

3Q20 RESULTS



IBOVESPA



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Rio de Janeiro, November 11, 2020

Transmissora Aliança de Energia Elétrica S.A. ("Taesa" or the "Company"; B3: TAEE11), one of Brazil's largest concessionaire groups in electricity transmission, announces today its results for the third quarter of the year 2020.

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.

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. In addition, as of the first quarter of 2018, in order to align the Regulatory Results with the financial statements submitted to ANEEL, the Company started to present the values referring to the RAP (Annual Permitted Revenues) that are not recorded in the Contractual Asset in the "RAP Concessionaires" line. These amounts were previously presented in the Other Income line, following the IFRS Results. It is important to mention that the Regulatory Results are not audited.

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.

**Conference call in English
(simultaneous translations)**

November 12, 2020
Thursday
Brasília 11 am
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1. MESSAGE FROM THE ADMINISTRATION

GROWTH RESUMPTION AND ROBUST DIVIDEND DISTRIBUTION

In the third quarter of 2020, Taesa recorded a 15.5% y.o.y increase in regulatory operating revenues, due to the projects that came into operation (Mariana, Miracema, EDTE and Novatrans reinforcements) and recently completed acquisitions (São João, São Pedro and Lagoa Nova), adding R\$ 259,1 million of Annual Permitted Revenues (RAP) for the Company. Regulatory EBITDA totaled R\$ 317.6 million, also showing an important growth of 15.4% y.o.y and recording an EBITDA margin of 82.9%, in line with the same period of 2019.

This performance demonstrates the growth resumption in Taesa's operating results, after 2 consecutive years (2018 and 2019) of revenues reduction due to RAP's contractual drop in Category 2 concessions, and stresses the Company's commitment to the strategic pillar of sustainable growth.

Taesa has also been presenting outstanding operational performance, being a benchmark in the operation and maintenance of transmission lines in Brazil. In the first nine months of 2020, the availability rate of the Company's transmission lines reached 99.95%, while the Variable Portion amounted to R\$ 15.5 million, equivalent to 1.20% of RAP, already considering the Variable Portion of the operational assets that were internalized in 2020.

In terms of results under IFRS, the Company recorded a net income of R\$ 631.9 million, 76.6% higher than 3Q19, due to the higher macroeconomic indexes recorded in the compared periods, with a greater effect of IGP-M, which reached 6.67% in the quarter, to the recent acquisitions and the entry of new assets into operation.

Based on these results, the Board of Directors approved today the distribution of R\$ 469.2 million between interim dividends and interest on equity (R\$ 1.36 / Unit), and the payment will take place on November 25, 2020. Thus, the Company maintained a payout of 91.4% after excluding the effects of the adoption of CPC 47 (IFRS 15) and a total approved distribution of R\$ 3.05 / Unit in 2020 to date.

At the end of the quarter, the Company recorded a robust cash position in the amount of R\$ 1,799.4 million (-18.8% q.o.q) and a net debt of R\$ 4,623.3 million (+4.3% q.o.q). The proportional net debt / EBITDA ratio was 3.4x during this quarter (versus 3.3x in 2Q20).

The Company maintains its focus on delivering the 6 projects under construction, whose investments amount to R\$ 3.2 billion, with a RAP of R\$ 567.5 million (considering only Taesa's stake). It is important to highlight that, in the nine months of 2020, Taesa made investments totaling R\$ 1,091.7 million, an increase of R\$ 661.9 million compared to the same period in 2019. It is also worth stressing that all the works are in progress and that the Company continues to work to meet the projects' delivery schedule.

Regarding the COVID-19 pandemic, Taesa continues to maintain all the health and safety care and protocols recommended by the World Health Organization (WHO) and the competent national bodies, remaining fully committed to the protection and care of its employees and the assets that are part of the Interconnected Electric System.

Finally, in a meeting held on October 23, the Board of Directors elected new officers, with investiture date of November 16. They are: Mr. André Augusto Telles Moreira as Chief Executive Officer, Mr. Erik da Costa Breyer as CFO and Investor Relations Officer and Mr. Fábio Antunes Fernandes as Business and Ownership Interest Management Officer. Mr. Marco Antônio Resende Faria, who was temporarily cumulating the position of Chief Executive Officer, remains as Chief Technical Director and temporarily as Chief Legal and Regulatory Officer, and Mr. Marcus Vinicius do Nascimento remains temporarily as Implementation Officer.

The Company stresses its focus on the strategic pillars of sustainable growth, financial discipline, operational efficiency and value creation for shareholders, ratifying its commitment to transmit energy with reliability, transparency and security to the whole society, respecting the environment and all stakeholders.

2. SUMMARY OF RESULTS

Consolidated						
R\$ mn	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
Net Revenues IFRS	941.2	597.7	57.5%	2,387.3	1,367.5	74.6%
Net Income IFRS	631.9	357.8	76.6%	1,433.9	824.8	73.8%
Net Revenues Reg.	383.3	331.9	15.5%	1,141.8	1,054.7	8.3%
EBITDA Reg.	317.6	275.2	15.4%	947.1	895.5	5.8%
EBITDA Margin Reg.	82.9%	82.9%	-0.1 bps	82.9%	84.9%	-2.0 bps
Net Debt	4,624.3	2,618.6	76.6%	4,624.3	2,618.6	76.6%
Dividends and IoE Paid	279.3	248.7	12.3%	582.8	402.6	44.7%

Consolidated and Associated Concessions						
R\$ mn	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
Net Revenues Reg.	490.1	435.0	12.7%	1,470.7	1,362.2	8.0%
EBITDA Reg.	410.6	365.4	12.3%	1,236.0	1,166.6	5.9%
EBITDA Margin Reg.	83.8%	84.0%	-0.2 bps	84.0%	85.6%	-1.6 bps
Net Debt	5,439.5	3,025.0	79.8%	5,439.5	3,025.0	79.8%
Net Debt/EBITDA	3.4	1.5	129.9%	3.4	1.5	129.9%

IFRS RESULTS

- Net income amounted to R\$ 631.9 million in 3Q20, a 76.6% y.o.y increase (+R\$ 274.1 million), explained by:
 - (i) Greater macroeconomic indices recorded between the compared periods, mainly IGP-M, reflecting positively the monetary restatement revenues (+R\$ 297.0 million) and the equity method (+R\$ 127.2 million);
 - (ii) Consolidation of results from the recent acquisitions of São João, São Pedro, Lagoa Nova, the conclusion of the Novatrans reinforcements, and the entry into operation of the concessions of Miracema, Mariana and EDTE, adding approximately R\$ 158 million on the net income for the quarter;
 - (iii) The above effects were partially offset by the following:
 - a. Increase of R\$ 70.5 million in net financial expenses as a result of the funds raised in 2020, the greater IPCA and the lower cash volume due to the payments of debt interest and principal and to higher investments in the projects under construction in the period; and
 - b. Higher operating costs and expenses, ex-implementation, mainly due to the operating start-up of the new concessions and inflation adjustment.

- Adjusted net income for 9M20 was R\$ 1,083.3 million, ex-effects of the adoption of CPC 47 in the amount of R\$ 350.6 million. After the allocation of the legal and tax incentive reserves and the earnings of R\$ 521.0 million already distributed over the 6M20 results, the earnings to be distributed over the 3Q20 results totaled R\$ 469.2 million (R\$ 1.36 / Unit), which were approved today by the Board of Directors and will be paid on November 25 as of the base date of November 16. As a result, the year-to-date payout stood at 91.4% of adjusted net income and of 69.1% of net income.

REGULATORY RESULTS

- In 3Q20, net revenues totaled R\$ 383.3 million, registering a 15.5% y.o.y growth, explained the entry into operation of Miracema, Mariana and reinforcements of Novatrans, acquisition of São João, São Pedro and Lagoa Nova concessions, and the inflation adjustment for the 2020-2021 cycle, which offset the RAP drop from some concessions.
- PMSO costs totaled R\$ 65.7 million in 3Q20, an y.o.y increase of 15.9% due mainly to the start of operations on new concessions (Mariana, Miracema, São João, São Pedro and Lagoa Nova) and by the inflation adjustment.
- EBITDA stood at R\$ 317.6 million in this quarter, 15.4% higher y.o.y. EBITDA margin was 82.9% in 3Q20, in line with 3Q19. Highlight for the positive impact of approximately R\$ 43 million on consolidated EBITDA due to the recent acquisitions (São João, São Pedro and Lagoa Nova) and the entry into operation of Miracema, Mariana and reinforcements of Novatrans.
- Net financial expenses totaled R\$ 118.6 million, 147.8% higher y.o.y mainly due to the funds raised in 2020, the greater IPCA and the lower cash volume due to the payments of debt interest and principal and to higher investments in the projects under construction in the period.
- Net income totaled R\$ 165.5 million in the quarter, an y.o.y decrease of 21.6% mainly explained by the increase in net financial expenses, which were greater than the EBITDA growth.
- On September 30, 2020, the gross debt closed at R\$ 6,423.7 million, a 3.4% q.o.q reduction. The cash position was R\$ 1,799.4 million (-18.8% q.o.q), resulting in a net debt of R\$ 4,623.3 million (+4.3% q.o.q). The ratio of proportional net debt / EBITDA was 3.4x (versus 3.3x in 2Q20).
- The transmission lines availability rate of 99.95% and R\$ 15.5 million of PV (1.20% of consolidated RAP) in 9M20.

3. OVERVIEW

3.1. Corporate Structure

The 39 concessions/interests of transmission 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).

On February 14, 2020, the Company completed the acquisition of 100% of the shares of São João Transmissora de Energia S.A. ("São João") and São Pedro Transmissora de Energia S.A. ("São Pedro"), after complying with the suspensive conditions applicable to the acquisition of these assets, adding a RAP of R\$ 96.4 million (2020-2021 cycle).

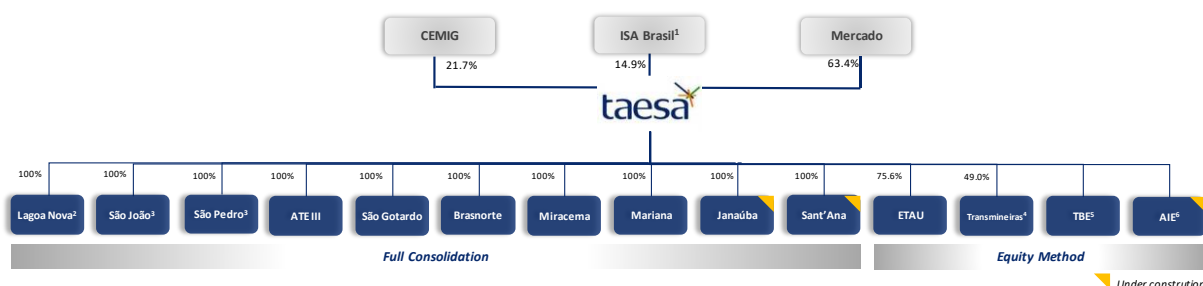
On March 13, 2020, Taesa completed the acquisition of 100% of the shares representing the total and voting capital of Rialma Transmissora de Energia I S.A. ("Rialma I"), after the fulfillment of the precedent conditions. The Extraordinary General Meeting held on the same day approved the change of the corporate name of Rialma I, which was renamed Lagoa Nova Transmissão de Energia Elétrica S.A.

Regarding the projects under construction, 3 of the 9 projects acquired in auctions started operations between the end of 2019 and the first half of 2020. The energizations of the Miracema concession, referring to the 230kV TL Lajeado-Palmas stretch, the new Palmas substation and the adequacy the 500kV TL Miracema-Lajeado stretch (circuit 1) with the Lajeado substation were completed on November 29, 2019. Before that, the Company had already energized the Miracema-Lajeado TL stretch (circuit 2), at 500kV voltage and 30 km length, on September 30, 2019. On January 20, 2020, the last energization of EDTE for the 230kV TL Poções III-Poções II stretch (representing only 6% of the project) was completed. Previously, the energizations of the 500kV LT Ibicoara-Poções III and 500/230kV SS Poções III sections were completed on December 22, 2019. Finally, the energization of the Mariana concession regarding the 500kV CS Itabirito 2-Vespasiano 2 transmission line with 82 km in length and two substations (500kV SS Itabirito 2 and 500kV SS Vespasiano 2) was completed on May 25, 2020.

With this, the Company completes the delivery of the Miracema, EDTE, and Mariana projects, adding a RAP of R\$ 109.1 million (2020-2021 cycle).

It is also important to highlight that the Company completed the reinforcements of the Novatrans concession regarding the authorization resolutions REA 6306/17 and REA 6369/17, adding R\$ 40.8 million in RAP (2020-2021 cycle). The Serra da Mesa and Gurupi Sul capacitor banks, referring to REA 6306/17, were energized on October 21, 2019, and the Gurupi Norte and Miracema capacitor banks, referring to REA 6369/17, were energized, respectively, in October 28 and November 18, 2019.

After the completion of the operations and deliveries of the projects and reinforcements in construction mentioned above, Taesa's corporate structure is as follows.



¹ ISA Investimentos e Participações do Brasil S.A.

² Lagoa Nova Transmissora de Energia Elétrica is the new corporate name of Rialma I concession acquired by Taesa on March 13, 2020.

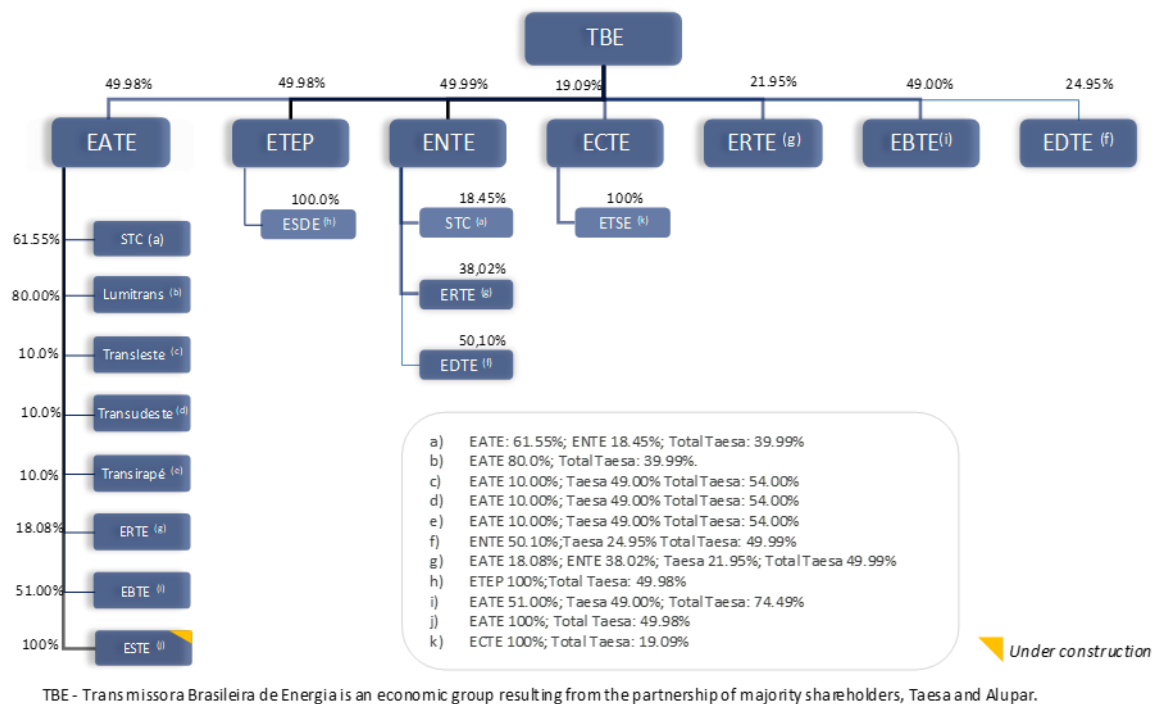
³ In 2018, the Company announced the purchase of 4 operating assets from Ambar Energia Ltda. The acquisition of São João Transmissora de Energia SA and São Pedro Transmissora de Energia SA was completed on February 14, 2020. The closing of the transaction for the acquisition of Triângulo Mineiro Transmissora de Energia SA and São Bartolomeu Transmissora de Energia SA still subject to the fulfillment of precedent conditions.

⁴ Transmineiras is a group in which Taesa holds stakes in 3 concessions: Transirapé (54.0%), Transleste (54.0%) and Transudeste (54.0%).

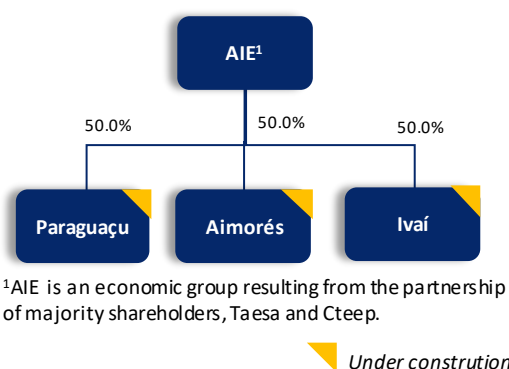
⁵ TBE - Transmissora Brasileira de Energia is a group resulting from the partnership of majority shareholders Taesa and Alupar.

⁶ 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



3.3. AIE Corporate Structure

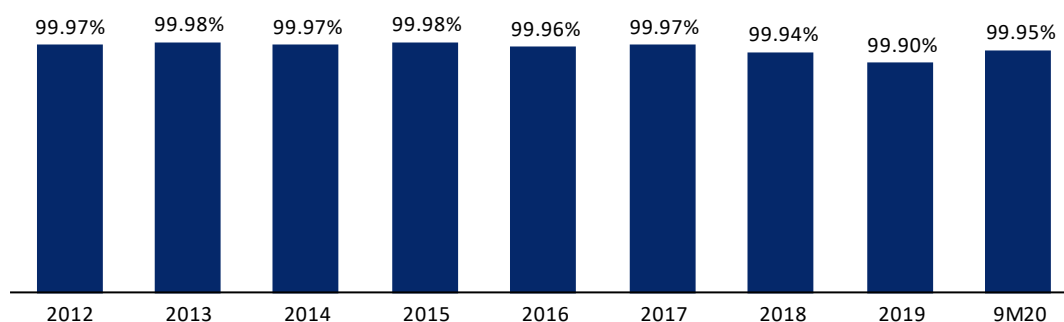


4. ECONOMIC AND FINANCIAL PERFORMANCE

4.1. Operational Performance

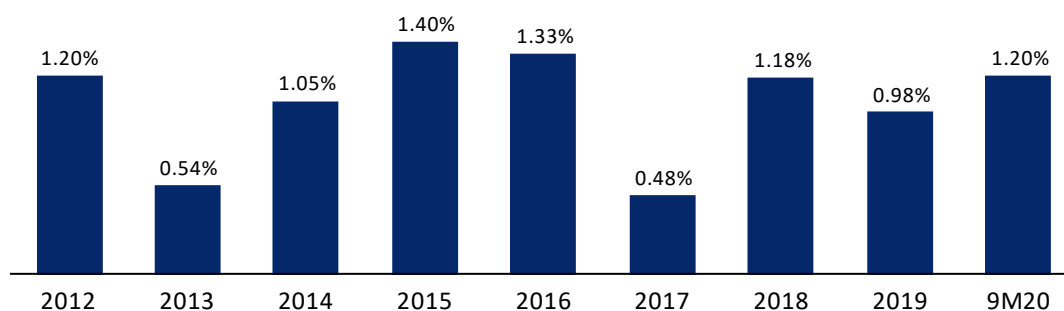
With a high operating performance over the years, in the first half of 2020 Taesa recorded a consolidated average line availability rate of 99.95%, as shown in the diagram below, which shows its consolidated performance, therefore, disregarding ETAU, Transmineiras, AIE and TBE.

Line 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 spreads.



$$\sum \frac{(\text{Length of the line} \times \text{hours available})/100}{(\text{Length of the Line} \times 8.670 \text{ hours})/100} \times 100$$

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



Accumulated PV in 9M20 was R\$ 15.5 MM, an increase of R\$ 7.2 MM compared to the same period of 2019, mainly due to the disconnections/provisions in São João, Novatrans, and TSN, with the main following events in 9M20 being: (i) São João: two automatic shutdowns on the 500 kV TL Gilbués II São João Piauí C1, one due to a fire at the 500 kV RE7-08 reactor at the Gilbués II SS terminal in July 2019 and the other due an emergency shutdown for cable traction to align the insulator chain in January 2020; (ii) Novatrans: occurrence with an explosion of the MCCL7-2 Capacitor Bank at the Gurupi SS in February 2020, shutdown of TCSC 500kV IZCL-05 Series Capacitors due to a failure in the control module in March 2020, corrective maintenance in the Bypass SCC on Banks 9489 (GUR) and MCSL7-07 (MIR), requiring the TL to be disconnected to make provisional adjustments in May 2020, and corrective maintenance in Tower 257 of TL 500 kV Colinas/Miracema C2 in september 2020, due to a damage caused by collision of agricultural machine; (iii) TSN: de-energization of the Serra da Mesa II/Rio das Éguas 500 kV TL due to a gas relay activation in the RT SDRE7-02 reactor in April 2020; (iv) ETEO: failure after the shutdown of the LT Assis/Sumaré for voltage control and insertion of transmission

line reactor in the SE busbar in April 2020; and (v) ATE: failure in the camera system related to the disconnect switch 4529-378 of SE Assis during the isolation of the LT 525kV Assis / Araraquara for voltage control in April 2020. The above listed events of São João concession were indemnified in 2Q20 by the sellers as agreed in the purchase and sale agreement, since the triggering factor for these events occurred before the closing date of the acquisition, although the materialization of the effective PV took place after the closing.

4.2. RAP Cycle 2020-2021

In July 14, 2020, ANEEL published the Ratifying Resolution 2.275/2020, which established the Annual Permitted Revenues (RAP) from transmission concessions for the 2020-2021 cycle, effective from July 1, 2020 to June 30, 2021, affecting therefore the Company's results only from 3Q20 onwards. The concessions adjusted by IGP-M (Category II) were monetarily restated by 6.51%, and concessions adjusted by IPCA (Category III) were monetarily restated by 1.88%.

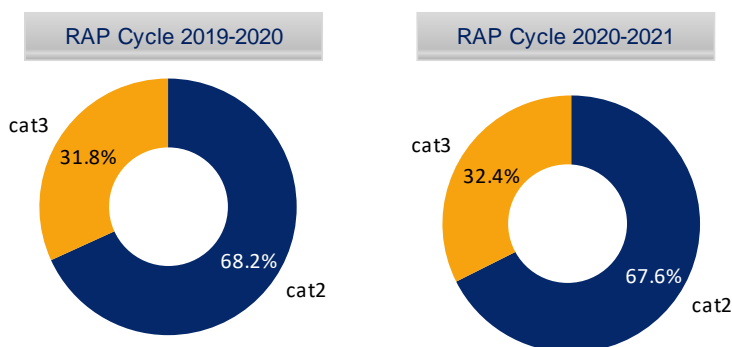
RAP (R\$ mn)	2018-2019 Cycle	2019-2020 Cycle	2020-2021 Cycle
IGP-M Adjustment	4.26%	7.64%	6.51%
Novatrans ²⁸	413.5	330.9	351.8
TSN ²	279.6	301.0	325.1
Munirah	38.0	40.9	29.0
GTESA	5.8	5.5	5.9
PATESA ²	26.1	18.1	17.4
ETAU ¹²	25.2	38.5	29.9
ETEO	91.9	98.9	105.4
NTE ²	125.2	86.3	92.1
STE ²	85.3	48.6	50.6
ATE I ²	155.4	167.3	115.1
ATE II ²	240.3	258.7	275.5
EATE ¹²⁸	113.6	122.2	129.0
ETEP ¹	25.6	27.6	29.4
ENTE ¹	117.4	102.0	67.3
ECTE ¹	9.4	10.2	10.8
ERTE ¹²	26.3	19.5	15.3
Lumitrans ¹²	11.1	12.0	12.7
Transleste ¹	12.8	24.7	19.3
Transirapé ¹	10.2	20.1	22.2
Transudeste ¹	7.6	15.3	16.3
Subtotal	1,820.4	1,748.3	1,720.1
IPCA Adjustment	2.86%	4.66%	1.88%
ATE III ²³⁵	119.8	125.4	127.7
São Gotardo ³	5.2	5.4	5.5
Mariana ³	14.7	15.4	16.4
Miracema ³⁸	62.1	65.0	59.7
Janaúba ³⁴	185.4	194.1	197.7
Aimorés ¹³⁴	37.9	39.7	40.4
Paraguaçu ¹³⁴	56.6	59.2	60.4
Brasnorte ¹²³	10.2	27.6	28.0
STC ¹²³	18.1	18.9	19.2
EBTE ¹²³	35.8	34.4	36.4
ESDE ¹³	6.7	7.0	7.2
ETSE ¹²³	3.8	4.0	4.1
ESTE ¹³⁴	53.6	56.1	57.2
Ivaí ¹³⁴	140.5	147.0	149.8
EDTE ¹³⁸	33.0	34.6	33.0
Sant'Ana ⁴	59.0	60.9	62.1
São João ⁶		47.6	49.8
São Pedro ⁶		44.9	46.5
Lagoa Nova ⁷		12.6	12.9
Subtotal	842.4	999.8	1,013.9
Total	2,662.8	2,748.1	2,734.1

Including the controlled concessions, jointly-controlled investees and affiliates¹, Taesa's total RAP (operational and under construction) for 2020-2021 cycle is R\$ 2,734 million, of which 50.0% is at the holding company level. Considering the completion of the Mariana project in May 2020, Taesa's operating RAP for 2020-2021 cycle was R\$ 2,167 million, against R\$ 2,176 million for 2019-2020 cycle, considering the conclusion of Mariana project only for 2020-2021 cycle.

The RAP readjustment for 2020-2021 cycle was different from inflation in some concessions for the following reasons: (i) **Munirah, PATESA, ETAU, STE, ATE I, ENTE, ERTE**, and **Transleste** were impacted by the 50% drop in RAP due to entry in the 16th year of operation (for further details, see section 4.3); (ii) **TSN** and **Mariana** reinforcements entered into operation; and (iii) **NTE, ETEP, Lumitrans, Transirapé, EBTE, Brasnorte, STC, Mariana, São João**, and **São Pedro** were affected by tariff reviews.

The following is also worth mentioning: (i) the acquisition of Eletrobras' interests in ETAU, Brasnorte and Transmineiras were completed in 2Q19; (ii) a 11.624% interest in Brasnorte was acquired in Aug/19; (iii) energizing of Miracema (Nov/19), EDTE (Jan/20) and Mariana (May/20) projects; (iv) completion of Novatrans reinforcements regarding the authorization resolutions REA 6306/17 and REA 6369/17 in Nov/19; (v) completion of the São João and São Pedro acquisitions in Feb/20; and (vi) completion of the acquisition of Lagoa Nova in Mar/20. More details in section 3.1.

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.



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

⁶ Acquisition completed on February 14, 2020

⁷ Acquisition completed on March 13, 2020

⁸ RAP of 2020-2021 cycle with rectification request within ANEEL

4.3. Drop of 50% in RAP

The transmission concession contracts included in the bidding process 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 cycle, two concessions reached 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.

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

- **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 will reach the 16th year of operation on 12/18/2020.

For future cycles, 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.

- **Lumitrans³**: 99.9% of RAP from Lumitrans will reach the 16th year of operation on 10/3/2022.
- **STC³**: 71.9% of RAP from STC will reach the 16th year of operation on 11/8/2022.
- **ATE III³**: 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 of ANEEL.
2. The RAP percentages were calculated based on the value of the RAP 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 2 assets subject to the 50% drop in RAP at the beginning of the 16th year of operation.

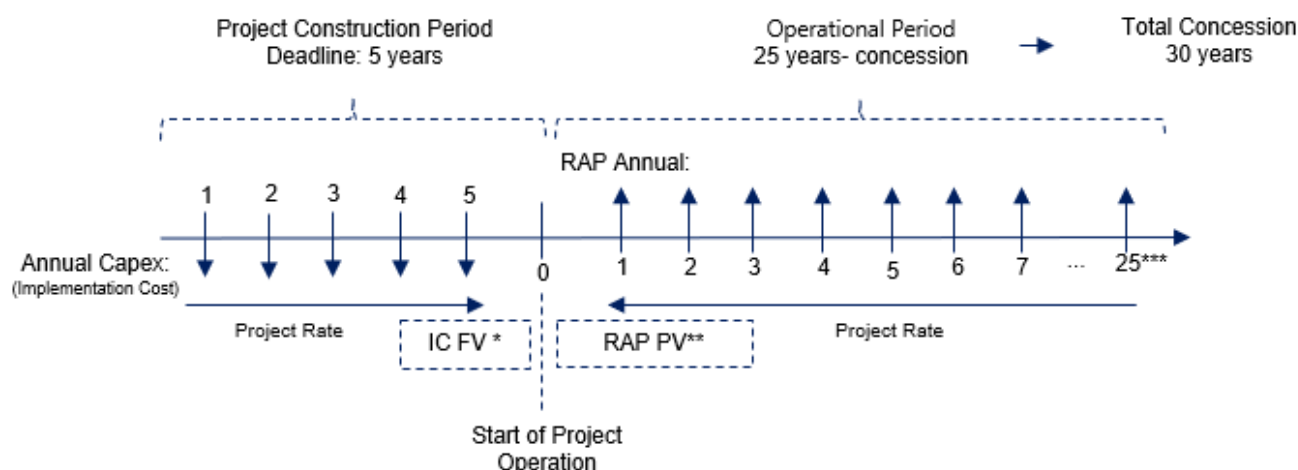
4.4. Impact of Accounting Change (CPC 47)

In the accounting under IFRS up to the 3rd quarter of 2018, the investments were recognized as Financial Assets at amortized 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 opted to adopt 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 and 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.

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

PROJECT CASH FLOW



The Implementation of Infrastructure Margin calculation is done by the difference between the RAP PV and the IC FV :

- (i) IC FV = RAP PV → Implementation Margin = 0
- (ii) IC FV > RAP PV → Implementation Margin < 0
- (iii) IC FV < RAP PV → Implementation Margin > 0

* IC FV: Future Value of Implementation Cost

** RAP PV: Present Value of Annual Permitted Revenue (Formation of Contractual Assets)

***PV of the receivables includes the RAP and the residual balance to be indemnified

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 exactly 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 in the balance sheet as a financial asset, and therefore not recognized in the statement of income. As from the accounting using the Contractual Asset method, this advance must necessarily pass through the result as implementation of infrastructure cost.

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.

The aforementioned adjustments totalled R\$ 521,647,147.86, of which R\$ 501,234,767.69 recorded as Special Reserve and R\$ 20,412,380.17 as Legal Reserve (5%).

On September 30, 2020, the adjustments generated by the adoption of CPC 47 in the net income amounted to R\$ 350,608,784.81.

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 Incomes account, being allocated to the Special Reserve and Legal Reserve accounts at the end of the fiscal year.

In order not to compromise the Company's cash position and leverage, the Special Reserve account will be used for future dividend distribution, taking into consideration that the adoption of CPC 47 has no cash effects (the efficiency/inefficiency of the project is recorded as construction margin during the construction phase of the projects, with a pure accounting effect in the results under IFRS).

4.5. Net Revenues under IFRS

Net Revenues under IFRS in 3Q20 was R\$ 941.2 million, 57.5% higher y.o.y, due to the increase in all lines of revenues as a result of the recent acquisitions and entry into operation of some concessions, but mainly due to the significant growth of monetary restatement of contractual assets explained by the strong increase of IGP-M.

9M20 net revenues under IFRS was R\$ 2,387.3 million, 74.6% 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 impact on the net income.

Considering the monetary restatement of the revenues assured in the concession agreement, the Company monthly records the monetary restatement of the concession's contractual asset in the result. 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 2020 were: IGP-M of 1.56%, 2.23% and 2.74% (accumulated +6.67%), and IPCA of 0.26%, 0.36% and 0.24% (accumulated +0.86%), referring to the months of June, July and August 2020, respectively. In the third quarter of 2019, the IGP-M was 0.80%, 0.40% and -0.67% (accumulated +0.52%), and the IPCA was 0.01%, 0.19% and 0.11% (accumulated +0.31%), referring to the respective months of 2019.

Net Revenues - IFRS (Consolidated)

	R\$ mn	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
Operation and Maintenance		174.8	157.6	10.9%	501.1	449.6	11.5%
Remuneration of contractual assets		164.0	128.5	27.7%	477.0	377.9	26.2%
Monetary restatement of contractual assets		314.2	17.2	1731.6%	514.1	128.9	298.8%
Implementation of infrastructure		367.7	354.6	3.7%	1,107.1	555.1	99.5%
Total IFRS Revenues		1,020.7	657.8	55.2%	2,599.4	1,511.5	72.0%
Variable Portion		(6.0)	(6.0)	-0.1%	(15.5)	(8.3)	86.4%
Other Revenues		6.6	2.8	139.1%	26.6	7.8	243.1%
Total Gross Revenues		1,021.3	654.5	56.0%	2,610.5	1,511.0	72.8%
PIS/Cofins		(64.4)	(39.2)	64.0%	(171.4)	(84.9)	101.9%
Service Tax		(0.18)	(0.04)	298.8%	(0.4)	(0.1)	174.1%
ICMS		(0.05)	(0.02)	157.0%	(0.09)	(0.05)	87.8%
Consumer's Fees		(15.5)	(17.5)	-11.5%	(51.4)	(58.4)	-12.1%
Deductions		(80.1)	(56.8)	41.0%	(223.2)	(143.5)	55.5%
Total Net Revenues		941.2	597.7	57.5%	2,387.3	1,367.5	74.6%

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

- **Operation and maintenance:** The 10.9% y.o.y increase in O&M revenues is mainly due to (i) the inflation adjustment of the 2020-2021 cycle, 6.51% from IGP-M and 1.88% from IPCA, considering the variation between the periods from July 2020 to June 2021, according to the Ratifying Resolution 2,275/20, (ii) the entry into operation of Miracema concession at the end of 2019 and of Mariana concession in May 2020, and (iii) the completion of the acquisition of São João and São Pedro in February 2020, and of Lagoa Nova in March 2020.
- **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). 3Q20 results showed a 27.7% y.o.y increase due to (i) the completion of the acquisition of São João and São Pedro in February 2020, and of Lagoa Nova in March 2020, (ii) the entry into operation of concessions Miracema at the end of last year and Mariana in May 2020, and (iii) the completion of Novatrans reinforcements at the end of 2019. These events offset the natural effect of the amortization of the balance of the contractual asset by the receivables.

- **Monetary restatement of the concession contractual asset:** Based on the monthly inflation adjustment. Monetary restatement revenues showed an y.o.y increase of R\$ 297.0 million, mainly due to the rise of macroeconomic indices recorded in the periods under comparison, with a greater effect of IGP-M that recorded an inflation of 6.67% in the accumulated quarter against an inflation of 0.52% in the same quarter of 2019, as described above. It is worth mentioning the the impact of higher macroeconomic indexes recorded in the monetary restatement were also affected by the consolidation of the new assets (São João, São Pedro, Lagoa Nova, Miracema, Mariana and Novatrans reinforcements) in the year 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 3.7% y.o.y growth in implementation revenues is basically due to higher investments in Janaúba and Sant'Ana and the reinforcement of São Pedro, which was partially offset by the completion of Miracema project and Novatrans reinforcements, both at the end of last year.
- **Variable portion (PV):** PV was practically in line in the annual comparison. There was a drop in shutdowns between the periods compared. For more details see section 4.1.
- **Other operating revenues:** The y.o.y increase of R\$ 3.8 million is basically due to the accounting of revenues from *Rede de Fronteira* and DIT (Other Installations) in São Pedro and Miracema.
- **Deductions of gross revenues:** There was an 41.0% y.o.y increase. The mentioned variations are due to the PIS/COFINS that follows the variation of the gross revenues in IFRS (the tax varies according to each concession - see section 4.15). This increase was partially offset by the fall in consumer's fees. For further details see section 4.8.

4.6. Costs, Expenses, Depreciation and Amortization under IFRS

Costs, Expenses, and Depreciation and Amortization totaled R\$ 287.6 million in 3Q20, 27.6% higher y.o.y.

Costs, Expenses, and Depreciation and Amortization totaled R\$ 863,3 million in 9M20, 89.2% higher y.o.y.

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

	R\$ mn	3Q20	3Q19	Chg. %	9M20	9M19	Chg. %
Personnel		(43.2)	(35.5)	21.6%	(122.9)	(98.1)	25.3%
Material		(220.6)	(168.0)	31.3%	(665.2)	(294.5)	125.9%
Third Party Services		(16.0)	(13.8)	16.3%	(50.4)	(41.0)	22.9%
Other		(3.2)	(4.3)	-25.3%	(12.7)	(12.4)	2.9%
Total		(283.0)	(221.6)	27.7%	(851.2)	(446.0)	90.9%
Depreciation and amortization		(4.6)	(3.8)	21.6%	(12.1)	(10.4)	16.6%
Total		(287.6)	(225.4)	27.6%	(863.3)	(456.4)	89.2%

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

- **Personnel:** The y.o.y increase of 21.6% is explained by the employee's salary adjustments of 5.45% under the collective bargaining agreement, the completion of São João, São Pedro and Lagoa Nova acquisitions, and the entry into operation of Miracema and Mariana, in addition to the meritocracy and promotions program and increase in staff. It should be noted that the salary adjustment under the collective bargaining agreement follows the same mix of IGP-M and IPCA inflation indices that restate Taesa's concessions RAP in the respective RAP cycle. The 5.45% readjustment is the result of the mix of inflation indexes for the 2020-2021 RAP cycle (6.51% for IGP-M and 1.88% for IPCA).

- **Material:** The y.o.y increase of R\$ 52.6 million is mainly due to higher investments in projects under construction of Janaúba (+R\$ 124.0 million) and Sant'Ana (+R\$ 27.2 million) and of São Pedro reinforcement (+R\$ 3.7 million), partially offset by the drop in investments in the completed projects of Miracema, Mariana, and reinforcements of Novatrans and TSN.
- **Third-party services:** The 16.3% y.o.y growth was mainly influenced by increased expenses with cleaning of the right of way, the retaining of strategic consulting firms, as well as by the acquisition of São João, São Pedro and Lagoa Nova, and the entry into operation of Miracema and Mariana. This growth was partially offset by lower travelling expenses.
- **Other:** These expenses decreased by 25.3% due to (i) revenues from the sale of non-used materials in Mariana concession; (ii) lower expenses with insurance (Operational Responsibility); (iii) the contractual reimbursements related to the acquisitions of São Pedro and São João; and (iv) the write-off of assets in Miracema concession in 3Q19.
- **Depreciation and amortization:** The increase of 21.6% is basically due to the remeasurement of financial lease agreements within the scope of CPC 06 (R2), which generated an increase in depreciation in 3Q20 compared to 3Q19.

4.7. EBITDA and EBITDA Margin under IFRS

In 3Q20 IFRS EBITDA totaled R\$ 658.2 million with an EBITDA margin of 69.9%. The y.o.y increase of 75.0% in the IFRS EBITDA was basically due to the higher macroeconomic indices recorded in the period, which positively impacted the monetary restatement revenues by R\$ 297.0 million.

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

EBITDA IFRS (Consolidated)

	R\$ mn	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
Net Revenues		941.2	597.7	57.5%	2,387.3	1,367.5	74.6%
Costs and Expenses		(283.0)	(221.6)	27.7%	(851.2)	(446.0)	90.9%
EBITDA		658.2	376.1	75.0%	1,536.1	921.5	66.7%
EBITDA margin		69.9%	62.9%	7.0 bps	64.3%	67.4%	-3.0 pp

4.8. Regulatory Net Revenues

Regulatory Net Revenues in 3Q20 reached R\$ 383.3 million, 15.5% higher y.o.y, explained by the entry into operation of Miracema, Mariana and the reinforcements of Novatrans, acquisition of São João, São Pedro and Lagoa Nova concessions, and by the inflation adjustment, effects that were partially offset by the RAP drop on some concessions.

Regulatory Net Revenues in 9M20 totaled R\$ 1,141.8 million, showing an y.o.y increase of 8.3%.

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 16.6% y.o.y growth in the line of RAP is explained basically by the entry into operation of Miracema and Mariana concessions, and Novatrans reinforcements, by the conclusion of the acquisition of São João, São Pedro and Lagoa Nova, and by the inflation adjustment of the 2020-2021 RAP cycle (6.51% from IGP-M and 1.88% from IPCA). 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) was practically in line in the annual comparison. For more details see section 4.1.

The other revenues presented an y.o.y reduction of R\$ 8.6 million related to São João's adjustment portion, defined in the ratifying resolution 2.275/20, as a result of ANEEL's administrative process 48500.002803/2017-41 established before the conclusion of its acquisition, whose total amount was agreed through an escrow account, therefore with no financial impact to TAESA.

The reduction in sector charges is due to the 50% RAP drop, as mentioned above, since the new concessions that affected the results are exempt from the collection of the Global Reversion Reserve - RGR tariff, according to Law 12,783/2013, which waives this payment for concessions auctioned after September 12, 2012.

Net Revenues - Regulatory (Consolidated)

	R\$ mn	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
RAP Concessions		438.2	375.9	16.6%	1,288.2	1,181.8	9.0%
Variable Portion		(6.0)	(6.0)	-0.1%	(15.5)	(8.3)	86.4%
Service Revenues		432.2	369.9	16.9%	1,272.7	1,173.5	8.5%
Other Revenues		(8.4)	0.3	n/a	(7.8)	1.0	n/a
Total Gross Revenues		423.9	370.1	14.5%	1,264.9	1,174.5	7.7%
PIS/Cofins		(24.8)	(20.7)	20.1%	(71.2)	(61.1)	16.6%
Service Tax		(0.18)	(0.04)	298.8%	(0.4)	(0.1)	174.1%
ICMS		(0.05)	(0.02)	157.0%	(0.1)	(0.0)	87.8%
Consumer's Fee		(15.5)	(17.5)	-11.5%	(51.4)	(58.4)	-12.1%
Deductions		(40.5)	(38.2)	6.1%	(123.1)	(119.7)	2.8%
Total Net Revenues		383.3	331.9	15.5%	1,141.8	1,054.7	8.3%

4.9. Regulatory Costs, Expenses, Depreciation and Amortization

Costs, Expenses, and Depreciation and Amortization totaled R\$ 127.6 million in 3Q20, 20.2% higher y.o.y. PMSO costs totaled R\$ 65.7 million, registering an y.o.y increase of 15.9%.

Costs, Expenses, and Depreciation and Amortization in the first nine months of 2020 reached R\$ 374.3 million, 22.8% higher y.o.y. PMSO costs totaled R\$ 194.8 million in 9M20, an y.o.y increase of 22.3%.

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

	R\$ mn	3Q20	3Q19	Chg. %	9M20	9M19	Chg. %
Personnel		(43.2)	(35.5)	21.6%	(122.9)	(98.1)	25.3%
Material		(1.0)	(0.8)	24.9%	(2.1)	(1.5)	36.4%
Third Party Services		(16.0)	(13.8)	16.3%	(50.4)	(41.0)	22.9%
Other		(5.5)	(6.6)	-16.5%	(19.4)	(18.6)	4.1%
Total		(65.7)	(56.7)	15.9%	(194.8)	(159.3)	22.3%
Depreciation and amortization		(61.9)	(49.4)	25.1%	(179.5)	(145.5)	23.4%
Total		(127.6)	(106.1)	20.2%	(374.3)	(304.7)	22.8%

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

The costs and expenses for PMSO totaled R\$ 127.6 million in 3Q20 (+20.2% y.o.y). This increase is explained by the following events:

- **Personnel:** The y.o.y increase of 21.6% is explained by the employee's salary adjustment of 5.45% under the collective bargaining agreement, the completion of São João, São Pedro and Lagoa Nova acquisitions, and the entry into operation of Miracema and Mariana, in addition to the meritocracy and promotions program and increase in staff. It should be noted that the salary adjustment under the collective bargaining agreement follows the same mix of IGP-M and IPCA inflation indices that restate Taesa's concessions RAP in the respective RAP cycle. The 5.45% readjustment is the result of the mix of inflation indexes for the 2020-2021 RAP cycle (6.51% for IGP-M and 1.88% for IPCA).
- **Material:** The y.o.y increase of R\$ 24.9% is due to higher maintenance expenses and to the completion of São João, São Pedro and Lagoa Nova acquisitions.
- **Third-party services:** The 16.3% y.o.y growth was mainly influenced by the increase in expenses with cleaning of the right of way, the retaining of strategic consulting firms, as well as by the acquisition of São João, São Pedro and Lagoa Nova, and the entry into operation of Miracema and Mariana. This growth was partially offset by lower travelling expenses.
- **Others:** These expenses decreased by 25.3% due to (i) revenues from the sale of non-used materials in Mariana concession; (ii) lower expenses with insurance (Operational Responsibility); (iii) the contractual reimbursements related to the acquisitions of São Pedro and São João; and (iv) the write-off of assets in Miracema concession in 3Q19.
- **Depreciation and Amortization:** The increase in depreciation refers to unitizations of Novatrans reinforcements, the entry into operation of Miracema, and the acquisition of São João, São Pedro and Lagoa Nova.

4.10. Regulatory EBITDA and EBITDA Margin

The Regulatory EBITDA for 3Q20 reached R\$ 317.6 million, 15.4% higher y.o.y, and an EBITDA margin of 82.9%. As previously mentioned, the 50% RAP drop of some concessions, associated with higher operating costs and expenses, were offset by the entry into operation of Miracema, Mariana and Novatrans reinforcements, the acquisition of São João, São Pedro and Lagoa Nova concessions, and the RAP inflation adjustment.

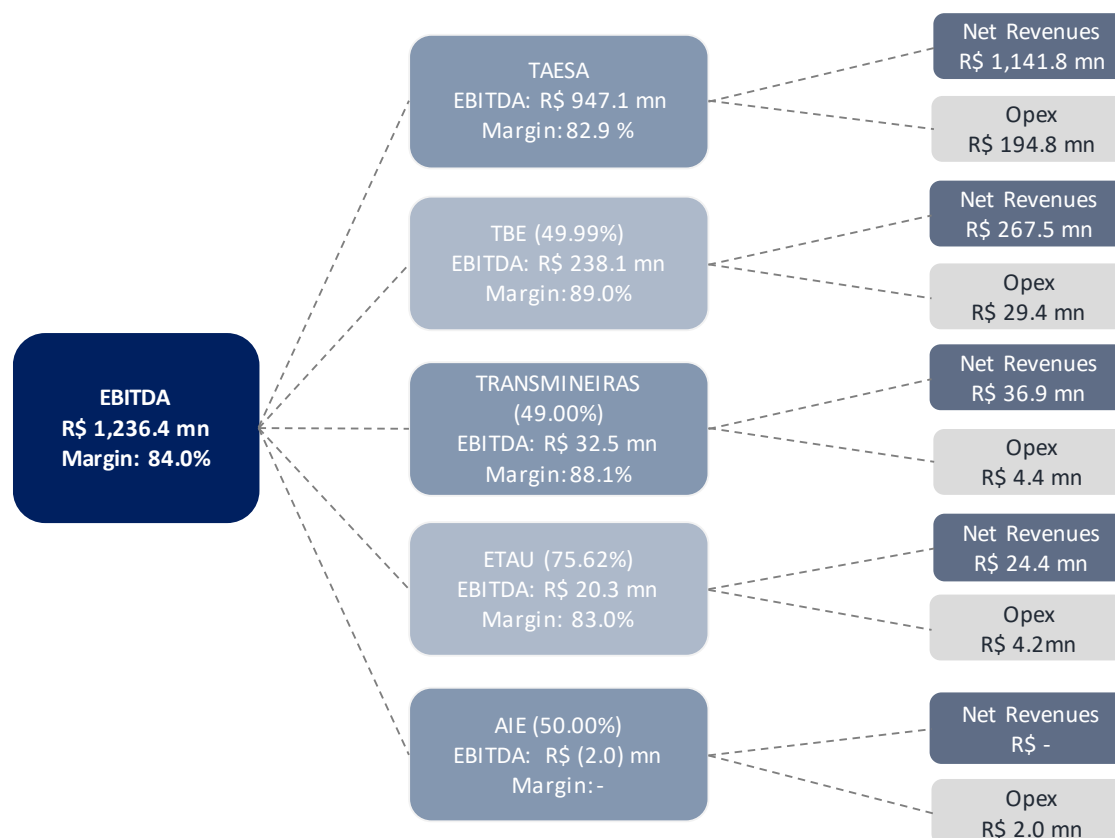
In the power transmission sector, the **Regulatory EBITDA** is an important operating and financial performance indicator, since it is adherent to the Company's effective operating cash generation.

EBITDA Regulatory (Consolidated)

	R\$ mn	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
Net Revenues		383.3	331.9	15.5%	1,141.8	1,054.7	8.3%
Costs and Expenses		(65.7)	(56.7)	15.9%	(194.8)	(159.3)	22.3%
EBITDA		317.6	275.2	15.4%	947.1	895.5	5.8%
EBITDA margin		82.9%	82.9%	-0.1 bps	82.9%	84.9%	-2.0 bps

4.11. Composition of Regulatory EBITDA

The diagram below shows how the Regulatory EBITDA would be in the first nine months of 2020, considering all concessions of Taesa group proportionally. It is important to note that the consolidated results according to the Brazilian accounting standards 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 3Q20 totaled R\$ 207.4 million, 158.5% higher y.o.y. In the first nine months of 2020, Equity Method under IFRS closed at R\$ 478.4 million, 133.6% higher y.o.y.

Equity Method - IFRS

R\$ mn	3Q20	3Q19	Chg. %	9M20	9M19	Chg. %
ETAU	23.8	5.9	306.0%	30.6	9.6	218.6%
TBE	122.6	55.0	122.7%	289.7	153.1	89.3%
Aimorés	9.0	5.7	58.3%	35.0	5.9	494.9%
Paraguaçu	7.5	8.9	-15.2%	46.2	14.4	221.4%
Ivaí	28.2	2.5	1029.4%	44.1	7.9	459.0%
Transmineiras	16.3	2.3	606.2%	32.9	10.8	204.8%
Total Equity method	207.4	80.2	158.5%	478.4	204.8	133.6%

The y.o.y increase of 158.5% in the IFRS results of the jointly-controlled investees and affiliates is mainly due to higher monetary restatement revenues from TBE, Transmineiras and ETAU as a result of the rise of macroeconomic indices registered in the quarter, and to higher investments in the concessions under construction (ESTE – a subsidiary of TBE, Aimorés and Ivaí), partially offset by lower investments in Paraguaçu and EDTE – the latter entered into operation in January 2020.

4.13. Regulatory Equity Method

The Regulatory Equity Method in 3Q20 totaled R\$ 32.2 million, 33.1% lower y.o.y. In 9M20, Regulatory Equity Method closed at 130.3 million, a reduction of 11.2% y.o..

Equity method - Regulatory

R\$ mn	3Q20	3Q19	Chg. %	9M20	9M19	Chg. %
ETAU	2.7	4.2	-36.3%	11.3	10.6	6.5%
TBE	51.4	49.0	5.0%	167.1	158.6	5.4%
Aimorés	(0.1)	(0.1)	5.0%	(0.3)	(0.5)	-27.3%
Paraguaçu	(0.2)	(0.2)	0.3%	(0.5)	(0.6)	-23.7%
Ivaí	(16.8)	(0.2)	9593.6%	(31.7)	(0.3)	11766.8%
Transmineiras	8.8	9.1	-3.4%	25.3	17.4	45.4%
Subsidiaries Net Income	45.9	61.9	-25.8%	171.3	187.6	-8.7%
Amortization of goodwill - TBE	(13.6)	(13.6)	0.0%	(40.9)	(40.9)	0.0%
Total Equity Method	32.2	48.2	-33.1%	130.3	146.7	-11.2%

The Regulatory Equity Method in 3Q20 presented a y.o.y reduction of 33.1%, due to the 50% drop in the RAP of ETAU and Transleste, which is part of Transmineiras, and to the financial expenses from the 1st issuance of Ivaí's debentures done in December 2019. It is worth mentioning that the RAP drop in two TBE's concessions, ERTE and ENTE, was offset by the inflation adjustment of the 2020-2021 RAP cycle and the entry into operation of EDTE in January 2020.

The difference between the Equity Method in Taesa and the sum of the results of ETAU, 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\$ 119.3 million in 3Q20, 144.4% higher y.o.y. The Regulatory net financial expenses totaled R\$ 118.6 million, 147.8% lower y.o.y.

In the first nine months of 2020, net financial expenses under IFRS closed at R\$ 282.6 million, showing an y.o.y increase of 53.1%. The Regulatory net financial expenses reached R\$ 280.5 million, 54.0% higher y.o.y.

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, the financial results under IFRS will differ from the regulatory financial results only in the "Leasing" line.

Net Financial Expenses IFRS

	R\$ mn	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
Financial Revenues		10.7	34.0	-68.6%	33.0	74.8	-55.9%
Revenues from financial investments		10.7	34.0	-68.6%	33.0	74.8	-55.9%
Financial Expenses		(130.0)	(82.8)	56.9%	(315.6)	(259.3)	21.7%
Interest incurred		(84.9)	(67.4)	26.0%	(234.1)	(169.9)	37.8%
Monetary and exchange variations		(42.6)	(10.6)	299.7%	(68.7)	(76.3)	-9.9%
Fair Value Adjustment		0.0	(0.0)	-	0.0	(0.0)	n/a
Leasing		(0.7)	(0.9)	-26.7%	(2.1)	(2.4)	-12.5%
Other financial expenses/revenues		(1.8)	(3.8)	-53.6%	(10.6)	(10.7)	-1.0%
Total IFRS		(119.3)	(48.8)	144.4%	(282.6)	(184.6)	53.1%

The 68.6% y.o.y reduction in Financial Revenues was mainly due to the drop in CDI, which registered 0.50% this quarter against 1.52% in 3Q19. This line was also negatively affected by lower average cash volume invested due to the payment of principal and interest in the amount of R\$ 337.2 million (4th and 5th issuances of Taesa's debentures) and the greater investments in the projects under construction this quarter, besides the lower profitability achieved in investments this quarter.

The 26.0% y.o.y increase in the interest incurred line is mainly due to the higher volume of debt between the compared periods as a result of the 8th issuance of Taesa's debentures in the amount of R\$ 300 million in January 2020, 9th issuance of Taesa's debentures in the amount of R\$ 450 million in April 2020, the R\$ 350 million and R\$ 100 million bank credit notes in favor of Banco Citibank and Bradesco, respectively, both in April 2020, 2nd issuance of Janaúba's debentures in the amount of R\$ 575 million in December 2019, and the pre-existing R\$ 62.7 million financing from BNB with Lagoa Nova, a recently acquired asset. The effect of the debt increase offset the lower CDI in the interest incurred in the period since the debt linked to CDI represents only 27% of the total gross debt – percentage as of September 30, 2020.

The y.o.y growth of R\$ 32.0 million in the monetary and exchange variations line is explained by the increase of accumulated inflation of 1.24% of IPCA recorded in 3Q20 (against 0.26% in 3Q19) associated with the higher volume of debt linked to IPCA due to the 7th and 8th Taesa's debenture issuances, the 2nd issuance of Janaúba debentures, and the pre-existing financing of BNB with Lagoa Nova.

The line of other financial expenses/revenues decreased by 53.6% in the annual comparison, explained by the reduction of expenses related to the issuances of the debentures of Taesa and Janaúba and the decrease in PIS/COFINS expenses on financial investments.

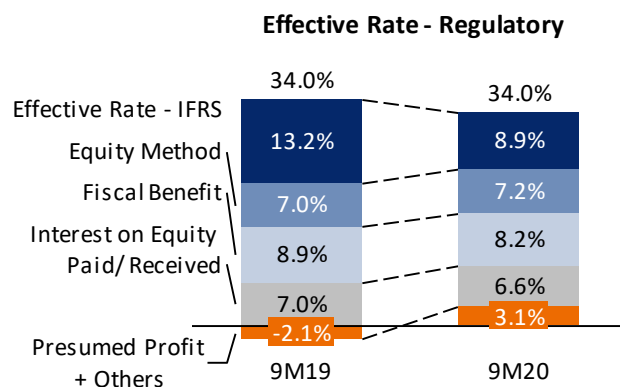
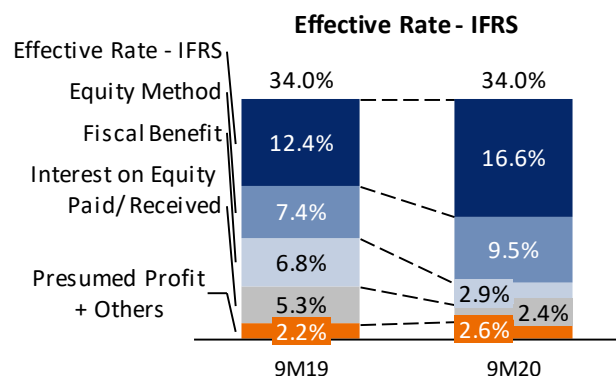
The line of leasing recorded a 26.7% y.o.y reduction explained by the amortization of leasing contracts

4.15. Taxes

The y.o.y increase of 139.1% in the Income Tax and Social Contribution under IFRS recognized in the result is explained by the increase of 83.7% in income before taxes, the fall of 14.5% in the interest on equity paid, and the decrease in the SUDAM/SUDENE tax incentives due to the change in the calculation of the surcharge of income tax over the 3Q19 operating profit (*lucro da exploração*), whose impact totalled R\$ 15.2 million in that quarter related to the 2018 and 2019 fiscal years.

	R\$ mn		IFRS			
Reconciliation of Income Tax	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
PreTax Profit	741.7	403.8	83.7%	1,719.8	941.2	82.7%
IRPJ and CSLL rate of 34%	(252.2)	(137.3)	83.7%	(584.7)	(320.0)	82.7%
Equity Method	70.5	27.3	158.5%	162.7	69.6	133.6%
SUDAM/SUDENE	17.1	34.4	-50.4%	50.5	63.6	-20.6%
Interest on Equity Paid/Received	20.0	23.4	-14.5%	40.8	49.8	-18.1%
Presumed Profit Companies	42.6	17.6	141.9%	53.2	33.5	58.8%
Others	(7.8)	(11.3)	451.5%	(8.3)	(12.9)	-35.9%
IRPJ and CSLL recognized in profit	(109.8)	(45.9)	139.1%	(285.8)	(116.4)	145.6%
Effective Rate	14.8%	11.4%	3.4 pp	16.6%	12.4%	4.3 pp

	R\$ mn		Regulatory			
Reconciliation of Income Tax	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
PreTax Profit	169.4	226.1	-25.1%	617.4	714.6	-13.6%
IRPJ and CSLL rate of 34%	(57.6)	(76.9)	-25.1%	(209.9)	(243.0)	-13.6%
Equity Method	11.0	16.4	-33.1%	44.3	49.9	-11.2%
SUDAM/SUDENE	17.1	34.4	-50.4%	50.5	63.6	-20.6%
Interest on Equity Paid/Received	20.0	23.4	-14.5%	40.8	49.8	-18.1%
Presumed Profit Companies	5.7	(12.3)	n/a	18.9	(14.2)	n/a
Others	0.0	(0.0)	n/a	0.3	(0.8)	n/a
IRPJ and CSLL recognized in profit	(3.9)	(15.0)	-74.3%	(55.1)	(94.6)	-41.8%
Effective Rate	2.3%	6.7%	436.9%	8.9%	13.2%	-4.3 pp



The table below shows the tax regime for each concession, as well as those that enjoy a tax benefit, the date in which the benefit expires, and the 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%
TRANSLESTE	"Presumed"	-	-	-	0.65%	3.00%
TRANSIRAPÉ	"Presumed"	-	-	-	0.65%	3.00%
EDTE	"Real"	"Sudene"	100%	2030	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%

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 rule 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 year, the legal entity states 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.

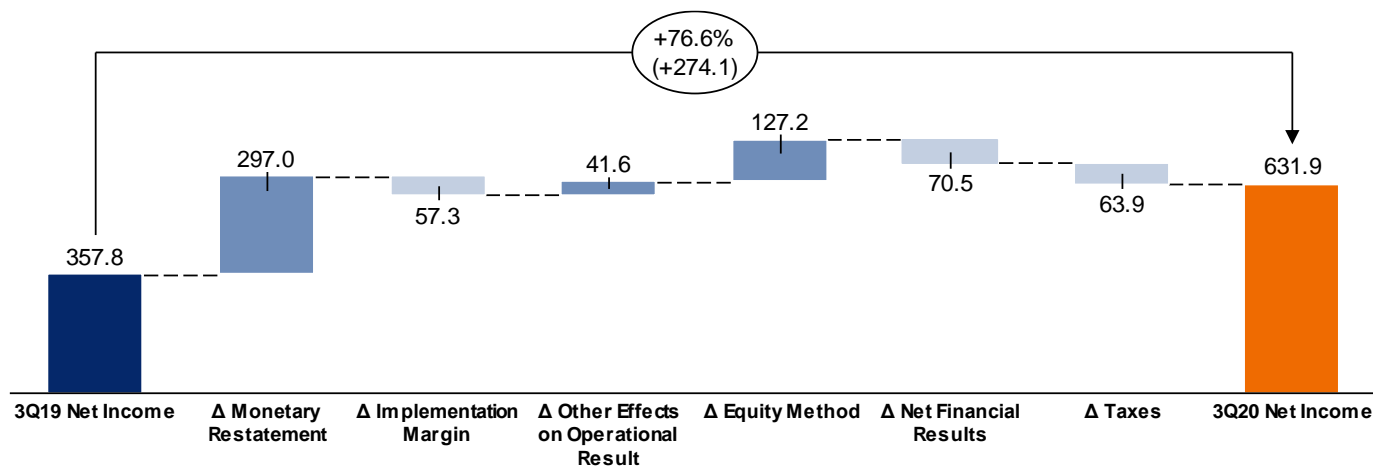
With the Law 12,973/2014, from 2015 until November 2017 the Company accounted the income and social contribution taxes using the presumption rate of 32%. However, based on past law cases, in 4Q17 the Company reversed the provision for IRPJ and CSLL in ETAU* and São Gotardo, and began to account them 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.

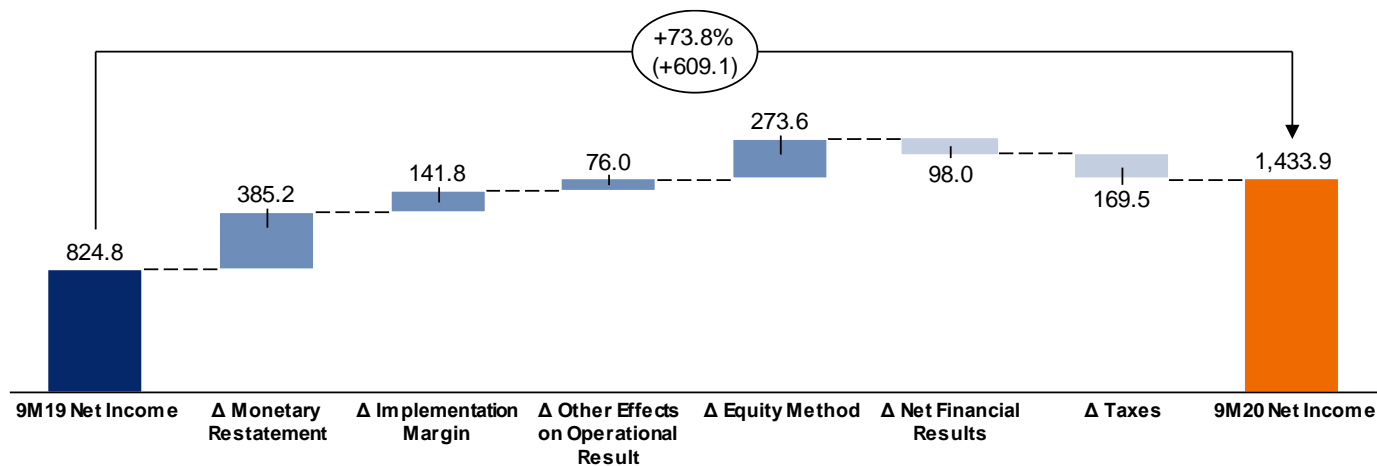
4.16. Net Income

Net Income under IFRS totaled R\$ 631.9 million in 3Q20, 76.6% higher y.o.y. In the first nine months of 2020, Net Income under IFRS totaled R\$ 1,433.9 million, 73.8% higher y.o.y.

3Q20 Net Income under IFRS:

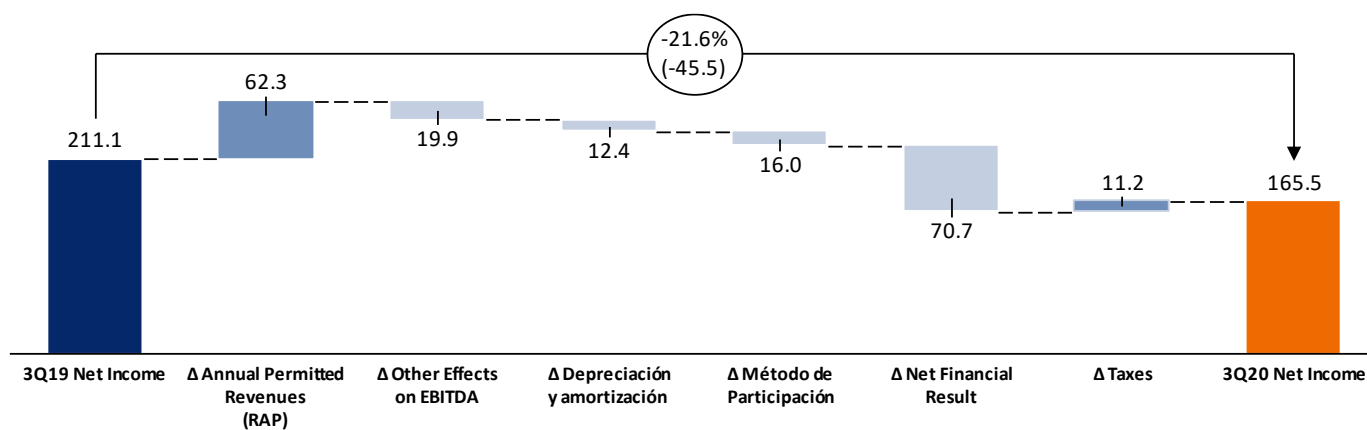


9M20 Net Income under IFRS:

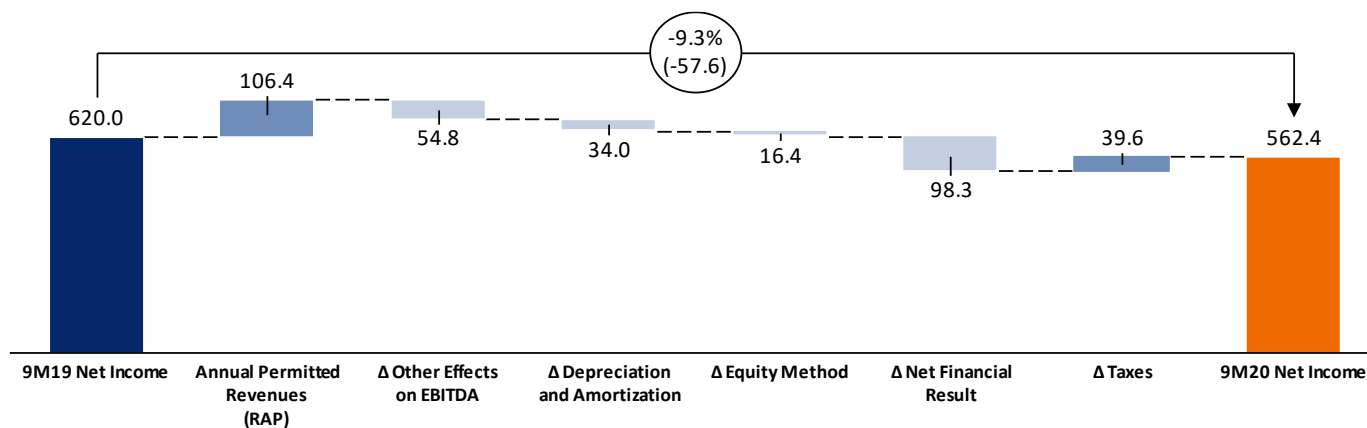


Regulatory Net Income totaled R\$ 165.5 million in 3Q20, presenting an y.o.y decrease of 21.6%. In 9M20, Regulatory Net Income closed at R\$ 562.4 million, 9.3% lower y.o.y.

3Q20 Regulatory Net Income:



9M20 Regulatory Net Income:



Adjusted Net Income

With the adoption of CPC 47 for 2018 onwards, the Company began to anticipate a result that is strictly accounting (with no cash effect) in connection with the efficiency of the 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.

Income Statement under IFRS - Consolidated - 9M20

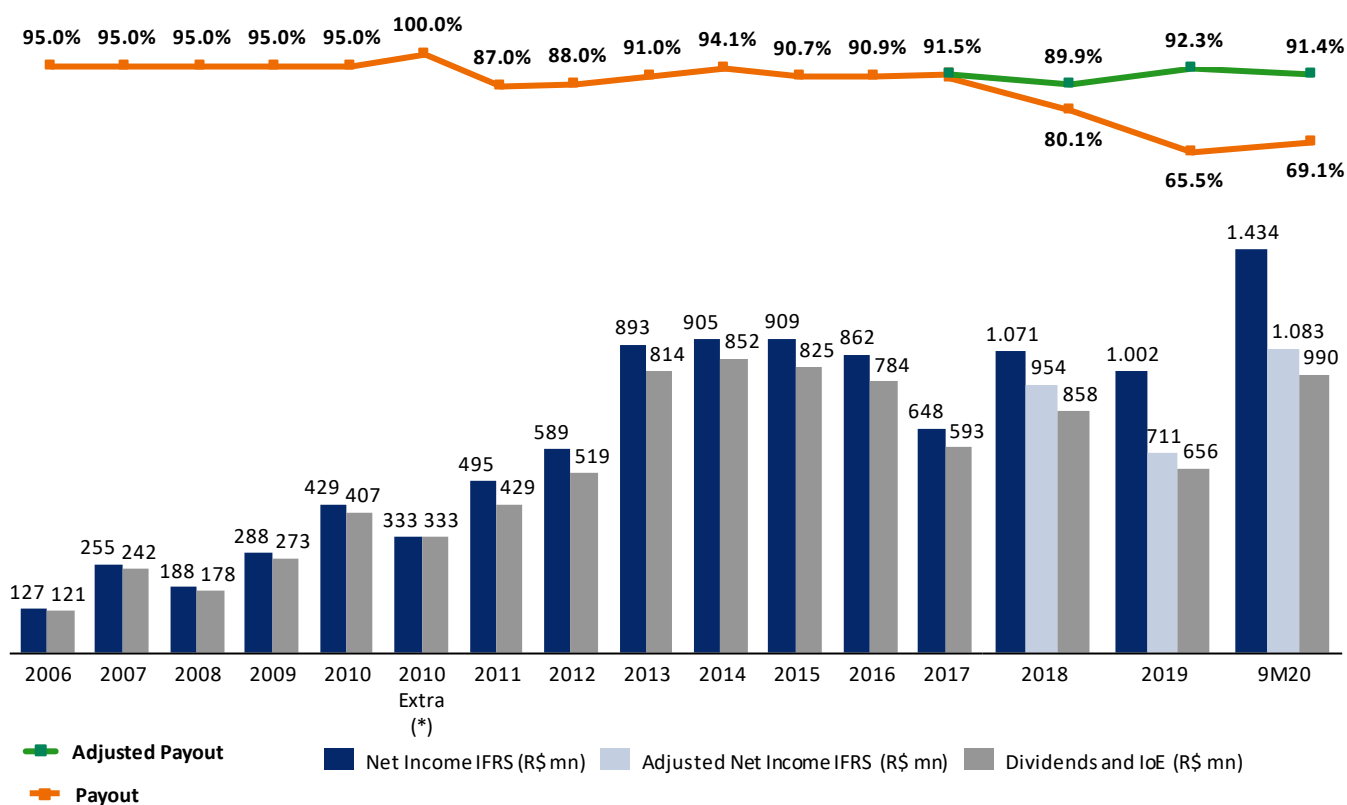
	R\$ '000	Financials (CPC 47)	Adjustments	Adjusted Financials
GROSS OPERATING REVENUES				
Operation and Maintenance		501,137		501,137
Remuneration of the Contractual Asset		476,981	(16,184)	460,797
Monetary Restatement of the Contractual Asset		514,126		514,126
Implementation of Infrastructure Revenues		1,107,106	(377,288)	729,818
Other Revenues		26,635		26,635
Variable Portion		(15,453)		(15,453)
TOTAL GROSS REVENUES		2,610,533	(393,473)	2,217,060
PIS/Cofins		(171,399)	35,107	(136,292)
Service Tax		(360)		(360)
ICMS		(85)		(85)
RGR, P&D, TFSEE, CDE and PROINFA		(51,395)		(51,395)
Others Deductions		-		-
Gross Revenue deductions		(223,239)	35,107	(188,132)
NET REVENUES		2,387,293	(358,365)	2,028,928
COSTS AND OPERATING EXPENSES				
Personnel		(122,912)		(122,912)
Material		(665,229)	35,903	(629,326)
Third party services		(50,368)		(50,368)
Depreciation and amortization		(12,101)		(12,101)
Other operating expenses		(12,724)		(12,724)
Costs and Expenses		(863,334)	35,903	(827,431)
Gains (losses) on company acquisitions		-	-	-
GROSS PROFIT		1,523,959	(322,463)	1,201,497
Equity method		478,419	(148,554)	329,865
Revenues from financial investments		32,963		32,963
Financial Expenses		(315,568)		(315,568)
Financial Revenues (Expenses)		(282,605)	-	(282,605)
NET INCOME BEFORE INCOME TAXES		1,719,774	(471,016)	1,248,758
Income taxes and social contribution		(285,825)	120,407	(165,418)
NET INCOME		1,433,949	(350,609)	1,083,340
Controlling Shareholder Interest (Distributable)		1,433,949	(350,609)	1,083,340
Participation of non-controlling shareholders		-		-
Legal Reserve (5%)		(71,697)	17,530	(54,167)
Fiscal Incentive Reserve		(38,961)		(38,961)
Special Reserve - Initial Adoption CPC 47		(333,078)	333,078	-
Distributable Profit		990,212		990,212
Payout		69.1%		91.4%

4.17. Dividends and Interest on Equity

On August 26, 2020, the Company paid R\$ 279.3 million (R\$ 0.81076180101 / Unit) based on the income statements as of June 30, 2020, divided as follows: (i) R\$ 220.5 million (R\$ 0.64018294146 / Unit) as interim dividends, and (ii) R\$ 58.8 million (R\$ 0.17057885955 / Unit) as interest on equity (JCP).

Additionally, based on the interim statements of income of September 30, 2020, the Board of Directors approved today the distribution of (i) R\$ 410.8 million (R\$ 1.19237597898 / Unit) as interim dividends, and (ii) R\$ 58.4 million (R\$ 0.16956630837 / Unit) as interest on equity (JCP), totaling R\$ 469.2 million (R\$ 1.36194228735 / Unit). The payment will take place on November 25, 2020, with November 16, 2020 as the base date.

As a result, the year-to-date payout was 91.4% of adjusted net income and 69.1% of net income



* IFRS Reserve

** Adjusted Net Income

4.18. Indebtedness

In 3Q20, Taesa's Gross Debt totaled R\$ 6,423.7 million, a 3.4% q.o.q decrease. The Company's cash position totaled R\$ 1,799.4 million, a reduction of 18.8% in the quarter, resulting in a net debt of R\$ 4,624.3 million, a q.o.q increase of 4.3%.

R\$ mn					
Net Debt	3Q20	% Outst. Debt	2Q20	% Outst. Debt	Chg.%
Short Term	642.2	10.0%	916.6	13.8%	-29.9%
Fixed Coupon	9.0	0.1%	9.0	0.1%	0.0%
CDI	121.2	1.9%	400.5	6.0%	-69.7%
IPCA	512.0	8.0%	507.1	7.6%	1.0%
Long Term	5,781.6	90.0%	5,732.0	86.2%	0.9%
Fixed Coupon	13.1	0.2%	15.4	0.2%	-14.5%
CDI	1,589.9	24.7%	1,589.4	23.9%	0.0%
IPCA	4,178.6	65.0%	4,127.2	62.1%	1.2%
Total Debt	6,423.7	100.0%	6,648.5	100.0%	-3.4%
(-) Cash and cash equivalents*	(1,799.4)		(2,215.0)		-18.8%
(=) Net Debt	4,624.3		4,433.5		4.3%

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

At the end of 3Q20, the gross debt totaled R\$ 6,423.7 million and the cash position R\$ 1,799.4 million, resulting in a net debt of R\$ 4,624.3 million. The reduction of 3.4% in the gross debt for the period resulted basically from the payment of principal and interest of the 1st and 2nd series of the 4th issuance and the 5th issuance (unique series) of Taesa's debentures, in the total amount of R\$ 337.2 million.

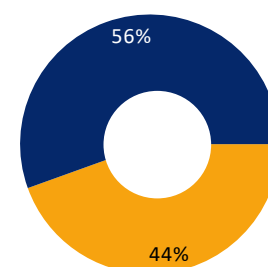
The 18.8% fall in Cash and Cash Equivalents is explained by (i) the payment of dividends/JCP in the amount of R\$ 279.3 million, (ii) Capex disbursements for the projects under construction in the amount of R\$ 224.7 million, (iii) payment of debt amortization and interest in the amount of R\$ 348.5 million, and (iv) equity contribution to jointly-controlled, which are under construction, in the amount of R\$ 26.0 million. This drop is partially offset by the operating cash generation in the quarter of R\$ 308.0 million and dividends received from affiliated and controlled companies in the amount of R\$ 144.0 million.

By proportionally consolidating the jointly-controlled and affiliated companies, the total gross debt is R\$ 8,115.5 million and the cash position is R\$ 2,676.0 million, considering the following amounts: (i) TBE's debt in the amount of R\$ 797.5 million and cash/investments of R\$ 199.3 million; (ii) ETAU's debt in the amount of R\$ 10.4 million and cash/investments of R\$ 18.9 million; (iii) Transmineiras' debt in the amount of R\$ 56.2 million and cash/investments of R\$ 10.8 million; and (iv) AIE's debt (Aimorés, Paraguaçu and Ivaíá) of R\$ 827.7 million and cash/investments of R\$ 647.6 million.

Considering the proportional net debt of jointly-controlled and affiliated companies, the net debt to EBITDA ratio was 3.4x in 3Q20, higher than 2Q20 (3.3x). Excluding the results of subsidiaries, this ratio would be 3.8x in 3Q20, in line with the registered in the previous quarter.

Capital Structure Taesa (Book Value)

Company	Gross Debt R\$ mn	Cash Balance R\$ mn	Net Debt R\$ mn
TAESA	6,423.7	1,799.4	4,624.3
ETAU (75.6%)	10.4	18.9	-8.6
TBE (49.99%)	797.5	199.3	598.2
Transmineiras (49%)	56.2	10.8	45.4
AIE (50%)	827.7	647.6	180.1
TOTAL	8,115.5	2,676.0	5,439.5



Net Debt Equity (book value)

2020 Third Quarter Earnings Release



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	401,628	18,629	IPCA + 4.85%	Br.AAA	Oct - 2020	Annual	1
		IPCA	1,067,106	52,010	IPCA + 5.10%	Br.AAA	Oct - 2024	Annual	1
	4th Debentures	CDI	-1,716	0	105% CDI	AAA.br	Sep - 2020	Bullet	1
	4th Debentures	IPCA	279,781	531	IPCA + 4.41%	AAA.br	Sep - 2024	Annual	1
	5th Debentures	IPCA	549,522	6,969	IPCA + 5.9526%	-	Jul - 2025	Annual	1
	6th Debentures	CDI	439,933	7,748	108% CDI	AAA.br	May-2026	Bullet	1
	6th Debentures	IPCA	206,089	4,454	IPCA + 5,50%	AAA.br	May-2044	Monthly	12
	7th Debentures	IPCA	492,497	21,685	IPCA + 4,50%	AAA.br	Sep-2044	Semiannual	2
	8th Debentures	IPCA	282,621	10,008	IPCA + 4,77%	AAA.br	Dec-2044	Semiannual	2
	9th Debentures	CDI	448,017	10,935	CDI + 2.85%	-	Apr/2022	Bullet	1
	CCB Bradesco	CDI	99,737	2,367	CDI + 2.55%	-	Apr/2021	Bullet	1
	CCB citibank	CDI	348,487	3,592	CDI + 2.85%	-	Apr/2022	Bullet	1
	SWAP - CITIBANK*	CDI	350,999	0	106.0% CDI	-	May-2023	Bullet	1
	SWAP 1ª Serie of 6ª issuance (BR Partners)	CDI	106,487	0	3.995%.per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Santander)	IPCA	106,485	0	3.99%.per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Itaú)	IPCA	53,342	0	3.94%.per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Br Partners)	IPCA	53,217	0	3.91%.per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Santander)	IPCA	52,372	0	3.66%.per year	-	May-2026	Bullet	1
	SWAP 1ª 1st Serie of 6th issuance (ABC)	IPCA	54,596	0	3.59%.per year	-	May-2026	Bullet	1
	FINAME	Fixed	167	0	5.50%	-	Jul - 2022	Monthly	12
	FINAME	Fixed	5,711	6	2.50%	-	Dec - 2022	Monthly	12
	FINAME	Fixed	10,470	13	3.00%	-	Aug - 2024	Monthly	12
	FINAME	Fixed	210	1	6.00%	-	Jun - 2023	Monthly	12
SGT	FINAME	Fixed	5,504	6	2.5%	-	Dec - 2022	Monthly	12
Janaúba	1st Debentures	IPCA	223,172	17,201	IPCA + 4.5% per year	-	Jul/2033	Quarterly	4
	2nd Debentures	IPCA	550,225	21,663	4.8295%.per year	-	Dec - 2044	Annual	1
Lagoa Nova	BNB Financing	IPCA	58,055	1,180	IPCA + 2.109% per year	-	May - 2038	Monthly	12
ETAU	BNDES	Selic	1,251	2	SELIC + 3.76%	-	Aug - 2021	Monthly	12
	BNDES	TJLP	1,275	5	TJLP + 5.20%	-	Aug - 2021	Monthly	12
	FINAME	Fixed	19	0	9.50%	-	Jan - 2021	Monthly	12
	FINAME	Fixed	226	1	9.50%	-	Jan - 2021	Monthly	12
	BNDES - GIRO	TJLP	7,552	28	TLP + 2,78% + 1,5% + 1,5%	-	Oct - 2023	Monthly	12
EATE	5th Debentures - 2nd	CDI	26,974	37	116% CDI	-	Sep - 2021	Monthly	12
	6th Debentures	CDI	15,220	2	107.75% CDI	-	Sep - 2022	Monthly	12
	7th Debentures	CDI	25,401	4	113.53 % CDI	-	Jun - 2023	Monthly	12
	8th Debentures	CDI	134,657	590	108.60% CDI	-	Jul - 2024	Bullet	1
EBTE	1st Debentures	CDI	44,903	8	113.83% CDI	-	Jun - 2023	Monthly	12
EDTE	2nd Debentures	IPCA	152,930	11,126	IPCA + 5,29%	-	Dec - 2028	Semiannual	2
ECTE	4th Debentures	CDI	11,823	2	107.75% CDI	-	Sep - 2022	Monthly	12
	5th Debentures	CDI	9,508	42	108.60% CDI	-	Jul - 2024	Semiannual	2
	CCB Santander	CDI	15,147	186	2,90% per year + CDI	-	Jul - 2025	Monthly	12
ENTE	4th Debentures	CDI	24,894	109	108.60% CDI	-	Jul - 2024	Bullet	1
	CCB Santander	CDI	49,588	608	2,90% per year + CDI	-	Jul - 2025	Monthly	12
ETEP	3rd Debentures	CDI	15,093	3	112% CDI	-	Jun - 2023	Monthly	12
	CBB Santander	CDI	44,624	547	TJLP + 2,08%	-	Apr - 2027	Monthly	12
ETSE	BNDES	Fixed	5,055	16	3.50%	-	Nov - 2023	Monthly	12
	BNDES - FINAME	Fixed	2,683	4	3,5% per year	-	Nov - 2023	Monthly	12
ESTE	1st Debentures	IPCA	195,035	10,706	IPCA + 4.5% per year	-	Dec - 2044	Semiannual	2
TRANSLESTE	BDMG	Fixed	5,870	30	10% per year	-	Mar - 2025	Monthly	12
	BNB	Fixed	1,941	86	9.50%	-	Mar - 2025	Monthly	12
	2nd Debentures	CDI	15,513	3	107.75% CDI	-	Sep - 2022	Monthly	12
TRANSIRAPÉ	BDMG	Fixed	4,288	6	3.5%	-	Jan - 2024	Monthly	12
	BDMG	Fixed	895	45	4.5% + TJLP	-	Apr - 2021	Monthly	12
	BDMG	Fixed	2,065	88	3.5% + TJLP	-	Oct - 2029	Monthly	12
	2nd Debentures	CDI	10,479	2	107.75% CDI	-	Sep - 2022	Mensal	12
	BNDES	Fixed	1,635	96	6.0% + TJLP	-	Apr - 2026	Monthly	12
TRANSUDESTE	2nd Debentures	CDI	13,189	2	107.75% CDI	-	Sep - 2022	Monthly	12
IVAÍ	1st Debentures	IPCA	796,299	31,413	4,8892% a.a.	-	Dec - 2043	Semiannual	2
Total			7,880,747	234,798					

* 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 9M20, Taesa, its subsidiaries, jointly-controlled and affiliated companies invested a total of R\$ 1,091.7 million against R\$ 429.8 million invested in 9M19, regarding the projects under construction. The y.o.y increase of R\$ 661.9 million is due to the higher investments in almost all projects (except Miracema, EDTE and Mariana), especially for Janaúba and Ivaí, which presented an y.o.y increase of R\$ 471.8 million and R\$ 191.7 million, respectively.

Projects under Construction

R\$ '000	Implementation Cost (Capex)							TOTAL
	2014	2015	2016	2017	2018	2019	9M20	
Mariana	2,619	4,751	21,181	38,106	22,797	55,083	17,446	161,983
Miracema			1,197	41,695	115,009	110,664	-	268,565
Janaúba				10,190	30,741	116,074	519,873	676,879
Aimorés				3,923	3,638	65,877	75,425	148,863
Paraguaçu				5,750	4,611	110,848	101,953	223,161
Ivaí				8,662	12,740	46,190	217,685	285,278
ESTE				868	4,546	6,243	84,630	96,286
EDTE					14,635	175,155	1,837	191,626
Sant'Ana						32,172	72,820	104,992
Total	2,619	4,751	22,378	109,195	208,716	718,306	1,091,669	2,157,634

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 in the table above, this impact was added to the investment value of each project in 2017.

4.20. Projects under Construction

Currently Taesa has 6 projects under construction with a total investment of R\$ 4,844 million and a RAP of R\$ 875 million (2020-2021 cycle). Considering only the Company's interest in these concessions, the amount to be invested is R\$ 3,206.9 million with a proportional RAP of R\$ 567.5 million. It is worth mentioning that 3 projects, Miracema, EDTE and Mariana, and reinforcements for Novatrans were recently concluded, adding a total RAP of R\$ 149.9 million to Taesa – 2020-2021 cycle (see section 3.1 for further details).

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	16.4	107	May/14	May/17	Concluded in 05/25/2020
Auction 013/2015 (Apr-16)	Miracema (Lot P)	90 km / Tocantins	100% Taesa	59.7	276	Jun/16	Dec/19	Concluded in 11/29/2019
	EDTE (Lot M)	167 km / Bahia	25% Taesa 25% Apollo 12 50% ENTE	66.0	368	Dec/16	Dec/19	Concluded in 01/20/2020
Auction 013/2015 2º Part (Oct-16)	ESTE (Lot 22)	236 km / Minas Gerais and Espírito Santo	50% Taesa 50% Alupar (100% EATE-TBE)	114.4	486	Feb/17	Feb/22	In progress
	Janaúba (Lot 17)	542 km / Bahia and Minas Gerais	100% Taesa	197.7	960	Feb/17	Feb/22	In progress
	Aimorés (Lot 4)	208 km / Minas Gerais	50% Taesa 50% CTEEP	80.9	341	Feb/17	Feb/22	In progress
	Paraguaçu (Lot 3)	338 km / Bahia and Minas Gerais	50% Taesa 50% CTEEP	120.7	510	Feb/17	Feb/22	In progress
Auction 005/2016 (Apr-16)	Ivaí (Lot 1)	600 km / Paraná	50% Taesa 50% CTEEP	299.5	1937	Aug/17	Aug/22	In progress
Auction 004/2018 Dec/18	Sant'Ana (Lot 12)	591 km / Rio Grande do Sul	100% Taesa	62.1	610	Mar/19	Mar/23	In progress
TOTAL		2.854 km		R\$ 1.017 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 20/12/2019 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 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 500kV 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 filed in 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: 35% accomplished.

Janaúba

- Basic project 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 for 10 years, from the start 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: 70% accomplished.

Aimorés

- Basic project 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 for 10 years, from the start of its operations.
- Installation Licence (LI) issued in April 2019.
- Construction progress: 84% accomplished.

Paraquacu

- Basic project 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 for 10 years, from the start of its operations.
- Installation Licence (LI) issued in May 2019.
- Construction progress: 84% accomplished.

Ivaí

- Basic project filed in 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: 50% 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 Licenses (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.
- Installation License pending referring to the LT 230kV CS Livramento 3 - Santa Maria 3, which represents approximately one third of the total extension of the transmission lines of this concession, with a pending release process.
- Construction progress: 32% accomplished.

4.21. Environmental, Social and Governance (ESG) Initiatives

In the implementation, operation and maintenance activities of the electric energy transmission assets, as well as in the administrative procedures and business management, Taesa considers the sustainability matter an important value to be developed and maintained in its culture, in order to ensure the security and reliability of its processes, as well as to improve the life quality of the population, based on environmental respect and sustainable development.

The Company has always acted on several fronts and actions focused on the social, environmental and governance themes, publicizing them in its Social and Environmental Responsibility Report, which is a document required by ANEEL. However, the Company realized that it was important to advance on the communication of its actions related to ESG themes and to seek new and better market practices.

TAESA carried out a work 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 ESG 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)
- Evolution of the Social and Environmental Report to ESG practices
- Issuance of 4 green bonds
- Elaboration of a Biodiversity Policy
- Great Place to Work Certification
- Social Responsibility Projects

For more information, access the IR website and TAESA's 12th Social and Environmental Responsibility Report (2019): https://ri.taesa.com.br/wp-content/uploads/2018/11/Taesa_Relat%C3%B3rio-2019_03-04-vers%C3%A3o-leve_ING_VFfinal-1.pdf

4.22. Initiatives to Mitigate COVID-19 Impacts

The beginning of this year 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 persons – 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, the persons, and ensure the continuity of the operations;
- Continuous and updated documentation submitted to the employees with respect to the new coronavirus;
- Gradual return of employees to the offices, complying with all protocols and guidelines of the health organizations, accompanied by specialized medical advice;
- Suspension of travels (except for O&M and Implementation) and meetings in person;
- 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 the persons included in the risk group;
- 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").

Continuity of the operations and projects under construction

- Creation of the Crisis 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 (99.95% in 9M20);
- Projects under construction are in progress;
- The Company is working towards complying with the delivery schedule of the projects;
- Maintenance of the investments in the projects under construction – 154.0% increase in Capex between 9M20 and 9M19.

Protection of the Company's financial health

- Comfortable position of current liquidity (R\$1.8 billion in cash), with no relevant debt maturity up to the first half of 2021;
- Proper leverage level (3.4x net debt / EBITDA);
- 100% of the funds to finance the projects of construction were done;
- Consistent operating cash generation, maintaining the Company's low historical default levels;
- Continuous monitoring of the default level 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 Assets by the Market Rate. The **Monetary Restatement of Contractual Assets** is the monthly recognition of inflation effects. **O&M Revenues** is a value adjusted to inflation (IGP-M or IPCA) on annual basis, in the same way as RAP. The **Variable Portion** (PV) is a penalty derived from unavailability of the lines (see detail on section 4.1). All the captions of income mentioned above are related to the operating period of the concessions.

In the Income Statement, 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.

IFRS Revenues					
	R\$ mn				3Q20
Concession	Remuneration of Contractual Asset	Monetary Restatement of Contractual Asset	Implementation of Infrastructure Revenues	O&M	PV (Variable Portion)
NOVATRANS	45.5	65.6	0.5	33.3	(2.3)
TSN	12.4	27.7	0.4	62.4	(0.3)
MUNIRAH	1.3	5.0	(0.4)	4.2	-
GTESA	0.6	1.3	-	0.6	(0.0)
PATESA	1.9	5.5	(0.0)	1.5	-
ETEO	9.0	19.8	-	12.6	(1.3)
NTE	10.9	16.7	0.0	10.3	(0.1)
STE	6.5	14.5	(0.0)	4.1	0.0
ATE	12.2	22.0	0.0	7.9	(0.9)
ATE II	16.7	38.1	0.0	17.8	(0.5)
ATE III	8.2	3.4	0.0	11.4	0.4
ETAU	1.7	37.3	-	2.8	(0.0)
BRASNORTE	5.6	0.7	-	0.6	(0.0)
SÃO GOTARDO	0.8	0.5	-	0.2	(0.4)
SÃO JOÃO	8.6	35.9	-	1.9	-
SÃO PEDRO	7.1	13.3	3.9	1.5	(0.1)
LAGOA NOVA	2.6	(4.6)	-	0.4	(0.0)
MARIANA	1.6	33.4	-	0.4	(0.2)
MIRACEMA	12.3	15.1	-	3.7	(0.3)
JANAÚBA	-	-	319.7	-	-
SANT'ANA	-	-	43.5	-	-
AIMORÉS	-	-	34.0	-	-
PARAGUAÇÚ	-	-	24.7	-	-
IVAÍ	-	-	213.3	-	-
EATE	14.0	52.9	-	5.7	(0.1)
EBTE	4.2	15.6	-	2.3	-
ECTE	1.1	4.1	-	0.4	-
EDTE	9.2	3.1	29.8	1.3	-
ENTE	7.5	29.7	-	2.9	(0.1)
ERTE	1.4	(21.3)	-	1.0	-
ESDE	1.0	0.6	-	0.3	(0.001)
ESTE	-	-	54.5	-	-
ETEP	2.9	10.4	-	1.8	-
ETSE	0.6	0.4	-	0.1	(0.001)
LUMITRANS	0.8	3.4	-	0.4	-
STC	1.0	0.5	-	0.7	(0.0)
TRANSIRAPE	1.6	4.4	1.1	0.6	-
TRANSESTE	2.1	4.5	-	0.4	(0.0)
TRANSUDESTE	1.3	3.4	-	0.4	-
Total	214.6	463.1	725.0	196.0	(6.2)

5.2. Movement of Contractual Assets (IFRS)



Concession	Project Rate	Contractual Asset 2Q20	Remuneration of Contractual Asset	Contractual Asset - Monetary Restatement	Implementation of Infrastructure Revenues	O&M	RAP	Contractual Asset 3Q20
NOVATRANS	10.3%	1,227.0	45.5	65.6	0.5	33.3	(88.0)	1,283.9
TSN	10.8%	612.3	12.4	27.7	0.4	62.4	(81.3)	634.1
MUNIRAH	12.4%	44.4	1.3	5.0	(0.4)	4.2	(7.2)	47.3
GTESA	11.1%	23.9	0.6	1.3	-	0.6	(1.5)	25.0
PATESA	7.7%	104.9	1.9	5.5	(0.0)	1.5	(4.4)	109.5
ETEO	10.4%	356.7	9.0	19.8	-	12.6	(26.3)	371.9
NTE	15.0%	306.9	10.9	16.7	0.0	10.3	(23.0)	321.8
STE	10.4%	259.7	6.5	14.5	(0.0)	4.1	(12.7)	272.0
ATE	9.6%	531.3	12.2	22.0	0.0	7.9	(28.8)	544.6
ATE II	8.5%	815.3	16.7	38.1	0.0	17.8	(68.9)	818.9
ATE III ¹	6.7%	506.4	8.2	3.4	0.0	11.4	(35.3)	494.3
ETAU	3.5%	60.8	1.7	37.3	-	2.8	(12.4)	90.2
BRASNORTE	11.0%	210.2	5.6	0.7	-	0.6	(7.1)	210.1
SÃO GOTARDO ¹	5.0%	65.9	0.8	0.5	-	0.2	(1.4)	66.0
SÃO JOÃO ¹	6.0%	549.7	8.6	35.9	-	1.9	(12.9)	583.2
SÃO PEDRO ¹	6.3%	472.6	7.1	13.3	3.9	1.5	(10.4)	488.1
LAGOA NOVA ¹	9.2%	119.7	2.6	(4.6)	-	0.4	(3.2)	114.9
MARIANA ¹²	4.7%	185.2	1.6	33.4	-	0.4	(2.9)	217.7
MIRACEMA ¹²	9.9%	510.4	12.3	15.1	-	3.7	(17.1)	524.4
JANAÚBA ¹²	10.0%	986.0	-	-	319.7	-	-	1,305.7
SANT'ANA ¹²	8.0%	72.2	-	-	43.5	-	-	115.7
AIMORÉS ¹²	10.0%	240.0	-	-	34.0	-	-	274.0
PARAGUAÇU ¹²	10.0%	377.8	-	-	24.7	-	-	402.4
IVAÍ ¹²	10.0%	245.8	-	-	213.3	-	-	459.1
EATE	6.6%	866.1	14.0	52.9	-	5.7	(32.7)	906.0
EBTE ¹	4.4%	372.5	4.2	15.6	-	2.3	(9.4)	385.3
ECTE	6.3%	73.4	1.1	4.1	-	0.4	(2.7)	76.3
EDTE ¹²	10.2%	297.6	9.2	3.1	29.8	1.3	(10.2)	330.7
ENTE	6.0%	512.6	7.5	29.7	-	2.9	(16.9)	535.8
ERTE	5.3%	136.3	1.4	(21.3)	-	1.0	(3.8)	113.6
ESDE ¹	6.6%	63.3	1.0	0.6	-	0.3	(1.7)	63.5
ESTE ¹²	10.0%	106.9	-	-	54.5	-	-	161.4
ETEP	6.4%	185.9	2.9	10.4	-	1.8	(7.4)	193.7
ETSE ¹	5.6%	45.7	0.6	0.4	-	0.1	(1.1)	45.8
LUMITRANS	5.1%	66.5	0.8	3.4	-	0.4	(3.1)	67.9
STC ¹	4.9%	79.0	1.0	0.5	-	0.7	(3.7)	77.6
TRANSIRAPE	7.7%	84.0	1.6	4.4	1.1	0.6	(4.8)	86.8
TRANSLESTE	10.5%	84.1	2.1	4.5	-	0.4	(4.4)	86.8
TRANSUDESTE	8.0%	65.5	1.3	3.4	-	0.4	(3.6)	66.9
Total	-	11,924.6	214.6	463.1	725.0	196.0	(550.2)	12,973.1

¹ The RAPs must be grossed up of PIS/COFINS

² under construction

5.3. 3Q20 Income Statement

Income Statement

	R\$ mn	IFRS			Regulatory		
		3Q20	3Q19	Chg. %	3Q20	3Q19	Chg. %
GROSS OPERATING REVENUES							
Service revenues	-	-	-	-	438,190	375,850	16.6%
Operation and Maintenance	174,826	157,576	10.9%	-	-	-	0.0%
Remuneration of contractual assets	164,004	128,472	27.7%	-	-	-	0.0%
Monetary restatement of contractual assets	314,156	17,152	1731.6%	-	-	-	0.0%
Implementation of Infrastructure Revenues	367,699	354,562	3.7%	-	-	-	0.0%
Other Revenues	6,583	2,757	138.8%	(8,357)	250	-	-
Variable Portion	(5,969)	(5,974)	-0.1%	(5,969)	(5,974)	-0.1%	-
TOTAL GROSS REVENUES	1,021,300	654,544	56.0%	423,864	370,126	14.5%	
PIS/Cofins	(64,379)	(39,249)	64.0%	(24,849)	(20,694)	20.1%	
Service Tax	(176)	(44)	300.4%	(176)	(44)	300.4%	
ICMS	(46)	(18)	158.0%	(46)	(18)	158.0%	
RGR, P&D, TFSEE, CDE and PROINFA	(15,478)	(17,480)	-11.5%	(15,477)	(17,480)	-11.5%	
Other Deductions	-	-	0.0%	-	-	0.0%	
Gross Revenue deductions	(80,079)	(56,791)	41.0%	(40,548)	(38,236)	6.0%	
NET REVENUES	941,221	597,753	57.5%	383,316	331,890	15.5%	
Personnel	(43,187)	(35,522)	21.6%	(43,187)	(35,522)	21.6%	
Material	(220,581)	(167,996)	31.3%	(995)	(797)	24.9%	
Third party services	(16,022)	(13,778)	16.3%	(16,022)	(13,778)	16.3%	
Other operating expenses	(3,241)	(4,346)	-25.4%	(5,509)	(6,594)	-16.4%	
Costs and Expenses	(283,031)	(221,642)	27.7%	(65,713)	(56,691)	15.9%	
Depreciation and amortization	(4,611)	(3,790)	21.7%	(61,855)	(49,446)	25.1%	
Costs, Expenses and D&A	(287,642)	(225,432)	27.6%	(127,568)	(106,137)	20.2%	
Gains (losses) on company acquisitions	-	-	0.0%	-	-	0.0%	
GROSS PROFIT	653,579	372,321	75.5%	255,748	225,753	13.3%	
Equity method	207,405	80,244	158.5%	32,236	48,207	-33.1%	
Revenues from financial investments	10,667	34,019	-68.6%	10,667	34,019	-68.6%	
Financial Expenses	(129,955)	(82,827)	56.9%	(129,264)	(81,883)	57.9%	
Borrowings and financing	(25,213)	(33,361)	-24.4%	(25,213)	(33,361)	-24.4%	
- Interests Incurred	(7,929)	(3,646)	117.5%	(7,929)	(3,646)	117.5%	
- Monetary Variation	-	-	0.0%	-	-	0.0%	
- Exchange variation	(20,822)	(29,035)	-28.3%	(20,822)	(29,035)	-28.3%	
- Fair value adjustment	3,538	(680)	-	3,538	(680)	-	
Financial instrument	11,116	24,245	-54.2%	11,116	24,245	-54.2%	
- Interests Incurred	(6,168)	(2,288)	169.6%	(6,168)	(2,288)	169.6%	
- Exchange Variation	20,822	29,035	-28.3%	20,822	29,035	-28.3%	
- Fair value adjustment	(3,538)	(2,502)	41.4%	(3,538)	(2,502)	41.4%	
Debentures	(113,386)	(68,921)	64.5%	(113,386)	(68,921)	64.5%	
- Interests incurred	(70,833)	(62,115)	14.0%	(70,833)	(62,115)	14.0%	
- Monetary Variation	(42,553)	(6,806)	525.2%	(42,553)	(6,806)	525.2%	
Leasing	(691)	(943)	-26.7%	-	-	0.0%	
Other financial expenses	(1,781)	(3,847)	-53.7%	(1,781)	(3,847)	-53.7%	
Financial Revenues (Expenses)	(119,288)	(48,808)	144.4%	(118,597)	(47,866)	147.8%	
NET INCOME BEFORE INCOME TAXES	741,696	403,757	83.7%	169,387	226,094	-25.1%	
Income taxes and social contribution	(109,782)	(45,917)	139.1%	(3,865)	(15,041)	-74.3%	
NET INCOME	631,914	357,840	76.6%	165,522	211,053	-21.6%	
EBITDA	658,190	376,112	75.0%	317,604	275,200	15.4%	
EBITDA Margin	69.9%	62.9%	7.0 bps	82.9%	82.9%	-0.1 bps	

5.4. 9M20 Income Statement

Income Statement

	R\$ mn	IFRS			Regulatory		
		9M20	9M19	Chg. %	9M20	9M19	Chg. %
GROSS OPERATING REVENUES							
Service revenues	-	(0)	(0)	(0)	1,288,202	1,181,799	9.0%
Operation and Maintenance	501,137	449,607	11.5%	-	-	-	0.0%
Remuneration of contractual assets	476,981	377,947	26.2%	-	-	-	0.0%
Monetary restatement of contractual assets	514,126	128,912	298.8%	-	-	-	0.0%
Implementation of Infrastructure Revenues	1,107,106	555,075	99.5%	-	-	-	0.0%
Other Revenues	26,635	7,762	243.1%	(7,838)	962	-	-
Variable Portion	(15,453)	(8,289)	86.4%	(15,453)	(8,289)	86.4%	-
TOTAL GROSS REVENUES	2,610,532	1,511,014	72.8%	1,264,911	1,174,472	7.7%	-
PIS/Cofins	(171,399)	(84,893)	101.9%	(71,222)	(61,107)	16.6%	-
Service Tax	(361)	(132)	174.4%	(361)	(132)	174.1%	-
ICMS	(85)	(45)	87.8%	(85)	(45)	87.8%	-
RGR, P&D, TFSEE, CDE and PROINFA	(51,395)	(58,447)	-12.1%	(51,395)	(58,447)	-12.1%	-
Other Deductions	-	-	0.0%	-	-	0.0%	-
Gross Revenue deductions	(223,240)	(143,517)	55.5%	(123,063)	(119,731)	2.8%	-
NET REVENUES	2,387,292	1,367,497	74.6%	1,141,848	1,054,741	8.3%	-
Personnel	(122,912)	(98,094)	25.3%	(122,912)	(98,094)	25.3%	-
Material	(665,229)	(294,534)	125.9%	(2,089)	(1,532)	36.3%	-
Third party services	(50,368)	(40,999)	22.9%	(50,368)	(40,999)	22.9%	-
Other operating expenses	(12,721)	(12,362)	2.9%	(19,387)	(18,632)	4.1%	-
Costs and Expenses	(851,230)	(445,989)	90.9%	(194,756)	(159,257)	22.3%	-
Depreciation and amortization	(12,102)	(10,374)	16.7%	(179,512)	(145,472)	23.4%	-
Costs, Expenses and D&A	(863,332)	(456,363)	89.2%	(374,268)	(304,729)	22.8%	-
Gains (losses) on company acquisitions	-	9,811	-100.0%	-	-	0.0%	-
GROSS PROFIT	1,523,960	920,945	65.5%	767,580	750,012	2.3%	-
Equity method	478,419	204,843	133.6%	130,321	146,704	-11.2%	-
Revenues from financial investments	32,963	74,760	-55.9%	32,963	74,760	-55.9%	-
Financial Expenses	(315,567)	(259,341)	21.7%	(313,428)	(256,897)	22.0%	-
Borrowings and financing	(170,572)	(38,493)	343.1%	(170,572)	(38,493)	343.1%	-
- Interests Incurred	(19,727)	(11,744)	68.0%	(19,727)	(11,744)	68.0%	-
- Monetary Variation	-	-	0.0%	-	-	0.0%	-
- Exchange variation	(159,925)	(27,990)	471.4%	(159,925)	(27,990)	471.4%	-
- Fair value adjustment	9,080	1,241	631.7%	9,080	1,241	631.7%	-
Financial instrument	141,466	16,621	751.1%	141,466	16,621	751.1%	-
- Interests Incurred	(9,379)	(6,288)	49.2%	(9,379)	(6,288)	49.2%	-
- Exchange Variation	159,925	27,332	485.1%	159,925	27,332	485.1%	-
- Fair value adjustment	(9,080)	(4,423)	105.3%	(9,080)	(4,423)	105.3%	-
Debentures	(273,725)	(224,320)	22.0%	(273,725)	(224,320)	22.0%	-
- Interests incurred	(205,037)	(151,902)	35.0%	(205,037)	(151,902)	35.0%	-
- Monetary Variation	(68,688)	(72,418)	-5.2%	(68,688)	(72,418)	-5.2%	-
Leasing	(2,139)	(2,445)	-12.5%	-	-	0.0%	-
Other financial expenses	(10,597)	(10,705)	-1.0%	(10,597)	(10,705)	-1.0%	-
Financial Revenues (Expenses)	(282,604)	(184,581)	53.1%	(280,465)	(182,137)	54.0%	-
NET INCOME BEFORE INCOME TAXES	1,719,775	941,207	82.7%	617,436	714,580	-13.6%	-
Income taxes and social contribution	(285,826)	(116,362)	145.6%	(55,062)	(94,623)	-41.8%	-
NET INCOME	1,433,949	824,845	73.8%	562,374	619,958	-9.3%	-
EBITDA	1,536,062	921,508	66.7%	947,091	895,484	5.8%	-
EBITDA Margin	64.3%	67.4%	-3.0 bps	82.9%	84.9%	-2.0 bps	-

5.5. 3Q20 IFRS Income Statement (Subsidiaries)

The difference between the Equity Method in the business 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	17,025	-	-	-	1,360
Remuneration of the Contractual Asset	1,726	43,964	-	-	-	4,955
Monetary adjustment of the Contractual Asset	37,337	99,324	-	-	-	12,265
Implementation of Infrastructure Revenues	-	84,313	33,958	24,690	213,335	1,068
Other Revenues	1,242	2,725	-	-	-	1,593
Variable Portion	(30)	(212)	-	-	-	(28)
TOTAL GROSS REVENUES	43,072	247,139	33,958	24,690	213,335	21,213
PIS/Cofins	(2,409)	(16,068)	(3,141)	(2,284)	(19,733)	(765)
Service Tax	-	-	-	-	-	-
ICMS	-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA	(369)	(3,446)	-	-	-	(545)
Other Deduction	-	-	-	-	-	-
Gross Revenue deductions	(2,778)	(19,514)	(3,141)	(2,284)	(19,733)	(1,310)
NET REVENUES	40,294	227,625	30,816	22,406	193,601	19,902
COSTS AND OPERATING EXPENSES						
Personnel	(215)	(4,876)	(105)	(157)	(175)	(167)
Material	(468)	(36,323)	(17,136)	(10,825)	(134,134)	(1,044)
Third party services	(1,342)	(4,138)	(53)	(60)	(151)	(840)
Depreciation and amortization	(0)	(23)	(11)	(14)	(12)	(13)
Other operating expenses	(21)	(1,370)	(0)	(0)	(0)	(139)
Costs and Expenses	(2,046)	(46,730)	(17,306)	(11,057)	(134,472)	(2,203)
GROSS PROFIT	38,248	180,895	13,511	11,349	59,129	17,699
Equity method	-	1,765	-	-	-	-
Revenues from financial investments	73	807	55	43	3,678	46
Financial Expenses	(238)	(10,806)	(2)	(2)	(20,096)	(633)
Interests Incurred	(215)	(7,172)	-	-	-	(550)
Monetary Variation	(7)	(2,974)	-	-	-	(66)
Fair value adjustment	-	-	-	-	-	-
Financial instrument	-	-	-	-	-	-
Other financial expenses	(16)	(660)	(2)	(2)	(20,096)	(16)
Financial Revenues (Expenses)	(164)	(9,999)	53	41	(16,418)	(586)
NET INCOME BEFORE INCOME TAXES	38,084	172,661	13,563	11,391	42,710	17,112
Income taxes and social contribution	(14,250)	(50,095)	(4,612)	(3,873)	(14,522)	(765)
NET INCOME	23,834	122,566	8,952	7,518	28,189	16,347
EBITDA	38,248	180,917	13,522	11,364	59,141	17,712
EBITDA Margin	94.9%	79.5%	43.9%	50.7%	30.5%	89.0%

5.6. 9M20 IFRS Income Statement (Subsidiaries)

IFRS Income Statement

	R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES							
Service revenues	-	-	-	-	-	-	-
Operation and Maintenance	10,220	48,306	-	-	-	-	3,858
Remuneration of the Contractual Asset	3,898	125,427	-	-	-	-	14,923
Monetary adjustment of the Contractual Asset	40,953	191,948	-	-	-	-	22,443
Implementation of Infrastructure Revenues	-	190,497	141,861	190,002	348,399	-	1,068
Other Revenues	3,188	8,000	-	-	-	-	3,782
Variable Portion	(31)	(521)	-	-	-	-	(719)
TOTAL GROSS REVENUES	58,228	563,658	141,861	190,002	348,399	45,356	
PIS/Cofins	(2,962)	(35,555)	(13,122)	(17,575)	(32,227)	(1,628)	
Service Tax	-	-	-	-	-	-	-
ICMS	-	-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA	(1,194)	(10,683)	-	-	-	-	(1,563)
Other Deduction	-	-	-	-	-	-	-
Gross Revenue deductions	(4,156)	(46,238)	(13,122)	(17,575)	(32,227)	(3,192)	
NET REVENUES	54,072	517,420	128,739	172,427	316,172	42,164	
COSTS AND OPERATING EXPENSES							
Personnel	(446)	(15,009)	(258)	(437)	(544)	(1,837)	
Material	(559)	(91,722)	(75,425)	(101,953)	(217,685)	(1,085)	
Third party services	(3,680)	(10,829)	(177)	(182)	(344)	(2,337)	
Other operating expenses	(7)	(3,541)	(11)	(12)	(13)	(212)	
Costs and Expenses	(4,692)	(121,101)	(75,871)	(102,584)	(218,586)	(5,471)	
Depreciation and amortization	(283)	(96)	(33)	(42)	(36)	(40)	
Costs, Expenses and D&A	(4,976)	(121,197)	(75,905)	(102,626)	(218,622)	(5,510)	
GROSS PROFIT	49,096	396,223	52,834	69,801	97,550	36,654	
Equity method	-	3,954	-	-	-	-	-
Revenues from financial investments	197	2,187	167	207	15,128	146	
Financial Expenses	(787)	(22,288)	(17)	(22)	(45,885)	(2,232)	
Interests Incurred	(707)	(17,456)	-	-	-	(2,092)	
Monetary Variation	(33)	(3,099)	-	-	-	(94)	
Exchange variation	-	-	-	-	-	-	-
Fair value adjustment	-	-	-	-	-	-	-
Other financial expenses	(47)	(1,733)	(17)	(22)	(45,885)	(47)	
Financial Revenues (Expenses)	(590)	(20,101)	150	186	(30,756)	(2,086)	
NET INCOME BEFORE INCOME TAXES	48,507	380,076	52,984	69,986	66,794	34,568	
Income taxes and social contribution	(17,778)	(90,344)	(18,015)	(23,795)	(22,710)	(1,689)	
NET INCOME	30,729	289,732	34,970	46,191	44,084	32,879	
EBITDA	49,380	396,319	52,868	69,843	97,586	36,694	
EBITDA Margin	91.3%	76.6%	41.1%	40.5%	30.9%	87.0%	

5.7. 3Q20 Regulatory Income Statement (Subsidiaries)

The difference between the equity income in Taesa 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.

Regulatory Income Statement						
R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES						
Service revenues	7,433	94,793	-	-	-	13,270
Operation and Maintenance	-	-	-	-	-	-
Remuneration of the Contractual Asset	-	-	-	-	-	-
Monetary adjustment of the Contractual Asset	-	-	-	-	-	-
Implementation of Infrastructure Revenues	-	-	-	-	-	-
Other Revenues	-	1,298	-	-	-	110
Variable Portion	(30)	(212)	-	-	-	(28)
TOTAL GROSS REVENUES	7,403	95,879	-	-	-	13,352
PIS/Cofins	(347)	(4,651)	-	-	-	(489)
Service Tax	-	-	-	-	-	-
ICMS	-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA	(369)	(3,446)	-	-	-	(545)
Other Deduction	-	-	-	-	-	-
Gross Revenue deductions	(716)	(8,098)	-	-	-	(1,035)
NET REVENUES	6,687	87,781	-	-	-	12,317
COSTS AND OPERATING EXPENSES						
Personnel	(215)	(4,876)	(105)	(157)	(175)	(167)
Material	(5)	-	-	-	-	-
Third party services	(1,342)	(4,138)	(60)	(67)	(157)	(840)
Depreciation and amortization	(869)	(11,338)	(5)	(8)	(6)	(1,271)
Other operating expenses	(21)	(1,370)	(0)	(0)	(0)	(139)
Costs and Expenses	(2,452)	(21,723)	(171)	(233)	(339)	(2,418)
GROSS PROFIT	4,235	66,059	(171)	(233)	(339)	9,899
Equity method	-	591	-	-	-	-
Revenues from financial investments	73	807	55	43	3,678	46
Financial Expenses	(238)	(10,806)	(1)	(1)	(20,096)	(633)
Interests Incurred	(215)	(7,172)	-	-	-	(550)
Monetary Variation	(7)	(2,974)	-	-	-	(66)
Fair value adjustment	-	-	-	-	-	-
Financial instrument	-	-	-	-	-	-
Other financial expenses	(16)	(660)	-	-	-	(16)
Financial Revenues (Expenses)	(164)	(9,999)	54	42	(16,418)	(586)
NET INCOME BEFORE INCOME TAXES	4,070	56,651	(117)	(190)	(16,757)	9,313
Income taxes and social contribution	(1,379)	(5,230)	-	-	-	(477)
NET INCOME	2,691	51,421	(117)	(190)	(16,757)	8,835
EBITDA	5,104	77,396	(165)	(224)	(333)	11,170
EBITDA Margin	76.3%	88.2%	-	-	-	90.7%

5.8. 9M20 Regulatory Income Statement (Subsidiaries)

Regulatory Income Statement

	R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES							
Service revenues		26,740	291,335	-	-	-	40,554
Operation and Maintenance		-	-	-	-	-	-
Remuneration of the Contractual Asset		-	-	-	-	-	-
Monetary adjustment of the Contractual Asset		-	-	-	-	-	-
Implementation of Infrastructure Revenues		-	-	-	-	-	-
Other Revenues		-	1,298	-	-	-	110
Variable Portion		(31)	(521)	-	-	-	(719)
TOTAL GROSS REVENUES		26,709	292,112	-	-	-	39,944
PIS/Cofins		(1,092)	(13,950)	-	-	-	(1,454)
Service Tax		-	-	-	-	-	-
ICMS		-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA		(1,194)	(10,683)	-	-	-	(1,563)
Other Deduction		-	-	-	-	-	-
Gross Revenue deductions		(2,286)	(24,633)	-	-	-	(3,017)
NET REVENUES		24,423	267,479	-	-	-	36,927
COSTS AND OPERATING EXPENSES							
Personnel		(446)	(15,009)	(258)	(437)	(544)	(1,837)
Material		(11)	-	-	-	-	-
Third party services		(3,680)	(10,829)	(197)	(202)	(363)	(2,337)
Other operating expenses		(7)	(3,541)	(11)	(12)	(13)	(212)
Costs and Expenses		(4,145)	(29,379)	(466)	(651)	(920)	(4,386)
Depreciation and amortization		(2,608)	(33,813)	(16)	(25)	(19)	(3,799)
Costs, Expenses and D&A		(6,753)	(63,191)	(482)	(675)	(939)	(8,184)
GROSS PROFIT		17,670	204,288	(482)	(675)	(939)	28,743
Equity method		-	2,599	-	-	-	-
Revenues from financial investments		197	2,187	167	207	15,128	146
Financial Expenses		(787)	(22,288)	(13)	(18)	(45,881)	(2,232)
Interests Incurred		(707)	(17,456)	-	-	-	(2,092)
Monetary Variation		(33)	(3,099)	-	-	-	(94)
Exchange variation		-	-	-	-	-	-
Fair value adjustment		-	-	-	-	-	-
Other financial expenses		(47)	(1,733)	-	-	-	(47)
Financial Revenues (Expenses)		(590)	(20,101)	154	189	(30,752)	(2,086)
NET INCOME BEFORE INCOME TAXES		17,081	186,786	(328)	(486)	(31,691)	26,657
Income taxes and social contribution		(5,787)	(19,644)	-	-	-	(1,325)
NET INCOME		11,294	167,142	(328)	(486)	(31,691)	25,331
EBITDA		20,278	238,100	(466)	(651)	(920)	32,541
EBITDA Margin		83.0%	89.0%	-	-	-	88.1%

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	3Q20	3Q19	Chg. %	9M20	9M19	Chg. %
Net Income		631.9	357.8	76.6%	1,433.9	824.8	73.8%
Income taxes and social contribution		109.8	45.9	139.1%	285.8	116.4	145.6%
Net Financial Expenses		119.3	48.8	144.4%	282.6	184.6	53.1%
Depreciation and amortization		4.6	3.8	21.6%	12.1	10.4	16.6%
Gains (losses) on company acquisitions		-	0.0	-	-	(9.8)	-
Equity method		(207.4)	(80.2)	158.5%	(478.4)	(204.8)	133.6%
EBITDA		658.2	376.1	75.0%	1,536.1	921.5	66.7%
EBITDA Margin		69.9%	62.9%	7.0 bps	64.3%	67.4%	-3.0 bps

EBITDA Reconciliation Regulatory

	R\$ mn	3Q20	9M19	Chg. %	9M20	9M19	Chg. %
Net Income		165.5	211.1	-21.6%	562.4	620.0	-9.3%
Income taxes and social contribution		3.9	15.0	-74.3%	55.1	94.6	-41.8%
Net Financial Expenses		118.6	47.9	147.8%	280.5	182.1	54.0%
Depreciation and amortization		61.9	49.4	25.1%	179.5	145.5	23.4%
Equity method		(32.2)	(48.2)	-33.1%	(130.3)	(146.7)	-11.2%
EBITDA		317.6	275.2	15.4%	947.1	895.5	5.8%
EBITDA Margin		82.9%	82.9%	-0.1 bps	82.9%	84.9%	-2.0 bps

5.10. Balance Sheet

Balance Sheet

	R\$ '000	3Q20		
		IFRS	Adjustment	Regulatory
Assets				
Cash and cash equivalent	1,789,887	-	-	1,789,887
Financial Investments	-	-	-	-
Receivables	183,129	(15,102)	-	198,231
Contractual Asset	991,582	991,582	-	-
Recoverable taxes	120,517	-	-	120,517
Bonds and related deposits	11	-	-	11
Derivative financial instruments	-	-	-	-
Dividends and interest on equity to receive	119,684	-	-	119,684
Stocks	11,701	-	-	11,701
Other Current Assets	141,779	-	-	141,779
Total Current Assets	3,358,290	976,480	-	2,381,810
Financial Investments	9,493	-	-	9,493
Financial Asset	7,557,714	7,557,714	-	-
Deferred income tax	-	-	-	-
Deferred income tax and social contribution	-	(17,818)	-	17,818
Income tax and social contribution	-	-	-	-
Investment	2,511,421	850,336	-	1,661,085
Receivables	19,603	-	-	19,603
Escrow deposits	36,413	-	-	36,413
Financial instruments derivatives	195,116	-	-	195,116
Other receivables	39,316	-	-	39,316
Fixed Assets	23,661	(5,960,400)	-	5,984,061
Intangible Assets	85,517	(175,991)	-	261,508
Right of use	30,422	30,422	-	-
Total Non Current Assets	10,508,676	2,284,263	-	8,224,413
Total Assets	13,866,966	3,260,743	-	10,606,223
Liabilities				
Trade accounts payable	66,115	-	-	66,115
Taxes	54,331	-	-	54,331
Borrowings and financing	117,583	-	-	117,583
Debentures	524,568	-	-	524,568
Leasing liability	9,269	9,269	-	-
Financial instruments derivatives	-	-	-	-
Dividends to pay	15	-	-	15
Regulatory fees	60,799	-	-	60,799
Other payables	93,463	31,637	-	61,826
Total Current Liabilities	926,143	40,906	-	885,237
Borrowings and financing	964,038	-	-	964,038
Debentures	4,986,140	-	-	4,986,140
Leasing liability	24,652	24,652	-	-
Financial instruments derivatives	26,501	-	-	26,501
Deferred taxes and social contributions	595,934	510,252	-	85,682
Deferred Taxes	475,321	475,321	-	-
Provisions for contingencies	37,193	2,594	-	34,599
Provision for asset demobilization	461	461	-	-
Special obligations	-	(11,588)	-	11,588
Suppliers	12,567	-	-	12,567
Other payables	49,646	-	-	49,646
Total Non Current Liabilities	7,172,453	1,001,692	-	6,170,761
Paid-in capital	-	-	-	-
Capital Reserve	3,042,035	-	-	3,042,035
Earnings reserve	598,736	4,229	-	594,507
Profit reserve	1,224,261	-	-	1,224,261
Proposed additional dividends	-	-	-	-
Equity valuation adjustment	(9,586)	-	-	(9,586)
AFAC Reserve	-	-	-	-
Interim dividends and interest on equity	(521,025)	-	-	(521,025)
Accumulated Losses	-	1,342,341	-	(1,342,341)
Retained earnings	1,433,949	871,575	-	562,374
Attributing interest of controlling shareholders	5,768,370	2,218,145	-	3,550,225
Participation of non-controlling shareholders	-	-	-	-
Total Shareholder's Equity	5,768,370	2,218,145	-	3,550,225
Total Liabilities and Shareholder's Equity	13,866,966	3,260,743	-	10,606,223

5.11. IFRS Cash Flow

Cash Flow		
	R\$ mn	IFRS
	R\$ thousand	3Q20
Cash Flow from operating activities		
Income for the period	1,433,949	
Adjusts to:		
Equity Method (subsidiaries net income)	(478,419)	
Depreciation and amortization	5,637	
Amortization of right of use	6,465	
Tax, social security, labor and civil provisions	6,332	
Environmental compensation provisions	-	
Revenues from financial investments	(32,963)	
Implementation cost - provision suppliers	641,579	
Interest, monetary variation and exchange gains / losses and fair value adjustment	170,572	
Interest and inflation adjustment on debentures	273,725	
Leasing liability interest	2,139	
Derivative financial instruments	(141,466)	
Income tax and social contribution	28,336	
Income tax and social contribution deferred	257,490	
Deferred taxes	100,177	
Remuneration of Contractual Asset	(476,981)	
Monetary Restatement of Contractual Asset	(514,126)	
Implementation of Infrastructure Revenues	(1,107,106)	
Gains (losses) on company acquisitions	-	
Variable Portion Provision	(372)	
	174,968	
Changes in assets and liabilities:		
(Increase) Reduction in customer balance	(47,958)	
(Increase) Decrease in the Balance of Concession Contractual assets	761,583	
(Increase) Decrease in the balance of income tax and social contribution assets	(5,060)	
(Increase) Decrease in the balance of Income taxes and deferred social contribution	-	
(Increase) Reduction in the balance of deferred taxes	-	
(Increase) Decrease in the balance of other assets	(94,255)	
(Increase) Decrease in balance of trade accounts payable	(657,371)	
(Increase) Decrease in the balance of regulatory fees	(9,234)	
(Increase) Decrease in the balance of other payables	16,785	
Dividends earned from jointly controlled	-	
Dividends and interest on equity earned from jointly controlled	209,821	
	174,311	
Cash from operating activities	349,279	
Income tax and social contribution paid	(29,659)	
Cash flow of investing activities	319,620	
Additions in property, intangible assets		
(Increase) Decrease in the balance of DTVM and other investments	2,410,949	
(Additions) Write-offs in fixed and intangible assets	(13,278)	
Acquisition of subsidiaries, net of cash acquired	(765,131)	
Acquisition of jointly controlled subsidiaries	-	
Capital increase in the joint subsidiary	-	
Capital increase in jointly-owned subsidiaries	(195,000)	
Advance for future capital increase in subsidiaries	-	
Cash Flow provided by financing activities	1,437,540	
Payment of borrowings and financing (principal)		
Borrowing and financing	446,740	
Payment of borrowing and financing - principal	(248,657)	
Payment of borrowing and financing - interest	(13,685)	
Debentures	724,513	
Payment of debentures (principal)	(287,669)	
Payment of debentures (interest)	(80,474)	
Payment of derivative financial instruments (interest)	(9,832)	
Receipt (payment) on settlement of financial instruments	8,688	
Payment of lease liabilities	(6,675)	
Subsidiary Acquisition	-	
Payment of dividends and interest on equity	(582,784)	
Advance for future capital increase	-	
Capital increase	-	
Others	-	
Net Cash provided by financing activities	(49,835)	
Increase (Decrease) in cash and cash equivalents	1,707,325	
Opening balance of cash and cash equivalents	82,562	
Closing balance of cash and cash equivalents	1,789,887	
Increase (decrease) in cash and cash equivalents	1,707,325	

5.12. Regulatory Cash Flow

Cash Flow	
	R\$ mn
	R\$ thousand
Regulatory	3Q20
Cash Flow from operating activities	
Income for the period	562,374
Adjusts to:	
Equity Method (subsidiaries net income)	(130,321)
Depreciation and amortization	179,512
Amortization of right of use	-
Tax, social security, labor and civil provisions	6,332
Environmental compensation provisions	-
Revenues from financial investments	(32,963)
Implementation cost - provision suppliers	-
Interest, monetary variation and exchange gains / losses and fair value adjustment (170,572
Interest and inflation adjustment on debentures	273,725
Leasing liability interest	-
Derivative financial instruments	(141,466)
Income tax and social contribution	28,336
Income tax and social contribution deferred	26,726
Deferred taxes	-
Remuneration of Contractual Asset	-
Monetary Restatement of Contractual Asset	-
Implementation of Infrastructure Revenues	-
Gains (losses) on company acquisitions	-
Variable Portion Provision	(372)
	942,455
Changes in assets and liabilities:	
(Increase) Reduction in customer balance	(47,958)
(Increase) Decrease in the Balance of Concession Contractual assets	-
(Increase) Decrease in the balance of income tax and social contribution assets	(5,060)
(Increase) Decrease in the balance of Income taxes and deferred social contribution	-
(Increase) Reduction in the balance of deferred taxes	-
(Increase) Decrease in the balance of other assets	(94,255)
(Increase) Decrease in balance of trade accounts payable	(15,792)
(Increase) Decrease in the balance of regulatory fees	(9,234)
(Increase) Decrease in the balance of other payables	25,775
Dividends earned from jointly controlled	-
Dividends and interest on equity earned from jointly controlled	209,821
	63,297
Cash from operating activities	1,005,752
Income tax and social contribution paid	(29,659)
Cash flow of investing activities	976,093
Additions in property, intangible assets	
(Increase) Decrease in the balance of DTVM and other investments	2,410,949
(Additions) Write-offs in fixed and intangible assets	(676,426)
Acquisition of subsidiaries, net of cash acquired	(765,131)
Acquisition of jointly controlled subsidiaries	-
Capital increase in the joint subsidiary	-
Capital increase in jointly-owned subsidiaries	(195,000)
Advance for future capital increase in subsidiaries	-
Cash Flow provided by financing activities	774,392
Payment of borrowings and financing (principal)	
Borrowing and financing	446,740
Payment of borrowing and financing - principal	(248,657)
Payment of borrowing and financing - interest	(13,685)
Debentures	724,513
Payment of debentures (principal)	(287,669)
Payment of debentures (interest)	(80,474)
Payment of derivative financial instruments (interest)	(9,832)
Receipt (payment) on settlement of financial instruments	8,688
Payment of lease liabilities	-
Subsidiary Acquisition	-
Payment of dividends and interest on equity	(582,784)
Advance for future capital increase	-
Capital increase	-
Others	-
Net Cash provided by financing activities	(43,160)
Increase (Decrease) in cash and cash equivalents	1,707,325
Opening balance of cash and cash equivalents	82,562
Closing balance of cash and cash equivalents	1,789,887
Increase (decrease) in cash and cash equivalents	1,707,325

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.