,022	108% CDI	AAA.br	May-2026	Bullet	1
	6th Debentures	IPCA	222,554	1,533	IPCA + 5,50%	AAA.br	May-2044	Monthly	12
	7th Debentures	IPCA	532,862	42,590	IPCA + 4,50%	AAA.br	Sep-2044	Semiannual	2
	8th Debentures	IPCA	327,751	706	IPCA + 4,77%	AAA.br	Dec-2044	Semiannual	2
	9th Debentures	CDI	448,952	6,175	CDI + 2.85%	-	Apr/2022	Bullet	1
	10th Debentures	CDI	639,764	3,811	CDI + 1.70%	-	May/2028	Bullet	1
	10th Debentures	IPCA	100,997	523	IPCA + 4.7605%	-	May/2036	Annual	1
	SWAP - CITIBANK*	CDI	351,873	0	106.0% CDI	-	May-2023	Bullet	1
	SWAP 1 st Serie of 6 th issuance (BR Partners)	CDI	109,229	0	3.995% per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Santander)	IPCA	109,228	0	3.99% per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Itaú)	IPCA	54,698	0	3.94% per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Br Partners)	IPCA	54,588	0	3.91% per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Santander)	IPCA	53,841	0	3.66% per year	-	May-2026	Bullet	1
	SWAP 1 st Serie of 6th issuance (ABC)	IPCA	54,633	0	3.59% per year	-	May-2026	Bullet	1
	FINAME	Fixed	98	0	5.50%	-	Jul - 2022	Monthly	12
	FINAME	Fixed	3,808	4	2.50%	-	Dec - 2022	Monthly	12
SGT	FINAME	Fixed	7,615	9	3.00%	-	Aug - 2024	Monthly	12
	FINAME	Fixed	170	0	6.00%	-	Jun - 2023	Monthly	12
Janaúba	FINAME	Fixed	3,670	4	2.5%	-	Dec - 2022	Monthly	12
	1st Debentures	IPCA	241,796	27,417	IPCA + 4.5% per year	-	Jul/2033	Quarterly	4
Lagoa Nova	2nd Debentures	IPCA	593,632	46,279	4.8295% per year	-	Dec - 2044	Annual	1
	BNB Financing	IPCA	56,002	3,109	IPCA + 2.109% per year	-	May - 2038	Monthly	12
ETAU	BNDES	Selic	231	0	SELIC + 3.76%	-	Aug - 2021	Monthly	12
	BNDES	TJLP	232	1	TJLP + 5.20%	-	Aug - 2021	Monthly	12
	BNDES - GIRO	TJLP	5,610	37	TLP + 2,78% + 1,5% + 1,5%	-	Oct - 2023	Monthly	12
EATE	5th Debentures - 2nd	CDI	26,986	79	116% CDI	-	Sep - 2021	Monthly	12
	6th Debentures	CDI	9,523	3	107.75% CDI	-	Sep - 2022	Monthly	12
	7th Debentures	CDI	18,490	7	113.53% CDI	-	Jun - 2023	Monthly	12
	8th Debentures	CDI	134,709	1,739	108.60% CDI	-	Jul - 2024	Bullet	1
	9th Debentures	CDI	99,661	1,159	CDI + 1,9%	-	Apr/2026	4th e 5th year	2
EBTE	1st Debentures	CDI	32,688	12	113.83% CDI	-	Jun - 2023	Monthly	12
	2nd Debentures	CDI	37,080	432	CDI + 1,9%	-	Apr/2026	4th e 5th year	2
EDTE	2nd Debentures	IPCA	153,362	20,822	IPCA + 5,29%	-	Dec - 2028	Semiannual	2
ECTE	4th Debentures	CDI	7,395	3	107.75% CDI	-	Sep - 2022	Monthly	12
	5th Debentures	CDI	9,515	123	108.60% CDI	-	Jul - 2024	Semiannual	2
	CCB Santander	CDI	15,481	77	2,90% per year + CDI	-	Jul - 2025	Monthly	12
	6 th Debentures	CDI	9,503	111	CDI + 1,9%	-	Apr/2026	4th e 5th year	2
ENTE	4th Debentures	CDI	24,912	322	108.60% CDI	-	Jul - 2024	Bullet	1
	CCB Santander	CDI	50,684	252	2,90% per year + CDI	-	Jul - 2025	Monthly	12
ETEP	3rd Debentures	CDI	10,987	4	112% CDI	-	Jun - 2023	Monthly	12
	CCB Santander	CDI	45,610	227	TJLP + 2,08%	-	Apr - 2027	Monthly	12
	4 th Debentures	CDI	24,881	290	CDI + 1,9%	-	Apr/2026	4th e 5th year	2
ESTE	1st Debentures	IPCA	195,380	34,060	IPCA + 4.5% per year	-	Dec - 2044	Semiannual	2
TRANSELESTE	BDMG	Fixed	4,873	25	10% per year	-	Mar - 2025	Monthly	12
	BNB	Fixed	1,377	112	9.50%	-	Mar - 2025	Monthly	12
	2nd Debentures	CDI	9,704	3	107.75% CDI	-	Sep - 2022	Monthly	12
TRANSIRAPÉ	BDMG	Fixed	3,323	5	3.5%	-	Jan - 2024	Monthly	12
	BDMG	Fixed	1,894	81	3.5% + TJLP	-	Oct - 2029	Monthly	12
	2nd Debentures	CDI	6,556	2	107.75% CDI	-	Sep - 2022	Mensal	12
	3rd Debentures	CDI	26,884	313	CDI + 1,9%	-	Apr/2026	4th e 5th year	2
	BNDES	Fixed	1,415	83	6.0% + TJLP	-	Apr - 2026	Monthly	12
TRANSUDESTE	2nd Debentures	CDI	8,251	3	107.75% CDI	-	Sep - 2022	Monthly	12
IVAÍ	1st Debentures	IPCA	858,790	67,842	4,8892% a.a.	-	Dec - 2043	Semiannual	2
Total			8,280,722	349,235					

* The debt was collected in USD, and indexed to Libor. However, as the debt includes a swap for CDI, the final value of the debt was considered with the swap balance included in said value..

4.19. Investments

In 6M21, the Company, its subsidiaries, jointly-invested companies, and affiliates invested a total of R\$ 545.9 million compared to R\$ 706.2 million invested in 6M20, related to the projects under construction. The 22.7% y.o.y reduction is due to lower investments in some projects (Janaúba, Aimorés and Paraguaçu), mainly explained by their advanced construction stage, partially offset by higher investments in Sant'ana, Ivaí and ESTE.

Projects under Construction

R\$ '000	Implementation Cost (Capex)							6M21	TOTAL
	2014	2015	2016	2017	2018	2019	2020		
Mariana	2,619	4,751	21,181	38,106	22,797	55,083	34,592	-	179,129
Miracema			1,197	41,695	115,009	110,664	-	-	268,565
Janaúba				10,190	30,741	116,074	655,111	78,526	890,643
Aimorés				3,923	3,638	65,877	82,034	4,687	160,159
Paraguaçu				5,750	4,611	110,848	108,966	5,527	235,702
Ivaí				8,662	12,740	46,190	379,137	212,061	658,790
ESTE				868	4,546	6,243	122,486	76,721	210,864
EDTE					14,635	175,155	1,837	-	191,626
Sant'Ana						32,172	151,021	168,344	351,537
Total	2,619	4,751	22,378	109,195	208,716	718,306	1,535,184	545,866	3,147,015

Note: The amounts presented in the table above consider the implementation of infrastructure costs in each of the projects on an accrual basis, in line with the IFRS Results disclosed by the Company. The adjustment in the implementation costs line generated by the adoption of CPC 47, related to the treatment of advances with suppliers until December 31, 2017, was recorded in the special reserve account for the 2018 fiscal year (PL). For the purposes of monitoring the table above, this impact was added to the investment value of each project in 2017.

4.20. Projects under Construction

Currently, Taesa has six projects under construction with a total ANEEL Capex of R\$ 4,844 million and a RAP of R\$ 945.8 million (2021-2022 RAP cycle). Considering the Company's proportionate interest in these concessions, the ANEEL Capex is R\$ 3,206.9 million with a proportional RAP of R\$ 613.2 million.

Auction	Project	Extension / Location	Partnership	RAP (2020-21 cycle) R\$ mn	Capex ANEEL R\$ mn	Contract Signing	ANEEL's Deadline	Status
Auction 013/2013 (Dec-13)	Mariana (Lot A)	82 km / Minas Gerais	100% Taesa	17.8	107	May/14	May/17	Concluded in 05/25/2020
Auction 013/2015 (Apr-16)	Miracema (Lot P)	90 km / Tocantins	100% Taesa	74.5	276	Jun/16	Dec/19	Concluded in 11/29/2019
	EDTE (Lot M)	167 km / Bahia	25% Taesa 25% Apollo 12 50% ENTE	76.1	368	Dec/16	Dec/19	Concluded in 01/20/2020
Auction 013/2015 2ª Part (Oct-16)	ESTE (Lot 22)	236 km / Minas Gerais and Espírito Santo	50% Taesa 50% Alupar (100% EATE-TBE)	123.6	486	Feb/17	Feb/22	In progress
	Janaúba (Lot 17)	542 km / Bahia and Minas Gerais	100% Taesa	213.6	960	Feb/17	Feb/22	In progress
	Aimorés (Lot 4)	208 km / Minas Gerais	50% Taesa 50% CTEEP	87.4	341	Feb/17	Feb/22	In progress
	Paraguaçu (Lot 3)	338 km / Bahia and Minas Gerais	50% Taesa 50% CTEEP	130.4	510	Feb/17	Feb/22	In progress
Auction 005/2016 (Apr-16)	Ivaí (Lot 1)	600 km / Paraná	50% Taesa 50% CTEEP	323.7	1937	Aug/17	Aug/22	In progress
Auction 004/2018 Dec/18	Sant'Ana (Lot 12)	591 km / Rio Grande do Sul	100% Taesa	67.1	610	Mar/19	Mar/23	In progress
TOTAL		2.854 km		R\$ 1.114 mn	R\$ 5.595 mn			

Project Status

Mariana

- Preliminary License (LP) issued in May 2016.
- Installation and Operation Licences (LI e LO) issued in December 2018.
- Issuance of TLD (Termo de Liberação Definitivo) on December 20, 2019 for Mariana reinforcement.
- Energization scheduled for May 25, 2020.
- Issuance of TLD (Termo de Liberação Definitivo) on June 8, 2020, with date to entry into retroactive commercial operation on June 4, 2020.
- Concession in operation.

Miracema

- All environmental licenses have been obtained: LI's and LP's of LT 500kV, LT 230kV, SE Palmas, SE Lajeado and SE Miracema.
- Recognition of the right to SUDAM's tax benefit in September 2018. The benefit will last for 10 years, from the start of its operations.
- The section LT Miracema – Lajeado (circuit 2), with 500kV of voltage and 30 km of extension, was energized in in September 2019. Energization of the remaining section concluded in November 29, 2019.
- Issuance of TLD (Termo de Liberação Definitivo) on October 1, 2019 for the reinforcement, in December 27, 2019 for the 5000kV installations, and on February 18, 2020 for the 230 kV and 138 kV installations, where for the latter, a TLR (Termo de Liberação de Receita) was issued for the period between December 27, 2019 and February 7, 2020.
- Concession in operation.

EDTE

- Preliminary License (LP) issued in June 2018.
- 2nd issuance of debentures of EDTE in December 2018.
- Installation License (LI) issued in January 2019.
- Energization of the LT 500kV Ibicoara – Poções III and 500/230kV Poções III Substation in December 22, 2019.
- Last energization of EDTE refers to the LT 230kV poções III – Poções II on January 20, 2020.
- Issuance of TLP (Termo de Liberação Provisória) on January 20, 2020.
- Issuance of TLD (Termo de Liberação Definitiva) on February 7, 2020.
- Concession in operation.

ESTE

- Basic project proposal filed with ANEEL and already approved in ONS.
- Preliminary License (LP) issued in January 2019.
- Installation Licence (LI) issued in October 2019.
- 1st issuance of debentures of ESTE in December 2019.
- Issued the OSC (Ordem de Serviço de Campo) for the start of field work.
- Construction progress: 84% accomplished.

Janaúba

- Basic project proposal approved by ANEEL/ONS for the substations and transmission lines.
- The design implementation / topography activities were completed.
- Preliminary License (LP) issued in September 2018.
- Financing agreement signed with BNB in September 2018.

- Recognition of the right to SUDENE tax benefit in September 2018. The benefit will last 10 years, from the beginning of its operations.
- 1st issuance of debentures of Janaúba in January 2019.
- Installation Licence (LI) issued in July 2019.
- 2nd issuance of debentures of Janaúba in December 2019.
- Construction progress: 98% accomplished.

Aimorés

- Basic project proposal approved by ANEEL.
- Preliminary License (LP) issued in October 2018.
- Recognition of the right to SUDENE tax benefit in December 2018. The benefit will last 10 years, from the beginning of its operations.
- Installation Licence (LI) issued in April 2019.
- Construction progress: 91% accomplished.

Paraguaçu

- Basic project proposal approved by ANEEL.
- Preliminary License (LP) issued in October 2018.
- Recognition of the right to SUDENE tax benefit in December 2018. The benefit will last 10 years, from the beginning of its operations.
- Installation Licence (LI) issued in May 2019.
- Construction progress: 89% accomplished.

Ivaí

- Basic project proposal filed with ANEEL.
- EIA/RIMA registered with IAP.
- Preliminary License (LP) for the 230 kV installations issued in September 2018.
- Change in corporate name of Elétricas Reunidas do Brasil S.A. (ERB1) for Interligação Elétrica Ivaí S.A.
- Installation Licence (LI) issued for SE Sarandi of 525/230 kV in April 2019, SE Paranavaí Norte - 230/138 kV in May 2019, LT 230 kV Sarandi - Paranavaí Norte in June 2019, and for the Substations Londrina of 525 kV, Foz do Iguaçu of 525 kV and Guaíra of 525 kV/230 kV and the LT 525 kV Sarandi - Londrina in August 2019.
- 1st issuance of debentures of Ivaí in January 2020.
- Construction progress: 76% accomplished.

Sant'Ana

- Establishment of the company Sant'Ana Transmissora de Energia S.A. in January 2019.
- Execution of the concession agreement on March 22, 2019.
- Previous and Installation Licences (LPI) issued for the SEs Livramento 3 and Maçambará 3, both with 230kV, in October 2019.
- Previous Licences (LP) issued for all transmission lines and for the 3 existing substations (SE Alegrete 2, SE Cerro Chato and SE Santa Maria 3) in December 2019.
- Installation Licence issued for the transmission lines LT Livramento 3 – Alegrete 2 (C1), LT Livramento 3 – Maçambará 3 (C1), LT Livramento 3 – Cerro Chato (C1), and LT Maçambará – Santo Ângelo (C1/C2), all with 230kV voltage, as well as for the expansion of existing substations of SE 230kV Alegrete 2 and SE 230kV Cerro Chato on April 9, 2020.
- Issuance of the last installation license in November 2020 referring to the LT 230kV CS Livramento 3 - Santa Maria 3 and for the expansion of existing associated substations.
- Construction progress: 67% accomplished.

4.21. Environmental, Social and Governance (ESG) Initiatives

In the deployment, operation and maintenance of electric power transmission assets, as well as in the administrative procedures and business management, Taesa considers sustainability an important value to be cultivated internally ensures the security and reliability of its processes, as well as improves the quality of life of the population, respecting the environmental and sustainable development.

The Company acts on several fronts focused on the social, environmental and governance themes, publicizing them in its Sustainability Report (new name for the Social and Environmental Responsibility Report), a document that meets the requirements of ANEEL and the demands of several interested parties. However, the Company realized that it was important to further enhance on the communication of its actions related to ESG themes and to seek new and better market practices.

TAESA worked with a specialized consulting firm to assess its maturity in ESG practices and to draw up an action plan. The consulting firm's initial assessment showed a very satisfactory degree of the Company's maturity and adherence to ESG practices. Based on this work and seeking continuous improvement on these practices, within the scope of the transmission business, the Company defined a 4-year action plan (2020 to 2023).

Among the defined actions, the Company has already implemented the following:

- UN Global Compact Signatory committed to the 2030 Agenda (SDG)
- 2020 Sustainability Report based on Global Reporting Initiative (GRI)
- Issuance of 4 green bonds
- Biodiversity Policy
- Great Place to Work Certification – 1st place in the 2020 GPTW Energy - Generation, Distribution and Transmission Segment
- Social Responsibility Projects
- Commitment to reduce fossil fuel in the fleet
- Targets for reducing water and energy consumption
- Diversity and Inclusion Program
- Survey of the Greenhouse Gas (GHG) inventory, structured based on the GHG Protocol methodology
- Approval of Taesa's long-term strategic planning
- Intensification of protection, safety and health measures against the pandemic
- Financial discipline associated with adequate remuneration to shareholder
- Adherence to the Women's Empowerment Principles - United Nations Women

It is important to highlight the creation of the Diversity and Inclusion program, consisting of a plan of 18 actions divided into nearly 100 activities with the objective of valuing, promoting and adopting diversity and inclusion. Below, we list some program actions:

- Forums with the participation of executives as speakers;
- Electricians training course for women.
- Targets for hiring black people;
- Lectures on diversity themes;
- Targets for hiring people over 50;
- Preparatory course for the labor market for PCDs;



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- LGBTQIA+ chapter of the book on the diversity program;

For more information, access the IR website and 2020 TAESA's Sustainability Report (2020):
<https://ri.taesa.com.br/en/taesa/sustainability/>

The ESG indicator panel is available on the IR website: <https://ri.taesa.com.br/en/taesa/asg-indicators/>

4.22. Initiatives to Mitigate COVID-19 Impacts

The beginning of 2020 was marked by the COVID-19 pandemic, which affected the entire world and also Taesa. Since then, the Company has adopted measures for protection, security and health of its employees, families and local communities, in order to protect Taesa's most important asset – the people – and reduce the speed of the dissemination of the new coronavirus in Brazil. Therefore, the main measures implemented so far are presented below:

Protection of the employees' health

- Adoption of measures to protect Taesa's most important asset, its people, and ensure the continuity of the operations;
- Continuous and updated internal communication to all employees with respect to the new coronavirus;
- Prioritization of the home office for those employees whose activities do not require direct field work;
- Travel restrictions and face-to-face meetings limited to O&M services and implementation of new assets;
- Monitoring of the employees, with support in the treatment of suspected or positive cases identified by COVID-19;
- Several channels to take care of the physical and emotional health of Taesa's employees and families;
- Vaccination against the flu for all employees;
- Reinforcement of communication on the importance of complying with protection and safety measures (Campaign "I take care of you and you take care of me").
- Clarifications, encouragement and monitoring of vaccination against covid;
- Reinforcement of information about preventive care that should continue after vaccination;

Continuity of the operations and projects under construction

- Creation of the Overcoming Committee and Suppliers' Management Committee;
- Maintenance of the O&M activities in order to guarantee the safety of people and the electric system;
- Maintenance of high availability rates (99.94% in 6M21);
- Projects under construction are in progress;
- The Company is working towards complying with the delivery schedule of the projects;
- Maintenance of investments in projects under construction – R\$ 2.1 billion invested in 2020 and 2021.

Protection 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 score with Moody's and Fitch (AAA on the National Scale);
- 100% of the funds to finance the projects of construction were done;
- Consistent operating cash generation, maintaining the Company's low historical default levels;
- Financial discipline with adequate remuneration to the shareholders;
- Continuous monitoring of the delinquency and impacts from the crisis in the electric energy sector.

5. FINANCIAL STATEMENTS

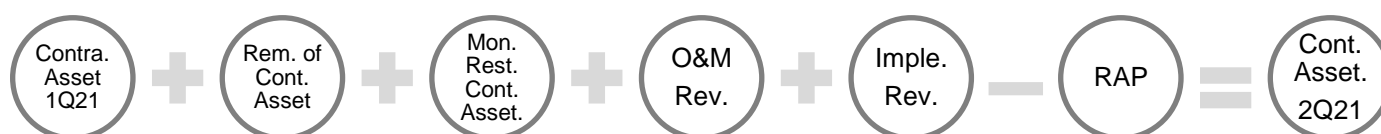
5.1. Revenues under IFRS by Concession

Remuneration of Contractual Assets is obtained by multiplying the balance of the asset by the Project Rate. The **Monetary Restatement of Contractual Assets** is the monthly recognition of inflation effects. **O&M Revenues** are adjusted by inflation (IGP-M or IPCA) on an annual basis, in the same way as with the RAP. The **Variable Portion** (PV) is a penalty derived from lines unavailability (see detail on section 4.1). All these revenue components are related to the operating period of the concessions.

In the Income Statements, the **Remuneration of Contractual Assets**, the Monetary Restatement of Contractual Assets, the **Implementation of Infrastructure Revenues** and **O&M Revenues** are accounted for in Revenues, as shown in the following table.

R\$ mn		2Q21			
Concession	Remuneration of Contractual Asset	Monetary Restatement of Contractual Asset	Implementation of Infrastructure Revenues	O&M	PV (Variable Portion)
NOVATRANS	53.2	124.7	0.5	33.3	(6.5)
TSN	18.4	49.3	0.5	62.4	(0.1)
MUNIRAH	1.2	3.1	0.6	4.2	(0.0)
GTESA	0.8	2.4	-	0.6	-
PATESA	2.4	9.4	0.0	1.5	-
ETEO	10.8	35.4	-	12.6	0.1
NTE	13.3	30.4	0.0	10.3	(0.0)
STE	7.9	25.6	0.0	4.1	(0.0)
ATE	10.9	39.9	0.0	7.9	0.0
ATE II	17.9	67.0	0.0	17.8	(0.0)
ATE III	7.9	8.5	0.0	11.4	(1.1)
ETAU	2.1	13.0	-	2.8	-
BRASNORTE	5.9	4.3	-	0.6	(0.0)
SÃO GOTARDO	0.9	1.3	-	0.2	(0.0)
SÃO JOÃO	9.1	12.0	-	1.9	1.2
SÃO PEDRO	8.1	9.9	16.1	1.5	(0.0)
LAGOA NOVA	2.7	2.5	-	0.4	0.0
MARIANA	2.9	3.6	-	0.6	(0.3)
MIRACEMA	12.8	11.7	-	3.7	(0.1)
JANAÚBA	-	-	84.4	-	-
SANT'ANA	-	-	67.5	-	-
AIMORÉS	-	-	12.1	-	-
PARAGUAÇÚ	-	-	17.1	-	-
IVAÍ	-	-	201.7	-	-
EATE	16.5	87.8	-	5.7	(0.0)
EBTE	4.0	7.9	-	2.3	(0.0)
ECTE	1.3	7.2	-	0.4	(0.0)
EDTE	8.1	7.7	-	1.2	-
ENTE	8.8	51.6	-	2.9	(0.1)
ERTE	1.6	10.7	-	1.0	-
ESDE	1.0	1.4	-	0.3	(0.0)
ESTE	-	-	79.8	-	-
ETEP	3.3	18.3	-	1.8	-
ETSE	0.7	1.0	-	0.2	(0.0)
LUMITRANS	0.9	5.9	-	0.4	-
STC	0.9	1.5	-	0.7	(0.0)
TRANSIRAPE	1.7	7.8	2.9	0.6	(0.0)
TRANSLESTE	2.4	8.1	-	0.4	(0.1)
TRANSUDESTE	1.4	6.0	-	0.4	-
Total	241.5	676.9	483.4	196.2	(7.3)

5.2. Movement of Contractual Assets (IFRS)



Concession	Project Rate	Contractual Asset 1Q21	Remuneration of Contractual Asset	Contractual Asset - Monetary Restatement	Implementation of Infrastructure Revenues	O&M	RAP	Contractual Asset 2Q21
NOVATRANS	10%	1,520.4	53.2	124.7	0.5	33.3	(88.0)	1,644.1
TSN	11%	718.1	18.4	49.3	0.5	62.4	(81.3)	767.4
MUNIRAH	12%	61.6	1.2	3.1	0.6	4.2	(7.2)	63.4
GTESA	11%	28.7	0.8	2.4	-	0.6	(1.5)	31.0
PATESA	8%	123.9	2.4	9.4	0.0	1.5	(4.4)	132.8
ETEO	10%	423.6	10.8	35.4	-	12.6	(26.3)	456.1
NTE	15%	370.9	13.3	30.4	0.0	10.3	(23.0)	402.0
STE	10%	312.3	7.9	25.6	0.0	4.1	(12.7)	337.2
ATE	10%	678.3	10.9	39.9	0.0	7.9	(28.8)	708.3
ATE II	9%	864.7	17.9	67.0	0.0	17.8	(68.9)	898.6
ATE III ¹³	7%	481.5	7.9	8.5	0.0	11.4	(35.3)	474.0
ETAU ³	18%	149.0	2.1	13.0	-	2.8	(12.4)	154.5
BRASNORTE ³	6%	218.2	5.9	4.3	-	0.6	(7.1)	222.0
SÃO GOTARDO ¹	5%	66.5	0.9	1.3	-	0.2	(1.4)	67.5
SÃO JOÃO ¹³	6%	605.2	9.1	12.0	-	1.9	(12.9)	615.3
SÃO PEDRO ¹³	6%	521.5	8.1	9.9	16.1	1.5	(11.0)	546.1
LAGOA NOVA ¹³	9%	120.0	2.7	2.5	-	0.4	(3.2)	122.3
MARIANA ¹²³	6%	207.2	2.9	3.6	-	0.6	(4.3)	210.0
MIRACEMA ¹²³	9%	567.3	12.8	11.7	-	3.7	(17.1)	578.4
JANAÚBA ¹²³	10%	1,698.2	-	-	84.4	-	-	1,782.6
SANT'ANA ¹²³	9%	325.8	-	-	67.5	-	-	393.3
AIMORÉS ¹²³⁴	8%	345.1	-	-	12.1	-	-	357.2
PARAGUAÇU ¹²³⁴	8%	528.0	-	-	17.1	-	-	545.1
IVAI ¹²³⁴	8%	960.6	-	-	201.7	-	-	1,162.4
EATE ³	7%	1,031.9	16.5	87.8	-	5.7	(32.5)	1,109.3
EBTE ¹	4%	396.4	4.0	7.9	-	2.3	(9.3)	401.3
ECTE	6%	86.3	1.3	7.2	-	0.4	(2.6)	92.6
EDTE ¹²³	9%	373.2	8.1	7.7	-	1.2	(9.8)	380.4
ENTE	6%	612.2	8.8	51.6	-	2.9	(16.8)	658.7
ERTE	5%	129.3	1.6	10.7	-	1.0	(3.8)	138.9
ESDE ¹	7%	65.8	1.0	1.4	-	0.3	(1.8)	66.7
ESTE ¹²³	8%	335.9	-	-	79.8	-	-	415.8
ETEP	6%	219.8	3.3	18.3	-	1.8	(7.2)	236.0
ETSE ¹	6%	51.5	0.7	1.0	-	0.2	(1.2)	52.2
LUMITRANS	5%	74.2	0.9	5.9	-	0.4	(3.3)	78.0
STC ¹	5%	76.9	0.9	1.5	-	0.7	(3.6)	76.3
TRANSIRAPE	8%	99.1	1.7	7.8	2.9	0.6	(3.7)	108.3
TRANSLESTE	10%	96.9	2.4	8.1	-	0.4	(4.3)	103.6
TRANSUDESTE	8%	73.2	1.4	6.0	-	0.4	(3.9)	77.1
Total		15,619.4	241.5	676.9	483.4	196.2	(550.5)	16,666.9

¹ The RAPs must be grossed up of PIS/COFINS

² under construction

³ The remuneration rates were adjusted based on CVM Circular Letter No. 04/2020, which deals with the relevant aspects of CPC 47 and CPC 48 for the transmission companies.

⁴ Change in the calculation methodology of the contractual assets impacted the balance of AIE's contractual assets in 1Q21

5.3. 2Q21 Income Statement

Income Statement

	R\$ mn	IFRS			Regulatory		
		2Q21	2Q20*	Chg. %	2Q21	2Q20	Chg. %
GROSS OPERATING REVENUES			-				
Service revenues	-	-	-	0.0%	439,934	431,319	2.0%
Operation and Maintenance	175,029	165,059		6.0%	-	-	0.0%
Remuneration of contractual assets	186,847	163,939		14.0%	-	-	0.0%
Monetary restatement of contractual assets	441,015	77,907		466.1%	-	-	0.0%
Implementation of Infrastructure Revenues	169,796	425,178		-60.1%	-	-	0.0%
Other Revenues	6,136	6,033		1.7%	9,393	268	3404.1%
Variable Portion	(6,983)	(3,125)		123.4%	(6,983)	(3,125)	123.4%
TOTAL GROSS REVENUES	971,841	834,991		16.4%	442,344	428,462	3.2%
PIS/Cofins	(51,130)	(56,622)		-9.7%	(23,578)	(24,436)	-3.5%
Service Tax	(158)	(94)		66.8%	(158)	(94)	66.8%
ICMS	(3)	(39)		-91.5%	(3)	(39)	-91.5%
RGR, P&D, TFSEE, CDE and PROINFA	(16,229)	(18,167)		-10.7%	(16,229)	(18,167)	-10.7%
Other Deductions	-	-		0.0%	-	-	0.0%
Gross Revenue deductions	(67,520)	(74,922)		-9.9%	(39,968)	(42,736)	-6.5%
NET REVENUES	904,321	760,069		19.0%	402,376	385,726	4.3%
Personnel	(43,302)	(41,120)		5.3%	(43,302)	(41,120)	5.3%
Material	(96,307)	(249,797)		-61.4%	(1,651)	(774)	113.3%
Third party services	(23,811)	(20,041)		18.8%	(23,811)	(20,042)	18.8%
Other operating expenses	(205)	(4,717)		-95.7%	(2,529)	(6,952)	-63.6%
Costs and Expenses	(163,625)	(315,675)		-48.2%	(71,293)	(68,888)	3.5%
Depreciation and amortization	(5,808)	(4,045)		43.6%	(64,308)	(60,549)	6.2%
Costs, Expenses and D&A	(169,433)	(319,720)		-47.0%	(135,601)	(129,438)	4.8%
Gains (losses) on company acquisitions	-	-		0.0%	-	-	0.0%
GROSS PROFIT	734,888	440,349		66.9%	266,775	256,288	4.1%
Equity method	280,161	147,829		89.5%	32,755	57,537	-43.1%
Revenues from financial investments	7,149	9,340		-23.5%	7,149	9,340	-23.5%
Financial Expenses	(180,286)	(37,797)		377.0%	(179,573)	(37,797)	375.1%
Borrowings and financing	53,666	(31,239)		-	53,666	(31,239)	-
- Interests Incurred	(6,455)	(8,450)		-23.6%	(6,455)	(8,450)	-23.6%
- Monetary Variation	-	-		0.0%	-	-	0.0%
- Exchange variation	80,766	(27,823)		-	80,766	(27,823)	-
- Fair value adjustment	(20,645)	5,034		-	(20,645)	5,034	-
Financial instrument	(75,524)	37,890		-	(75,524)	37,890	-
- Interests Incurred	(15,403)	2,655		-	(15,403)	2,655	-
- Exchange Variation	(80,766)	27,823		-	(80,766)	27,823	-
- Monetary Variation	-	-		0.0%	-	-	0.0%
- Fair value adjustment	20,645	7,412		178.5%	20,645	7,412	178.5%
Debentures	(152,678)	(39,153)		290.0%	(152,678)	(39,153)	290.0%
- Interests incurred	(76,268)	(67,648)		12.7%	(76,268)	(67,648)	12.7%
- Monetary Variation	(76,409)	28,495		-	(76,409)	28,495	-
- Mark to market	-	-		0.0%	-	-	0.0%
Leasing	(713)	(719)		-0.9%	-	-	0.0%
Other financial expenses	(5,038)	(4,577)		10.1%	(5,038)	(4,577)	10.1%
Financial Revenues (Expenses)	(173,137)	(28,457)		508.4%	(172,424)	(27,739)	521.6%
NET INCOME BEFORE INCOME TAXES	841,911	559,721		50.4%	127,106	286,087	-55.6%
Income taxes and social contribution	(144,016)	(95,491)		50.8%	(15,169)	(28,477)	-46.7%
NET INCOME	697,895	464,230		50.3%	111,937	257,610	-56.5%
EBITDA	740,696	444,394		66.7%	331,083	316,838	4.5%
EBITDA Margin	81.9%	58.5%		23.4 pp	82.3%	82.1%	0.1 pp

*The Company performed the adjustments and reclassifications of its balance sheets as of June 30, 2020 in order to present such amounts for comparative purposes with the interim information as of June 30, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

5.4. 6M21 Income Statement

Income Statement

	IFRS			Regulatory			
	R\$ mn	6M21	6M20*	Chg. %	6M21	6M20	Chg. %
GROSS OPERATING REVENUES							
Service revenues	-	-	0.0%	879,620	850,012	3.5%	
Operation and Maintenance	350,058	326,311	7.3%	-	-	0.0%	
Remuneration of contractual assets	373,848	312,693	19.6%	-	-	0.0%	
Monetary restatement of contractual assets	805,863	201,246	300.4%	-	-	0.0%	
Implementation of Infrastructure Revenues	418,974	740,842	-43.4%	-	-	0.0%	
Other Revenues	11,945	20,051	-40.4%	725	518	39.9%	
Variable Portion	(11,264)	(9,484)	18.8%	(11,264)	(9,484)	18.8%	
TOTAL GROSS REVENUES	1,949,424	1,591,659	22.5%	869,081	841,047	3.3%	
PIS/Cofins	(103,899)	(107,051)	-2.9%	(47,550)	(46,372)	2.5%	
Service Tax	(308)	(185)	66.3%	(308)	(185)	66.0%	
ICMS	(7)	(39)	-82.2%	(7)	(39)	-82.1%	
RGR, P&D, TFSEE, CDE and PROINFA	(32,440)	(35,917)	-9.7%	(32,440)	(35,917)	-9.7%	
Other Deductions	-	-	0.0%	-	-	0.0%	
Gross Revenue deductions	(136,654)	(143,192)	-4.6%	(80,305)	(82,514)	-2.7%	
NET REVENUES	1,812,770	1,448,467	25.2%	788,776	758,532	4.0%	
Personnel	(86,144)	(79,725)	8.1%	(86,144)	(79,725)	8.1%	
Material	(264,888)	(444,648)	-40.4%	(2,359)	(1,095)	115.5%	
Third party services	(35,766)	(34,346)	4.1%	(35,766)	(34,347)	4.1%	
Other operating expenses	(11,797)	(9,480)	24.4%	(16,714)	(13,881)	20.4%	
Costs and Expenses	(398,595)	(568,199)	-29.8%	(140,984)	(129,048)	9.2%	
Depreciation and amortization	(10,495)	(7,491)	40.1%	(127,399)	(117,657)	8.3%	
Costs, Expenses and D&A	(409,090)	(575,690)	-28.9%	(268,383)	(246,705)	8.8%	
Gains (losses) on company acquisitions	-	-	0.0%	-	-	0.0%	
GROSS PROFIT	1,403,680	872,777	60.8%	520,393	511,828	1.7%	
Equity method	485,413	321,849	50.8%	71,480	98,085	-27.1%	
Revenues from financial investments	11,559	22,296	-48.2%	11,559	22,296	-48.2%	
Financial Expenses	(367,795)	(185,612)	98.2%	(366,376)	(184,164)	98.9%	
Borrowings and financing	2,227	(145,359)	-	2,227	(145,359)	-	
- Interests Incurred	(15,069)	(11,800)	27.7%	(15,069)	(11,800)	27.7%	
- Monetary Variation	-	2	-100.0%	-	2	-100.0%	
- Exchange variation	24,815	(139,103)	-	24,815	(139,103)	-	
- Fair value adjustment	(7,519)	5,542	-	(7,519)	5,542	-	
Financial instrument	(45,966)	130,350	-	(45,966)	130,350	-	
- Interests Incurred	(28,670)	(3,211)	792.9%	(28,670)	(3,211)	792.9%	
- Exchange Variation	(24,815)	139,103	-	(24,815)	139,103	-	
- Monetary Variation	-	-	0.0%	-	-	0.0%	
- Fair value adjustment	7,519	(5,542)	-	7,519	(5,542)	-	
Debentures	(312,737)	(160,339)	95.0%	(312,737)	(160,339)	95.0%	
- Interests incurred	(141,574)	(134,204)	5.5%	(141,574)	(134,204)	5.5%	
- Monetary Variation	(171,163)	(26,135)	554.9%	(171,163)	(26,135)	554.9%	
- Mark to Market	-	-	0.0%	-	(2,307)	-100.0%	
Leasing	(1,418)	(1,448)	-2.0%	-	-	0.0%	
Other financial expenses	(9,900)	(8,816)	12.3%	(9,900)	(8,816)	12.3%	
Financial Revenues (Expenses)	(356,236)	(163,316)	118.1%	(354,818)	(161,868)	119.2%	
NET INCOME BEFORE INCOME TAXES	1,532,857	1,031,310	48.6%	237,055	448,045	-47.1%	
Income taxes and social contribution	(279,110)	(175,839)	58.7%	(17,354)	(51,195)	-66.1%	
NET INCOME	1,253,747	855,471	46.6%	219,702	396,850	-44.6%	
EBITDA	1,414,175	880,268	60.7%	647,792	629,485	2.9%	
EBITDA Margin	78.0%	60.8%	17.2 pp	82.1%	83.0%	-0.9 pp	

*The Company performed the adjustments and reclassifications of its balance sheets as of June 30, 2020 in order to present such amounts for comparative purposes with the interim information as of June 30, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

5.5. 2Q21 IFRS Income Statement (Subsidiaries)

The difference between the Equity Method in the Company and the sum of results of ETAU, TBE, Aimorés, Paraguaçu, Ivaí and Transmineiras is due to the amortization of goodwill arising from the allocation of the price paid for the acquisition of TBE.

IFRS Income Statement

	R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES							
Service revenues	-	-	-	-	-	-	-
Operation and Maintenance	2,796	16,977	-	-	-	-	1,360
Remuneration of the Contractual Asset	2,068	47,116	-	-	-	-	5,456
Monetary adjustment of the Contractual Asset	12,989	199,424	-	-	-	-	21,663
Implementation of Infrastructure Revenues	-	81,331	12,107	17,060	201,743	-	3,175
Other Revenues	1,270	1,793	-	-	-	-	1,561
Variable Portion	-	(194)	-	-	-	-	(1)
TOTAL GROSS REVENUES	19,124	346,446	12,107	17,060	201,743	33,213	33,213
PIS/Cofins	(873)	(19,057)	(1,120)	(1,578)	(18,661)	-	(1,202)
Service Tax	-	-	-	-	-	-	-
ICMS	-	-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA	(373)	(3,409)	-	-	-	-	(524)
Other Deduction	-	-	-	-	-	-	-
Gross Revenue deductions	(1,247)	(22,465)	-	-	-	-	(1,726)
NET REVENUES	17,877	323,981	12,107	17,060	201,743	31,487	31,487
COSTS AND OPERATING EXPENSES							
Personnel	(161)	(5,670)	(41)	(75)	85	(292)	(292)
Material	192	(40,220)	(2,758)	(3,452)	(109,715)	(273)	(273)
Third party services	(1,349)	(3,244)	(85)	(129)	(162)	(775)	(775)
Depreciation and amortization	(0)	(23)	(13)	(18)	(13)	(4)	(4)
Other operating expenses	(98)	(1,142)	(11)	(15)	(9)	14	14
Costs and Expenses	(1,417)	(50,300)	(2,908)	(3,688)	(109,814)	(1,330)	(1,330)
GROSS PROFIT	16,460	273,681	9,198	13,371	91,929	30,157	30,157
Equity method	-	2,148	-	-	-	-	-
Revenues from financial investments	41	884	92	86	2,742	208	208
Financial Expenses	(179)	(12,806)	4	10	(29,296)	(803)	(803)
Interests Incurred	-	-	-	-	-	-	-
Monetary Variation	-	-	-	-	-	-	-
Fair value adjustment	-	-	-	-	-	-	-
Financial instrument	-	-	-	-	-	-	-
Other financial expenses	44	(946)	4	10	33,654	(25)	(25)
Financial Revenues (Expenses)	(138)	(11,923)	96	96	(26,555)	(595)	(595)
NET INCOME BEFORE INCOME TAXES	16,322	263,906	9,294	13,468	65,374	29,562	29,562
Income taxes and social contribution	(5,300)	(72,076)	(2,695)	(3,953)	(11,214)	(1,168)	(1,168)
NET INCOME	11,021	191,830	6,599	9,514	54,160	28,394	28,394
EBITDA	16,460	273,704	9,211	13,389	91,942	30,161	30,161
EBITDA Margin	92.1%	84.5%	76.1%	78.5%	45.6%	95.8%	95.8%

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5.6. 6M21 IFRS Income Statement (Subsidiaries)

IFRS Income Statement

	R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES							
Service revenues	-	-	-	-	-	-	-
Operation and Maintenance	5,593	33,954	-	-	-	-	2,720
Remuneration of the Contractual Asset	4,025	77,932	-	-	-	-	10,665
Monetary adjustment of the Contractual Asset	21,500	338,955	-	-	-	-	35,739
Implementation of Infrastructure Revenues	-	156,695	22,374	31,032	387,805	3,438	
Other Revenues	2,512	4,076	-	-	-	-	3,058
Variable Portion	-	(423)	-	-	-	-	(140)
TOTAL GROSS REVENUES	33,630	611,189	22,374	31,032	387,805	55,481	
PIS/Cofins	(3,294)	(35,354)	(2,070)	(2,870)	(35,872)	(2,006)	
Service Tax	-	-	-	-	-	-	-
ICMS	-	-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA	(743)	(6,835)	-	-	-	-	(1,040)
Other Deduction	-	-	-	-	-	-	-
Gross Revenue deductions	(4,037)	(42,189)	(2,070)	(2,870)	(35,872)	(3,045)	
NET REVENUES	29,593	568,999	20,305	28,162	351,933	52,435	
COSTS AND OPERATING EXPENSES							
Personnel	(322)	(10,873)	(135)	(225)	(89)	(495)	
Material	185	(77,995)	(4,687)	(5,527)	(212,061)	(2,843)	
Third party services	(2,423)	(5,950)	(206)	(234)	(315)	(1,537)	
Other operating expenses	(105)	(2,407)	(19)	(23)	(19)	(119)	
Costs and Expenses	(2,665)	(97,226)	(5,046)	(6,009)	(212,483)	(4,995)	
Depreciation and amortization	(0)	(46)	(25)	(34)	(25)	(8)	
Costs, Expenses and D&A	(2,665)	(97,272)	(5,072)	(6,043)	(212,508)	(5,003)	
GROSS PROFIT	26,928	471,727	15,233	22,119	139,425	47,433	
Equity method	-	3,773	-	-	-	-	-
Revenues from financial investments	68	1,420	147	140	5,056	257	
Financial Expenses	(481)	(23,216)	2	8	(63,008)	(1,262)	
Interests Incurred	-	-	-	-	-	-	-
Monetary Variation	-	-	-	-	-	-	-
Exchange variation	-	-	-	-	-	-	-
Fair value adjustment	-	-	-	-	-	-	-
Other financial expenses	-	(1,786)	2	8	(58)	(54)	
Financial Revenues (Expenses)	(413)	(21,795)	149	148	(57,952)	(1,005)	
NET INCOME BEFORE INCOME TAXES	26,515	453,705	15,382	22,266	81,473	46,428	
Income taxes and social contribution	(2,415)	(125,142)	(5,068)	(7,400)	(18,364)	(1,967)	
NET INCOME	24,099	328,563	10,314	14,866	63,109	44,461	
EBITDA	26,928	471,773	15,258	22,153	139,450	47,441	
EBITDA Margin	91.0%	82.9%	75.1%	78.7%	39.6%	90.5%	

5.7. 2Q21 Regulatory Income Statement (Subsidiaries)

Regulatory Income Statement

	R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES							
Service revenues		7,461	93,790	-	-	-	13,348
Operation and Maintenance		-	-	-	-	-	-
Remuneration of the Contractual Asset		-	-	-	-	-	-
Monetary adjustment of the Contractual Asset		-	-	-	-	-	-
Implementation of Infrastructure Revenues		-	-	-	-	-	-
Other Revenues		-	-	-	-	-	-
Variable Portion		-	(194)	-	-	-	(1)
TOTAL GROSS REVENUES		7,461	93,596	-	-	-	13,347
PIS/Cofins		(344)	(4,621)	-	-	-	(487)
Service Tax		-	-	-	-	-	-
ICMS		-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA		(373)	(3,426)	-	-	-	(524)
Other Deduction		-	-	-	-	-	-
Gross Revenue deductions		(717)	(8,048)	-	-	-	(1,011)
NET REVENUES		6,744	85,548	-	-	-	12,336
COSTS AND OPERATING EXPENSES							
Personnel		(161)	(5,670)	(41)	(75)	85	(292)
Material		(1)	-	-	-	-	-
Third party services		(1,349)	(3,244)	(78)	(122)	(155)	(775)
Depreciation and amortization		(881)	(11,331)	(7)	(11)	(6)	(1,290)
Other operating expenses		(98)	(1,142)	(25)	(29)	(23)	14
Costs and Expenses		(2,491)	(21,387)	(151)	(237)	(99)	(2,343)
GROSS PROFIT		4,253	64,162	(151)	(237)	(99)	9,993
Equity method		-	910	-	-	-	-
Revenues from financial investments		41	884	92	86	2,742	208
Financial Expenses		(179)	(12,806)	5	10	(29,296)	(803)
Interests Incurred		-	-	-	-	-	-
Monetary Variation		-	-	-	-	-	-
Fair value adjustment		-	-	-	-	-	-
Financial instrument		-	-	-	-	-	-
Other financial expenses		44	(946)	5	-	-	(25)
Financial Revenues (Expenses)		(138)	(11,923)	97	97	(26,554)	(595)
NET INCOME BEFORE INCOME TAXES		4,115	53,149	(54)	(140)	(26,653)	9,398
Income taxes and social contribution		(1,150)	(5,778)	100	134	13,728	(473)
NET INCOME		2,965	47,372	46	(6)	(12,926)	8,925
EBITDA		5,134	75,492	(144)	(226)	(93)	11,283
EBITDA Margin		76.1%	88.2%	-	-	-	91.5%

The difference between the equity income in the Company and the sum of the income from ETAU, TBE, Aimorés, Paraguaçu, Ivaí and Transmineiras is due to the amortization of the goodwill arising from the allocation of the price paid for the acquisition of TBE.

5.8. 6M21 Regulatory Income Statement (Subsidiaries)

Regulatory Income Statement

	R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmíneiras
GROSS OPERATING REVENUES							
Service revenues		14,894	188,070	-	-	-	26,633
Operation and Maintenance		-	-	-	-	-	-
Remuneration of the Contractual Asset		-	-	-	-	-	-
Monetary adjustment of the Contractual Asset		-	-	-	-	-	-
Implementation of Infrastructure Revenues		-	-	-	-	-	-
Other Revenues		-	-	-	-	-	-
Variable Portion		-	(423)	-	-	-	(140)
TOTAL GROSS REVENUES		14,894	187,647	-	-	-	26,493
PIS/Cofins		(686)	(9,234)	-	-	-	(967)
Service Tax		-	-	-	-	-	-
ICMS		-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA		(743)	(6,835)	-	-	-	(1,040)
Other Deduction		-	-	-	-	-	-
Gross Revenue deductions		(1,428)	(16,070)	-	-	-	(2,007)
NET REVENUES		13,466	171,578	-	-	-	24,486
COSTS AND OPERATING EXPENSES							
Personnel		(322)	(10,873)	(135)	(225)	(89)	(495)
Material		(4)	-	-	-	-	-
Third party services		(2,423)	(5,950)	(206)	(234)	(315)	(1,537)
Other operating expenses		(105)	(2,407)	(33)	(37)	(33)	(119)
Costs and Expenses		(2,854)	(19,230)	(374)	(496)	(436)	(2,152)
Depreciation and amortization		(1,758)	(22,697)	(12)	(21)	(12)	(2,575)
Costs, Expenses and D&A		(4,612)	(41,927)	(386)	(517)	(448)	(4,727)
GROSS PROFIT		8,854	129,650	(386)	(517)	(448)	19,759
Equity method		-	1,820	-	-	-	-
Revenues from financial investments		68	1,420	147	140	5,056	257
Financial Expenses		(481)	(23,216)	4	9	(63,007)	(1,262)
Interests Incurred		-	-	-	-	-	-
Monetary Variation		-	-	-	-	-	-
Exchange variation		-	-	-	-	-	-
Fair value adjustment		-	-	-	-	-	-
Other financial expenses		26	(1,786)	4	-	(56)	(54)
Financial Revenues (Expenses)		(413)	(21,795)	151	149	(57,950)	(1,005)
NET INCOME BEFORE INCOME TAXES		8,440	109,675	(235)	(368)	(58,398)	18,755
Income taxes and social contribution		4,365	(12,263)	236	290	29,187	(910)
NET INCOME		12,806	97,412	1	(78)	(29,212)	17,845
EBITDA		10,612	152,347	(374)	(496)	(436)	22,335
EBITDA Margin		78.8%	88.8%	-	-	-	91.2%

5.9. EBITDA Reconciliation

The reconciliation of EBITDA excludes the impact caused by the equity method in the Company's results.

EBITDA Reconciliation IFRS

R\$ mn	2Q21	2Q20*	Chg. %	6M21	6M20*	Chg. %
Net Income	697.9	464.2	50.3%	1,253.7	855.5	46.6%
Income taxes and social contribution	144.0	95.5	50.8%	279.1	175.8	58.7%
Net Financial Expenses	173.1	28.5	508.4%	356.2	163.3	118.1%
Depreciation and amortization	5.8	4.0	43.6%	10.5	7.5	40.1%
Equity method	(280.2)	(147.8)	89.5%	(485.4)	(321.8)	50.8%
EBITDA	740.7	444.4	66.7%	1,414.2	880.3	60.7%
EBITDA Margin	81.9%	58.5%	23.4 pp	78.0%	60.8%	17.2 pp

**The Company performed the adjustments and reclassifications of its balance sheets as of June 30, 2020 in order to present such amounts for comparative purposes with the interim information as of June 30, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.*

EBITDA Reconciliation Regulatory

R\$ mn	2Q21	2Q20	Chg. %	6M21	6M20	Chg. %
Net Income	111.9	257.6	-56.5%	107.8	139.2	-22.6%
Income taxes and social contribution	15.2	28.5	-46.7%	2.2	22.7	-90.4%
Net Financial Expenses	172.4	27.7	521.6%	182.4	134.1	36.0%
Depreciation and amortization	64.3	60.5	6.2%	63.1	57.1	10.5%
Equity method	(32.8)	(57.5)	-43.1%	(38.7)	(40.5)	-4.5%
EBITDA	331.1	316.8	4.5%	316.7	312.7	1.3%
EBITDA Margin	82.3%	82.1%	0.1 bps	82.1%	83.0%	-0.9 bps

5.10. Balance Sheet

Balance Sheet

	R\$ '000	2Q21 IFRS	Adjustment	2Q21 Regulatory
Assets				
Cash and cash equivalent		719,541	-	719,541
Financial Investments		-	-	-
Receivables		154,202	-	154,202
Contractual Asset		1,113,385	1,113,385	-
Recoverable taxes		154,543	-	154,543
Bonds and related deposits		11	-	11
Derivative financial instruments		-	-	-
Dividends and interest on equity to receive		50,641	-	50,641
Stocks		15,635	-	15,635
Other Current Assets		44,520	-	44,520
Total Current Assets		2,252,478	1,113,385	1,139,093
Financial Investments		9,721	-	9,721
Financial Asset		9,339,155	9,339,155	-
Deferred income tax		-	-	-
Deferred income tax and social contribution		-	(52,236)	52,236
Income tax and social contribution		-	-	-
Investment		3,154,124	1,659,723	1,494,401
Receivables		21,277	-	21,277
Escrow deposits		65,497	-	65,497
Financial instruments derivatives		138,941	-	138,941
Other receivables		32,541	-	32,541
Fixed Assets		50,793	(6,294,735)	6,345,528
Intangible Assets		89,870	(178,128)	267,998
Right of use		30,566	30,566	-
Total Non Current Assets		12,932,485	4,504,345	8,428,140
Total Assets		15,184,963	5,617,730	9,567,233
Liabilities				
Trade accounts payable		68,425	-	68,425
Taxes		44,242	-	44,242
Borrowings and financing		15,717	-	15,717
Debentures		868,438	-	868,438
Leasing liability		8,908	8,908	-
Financial instruments derivatives		-	-	-
Dividends to pay		31	-	31
Regulatory fees		54,054	-	54,054
Other payables		60,538	-	60,538
Total Current Liabilities		1,120,353	8,908	1,111,445
Borrowings and financing		549,586	-	549,586
Debentures		5,334,721	-	5,334,721
Leasing liability		24,625	24,625	-
Financial instruments derivatives		36,219	-	36,219
Deferred taxes and social contributions		1,042,428	922,265	120,163
Deferred Taxes		581,246	581,246	-
Provisions for contingencies		57,543	2,594	54,949
Provision for asset demobilization		457	457	-
Special obligations		-	(11,209)	11,209
Suppliers		32,213	-	32,213
Other payables		26,806	-	26,806
Total Non Current Liabilities		7,685,844	1,519,978	6,165,866
Shareholder's Equity				
Paid-in capital		3,042,035	-	3,042,035
Capital Reserve		598,736	4,229	594,507
Earnings reserve		1,944,396	-	1,944,396
Proposed additional dividends		-	-	-
Equity valuation adjustment		6,429	-	6,429
AFAC Reserve		-	-	-
Interim dividends and interest on equity		(466,577)	-	(466,577)
Accumulated profit (losses)		-	3,050,570	(3,050,570)
Current results		1,253,747	1,034,045	219,702
Attributing interest of controlling shareholders		6,378,766	4,088,844	2,289,922
Participation of non-controlling shareholders		-	-	-
Total Shareholder's Equity		6,378,766	4,088,844	2,289,922
Total Liabilities and Shareholder's Equity		15,184,963	5,617,730	9,567,233

5.11. IFRS Cash Flow

Cash Flow	
	R\$ mn
	R\$ thousand
	2Q21 IFRS
Cash Flow from operating activities	
Income for the period	1,253,748
Adjusts to:	-
Equity Method (subsidiaries net income)	(485,413)
Depreciation and amortization	6,470
Amortization of right of use	4,025
Tax, social security, labor and civil provisions	(81)
Environmental compensation provisions	-
Revenues from financial investments	(75)
Implementation cost - provision suppliers	261,617
Interest, monetary variation and exchange gains / losses and fair value adjust	(2,227)
Interest and inflation adjustment on debentures	312,737
Leasing liability interest	1,418
Derivative financial instruments	45,967
Income tax and social contribution	11,506
Income tax and social contribution deferred	267,604
Deferred taxes	56,349
Remuneration of Contractual Asset	(373,848)
Monetary Restatement of Contractual Asset	(805,863)
Implementation of Infrastructure Revenues	(418,974)
Gains (losses) on company acquisitions	-
Variable Portion Provision	5,203
	140,163
Changes in assets and liabilities:	-
(Increase) Reduction in customer balance	29,332
(Increase) Decrease in the Balance of Concession Contractual assets	518,342
(Increase) Decrease in the balance of income tax and social contribution asset	(24,305)
(Increase) Decrease in the balance of Income taxes and deferred social contrib	-
(Increase) Reduction in the balance of deferred taxes	-
(Increase) Decrease in the balance of other assets	15,568
(Increase) Decrease in balance of trade accounts payable	(286,181)
(Increase) Decrease in the balance of regulatory fees	(8,481)
(Increase) Decrease in the balance of other payables	(700)
Dividends earned from jointly controlled	-
Dividends and interest on equity earned from jointly controlled	303,505
	547,080
Cash from operating activities	687,243
Income tax and social contribution paid	(28,305)
Cash flow of investing activities	658,938
Additions in property, intangible assets	-
(Increase) Decrease in the balance of DTVM and other investments	(60)
(Additions) Write-offs in fixed and intangible assets	(12,818)
Acquisition of subsidiaries, net of cash acquired	-
Acquisition of jointly controlled subsidiaries	-
Capital increase in the joint subsidiary	-
Capital increase in jointly-owned subsidiaries	(20,000)
Advance for future capital increase in subsidiaries	-
Cash Flow provided by financing activities	(32,878)
Payment of borrowings and financing (principal)	-
Borrowing and financing	(15)
Payment of borrowing and financing - principal	(456,203)
Payment of borrowing and financing - interest	(20,276)
Debentures	739,584
Payment of debentures (principal)	-
Payment of debentures (interest)	(26,551)
Payment of derivative financial instruments (interest)	(5,661)
Receipt (payment) on settlement of financial instruments	-
Payment of lease liabilities	(4,916)
Subsidiary Acquisition	-
Payment of dividends and interest on equity	(1,028,512)
Advance for future capital increase	-
Capital increase	-
Others	-
Net Cash provided by financing activities	(802,550)
Increase (Decrease) in cash and cash equivalents	(176,490)
Opening balance of cash and cash equivalents	896,031
Closing balance of cash and cash equivalents	719,541
Increase (decrease) in cash and cash equivalents	(176,490)

5.12. Regulatory Cash Flow

Cash Flow		
	R\$ mn	2Q21
	R\$ thousand	Regulatory
Cash Flow from operating activities		
Income for the period		219,703
Adjusts to:		-
Equity Method (subsidiaries net income)		(71,480)
Depreciation and amortization		127,400
Amortization of right of use		-
Tax, social security, labor and civil provisions		(81)
Environmental compensation provisions		-
Revenues from financial investments		(75)
Implementation cost - provision suppliers		-
Interest, monetary variation and exchange gains / losses and fair value adjust		(2,227)
Interest and inflation adjustment on debentures		312,737
Leasing liability interest		-
Derivative financial instruments		45,967
Income tax and social contribution		11,506
Income tax and social contribution deferred		5,847
Deferred taxes		-
Remuneration of Contractual Asset		-
Monetary Restatement of Contractual Asset		-
Implementation of Infrastructure Revenues		-
Gains (losses) on company acquisitions		-
Variable Portion Provision		5,203
		654,500
Changes in assets and liabilities:		-
(Increase) Reduction in customer balance		29,332
(Increase) Decrease in the Balance of Concession Contractual assets		-
(Increase) Decrease in the balance of income tax and social contribution asset		(24,305)
(Increase) Decrease in the balance of Income taxes and deferred social contrib		-
(Increase) Reduction in the balance of deferred taxes		-
(Increase) Decrease in the balance of other assets		15,568
(Increase) Decrease in balance of trade accounts payable		(24,564)
(Increase) Decrease in the balance of regulatory fees		(8,481)
(Increase) Decrease in the balance of other payables		(700)
Dividends earned from jointly controlled		-
Dividends and interest on equity earned from jointly controlled		303,505
		290,355
Cash from operating activities		944,855
Income tax and social contribution paid		(28,305)
Cash flow of investing activities		916,550
Additions in property, intangible assets		-
(Increase) Decrease in the balance of DTVM and other investments		(60)
(Additions) Write-offs in fixed and intangible assets		(275,346)
Acquisition of subsidiaries, net of cash acquired		-
Acquisition of jointly controlled subsidiaries		-
Capital increase in the joint subsidiary		-
Capital increase in jointly-owned subsidiaries		(20,000)
Advance for future capital increase in subsidiaries		-
Cash Flow provided by financing activities		(295,406)
Payment of borrowings and financing (principal)		-
Borrowing and financing		(15)
Payment of borrowing and financing - principal		(456,203)
Payment of borrowing and financing - interest		(20,276)
Debentures		739,584
Payment of debentures (principal)		-
Payment of debentures (interest)		(26,551)
Payment of derivative financial instruments (interest)		(5,661)
Receipt (payment) on settlement of financial instruments		-
Payment of lease liabilities		-
Subsidiary Acquisition		-
Payment of dividends and interest on equity		(1,028,512)
Advance for future capital increase		-
Capital increase		-
Others		-
Net Cash provided by financing activities		(797,634)
Increase (Decrease) in cash and cash equivalents		(176,490)
Opening balance of cash and cash equivalents		896,031
Closing balance of cash and cash equivalents		719,541
Increase (decrease) in cash and cash equivalents		(176,490)

Disclaimer

The consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, comprising the Brazilian corporate law, Statements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee and the standards of the Brazilian Securities and Exchange Commission (CVM), combined with specific legislation issued by the National Electricity Regulatory Agency (ANEEL). ANEEL, as a regulatory agency, has the power to regulate concessions.

The statements in this document related to business prospects, projections about operating and financial results, and those related to Taesa's growth prospects are merely projections and, as such, based solely on the executive boards expectations about the business future. These expectations depend, substantially, on changes in market conditions, the Brazilian economy performance, the industry and international markets and, therefore, are subject to change without prior notice.

EBITDA:

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

Net debt:

"Net debt" is not recognized by accounting practices adopted in Brazil or by IFRS, does not represent cash flow for the covered periods. Net debt presented is used by Taesa to measure its own performance. Taesa understands that some investors and financial analysts use debt net as an indicator of its operating performance.