


4Q21 and 2021

RESULTS



Fourth Quarter and full year 2021 Earnings Release

Rio de Janeiro, February 17, 2022

Transmissora Aliança de Energia Elétrica S.A. (“Taesa” or the “Company”; B3: TAE3, TAE4, TAE11), one of Brazil’s largest concessionaire groups in electricity transmission, announces today its results for the fourth quarter and the year 2021.

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

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

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


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

It is important to mention that the Regulatory Results are audited annually in the disclosure of the regulatory financial statements to ANEEL. Therefore, the deadline for completing the audit of the Regulatory Financial Statements (DCR’s) ends on April 30 of each year; that is, matters specifically related to regulatory accounting disclosed prior to the conclusion of the DCRs are subject to change.

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

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

In line with accounting standards, Taesa does not proportionally consolidate jointly controlled and associated companies. Thus, the results of Transirapé, Transudeste, Transleste (together, “Transmineiras”), ETAU, Aimorés,



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Paraguaçu, Ivaí and the TBE group are accounted for in the equity method line both in the IFRS and in the Regulatory Results.

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

Video Conference call in English (simultaneous translations)

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

February 18, 2022
Friday
New York 9am
Brasília 11am

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1. MESSAGE FROM THE ADMINISTRATION

NEW MANAGEMENT, GROWTH AND SUSTAINABILITY

With TAESA's new management defined and sworn in at the end of 2020, the Company swiftly approved its long-term strategic plan at the beginning of 2021, guiding its actions for the year, which resulted in improvements in the areas of safety and security and operating performance, optimizing costs and increasing efficiency. In addition, the Company defined a strategic alignment and the execution of its sustainability agenda, altogether allowing for better positioning in the power transmission sector as observed in the outcomes of the two transmission auctions of 2021.

Within the scope of regulatory results, the year was positively affected by two events: the new cycle of the Permitted Annual Revenue (RAP) 2021-2022, which started on July 1st and the entry into operations of Janaúba on September 1st. Janaúba is the largest greenfield project undertaken by Company to date, and it was delivered almost 6 months ahead of schedule, adding R\$ 213.6 million in RAP to TAESA. Concessions adjusted by the IGP-M (Category II) suffered an inflation adjustment of 37% and the concessions adjusted by the IPCA (Category III) suffered an inflation adjustment of 8%. Thus, the operational RAP of the concessions belonging to the TAESA Group totaled R\$ 2.9 billion in the new 2021-2022 cycle, 32.5% higher than the operational RAP of the previous cycle. This already takes into account a 50% reduction in the RAP of the Category II concessions, which suffer this impact in the new cycle.

Therefore, the Company recorded regulatory net operating revenues of R\$ 1.8 billion in 2021 or an annual growth of 20.5%. Consequently, regulatory EBITDA totaled R\$ 1.5 billion in the year, representing an increase of 22.8% against 2020. The EBITDA margin, on the other hand, was 82.5% in 2021, 1.6 percentage points higher than the previous year.

IFRS net income for 2021 totaled R\$ 2.2 billion, recording an annual decrease of 2.2% primarily due to lower investments in projects under construction as they begin to reach their final stages of completion, and because of higher net financial expenses, as a result of the rise in the IPCA and CDI indices and the increased leverage.

Based on these results, today the Board of Directors approved the proposal for the allocation of the 2021 fiscal profit, which includes the distribution of dividends in an amount of R\$ 800.3 million (R\$ 2.32 / Unit) and which shall still be submitted for deliberation in the Shareholders' Meeting. If approved, the dividend payout for the 2021 fiscal year will be 80.9% of net income – and 99.1%, when excluding the effects of CPC 47 – and a total distribution of R\$ 5.20 / Unit.

It is worth noting that, on December 29, the Company paid R\$ 523 million between dividends and interest on equity, totaling R\$ 1.6 billion in earnings paid in the year, a volume 40.3% higher than the amount paid in 2020. This is equivalent to R\$ 4.50 / Unit, reflecting a dividend yield of 12.4% for the 2021 fiscal year.

In the operational sphere, TAESA maintained its level of operational excellence in 2021, recording an availability rate of transmission assets of 99.86% and a Variable Portion of R\$ 20.8 million, which is equivalent to 1.02% in relation to the RAP of the year. These results demonstrate the execution capacity and efficiency in the operation and maintenance of the Company's transmission assets, one of TAESA's main strategic pillars.

On December 17, TAESA won the battle for lot 1, the largest project in the ANEEL 02/2021 Transmission Auction. It is located between the states of São Paulo and Paraná with 363 km of double circuit and a

projected investment of R\$ 1.75 billion (ANEEL Capex). The new development, called Ananaí, will have a regulatory term of 60 months for completion and will add a RAP of R\$ 129.9 million to the Company when it becomes operational.

Regarding the Sustainability agenda, the Company made progress on several fronts. In February 2021, it began working on the Integrated Management System (SGIT), whose objective is to certify the Company in four ISO Standards (9001, 14001, 45001 and 55001). Also in February, TAESA became a signatory to the Empowerment of UN Women and joined the Business Movement for the Economic Development of Women, known as +Mulher360. The Diversity Committee was created, composed of Company employees and representatives of different socio classes, who work to create a diverse and inclusive environment within the firm. There are almost 100 actions mapped out and many already implemented, such as the Training for Women Electricians and Training for People with Disabilities. The long-term strategic plan approved in March consists of five pillars, one of which is the Fundamental Pillar of Sustainability.

In May, the Company concluded its 10th issuance of debentures, the 2nd series of which obtained the “green” certification based on the guidelines of the Green Bond Principles. That same month, the Company published its first annual Sustainability Report based on the GRI standards, adhering to the principles of the Global Compact and the 2030 Agenda, and also published its Greenhouse Gas Emissions Inventory in accordance with the GHG Protocol, all in reference to 2020. The Company held various training courses and awareness forums throughout the year, such as “Fighting Domestic Violence against Women”, “Ethics: the Home of Human Relations” and “Diversity and Inclusion” and launched an eBook on the pillars of diversity. The Company implemented the Business Continuity Management Program, whose objective is to increase TAESA's operational resilience and, consequently, its sustainability. In September, the Company obtained a new GPTW Certification, with favorability and work environment indicators even better than in previous years.

On the Safety front, TAESA started the 100% Safety Program with the objective of strengthening the safety culture in practice, giving everyone more voice and participation. The Company strategically put into practice a set of projects, actions and initiatives aimed at improving the company's safety performance and strengthening safety as a value in each of its employees and partners. Among the actions, there were the implementation of the Security Committee, in April, the creation of the TAESA Security Seal, in October, the acquisition of a camera system aimed at monitoring operational activities as well as the development of the “Security Observation” mobile application, both in December.

TAESA ended the year with its Unit (TAE11) integrating the portfolios of B3's Carbon Efficient Index (ICO2) and the IGPTW index for the year 2022. Adherence to the ICO2 demonstrates companies' commitment to transparency in greenhouse gas emissions and provides a glimpse into the vision of how they are preparing for a low carbon economy. The IGPTW is the newest B3 index that tracks companies certified by the Great Place to Work, the first GPTW index in the world addressing the new ESG effort for the Brazilian market.

Finally, it is worth noting that the Company held its first livestreamed Investor Day, with more than 4 hours of content. The event, aimed at non-institutional investors, had the participation of several employees presenting their respective lines of business in a didactic and interactive way via workshops, in addition to a dynamic chat with digital influencers and a conversation with an economist to talk about inflation, an important topic for the power transmission business. This differentiated event was conceived within the context of the democratization of the capital markets and the increase of smaller investors in the national stock exchange. This trend has naturally impacted TAESA's shareholder base, which in 2021 grew by

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50% in number of shareholders and is currently among the 10 Brazilian stocks with the most individual investors in B3.

In light of the accomplishments of the past year, TAESA reinforces its strategic positioning as one of the largest electric power transmission companies in the country and its focus on the strategic pillars of sustainable growth, value generation, financial discipline and operational efficiency, confirming the commitment to transmit power with reliability, transparency and safety to society as whole whilst respecting the environment and all stakeholders.

2. SUMMARY OF RESULTS


Consolidated							
	R\$ mn	4Q21	4Q20*	Chg.%	2021	2020	Chg.%
Net Revenues IFRS		717.0	1,168.8	-38.7%	3,472.1	3,561.3	-2.5%
Net Income IFRS		423.1	750.1	-43.6%	2,213.7	2,262.9	-2.2%
Net Revenues Reg.		550.9	382.9	43.8%	1,837.1	1,524.8	20.5%
EBITDA Reg.		447.0	286.9	55.8%	1,515.8	1,234.0	22.8%
EBITDA Margin Reg.		81.1%	74.9%	6.2 pp	82.5%	80.9%	1.6 pp
Net Debt		6,220.7	5,205.7	19.5%	6,220.7	5,205.7	19.5%
Dividends and IoE Paid		523.0	523.4	-0.1%	1,551.5	1,106.2	40.3%

Consolidated and Associated Concessions							
	R\$ mn	4Q21	4Q20*	Chg.%	2021	2020	Chg.%
Net Revenues IFRS		1,109.7	2,017.5	-45.0%	5,324.6	5,640.8	-5.6%
Net Income IFRS		423.1	750.1	-43.6%	2,213.7	2,262.9	-2.2%
Net Revenues Reg.		679.0	485.6	39.8%	2,307.4	1,956.3	17.9%
EBITDA Reg.		556.4	375.6	48.1%	1,927.9	1,611.6	19.6%
EBITDA Margin Reg.		82.0%	77.3%	4.6 bps	83.6%	82.4%	1.2 bps
Net Debt		8,025.4	6,214.1	29.1%	8,025.4	6,214.1	29.1%
Net Debt/EBITDA		4.2	3.8	8.9%	4.2	3.8	8.9%

*As a result of the impact of OFFICIAL-NOTICE/CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS), the 4Q20 earnings results were adjusted in light of the reclassifications of the applicable amounts on March 31, June 20 and September 30, 2020.

IFRS RESULTS

- Net income totaled R\$ 423.1 million in 4Q21 and R\$2,213.7 million in 2021, a 43.6% and 2.2% drop y.o.y, respectively, mainly due to:
 - (i) Lower investments in construction projects, negatively impacting the Company's implementation margin.
 - (ii) Lower IGP-M inflation index recorded between the quarters (0.02% in 4Q21 versus 11.24% in 4Q20), which negatively affected the monetary restatement revenues and the equity method. In the annual comparison, the monetary restatement revenues grew as a result of the increased IGP-M inflation index in the first six months of 2021 and the higher IPCA recorded between the compared periods;



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- (iii) Increase in net financial expenses (+15.9% in 4Q21 and +70.4% in 2021) as a result of higher CDI and IPCA indices (IPCA exclusively for 2021 x 2020) and of the higher net outstanding debt between the periods compared;
- (iv) The above effects were partially offset by the following:
 - a. Increase in Operation and Maintenance revenues explained by the inflation adjustment of the new RAP cycle (2021-2022) and Janaúba becoming operational on September 1, 2021;
 - b. Higher remuneration of the contractual asset as a result of Janaúba becoming operational and the monetary restatement revenues, which had a positive impact on the balance of these contractual assets in the last 12 months.
- On this date, the Board of Directors approved the proposal for profit allocation related to the 2021 fiscal year, which will be submitted for approval at the Shareholders' Meeting, as follows: (i) R\$ 15.7 million for tax incentive reserves (ii) R\$ 408.1 million for special reserves related to the adoption of CPC 47; (iii) R\$ 989.6 million (R\$ 2.87 / Unit) prepaid throughout 2021, of which R\$ 722.6 million (R\$ 2.10 / Unit) were interim dividends and R\$ 267.0 million (R\$ 0.78 / Unit) as Interest on Equity (JCP); and (iv) R\$ 800.3 million (R\$ 2.32 / Unit) to be distributed, R\$ 147.0 million of which as the remaining mandatory minimum amount and R\$ 653.3 million as additional dividends.

REGULATORY RESULTS

- Net revenues totaled R\$ 550.9 million and R\$ 1,837.1 million in 2021, an increase of 43.8% and 20.5% y.o.y. explained by the inflationary adjustments of the new RAP cycle (2021-2022) and by the entry into operation of Janaúba. These effects offset the pre-determined decrease in RAP of some concessions.
- EBITDA totaled R\$ 447.0 million in this quarter and R\$ 1,515.8 in 2021, 55.8% and 22.8% higher y.o.y., respectively. EBITDA margin came in at 81.1% in 4Q21 (+6.2pp vs. 4Q20) and 82.5% in 2021 (+1.6pp vs. 2020).
- Net financial expenses increased 15.9% in the quarter and 70.4% in the year as a result of the increase in CDI and IPCA indices (IPCA exclusively for 2021 x 2020), and of the higher net outstanding debt.
- Net Income came in at R\$ 105.5 million in 4Q21, a 34.3% y.o.y. increase. In 2021, it closed at R\$ 517.2 million, 19.3% lower than the previous year.
- On December 31, 2021, gross debt totaled R\$ 6,615.5 million, a 3.1% q.o.q. reduction vs. the previous quarter. The Company's cash position was R\$ 394.8 million (a reduction of 59.6% q.o.q.), resulting in a net outstanding debt of R\$ 6,220.7 million (or +6.3% q.o.q.).
- The ratio of Taesa's net debt to EBITDA, proportionally consolidating the jointly-controlled and affiliated companies, was 4.2x (versus 4.3x in 3Q21).
- For 2021, the availability rate was 99.86% and the Variable Portion (PV) was R\$ 20.8 million, equivalent to 1.02% of the RAP, demonstrating TAESA's commitment to operational excellence.

3. OVERVIEW

3.1. Corporate Structure

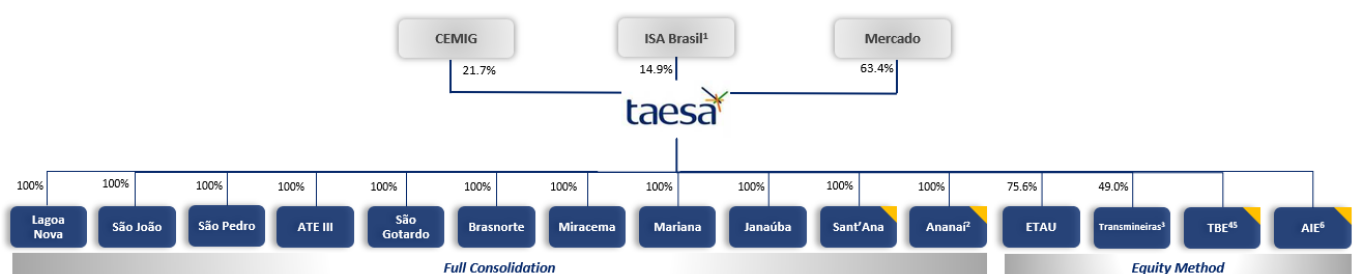
The 40 concessions/interests of transmission assets owned by TAESA are segregated into: (i) 10 concessions that make up the holding company (TSN, Novatrans, ETEO, GTEA, PATESA, Munirah, NTE, STE, ATE, and ATE II); (ii) 11 full investees (ATE III, Brasnorte, São Gotardo, Mariana, Miracema, Janaúba, Sant'Ana, São João, São Pedro, Lagoa Nova, and Ananaí (the name for Lot 1 of ANEEL auction 02/2021)); and (iii) shareholding interest in 19 companies (ETAU, Transmineiras, AIE, and TBE).

Six of these concessions (Sant'Ana, ESTE, Aimorés, Paraguaçu, Ivaí and Ananaí) are in the non-operational phase.

On December 17, 2021, TAESA won the battle for lot 1, the he largest lot of the ANEEL 02/2021 Transmission Auction, located between the States of São Paulo and Paraná, 363 km extension in double circuit with an estimated investment of R\$ 1.75 billion (Capex ANEEL). The new project, called Ananaí Transmissora de Energia Elétrica S.A. ("Ananaí"), will have a regulatory term of 60 months for completion and will add a RAP of R\$ 129.9 million to the Company when it becomes operational. Currently, the Company awaits the approval and award of the project, scheduled to take place by February 22, 2022. Following this stage, the project will be formally taken over by the Company on March 31, 2022, when the concession contract will be signed.

It is worth noting that Janaúba concession became commercially operational on September 1st, 2021, 5.5 months ahead of ANEEL's required deadline and with cost savings of approximately 18% in comparison to ANEEL's stipulated capex, generating an additional R\$ 213.6 million of Annual Permitted Revenues (RAP) for the Company. Janaúba is the Company's largest greenfield project delivered to date, with an extension of 545 km of lines located between the states of Minas Gerais and Bahia, and encompassing the following transmission lines: LT 500 kV Bom Jesus da Lapa II - Janaúba 3 (304 km of Single Circuit) and LT 500 kV Janaúba 3 - Pirapora 2 (238 km of Single Circuit) and three substations of 500 kV (Bom Jesus da Lapa II, Janaúba 3 and Pirapora 2).

Janaúba's project increases the transmission capacity between the Northeast-Southeast interconnection, providing the necessary scaling of the National Interconnected System to carry, without electrical restrictions, the power produced in new power plants in the Northeast region of the country, and allowing for future expansion of the system. As such, and in line with the Company's commitment to the Sustainable Development Goals (SDGs), Janaúba contributes to the delivery of renewable energy to the SIN and consequently, to a cleaner global energy grid, with a positive and permanent impact to the country's growth and socio-economic development.



¹ ISA Investimentos e Participações do Brasil S.A.

² Ananaí corresponds to Lot 1 of the ANEEL nº 02/2021 auction. The venture is currently undergoing a formal ratification and award process expected to be occur by February 22, 2022 and will be officially owned by the Company on March 31, 2022, when the concession contract will be formally signed.

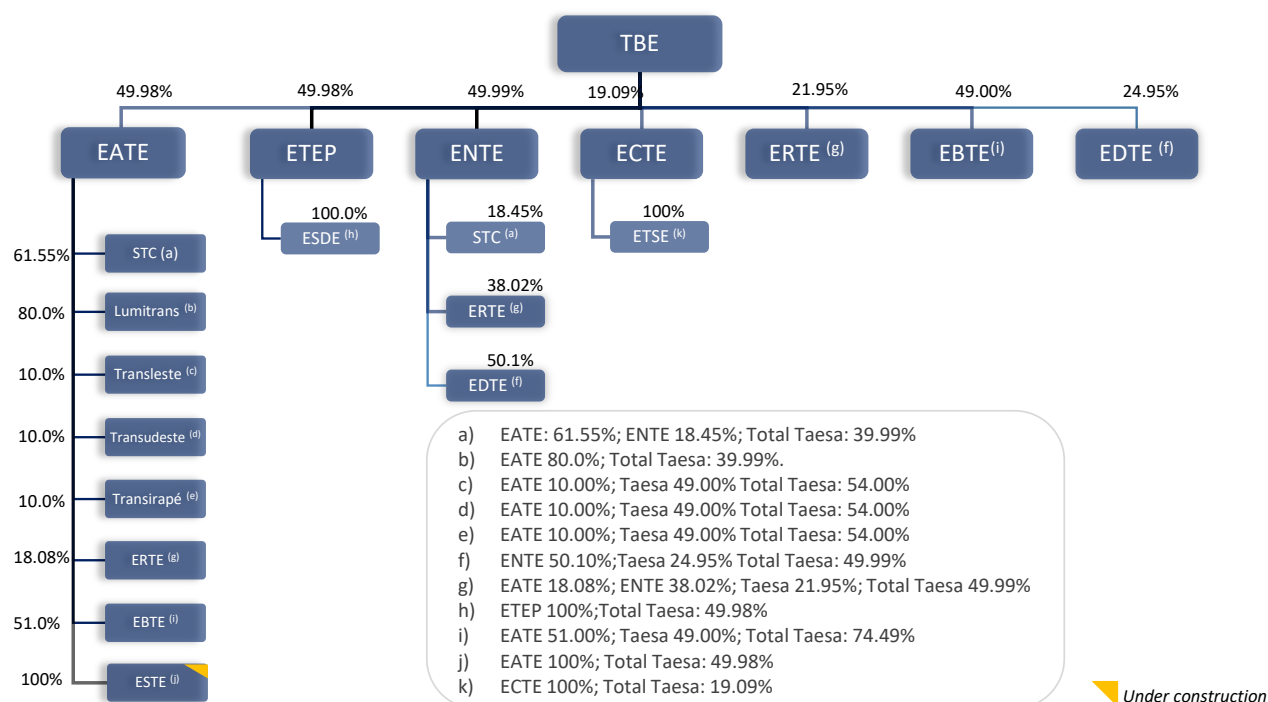
³ Transmineiras is a group in which Taesa holds stakes in 3 concessions: Transirapé (54.0%), Transleste (54.0%) and Transudeste (54.0%)

⁴ TBE - Transmissora Brasileira de Energia is a group resulting from the partnership of majority shareholders Taesa and Alupar

⁵ ESTE is the only concession of the TBE group that is under construction

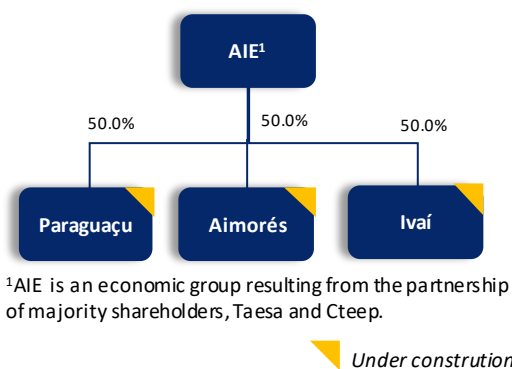
⁶ AIE – Aliança Interligação Elétrica is an economic group of the partnership of the companies TAESA and ISA CTEEP, currently responsible for implementing 3 new projects.

3.2. TBE Corporate Structure



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

3.3. AIE Corporate Structure



¹AIE is an economic group resulting from the partnership of majority shareholders, Taesa and Cteep.

4. ECONOMIC AND FINANCIAL PERFORMANCE

4.1. Operational Performance

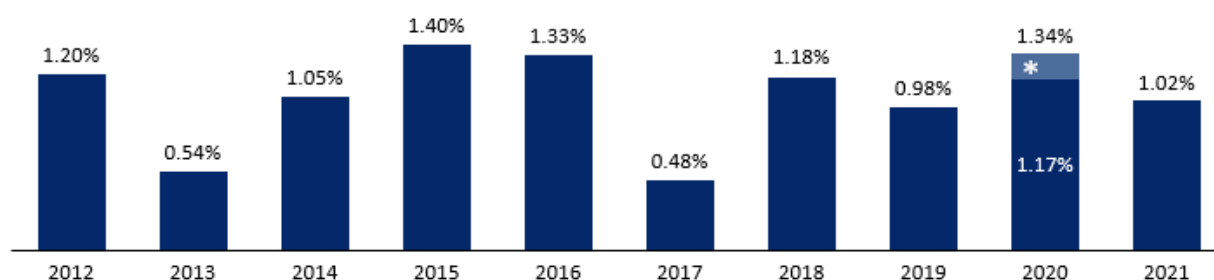
With a strong operating performance over the years, Taesa recorded a consolidated availability rate of 99.86% in 2021, as shown in the diagram below, disregarding partially owned assets such as ETAU, Transmineiras, AIE and TBE.

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




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

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



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

The cumulative PV in 2021 totaled R\$ 20.8 million, primarily due to: (i) TSN: automatic shutdown of the 01Q1 static compensator of the Bom Jesus da Lapa II SE to carry out the replacement of phase A and C reactors of filter 2, in December 2021; (ii) ETEO: fall of phase B cables of the LT 440 kV Assis-Sumaré in September 2021, caused by deliberate sawing of the insulator support shackle, being treated as a non-recurring, external and unrelated factor to the Company; (iii) Novatrans: unscheduled shutdown of the BSSMGU2 capacitor bank of SE Serra da Mesa, in September 2021; (iv) Novatrans: corrective maintenance for equipment replacement at the SE Serra da Mesa, connected to the LT Serra da Mesa-Gurupi, referring to the Novatrans capacitor bank, in June, 2021; (v) Novatrans: unscheduled shutdown caused at the LT 500 kV Serra da Mesa-Gurupi C2, due to a non-recurring, external and unrelated factor to the Company, in May 2021; (vi) ETEO: scheduled shutdown in the LT 440kV Assis-Sumaré, due



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to a non-recurring, external and unrelated factor to the Company, in April 2021; (vii) TSN: unscheduled shutdown caused by a failure to close the SE Serra da Mesa circuit breaker, in January 2021; and (viii) Novatrans: scheduled shutdown at SE Gurupi for maintenance of the BSGUMI4 capacitor bank, in December 2020. The 10.1% reduction in PV compared to 2020 is mainly explained by the reversal of PV events (ii), (v) and (vi) above, from the granting of an injunction to suspend collection until the conclusion of the administrative process at ANEEL given the request for reconsideration of the variable portion of said events and their external fortuitous causes.

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4.2. 2020-2021 RAP Cycle

On July 13, 2021, ANEEL published the Ratifying Resolution 2.895/2021, which established the Annual Permitted Revenues (RAP) for transmission concessions for the 2021-2022 cycle, effective from July 1, 2021 to June 30, 2022, and therefore affecting the Company's results from 3Q21 onwards. The concessions affected by IGP-M (Category II) were monetarily restated by +37.04%, and concessions affected by IPCA (Category III) were monetarily restated by +8.06%.

RAP (R\$ mn)	2019-2020 Cycle	2020-2021 Cycle	2021-2022 Cycle
IGP-M Adjustment	7.6%	6.5%	37.0%
Novatrans ²	330.9	352.5	483.3
TSN ²	301.0	325.1	454.6
Munirah	40.9	29.0	29.9
GTESA	5.5	5.9	8.1
PATESA ²	18.1	17.4	23.9
ETAU ¹²	38.5	29.9	39.1
ETEO	98.9	105.4	144.4
NTE ²	86.3	92.1	126.1
STE ²	48.6	50.6	69.5
ATE I ²	167.3	115.1	122.1
ATE II ²	258.7	275.5	273.6
EATE ¹²	122.2	130.6	179.0
ETEP ¹	27.6	29.4	40.3
ENTE ¹	102.0	67.3	92.2
ECTE ¹	10.2	10.8	14.9
ERTE ¹²	19.5	15.3	21.0
Lumitrans ¹²	12.0	12.7	17.4
Transleste ¹	24.7	19.3	18.0
Transirapé ¹	20.1	22.2	29.4
Transudeste ¹	15.3	16.3	18.4
Subtotal	1,748.3	1,722.3	2,205.1
IPCA Adjustment	4.7%	1.9%	8.06%
ATE III ²³⁵	125.4	127.7	138.2
São Gotardo ³	5.4	5.5	6.0
Mariana ³	15.4	16.4	17.8
Miracema ³	65.0	67.9	74.5
Janaúba ³⁴	194.1	197.7	213.6
Aimorés ¹³⁴	39.7	40.4	43.7
Paraguaçu ¹³⁴	59.2	60.4	65.2
Brasnorte ¹²³	27.6	28.1	30.8
STC ¹²³	18.9	19.2	21.0
EBTE ¹²³	34.4	36.4	40.4
ESDE ¹³	7.0	7.2	7.8
ETSE ¹²³	4.0	4.1	4.9
ESTE ¹³⁴	56.1	57.2	61.8
Ivaí ¹³⁴	147.0	149.8	161.8
EDTE ¹³	34.6	35.2	38.1
Sant'Ana ³⁴	60.9	62.1	67.1
São João ³	47.6	49.8	53.9
São Pedro ³	44.9	46.5	57.9
Lagoa Nova ³	12.6	12.9	13.9
Ananai (Lot 1) ³⁴			129.9
Subtotal	999.8	1,024.6	1,248.2
Total	2,748.1	2,746.9	3,453.3

¹ RAP amount proportional to TAESA's stake

² Including reinforcements

³ Gross up PIS/COFINS

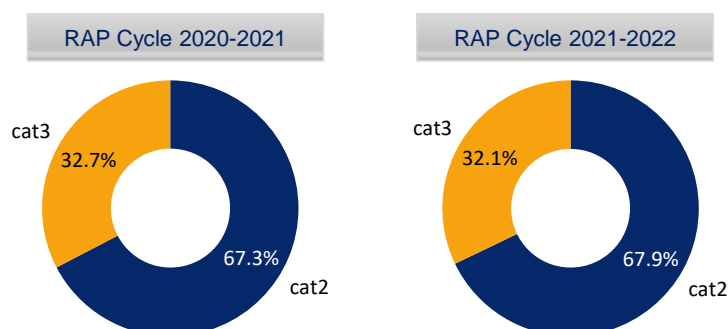
⁴ Under Construction

⁵ Category II Concession with IPCA Adjustment

Including the controlled concessions, jointly-controlled investees and affiliates, Taesa's total RAP¹ (operational and under construction) for 2021-2022 cycle is R\$ 3,453.3 million, of which 50.3% is at the holding company level. Taesa's operating RAP for 2021-2022 cycle was R\$ 2,888 million, against R\$ 2,179 million for 2020-2021 cycle, considering Janaúba's entry in operation in September 2021.

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

The applicable PIS/COFINS must be added to the published RAP values of ATE III, São Gotardo, Mariana, Miracema, Janaúba, Aimorés, Paraguaçu, Brasnorte, STC, EBTE, ESDE, ETSE, ESTE, Ivaí, EDTE, Sant'Ana, São João, São Pedro, Lagoa Nova and Ananai (new denomination for Lot 1 of ANEEL auction 02/2021) concessions.



4.3. 50% Reduction in RAP


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

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

- **ETEO**: 100% of RAP from ETEO started the 16th year of operation on 10/19/2016.
- **ECTE³**: 67.6% of RAP from ECTE started the 16th year of operation on 3/9/2017, and 28.4% started on 3/26/2017.
- **ETEP³**: 99.7% of RAP from ETEP reached the 16th year of operation on 8/25/2017.
- **EATE³**: 19.0% of RAP from EATE reached the 16th year of operation on 2/1/2018, 45.6% of RAP on 2/20/2018, and 33.5% of RAP on 3/10/2018.
- **TSN³**: 89.9% of RAP from TSN reached the 16th year of operation on 3/4/2018, 4.0% of RAP on 4/5/2018, 0.7% of RAP on 5/22/2018, and 1.3% of RAP on 6/3/2018.
- **Novatrans**: 16.3% of RAP from Novatrans reached the 16th year of operation on 6/3/2018, 19.4% of RAP on 12/8/2018, 19.1% of RAP on 12/23/2018, and 45.2% of RAP on 4/8/2019.
- **GTESA**: 100% of RAP from GTESA reached the 16th year of operation on 8/26/2018.
- **NTE**: 100% of RAP from NTE reached the 16th year of operation on 1/25/2019.
- **STE³**: 19.0% of RAP from STE reached the 16th year of operation on 6/27/2019, 36.6% of RAP on 7/13/2019, and 42.1% of RAP on 7/18/2019.
- **PATESA³**: 98.2% of RAP from PATESA reached the 16th year of operation on 9/1/2019.
- **ERTE³**: 71.5% of RAP from ERTE reached the 16th year of operation on 09/15/2019.
- **ENTE**: 100% of RAP from ENTE reached the 16th year of operation on 2/12/2020.
- **ETAU³**: 34.2% of RAP from ETAU reached the 16th year of operation on 4/17/2020, and 36.0% of RAP on 9/29/2020.
- **Munirah**: 100% of RAP from Munirah reached the 16th year of operation on 10/30/2020.
- **ATE I**: 54.0% of RAP from ATE I reached the 16th year of operation on 10/8/2020, and 46.0% of RAP on 10/27/2020.
- **Transleste**: 100% of RAP from Transleste reached the 16th year of operation on 12/18/2020.
- **ATE II**: 100% of RAP from ATE II reached the 16th year of operation on 12/11/2021.

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

- **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.



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

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

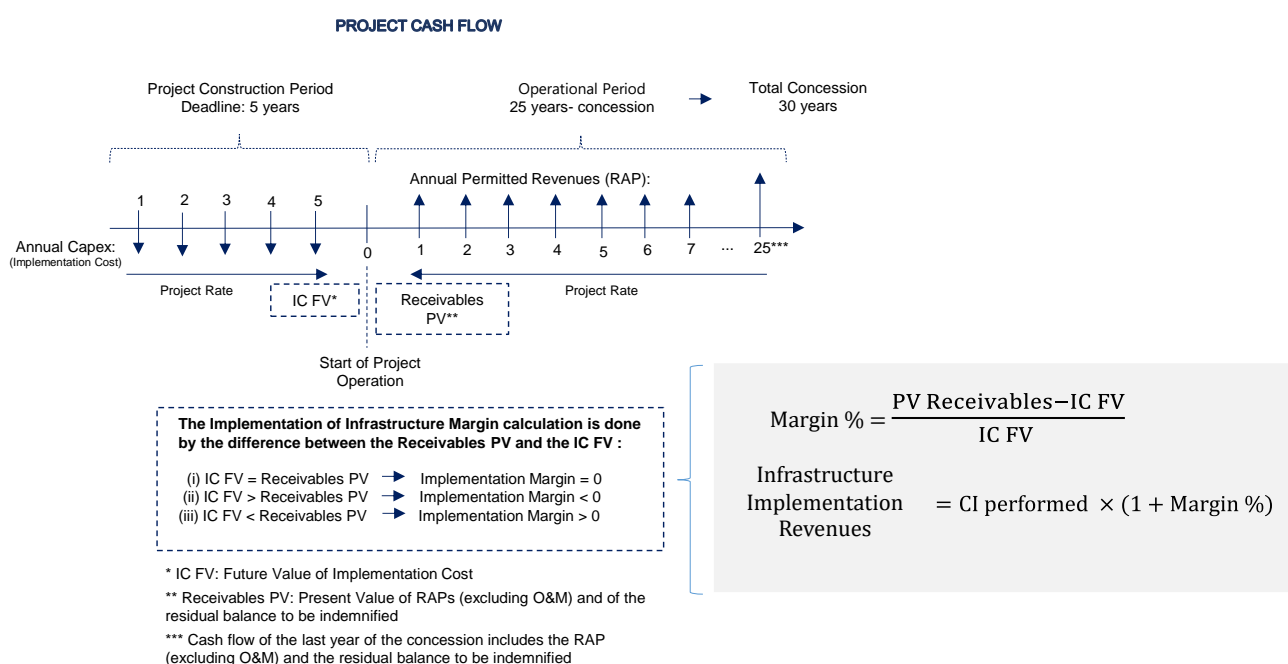
Notes:

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

4.4. Impact of Accounting Changes (CPC 47)

As of January 1, 2018, the adoption of IFRS 9 (CPC 48) or IFRS 15 (CPC 47) became mandatory, in effect as of the disclosure of the Annual Financial Statements for 2018. The Company adopted IFRS 15, whose principles are based on the business model that identifies the contract with the client (goods or services) and its respective contractual performance obligations, defining the price of the transaction and recognition of income as of the realization of these obligations (recognition of the Contractual Assets).

The Contractual Asset is calculated monthly from the future flow of receipts brought to present value according to the Project Rate, which refers to the cost of capital of the asset valued at the time of its acquisition




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 comprised 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). In other words, the implementation revenues is 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. Therefore, as it relates to the Contractual Asset, the implementation margin impacts the Income Statement of the project.

The 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.

Following the entry into operation, the Contractual Asset is adjusted monthly by inflation (IGP-M or IPCA, according to each concession), calculated by the monetary restatement of future receipts brought to present value by the Project Rate. O&M revenues is a portion of the RAP intended to remunerate the operation and maintenance of the concession's assets.

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



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million for the year 2020, recorded in the income for the year; and (ii) R\$ 63.5 million for previous years, recorded in Shareholders' Equity.

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

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

- (i) For the initial (starting) balance of the Contractual Asset on January 1, 2018, the adjustment was entered into the special reserve account for the 2018 financial year (Shareholders' Equity), in the amount of R\$ 113,399,544.45, referring to previous years.
- (ii) For Fiscal year 2018, the adjustment was entered into the Income Statements in the amount of R\$ 116,924,085.17 and allocated to the special reserve account at the end of the year, net of the 5% that were retained as legal reserve.
- (iii) For Fiscal year 2019, the adjustment was entered into the Income Statements in the amount of R\$ 291,323,518.24 and allocated to the special reserve account at the end of the year, net of the 5% that were retained as legal reserve.
- (iv) For the Fiscal Year 2020, the adjustment was entered in the Income Statements in the amount of R\$ 631,469,547.58 (including the amount of R\$ 124,947,792.20 related to the CIRCULAR LETTER / CVM / SNC / SEP / nº04 / 2020) that was allocated to the special reserve account at the end of the year. In addition, the amount of R\$ 63,583,002.83 also related to the CIRCULAR LETTER / CVM / SNC / SEP / nº 04/2020 for previous years was recorded in the special reserve account, in the 2020 shareholders' equity.
- (v) For the Fiscal Year 2021, the adjustment was recorded in the Income Statement in the amount of R\$ 408,098,711.76, which was allocated to the special reserve account at the end of the year.

It is important to note that for the fiscal year of 2021, the legal reserve (5%) was not constituted based on art. 193 paragraph 1 of the Brazilian Corporation Law, which says that the Company may stop constituting the legal reserve for the year when the balance of that reserve, plus the amount of capital reserves referred to in paragraph 1 of article 182, exceeds 30% of the share capital.

The aforementioned adjustments totaled R\$ 1,624,798,410.03, of which R\$ 1,604,386,029.86 was recorded as Special Reserve and R\$ 20,412,380.17 as Legal Reserve (5%).

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

4.5. Net Revenues under IFRS

Net Revenues under IFRS in 4Q21 totaled R\$ 717.0 million, 38.7% lower y.o.y due to the higher O&M revenues, remuneration of the contractual asset and implementation of infrastructure, but offset by lower monetary restatement revenues.

IFRS Net Revenues in 2021 were R\$ 3,472.1 million, 2.5% lower y.o.y.

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

Considering the monetary restatement of revenues assured in the concession agreement, the Company records the monetary restatement of the concession's contractual asset in its results on a monthly basis. Thus, the inflationary effect is diluted month by month considering the inflation as per the IGP-M or the IPCA verified in the previous month. The indices used for the monetary restatement of the fourth quarter of 2021 were: IGP-M of -0.64%, 0.64% and 0.02% (a cumulative +0.02%), and IPCA of 1.16%, 1.25% and 0.95% (a cumulative +3.40%), referring to the months of October, November and December 2021, respectively. In the fourth quarter of 2020, the IGP-M was 4.34%, 3.23% and 3.28% (a cumulative +11.24%), and IPCA of 0.64%, 0.86% and 0.89% (a cumulative +2.41%), referring to the respective months of 2020. For 2021, cumulative IGP-M recorded was 24.52% and IPCA was 4.31% (base for the monetary restatement in the year: December through November).


Net Revenues - IFRS (Consolidated)

	R\$ mn	4Q21	4Q20*	Chg.%	2021	2020	Chg.%
Operation and Maintenance		240.5	175.0	37.4%	826.0	676.2	22.2%
Remuneration of contractual assets		234.5	180.9	29.6%	807.4	657.8	22.7%
Monetary restatement of contractual assets		233.7	489.4	-52.3%	1,216.3	1,007.6	20.7%
Implementation of infrastructure		87.7	415.4	-78.9%	915.0	1,523.7	-39.9%
Total IFRS Revenues		796.4	1,260.8	-36.8%	3,764.7	3,865.3	-2.6%
Variable Portion		5.1	(7.7)	n/a	(20.8)	(23.1)	-10.1%
Other Revenues		(13.4)	5.8	n/a	24.0	32.4	-26.0%
Total Gross Revenues		788.1	1,258.8	-37.4%	3,767.9	3,874.6	-2.8%
PIS/Cofins		(51.6)	(74.0)	-30.2%	(225.3)	(245.5)	-8.2%
Service Tax		(0.2)	(0.1)	41.0%	(0.6)	(0.5)	25.7%
ICMS		(0.0)	(0.0)	389.9%	(0.1)	(0.1)	38.9%
Consumer's Fees		(19.2)	(15.8)	21.6%	(69.8)	(67.2)	3.8%
Deductions		(71.1)	(90.0)	-21.0%	(295.8)	(313.3)	-5.6%
Total Net Revenues		717.0	1,168.8	-38.7%	3,472.1	3,561.3	-2.5%

* As a result of the impact of OFFICIAL-NOTICE/CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS), the 4Q20 earnings results were adjusted in light of the reclassifications of the applicable amounts on March 31, June 20 and September 30, 2020.

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

- **Operation and maintenance:** The 37.4% y.o.y. increase in O&M revenues is due to the inflation adjustment of the 2021-2022 cycle, 37.04% from IGP-M and 8.06% from IPCA, considering the variation between the periods of June 2020 to May 2021, in accordance with the Ratifying Resolution No. 2,895/2021, in addition to the positive impact with the entry into operations of Janaúba on September 1, 2021.
- **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). 3Q21 results reflect a 29.6% y.o.y increase due to Janaúba becoming operational and the material impact of monetary restatement of the contractual asset in the last twelve months, which more than offset the expected amortization of the asset balance by its receivables.



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- **Monetary restatement of the concession contractual asset:** Based on the monthly inflation adjustment, the monetary restatement revenues showed an y.o.y decrease of 60% due to the decrease in the IGP-M inflation index registered in the compared periods (a cumulative 0.02% in 4Q21 versus a cumulative 11.24% in 4Q20), as described above. This effect was partially offset by the entry into operations of Janaúba.
- **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 78.3% y.o.y decrease in implementation revenues is due to lower investments in Janaúba and Sant'Ana.
- **Variable Portion (PV):** PV recorded a positive result of R\$ 5.1 million, thus showing an improvement of R\$ 12.8 million in the comparison between the quarters due to the reversal of the variable portion of three events that occurred in 2021. For more details see section 4.1.
- **Other operating revenues:** The result of other operating revenues in 4Q21 was affected by the accounting of R\$ 19.6 million referring to the revenues of the Janaúba concession in September and recorded as such on 3Q21. This amount was reclassified to the respective revenue from the contractual asset, therefore not having an impact on gross operating revenue in 4Q21.
- **Deductions of gross revenues:** There was a 21.0% y.o.y decrease mainly as a result of PIS/COFINS, which follows the variation of gross revenues under IFRS (the tax varies according to each concession – see section 4.15).

4.6. Costs, Expenses, Depreciation and Amortization under IFRS

Costs, Expenses, and Depreciation and Amortization totaled R\$ 174.6 million in 4Q21, 48.2% lower y.o.y.

Costs, Expenses, and Depreciation and Amortization totaled R\$ 818.2 million in 2021, 31.8% lower y.o.y.

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

	R\$ mn	4Q21	4Q20	Chg. %	2021	2020	Chg. %
Personnel		(48.7)	(43.7)	11.4%	(183.0)	(166.6)	9.8%
Material		(80.5)	(256.9)	-68.6%	(501.8)	(922.1)	-45.6%
Third Party Services		(28.7)	(22.5)	27.6%	(85.4)	(72.9)	17.2%
Other		(10.6)	(11.0)	-3.7%	(25.4)	(23.7)	7.1%
Total		(168.5)	(334.0)	-49.6%	(795.6)	(1,185.2)	-32.9%
Depreciation and amortization		(6.1)	(3.2)	93.2%	(22.7)	(15.3)	48.3%
Total		(174.6)	(337.2)	-48.2%	(818.2)	(1,200.5)	-31.8%

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

- **Personnel:** The y.o.y increase of 11.4% is explained by the employees' salary adjustments of 8.06% under the collective bargaining agreement, reflecting the readjustment of 2021-2022 RAP cycle of the category-3 concession contracts, which are based exclusively on IPCA inflation index, as well as by the the program of meritocracy, promotions, and increase in staff.
- **Material:** The 68.6% y.o.y decrease is primarily due to lower investments in the projects under construction of Janaúba (-R\$ 145.9 million), Sant'Ana (-R\$ 20.3 million) and the new reinforcement of São Pedro (-R\$ 12.2 million).
- **Third-party services:** The 27.6% y.o.y increase was primarily driven by higher expenses in cleaning the right of way, partially offset by a reduction in consulting costs.
- **Other:** These expenses remained nearly flat between 4Q21 and 4Q20.
- **Depreciation and amortization:** The annual increase of 93.2% is explained by the unitization of the SAP S/4 Hana implementation project, which generated an increase in depreciation expenses in 4Q21 compared to 4Q20.

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4.7. EBITDA and EBITDA Margin under IFRS

In 4Q21, EBITDA under IFRS totaled R\$ 548.5 million with an EBITDA margin of 76.5%. The y.o.y decrease of 34.8% in EBITDA under IFRS is primarily explained by a reduction in implementation revenues, following the lower investments in the projects under construction of Janaúba and Sant'Ana, and the lower monetary restatement revenues of the contractual assets related to the lower inflation indices registered between the compared periods.

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

EBITDA IFRS (Consolidated)

	R\$ mn	4Q21	4Q20*	Chg.%	2021	2020	Chg.%
Net Revenues		717.0	1,168.8	-38.7%	3,472.1	3,561.3	-2.5%
Costs and Expenses		(168.5)	(334.0)	-49.6%	(795.6)	(1,185.2)	-32.9%
EBITDA		548.5	834.8	-34.3%	2,676.5	2,376.0	12.6%
EBITDA margin		76.5%	71.4%	5.1 pp	77.1%	66.7%	10.4 pp

* As a result of the impact of OFFICIAL-NOTICE/CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS), the 4Q20 earnings results were adjusted in light of the reclassifications of the applicable amounts on March 31, June 20 and September 30, 2020.

4.8. Regulatory Net Revenues

Regulatory Net Revenues in 4Q21 reached R\$ 550.9 million, 43.8% higher y.o.y, explained by the inflation adjustment of the 2021-2022 RAP cycle and by the entry into operation of Janaúba, effects that were partially offset by the RAP reduction for some Category II concessions.

Regulatory Net Revenue in 2021 amounted to R\$ 1,837.1 million, presenting an annual increase of 20.5%.

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 36.4% y.o.y growth in the line of RAP is explained, basically, by the inflation adjustment of the 2021-2022 RAP cycle (37.04% from IGP-M and 8.06% from IPCA) and by the entry into operation of Janaúba concession at the beginning of September 2021. This increase was partially offset by the RAP drop from Munirah, ATE I and ATE II (more details on the effects and cutoff dates in sections 4.2 and 4.3).

The Variable Portion (PV) came in at R\$ 5.1 million, an improvement of R\$ 12.8 million in the comparison between 4Q21 and 4Q20 due to the reversal of the variable portion of 3 events that occurred in 2021. For more details see section 4.1.

Other revenues presented an increase of R\$ 9.0 million due to a reversal an adjustment portion accounted for between 3Q20 and 2Q21, related to the cancellation of São João's TLD (Definitive Release Term) defined in the ratifying resolution 2,275/20, referring to ANEEL's administrative process No. 48500.002803/2017-41 established before the conclusion of the acquisition of this asset. It is important to mention that it had no financial impact on the Company since the amount was settled through escrow account on the transaction completion date.

Net Revenues - Regulatory (Consolidated)

	R\$ mn	4Q21	4Q20	Chg.%	2021	2020	Chg.%
RAP Concessions		599.5	439.4	36.4%	2,039.0	1,727.6	18.0%
Variable Portion		5.1	(7.7)	n/a	(20.8)	(23.1)	-10.1%
Service Revenues		604.7	431.8	40.0%	2,018.2	1,704.5	18.4%
Other Revenues		0.3	(8.7)	n/a	1.4	(16.5)	n/a
Total Gross Revenues		605.0	423.1	43.0%	2,019.6	1,688.0	19.6%
PIS/Cofins		(34.6)	(24.2)	43.2%	(112.0)	(95.4)	17.4%
Service Tax		(0.2)	(0.1)	41.0%	(0.6)	(0.5)	25.7%
ICMS		(0.0)	(0.0)	389.9%	(0.1)	(0.1)	38.9%
Consumer's Fee		(19.2)	(15.8)	21.6%	(69.8)	(67.2)	3.8%
Deductions		(54.1)	(40.1)	34.7%	(182.5)	(163.2)	11.8%
Total Net Revenues		550.9	382.9	43.8%	1,837.1	1,524.8	20.5%

4.9. Regulatory Costs, Expenses, Depreciation and Amortization

Costs, Expenses, and Depreciation and Amortization totaled R\$ 172.7 million in 4Q21, 8.8% higher y.o.y. PMSO costs totaled R\$ 103.9 million, registering a y.o.y increase of 8.2%.

Costs, Expenses and Depreciation and Amortization reached R\$ 581.8 million in 2021, 9.2% higher in the annual comparison. PMSO costs totaled R\$ 321.4 million in 2021, a y.o.y increase of 10.5%.

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

	R\$ mn	4Q21	4Q20	Chg. %	2021	2020	Chg. %
Personnel		(48.7)	(43.7)	11.4%	(183.0)	(166.6)	9.8%
Material		(1.5)	(1.7)	-10.9%	(5.6)	(3.8)	46.6%
Third Party Services		(28.7)	(22.5)	27.6%	(85.4)	(72.9)	17.2%
Other		(24.9)	(28.1)	-11.3%	(47.4)	(47.5)	-0.2%
Total		(103.9)	(96.0)	8.2%	(321.4)	(290.8)	10.5%
Depreciation and amortization		(68.8)	(62.6)	9.9%	(260.4)	(242.1)	7.6%
Total		(172.7)	(158.7)	8.8%	(581.8)	(532.9)	9.2%

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

The costs and expenses for PMSO totaled R\$ 103.9 million in 4Q21 (+8.2% y.o.y), explained by the following events:

- **Personnel:** The y.o.y increase of 11.4% is explained by the employees' salary adjustments of 8.06% under the collective bargaining agreement, reflecting the readjustment of 2021-2022 RAP cycle of the category-3 concession contracts, which are based exclusively on IPCA inflation index, as well as by the the program of meritocracy, promotions, and increase in staff.
- **Material:** The y.o.y decrease of R\$ 0.2 million is due to lower operation and maintenance expenses related to TSN.
- **Third-party Services:** The 27.6% y.o.y increase was primarily driven by higher expenses in cleaning the right of way, partially offset by a reduction in consulting costs.
- **Other:** These expenses reflect a decrease of 11.3% in 4Q21, explained by a decrease of R\$ 15.1 million in the São João concession in 4Q20, related to an accounts receivable recorded based on an injunction referring to the receipt of RAPs for the months of July, August, October and November 2019 of São João, in view of the non-recoverability of the same. This effect was partially offset by a write-off referring to the Novatrans capacitor bank and the fine for the delayed delivery of Mariana, after the end of ANEEL process No. 48500.000670/2021-54, both recorded in 4Q21.
- **Depreciation and Amortization:** The y.o.y increase in depreciation of 9.9% between 4Q21 and 4Q20 reflect the unitization of the implementation of SAP S/4 Hana system and the entry into operations of Janaúba.

4.10. Regulatory EBITDA and EBITDA Margin

The Regulatory EBITDA for 4Q21 reached R\$ 447.0 million, 55.8% higher y.o.y, and an EBITDA margin of 81.1% (+6.2pp y.o.y). In 2021, Regulatory EBITDA reached R\$ 1,515.8 million, 22.8% higher compared to 2020, with an EBITDA margin of 82.5%. As previously mentioned, the inflation adjustment of the 2021-2022 RAP cycle (37.04% in IGP-M and 8.06% in IPCA) and the entry into operation of Janaúba in September explain the positive performance of EBITDA and the increase in EBITDA margin in the annual comparison.

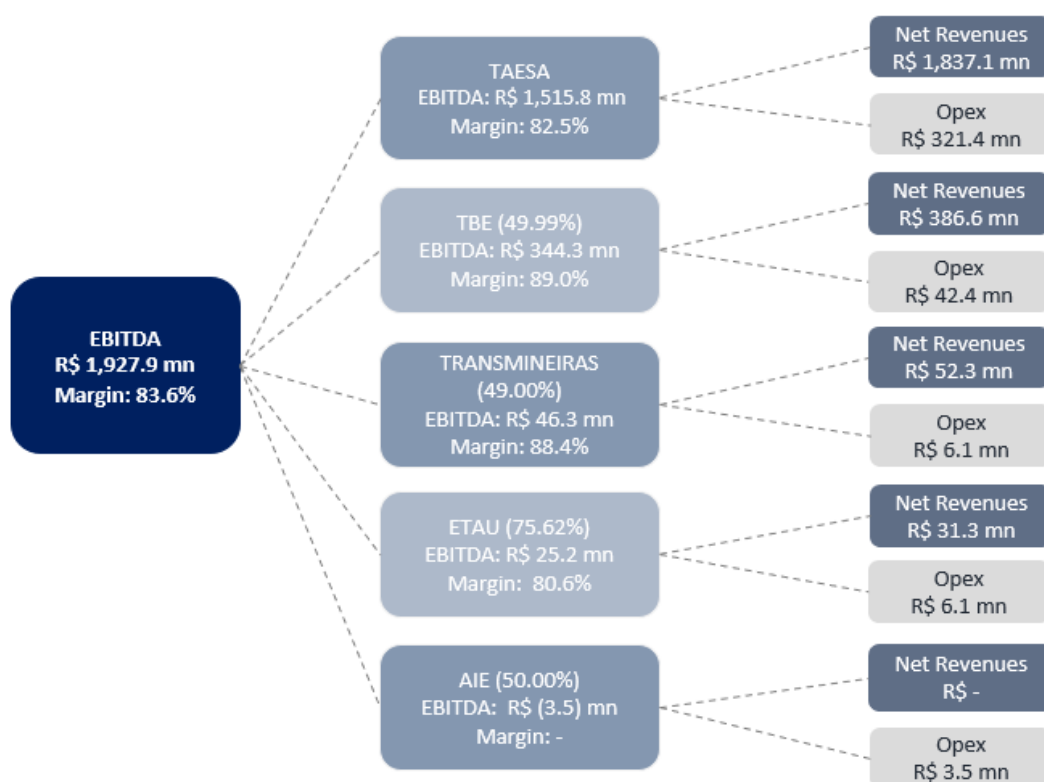
In the power transmission sector, the **Regulatory EBITDA** is an important operating and financial performance indicator, since it is reflective of the Company's effective operating cash generation.

EBITDA Regulatory (Consolidated)

	R\$ mn	4Q21	4Q20	Chg.%	2021	2020	Chg.%
Net Revenues		550.9	382.9	43.8%	1,837.1	1,524.8	20.5%
Costs and Expenses		(103.9)	(96.0)	8.2%	(321.4)	(290.8)	10.5%
EBITDA		447.0	286.9	55.8%	1,515.8	1,234.0	22.8%
EBITDA margin		81.1%	74.9%	6.2 pp	82.5%	80.9%	1.6 pp

4.11. Composition of Regulatory EBITDA

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



4.12. Equity Method under IFRS

The Equity Method under IFRS in 4Q21 totaled R\$ 147.6 million, 47.7% lower y.o.y. In 2021, the Equity Method under IFRS closed at R\$ 781.4 million, 6.3% lower y.o.y.

Equity Method - IFRS

	R\$ mn	4Q21	4Q20*	Chg.%	2021	2020	Chg.%
ETAU		2.7	11.6	-76.9%	24.2	42.2	-42.6%
TBE		85.2	191.1	-55.4%	521.7	499.1	4.5%
Aimorés		2.1	7.4	-72.4%	18.6	55.7	-66.5%
Paraguaçu		(3.3)	9.9	-	24.3	81.7	-70.2%
Ivaí		56.8	34.6	64.0%	134.2	95.0	41.3%
Transmineiras		4.2	27.4	-84.7%	58.3	60.3	-3.3%
Total Equity method		147.6	282.1	-47.7%	781.4	833.9	-6.3%

* As a result of the impact of OFFICIAL-NOTICE/CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS), the 4Q20 earnings results were adjusted in light of the reclassifications of the applicable amounts on March 31, June 20 and September 30, 2020.

The y.o.y drop of 47.7% in the IFRS results of the jointly-controlled investees and affiliates is primarily due to: (i) decrease in the monetary restatement revenues for TBE, ETAU and Transmineiras related to the lower IGP-M inflation index recorded between the periods (+2.050.02% in 4Q21 versus +11.24% in 4Q20); (ii) adjustments to the implementation margin in the projects under construction of Aimorés, Paraguaçu and Ivaí, from the AIE group; and ESTE, from TBE group, as these projects are nearing completion.

4.13. Regulatory Equity Method

The Regulatory Equity Method totaled R\$ 26.0 million in 4Q21, 18.8% lower y.o.y. In 2021, the Regulatory Equity Method totaled R\$ 130.2 million, 19.7% lower y.o.y.

Equity method - Regulatory

	R\$ mn	4Q21	4Q20	Chg.%	2021	2020	Chg.%
ETAU		3.7	2.8	31.4%	20.6	14.1	46.0%
TBE		55.7	48.7	14.4%	216.0	215.9	0.1%
Aimorés		(0.0)	0.3	-	(0.2)	(0.1)	234.8%
Paraguaçu		(0.1)	0.4	-	(0.4)	(0.1)	218.6%
Ivaí		(28.1)	(15.4)	81.8%	(86.6)	(47.1)	83.7%
Transmineiras		8.3	8.9	-6.3%	35.4	34.2	3.6%
Subsidiaries Net Income		39.6	45.6	-13.2%	184.8	216.9	-14.8%
Amortization of goodwill - TBE		(13.6)	(13.6)	0.0%	(54.6)	(54.6)	0.0%
Total Equity Method		26.0	32.0	-18.8%	130.2	162.3	-19.7%

The Regulatory Equity Method in 4Q21 presented a y.o.y reduction of 18.8%. This result is explained by an increase in financial expenses related to the 1st issuance of debentures of Ivaí, as a result of the increased IPCA index, partially offset by the inflation adjustment of the 2021-2022 RAP cycle (37.04% in IGP-M and 8.06% in IPCA).

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

4.14. Net Financial Results

The net financial expenses under IFRS totaled R\$ 230.4223.5 million in 4Q21, 15.9% higher y.o.y. The Regulatory net financial expenses totaled R\$ 223.0 million, 15.9% higher y.o.y.

In the first nine months of 021, the IFRS net financial expenses closed at R\$ 810.1 million, an increase of 70.4% compared to 2020. The regulatory net financial expense reached R\$ 807.5 million, a 70.8% increase compared to the same period of 2020.

Net Financial Expenses IFRS

	R\$ mn	4Q21	4Q20	Chg.%	2021	2020	Chg.%
Financial Revenues		14.0	5.8	140.0%	34.3	38.8	-11.7%
Revenues from financial investments		14.0	5.8	140.0%	34.3	38.8	-11.7%
Financial Expenses		(237.6)	(198.8)	19.5%	(844.4)	(514.3)	64.2%
Interest incurred		(124.7)	(89.7)	39.0%	(420.1)	(323.9)	29.7%
Monetary and exchange variations		(113.5)	(106.9)	6.2%	(410.0)	(175.6)	133.5%
Fair Value Adjustment		(0.0)	(0.0)	n/a	(0.0)	0.0	n/a
Leasing		(0.5)	(0.6)	-6.0%	(2.6)	(2.7)	-2.4%
Other financial expenses/revenues		1.2	(1.6)	n/a	(11.6)	(12.2)	-4.7%
Total IFRS		(223.5)	(192.9)	15.9%	(810.1)	(475.5)	70.4%

The 140.0% y.o.y increase in Financial Revenues occurred primarily due to a significantly higher CDI index in the compared periods (1.82% in 4Q21 vs. 0.46% in 4Q20), even with the lower average cash balance invested in the fourth quarter as a result of the earnings payment of R\$ 523 million in December 2021 and the payment of principal and interest in an amount of R\$ 446 million in the quarter..

The increase in 4Q21 of 39.0% in the line of interest incurred is due to the increase in the outstanding debt principal as a result of the inflation adjustment, affecting the basis to calculate interest incurred, a higher CDI between the compared periods, and the 10th issuance of debentures from Taesa occurred in May of this year.

The increase in 4Q21 of 6.2% in the line of monetary and exchange variations is explained by the higher IPCA index driven debt balance and related to the 10th issuance of debentures.

Other financial expenses/revenues increased by R\$ 2.8 million y.o.y, explained by the net impact of monetary restatement of legal deposits and civil, tax and labor contingency provisions, given these restatements began in 2021.

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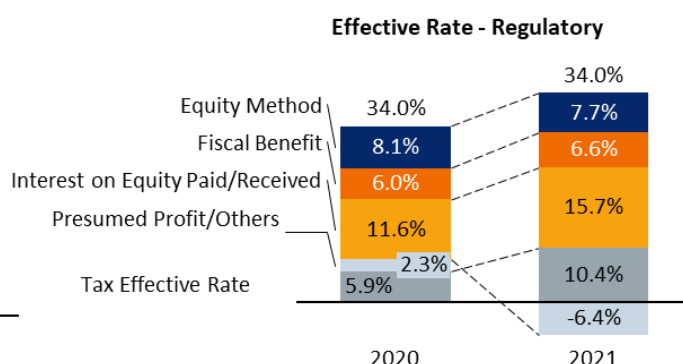
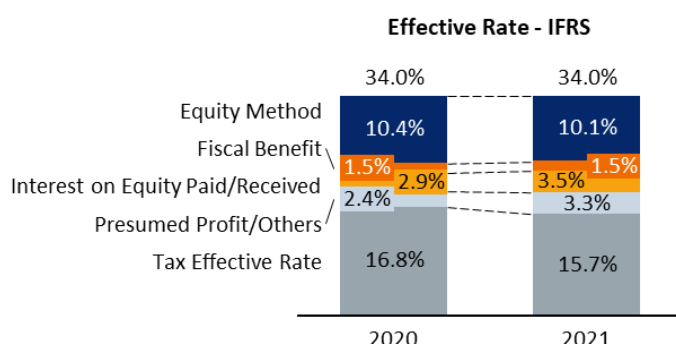
4.15. Taxes

The 74.6% decrease in Income Tax and Social Contribution under IFRS registered between 4Q21 and 4Q20 is mainly explained by a drop in earnings before taxes, an increase in interest on equity paid in 4Q21, which had led to greater use of this tax benefit, and by a growth in the profit of companies taxed under the presumed profit regime.

	R\$ mn		IFRS			
Reconciliation of Income Tax	4Q21	4Q20*	Chg.%	2021	2020	Chg.%
PreTax Profit	466.4	920.8	-49.3%	2,625.1	2,719.2	-3.5%
IRPJ and CSLL rate of 34%	(158.6)	(313.1)	-49.3%	(892.5)	(924.5)	-3.5%
Equity Method	50.2	95.9	-47.7%	265.7	283.5	-6.3%
SUDAM/SUDENE	(21.6)	(9.5)	127.4%	38.4	41.1	-6.4%
Interest on Equity Paid/Received	68.7	38.3	79.4%	90.8	79.1	14.8%
Presumed Profit Companies	31.9	22.0	44.9%	108.4	68.2	58.9%
Others	(14.0)	(4.4)	217.7%	(22.2)	(3.7)	505.9%
IRPJ and CSLL recognized in profit	(43.4)	(170.8)	-74.6%	(411.4)	(456.3)	-9.8%
Effective Rate	9.3%	18.5%	-9.2 pp	15.7%	16.8%	-1.1 pp

* As a result of the impact of OFFICIAL-NOTICE/CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS), the 4Q20 earnings results were adjusted in light of the reclassifications of the applicable amounts on March 31, June 20 and September 30, 2020.

	R\$ mn		Regulatory			
Reconciliation of Income Tax	4Q21	4Q20	Chg.%	2021	2020	Chg.%
PreTax Profit	181.1	63.9	183.6%	578.1	681.3	-15.2%
IRPJ and CSLL rate of 34%	(61.6)	(21.7)	183.6%	(196.5)	(231.6)	-15.2%
Equity Method	8.8	10.9	-18.8%	44.3	55.2	-19.7%
SUDAM/SUDENE	(21.6)	(9.5)	127.4%	38.4	41.1	-6.4%
Interest on Equity Paid/Received	68.7	38.3	79.4%	90.8	79.1	14.8%
Presumed Profit Companies	7.9	5.9	33.1%	31.6	24.8	27.3%
Others	(77.2)	(9.2)	736.2%	(68.7)	(8.9)	671.1%
IRPJ and CSLL recognized in profit	(74.9)	14.7	n/a	(60.1)	(40.4)	48.8%
Effective Rate	41.4%	-23.0%	64.3 pp	10.4%	5.9%	4.5 pp




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

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

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



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

Income and social contribution taxation rules by fiscal regimen

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

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

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

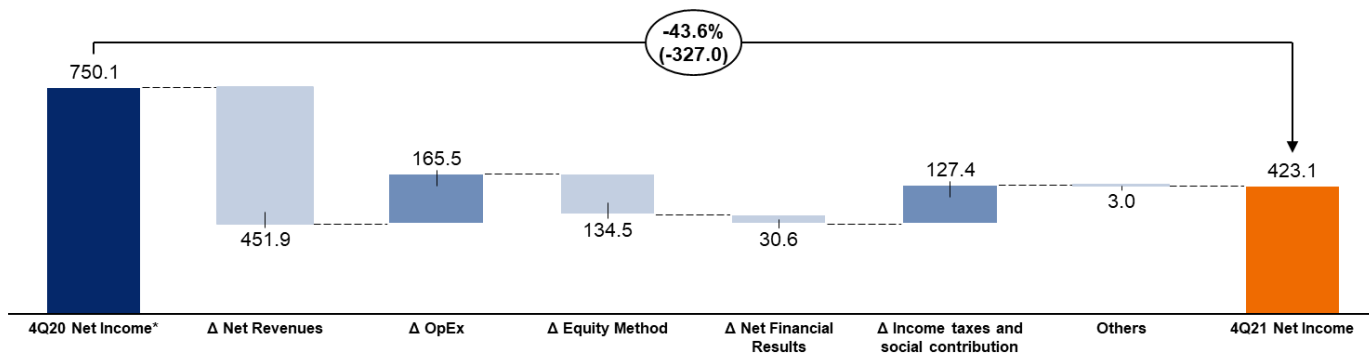
* In 2015, ETAU used the “Lucro Presumido” regime. However, from January 2016, it opted for the “Lucro Real” regime, aiming to reduce the tax rate of IRPJ and CSLL, due to the enactment of Law 12,973/14.

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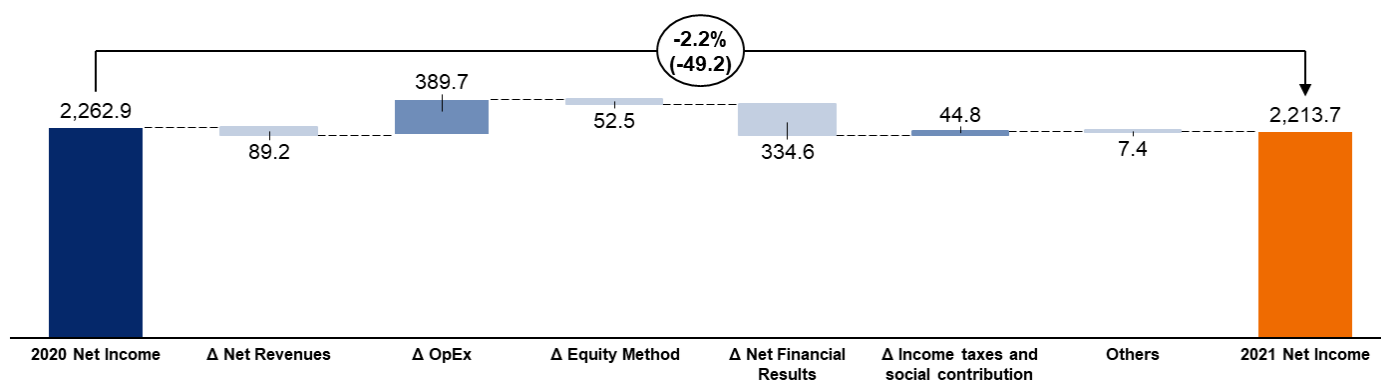
4.16. Net Income

Net Income under IFRS totaled R\$ 423.1 million in 4Q21, 43.6% lower y.o.y. In 2021, Net Income under IFRS totaled R\$ 2,213.7 million, 2.2% lower y.o.y.

4Q21 Net Income under IFRS:



2021 Net Income under IFRS:

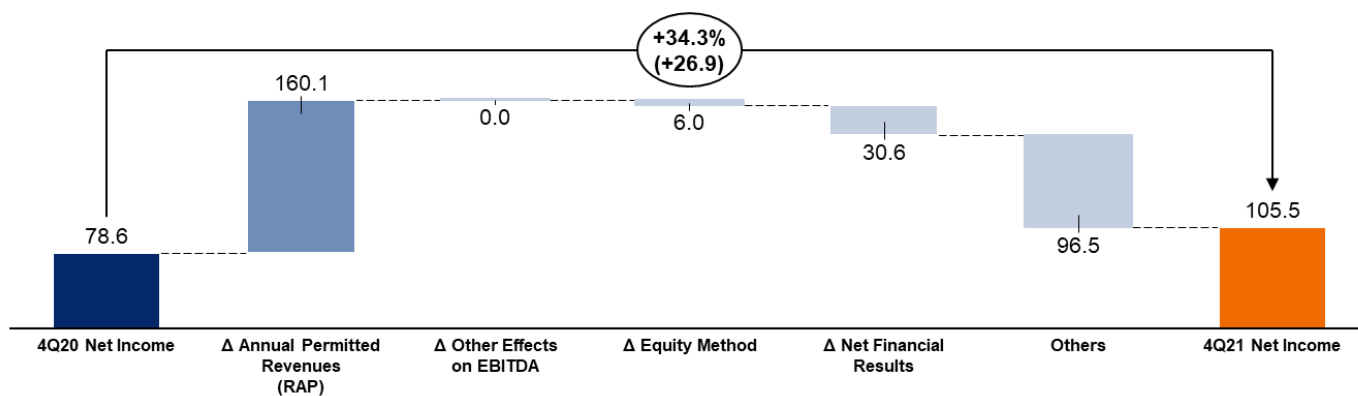


* As a result of the impact of OFFICIAL-NOTICE/CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS), the 4Q20 earnings results were adjusted in light of the reclassifications of the applicable amounts on March 31, June 20 and September 30, 2020.

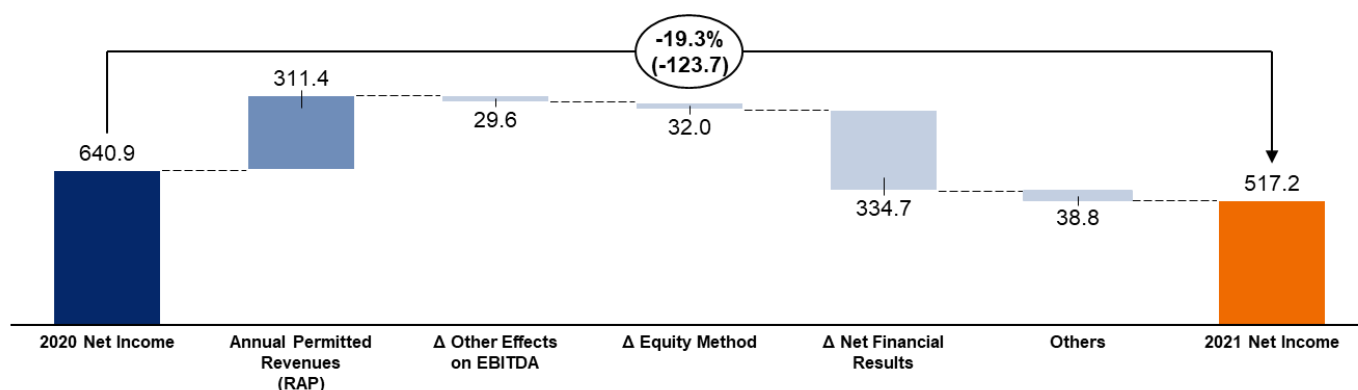
Fourth Quarter and full year 2021 Earnings Release

Regulatory Net Income totaled R\$ 105.5 million in 4Q21, presenting an y.o.y increase of 34.3%. In 2021, Regulatory Net Income totaled R\$ 517.2 million, 19.3% lower y.o.y.

4Q21 Regulatory Net Income:



2021 Regulatory Net Income:



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Adjusted Net Income

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

Income Statement under IFRS - Consolidated - 2021

	R\$ '000	Financials (CPC 47)	Adjustments	Adjusted Financials
GROSS OPERATING REVENUES				
Operation and Maintenance		826,013		826,013
Remuneration of the Contractual Asset		807,358	54,001	861,359
Monetary Restatement of the Contractual Asset		1,216,276		1,216,276
Implementation of Infrastructure Revenues		915,031	(320,116)	594,915
Other Revenues		23,967		23,967
Variable Portion		(20,792)		(20,792)
TOTAL GROSS REVENUES		3,767,853	(266,115)	3,501,738
PIS/Cofins		(225,269)	24,417	(200,852)
Service Tax		(638)		(638)
ICMS		(129)		(129)
RGR, P&D, TFSEE, CDE and PROINFA		(69,767)		(69,767)
Others Deductions		-		-
Gross Revenue deductions		(295,803)	24,417	(271,386)
NET REVENUES		3,472,050	(241,698)	3,230,352
COSTS AND OPERATING EXPENSES				
Personnel		(183,009)		(183,009)
Material		(501,811)		(501,811)
Third party services		(85,401)		(85,401)
Depreciation and amortization		(22,653)		(22,653)
Other operating expenses		(25,357)		(25,357)
Costs and Expenses		(818,231)	-	(818,231)
Gains (losses) on company acquisitions		-		-
GROSS PROFIT		2,653,819	(241,698)	2,412,121
Equity method		781,436	(247,528)	533,908
Revenues from financial investments		34,283		34,283
Financial Expenses		(844,392)		(844,392)
Financial Revenues (Expenses)		(810,110)	-	(810,110)
NET INCOME BEFORE INCOME TAXES		2,625,145	(489,225)	2,135,920
Income taxes and social contribution		(411,431)	81,127	(330,305)
NET INCOME		2,213,714	(408,099)	1,805,615
Controlling Shareholder Interest (Distributable)		2,213,714	(408,099)	1,805,615
Participation of non-controlling shareholders		-		-
Legal Reserve (5%)		-	-	-
Fiscal Incentive Reserve		(15,746)		(15,746)
Special Reserve - Initial Adoption CPC 47		(408,099)	408,099	-

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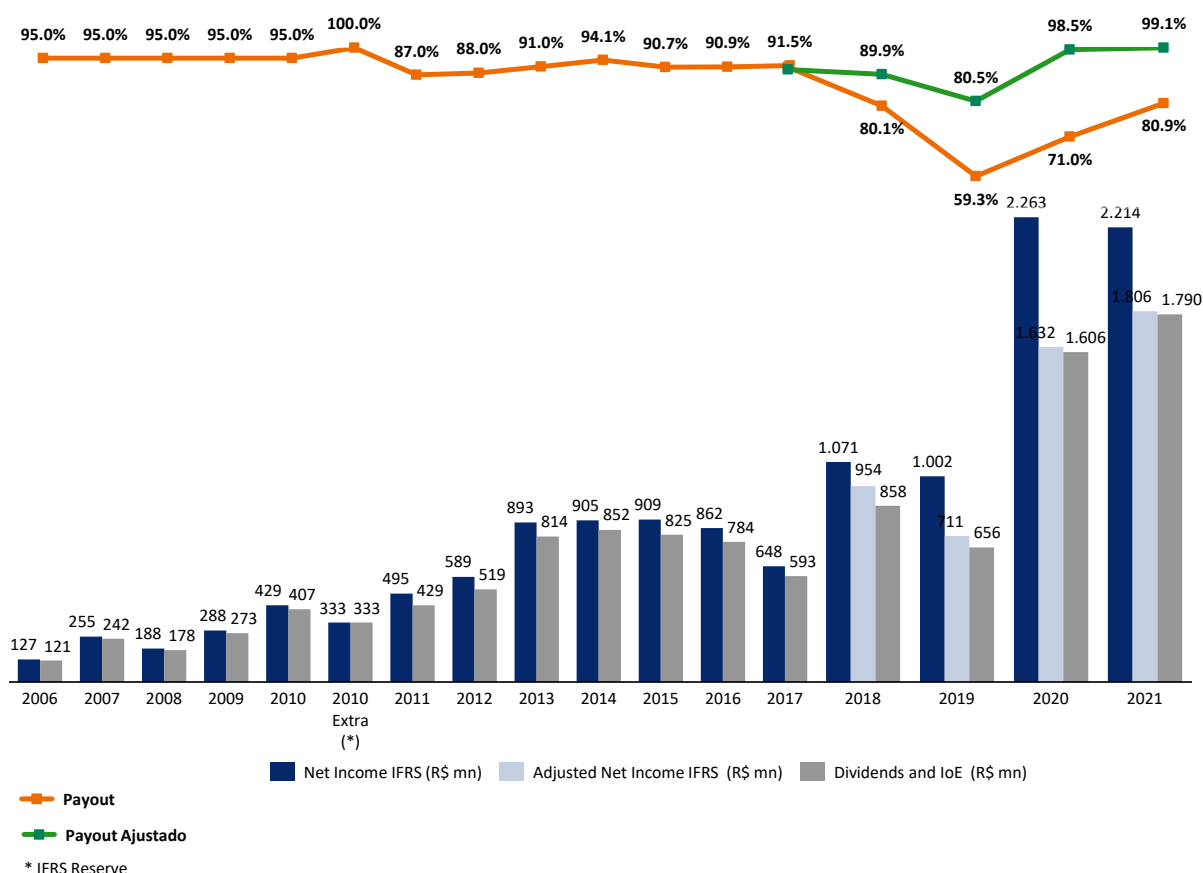
4.17. Dividends and Interest on Equity

On today's date, the Company's Board of Directors approved the proposal for the allocation of income for 2021, as follows: (i) R\$ 15.7 million for tax incentive reserve; (ii) R\$ 408.1 million for the special reserve related to the adoption of CPC 47; (iii) R\$ 989.6 million (R\$ 2.87 / Unit) prepaid throughout 2021, of which R\$ 722.6 million (R\$ 2.10 / Unit) were interim dividends and R\$ 267.0 million (R\$ 0.78 / Unit) were interest on equity; and (iv) R\$ 800.3 million (R\$ 2.32 / Unit) to be distributed, R\$ 147.0 million of which as the remaining mandatory minimum dividends and R\$ 653.3 million as additional dividends. The outstanding payments must occur by December 31, 2022.

TAESA will convene the Shareholders' Meeting to approve the results for the 2021 fiscal year and its allocation proposal. If approved at the meeting, the total dividends and interest on equity distributed for the 2021 fiscal year will amount to R\$ 1,789.9 million.

On December 29, 2021, TAESA paid a total of R\$ 523.0 million, segregated as follows: (i) R\$ 321.0 million (R\$ 0.93 / Unit) as interim dividends based on in the interim financial statements drawn up on September 30, 2021, and of (ii) R\$ 202.0 million (R\$ 0.59 / Unit) as interest on equity (JCP) based on the balance sheet of November 2021.

On May 27, 2021, TAESA paid a total of R\$ 1,028.5 million, segregated as follows: (i) R\$ 561.9 million (R\$ 1.63 / Unit) as additional dividends related to the allocation of net income for 2020 and R\$ 466.6 million bifurcated into R\$ 401.6 million (R\$ 1.17 / Unit) as interim dividends and R\$ 65.0 million (R\$ 0.19 / Unit) as interest on equity (JCP), both based on the interim financial statements as of March 31, 2021.



4.18. Indebtedness

On 4Q21, Taesa's Gross Debt totaled R\$ 6,615.5 million, 3.1% higher q.o.q. The Company's cash position totaled R\$ 394.8 million, a reduction of 59.6% this quarter, resulting in a net outstanding debt of R\$ 6,220.7 million, or 6.3% higher q.o.q.

R\$ mn					
Net Debt	4Q21	% Outst. Debt	3Q21	% Outst. Debt	Chg.%
Short Term	949.5	14.4%	934.4	13.7%	1.6%
Fixed Coupon	8.9	0.1%	8.9	0.1%	-0.3%
CDI	476.0	7.2%	492.6	7.2%	-3.4%
IPCA	464.6	7.0%	432.8	6.3%	7.4%
Long Term	5,666.0	85.6%	5,893.5	86.3%	-3.9%
Fixed Coupon	2.0	0.0%	4.2	0.1%	-52.6%
CDI	1,543.3	23.3%	1,538.2	22.5%	0.3%
IPCA	4,120.7	62.3%	4,351.2	63.7%	-5.3%
Total Debt	6,615.5	100.0%	6,827.9	100.0%	-3.1%
(-) Cash and cash equiv	(394.8)		(977.7)		-59.6%
(=) Net Debt	6,220.7		5,850.2		6.3%

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

In 4Q21, gross debt totaled R\$ 6,615.5 million while the cash position totaled R\$ 394.8 million, resulting in a net outstanding debt of R\$ 6,220.7 million. The 3.1% reduction in gross debt in the period is due to the amortization of principal of the 3rd series of the 3rd issuance of TAESA's debentures.

The 59.6% increase in Cash and Investments this quarter is primarily explained by the disbursement of R\$ 523.0 million referring to the payment of interim dividends and interest on equity at the end of 2021.

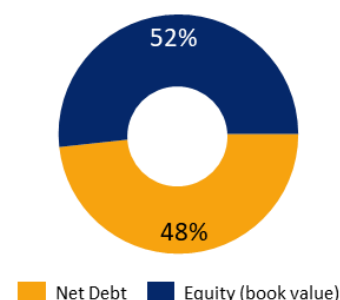
By proportionally consolidating the jointly-controlled and affiliated companies, the total gross debt totaled R\$ 8,637.6 million and the cash position totaled R\$ 612.2 million, considering the following amounts: (i) TBE's debt in the amount of R\$ 953.3 million and cash/investments of R\$ 71.4 million; (ii) ETAU's debt in the amount of R\$ 4.3 million and cash/investments of R\$ 4.9 million; (iii) Transmineiras' debt in the amount of R\$ 53.6 million and cash/investments of R\$ 4.7 million; and (iv) AIE's debt (Aimorés, Paraguaçu and Ivaí) of R\$ 1,010.8 million and cash/investments R\$ 136.4 million.

Considering the proportional net debt of jointly-controlled and affiliated companies, the net debt to EBITDA ratio was 4.2x in 4Q21, lower than 3Q21 (4.3x). Excluding the results of the jointly-controlled and affiliated companies, this ratio would be 4.1x in 4Q21 against 4.3x registered in 3Q21.

Debt by Company (R\$ mn)

Company	Gross Debt R\$ mn	Cash Balance R\$ mn	Net Debt R\$ mn
TAESA	6.615,5	394,8	6.220,7
ETAU (75.6%)	4,3	4,9	-0,6
TBE (49,99%)	953,3	71,4	881,9
Transmineiras (49%)	53,6	4,7	48,9
AIE (50%)	1.010,8	136,4	874,4
TOTAL	8.637,6	612,2	8.025,4

Capital Structure Taesa (Book Value)



Fourth Quarter and full year 2021 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	908,004	9,555	IPCA + 5.10%	Br.AAA	Oct - 2024	Annual	1
	4th Debentures	IPCA	318,774	4,086	IPCA + 4.41%	AAA.br	Sep - 2024	Annual	1
	5th Debentures	IPCA	629,861	17,313	IPCA + 5.9526%	-	Jul - 2025	Annual	1
	6th Debentures	CDI	440,879	9,078	108% CDI	AAA.br	May-2026	Bullet	1
	6th Debentures	IPCA	236,609	1,729	IPCA + 5.50%	AAA.br	May-2044	Monthly	12
	7th Debentures	IPCA	567,205	59,575	IPCA + 4.50%	AAA.br	Sep-2044	Semiannual	2
	8th Debentures	IPCA	348,896	815	IPCA + 4.77%	AAA.br	Dec-2044	Semiannual	2
	9th Debentures	CDI	449,581	10,132	CDI + 2.85%	-	Apr/2022	Bullet	1
	10th Debentures	CDI	640,190	7,788	CDI + 1.70%	-	May/2028	Bullet	1
	10th Debentures	IPCA	106,947	653	IPCA + 4.7605%	-	May/2036	Annual	1
	SWAP - CITIBANK*	CDI	353,998	0	106.0% CDI	-	May-2023	Bullet	1
	SWAP 1 st Serie of 6 th issuance (BR Partners)	CDI	108,861	0	3.995%.per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Santander)	IPCA	108,860	0	3.99%.per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Itaú)	IPCA	54,495	0	3.94%.per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Br Partners)	IPCA	54,395	0	3.91%.per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Santander)	IPCA	53,706	0	3.66%.per year	-	May-2026	Bullet	1
	SWAP 1 st Serie of 6th issuance (ABC)	IPCA	53,362	0	3.59%.per year	-	May-2026	Bullet	1
	FINAME	Fixed	53	0	5.50%	-	Jul - 2022	Monthly	12
	FINAME	Fixed	2,538	3	2.50%	-	Dec - 2022	Monthly	12
	FINAME	Fixed	5,711	8	3.00%	-	Aug - 2024	Monthly	12
	FINAME	Fixed	143	0	6.00%	-	Jun - 2023	Monthly	12
SGT	FINAME	Fixed	2,446	3	2.5%	-	Dec - 2022	Monthly	12
Janaúba	1st Debentures	IPCA	257,589	35,741	IPCA + 4.5% per year	-	Jul/2033	Quarterly	4
	2nd Debentures	IPCA	632,035	66,314	4.8295%.per year	-	Dec - 2044	Annual	1
Lagoa Nova	BNB Financing	IPCA	54,501	3,074	IPCA + 2.109% per year	-	May - 2038	Monthly	12
ETAU	BNDES - GIRO	TJLP	4,316	33	TLP + 2.78% + 1.5% + 1.5%	-	Oct - 2023	Monthly	12
EATE	6th Debentures	CDI	5,718	9	107.75% CDI	-	Sep - 2022	Monthly	12
	7th Debentures	CDI	13,876	22	113.53 % CDI	-	Jun - 2023	Monthly	12
	8th Debentures	CDI	134,745	4,213	108.60% CDI	-	Jul - 2024	Bullet	1
	9th Debentures	CDI	99,693	2,194	CDI + 1.9%	-	Apr/2026	4th e 5th year	2
EBTE	1st Debentures	CDI	24,532	38	113.83% CDI	-	Jun - 2023	Monthly	12
	2nd Debentures	CDI	37,098	817	CDI + 1.9%	-	Apr/2026	4th e 5th year	2
EDTE	2nd Debentures	IPCA	153,673	31,368	IPCA + 5.29%	-	Dec - 2028	Semiannual	2
ECTE	4th Debentures	CDI	4,440	7	107.75% CDI	-	Sep - 2022	Monthly	12
	5th Debentures	CDI	9,521	298	108.60% CDI	-	Jul - 2024	Semiannual	2
	CCB Santander	CDI	14,738	140	2.90% per year + CDI	-	Jul - 2025	Monthly	12
	6 ^a Debentures	CDI	9,508	210	CDI + 1.9%	-	Apr/2026	4th e 5th year	2
ENTE	4th Debentures	CDI	24,924	780	108.60% CDI	-	Jul - 2024	Bullet	1
	CCB Santander	CDI	50,736	482	2.90% per year + CDI	-	Jul - 2025	Monthly	12
ETEP	3rd Debentures	CDI	8,246	13	112% CDI	-	Jun - 2023	Monthly	12
	CBB Santander	CDI	45,657	434	TJLP + 2.08%	-	Apr - 2027	Monthly	12
	4 ^a Debentures	CDI	24,893	548	CDI + 1.9%	-	Apr/2026	4th e 5th year	2
ESTE	1st Debentures	IPCA	195,633	54,069	IPCA + 4.5% per year	-	Dec - 2044	Semiannual	2
TRANSLÉSTE	BDMG	Fixed	4,209	22	10% per year	-	Mar - 2025	Monthly	12
	BNB	Fixed	1,190	97	9.50%	-	Mar - 2025	Monthly	12
	2nd Debentures	CDI	5,826	9	107.75% CDI	-	Sep - 2022	Monthly	12
TRANSIRAPÉ	BDMG	Fixed	2,680	4	3.5%	-	Jan - 2024	Monthly	12
	BDMG	Fixed	1,781	77	3.5% + TJLP	-	Oct - 2029	Monthly	12
	2nd Debentures	CDI	3,936	6	107.75% CDI	-	Sep - 2022	Mensal	12
	3rd Debentures	CDI	26,895	593	CDI + 1.9%	-	Apr/2026	4th e 5th year	2
	BNDES	Fixed	1,269	75	6.0% + TJLP	-	Apr - 2026	Monthly	12
TRANSUDESTE	2nd Debentures	CDI	4,954	7	107.75% CDI	-	Sep - 2022	Monthly	12
IVAÍ	1st Debentures	IPCA	913,332	97,513	4.8892% a.a.	-	Dec- 2043	Semiannual	2
Total			8,217,654	419,946					

* 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 2021, the Company, its subsidiaries, jointly-invested companies, and affiliates invested a total of R\$ 975.9 million compared to R\$ 1,535.2 million invested in 2020, related to the projects under construction. The 36.4% y.o.y reduction is due to lower investments in some projects (Janaúba, Aimorés and Paraguaçu), mainly explained by their advanced construction stage, partially offset by higher investments in Sant'ana, Ivaí and ESTE.

Projects under Construction - proportional to TAESA's stake

R\$ '000	Implementation Cost (Capex)								
	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
Mariana	2,619	4,751	21,181	38,106	22,797	55,083	34,592	-	179,129
Miracema			1,197	41,695	115,009	110,664	-	-	268,565
Janaúba				10,190	30,741	116,074	655,111	162,130	974,246
Aimorés				3,923	3,638	65,877	82,034	15,751	171,223
Paraguaçu				5,750	4,611	110,848	108,966	40,506	270,681
Ivaí				8,662	12,740	46,190	379,137	348,458	795,187
ESTE				868	4,546	6,243	122,486	140,757	274,899
EDTE					14,635	175,155	1,837	-	191,626
Sant'Ana						32,172	151,021	268,325	451,518
Total	2,619	4,751	22,378	109,195	208,716	718,306	1,535,184	975,927	3,577,076

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

4.20. Projects under Construction

Currently, Taesa has six projects under construction with a total ANEEL Capex of R\$ 5,634 million and a RAP of R\$ 862.1 million (2021-2022 RAP cycle). Considering the Company's proportionate interest in these concessions, the ANEEL Capex is R\$ 3,997 million with a proportional RAP of R\$ 529.5 million.

Auction	Project	Extension / Location	Partnership	RAP (2021-22 cycle) R\$ mn	Capex ANEEL R\$ mn	Contract Signing	ANEEL's Deadline	Status
Auction 013/2013 (Dec-13)	Mariana (Lot A)	82 km / Minas Gerais	100% Taesa	17.8	107	May/14	May/17	Concluded on 05/25/2020
Auction 013/2015 (Apr-16)	Miracema (Lot P)	90 km / Tocantins	100% Taesa	74.5	276	Jun/16	Dec/19	Concluded on 11/29/2019
	EDTE (Lot M)	167 km / Bahia	25% Taesa 25% Apollo 12 50% ENTE	76.1	368	Dec/16	Dec/19	Concluded on 01/20/2020
Auction 013/2015 Part 2 (Oct-16)	ESTE (Lot 22)	236 km / Minas Gerais and Espírito Santo	50% Taesa 50% Alupar (100% EATE-TBE)	123.6	486	Feb/17	Feb/22	In progress
	Janaúba (Lot 17)	545 km / Bahia and Minas Gerais	100% Taesa	213.6	960	Feb/17	Feb/22	Concluded on 09/01/2021
	Aimorés (Lot 4)	208 km / Minas Gerais	50% Taesa 50% CTEEP	87.4	341	Feb/17	Feb/22	In progress
	Paraguaçu (Lot 3)	338 km / Bahia and Minas Gerais	50% Taesa 50% CTEEP	130.4	510	Feb/17	Feb/22	In progress
Auction 005/2016 (Apr-16)	Ivaí (Lot 1)	600 km / Paraná	50% Taesa 50% CTEEP	323.7	1937	Aug/17	Aug/22	In progress
Auction 004/2018 (Dec/18)	Sant'Ana (Lot 12)	591 km / Rio Grande do Sul	100% Taesa	67.1	610	Mar/19	Mar/23	In progress
Auction 002/2021 (Dec/21)	Ananai (Lot 1)	363 km / São Paulo and Paraná	100% Taesa	129.9	1,750	Mar/22	mar/27	In progress
TOTAL		3,221 km		R\$ 1,244 mn	R\$ 7,345mn			

Project Status

Janaúba

- Basic project proposal approved by ANEEL/ONS for the substations and transmission lines.
- The design implementation / topography activities were completed.
- Preliminary License (LP) issued in September 2018.
- Financing agreement signed with BNB in September 2018.
- Recognition of the right to SUDENE tax benefit in September 2018. The benefit will last 10 years, from the beginning of its operations.
- 1st issuance of debentures of Janaúba in January 2019.
- Installation Licence (LI) issued in July 2019.
- 2nd issuance of debentures of Janaúba in December 2019.
- Energization on September 1, 2021.
- Issuance of TLD (*Termo de Liberação Definitiva*) on September 10, 2021, with effective date as of September 1, 2021.
- Concession in operation.

ESTE

- Basic project proposal filed with ANEEL and already approved in ONS.
- Preliminary License (LP) issued in January 2019.
- Installation Licence (LI) issued in October 2019.
- 1st issuance of debentures of ESTE in December 2019.
- Issued the OSC (*Ordem de Serviço de Campo*) for the start of field work.
- Operating Licence issued on December 17, 2021.
- Construction progress: 98% accomplished as of December 31, 2021.

Aimorés


- Basic project proposal approved by ANEEL.
- Preliminary License (LP) issued in October 2018.
- Recognition of the right to SUDENE tax benefit in December 2018. The benefit will last 10 years, from the beginning of its operations.
- Installation Licence (LI) issued in April 2019.
- Construction progress: 96% accomplished as of December 31, 2021.

Paraguaçu

- Basic project proposal approved by ANEEL.
- Preliminary License (LP) issued in October 2018.
- Recognition of the right to SUDENE tax benefit in December 2018. The benefit will last 10 years, from the beginning of its operations.
- Installation Licence (LI) issued in May 2019.
- Construction progress: 95% accomplished as of December 31, 2021.

Ivaí

- Basic project proposal filed with ANEEL.
- EIA/RIMA registered with IAP.
- Preliminary License (LP) for the 230 kV installations issued in September 2018.
- Change in corporate name of Elétricas Reunidas do Brasil S.A. (ERB1) for Interligação Elétrica Ivaí S.A.



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- 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: 93% accomplished as of December 31, 2021.

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.
- Issuance of the last installation license in November 2020 referring to the LT 230kV CS Livramento 3 - Santa Maria 3 and for the expansion of existing associated substations.
- Construction progress: 83% accomplished as of December 31, 2021.

Ananaí

- Incorporation of the company Ananaí Transmissora de Energia Elétrica S.A. in December 2021 to build and operate Lot 1 of Auction 02/2021.

4.21. Environmental, Social and Governance (ESG) Initiatives

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

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


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

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

- UN Global Compact Signatory committed to the 2030 Agenda (SDG)
- 2020 Sustainability Report based on Global Reporting Initiative (GRI)
- Beginning of the materiality matrix elaboration process (GRI)
- Issuance of 5 green bonds
- Biodiversity Policy
- Great Place to Work Certification 2021-2022 – 1st place in the 2020 GPTW Energy - Generation, Distribution and Transmission Segment
- Social Responsibility Projects
- Commitment to reduce fossil fuel in the fleet
- Targets for reducing water and energy consumption
- Diversity and Inclusion Program
- Survey of the Greenhouse Gas (GHG) inventory, structured based on the GHG Protocol methodology
- Approval of Taesa's long-term strategic planning
- 100% Safety Program
- Intensification of protection, safety and health measures against the pandemic
- Financial discipline associated with adequate remuneration to shareholder
- Adherence to the Women's Empowerment Principles - United Nations Women
- Redesign of the Sustainability section of Taesa's Investor Relations website

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

- Creation of the Diversity Committee
- Creation of Diversity and Inclusion Policy



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- Creation of the Term of Commitment to Diversity and Inclusion
- Forums with the participation of executives as speakers
- Electricians training course for women
- Targets for hiring black people
- Lectures on diversity themes Preparatory course for the labor market for PCDs
- LGBTQIA+, Women's Empowerment, and Race and ethnicity chapters of the book on the diversity program

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

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

4.22. Initiatives to Mitigate COVID-19 Impacts

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

Protection of the employees' health

- Adoption of measures to protect Taesa's most important asset, its people, and ensure the continuity of the operations;
- Continuous and updated internal communication to all employees with respect to the new coronavirus;
- Gradual return to activities in a hybrid model, between in-company and home office, and keeping all the necessary safety and health protocols
- Monitoring of the employees, with support in the treatment of suspected or positive cases identified by COVID-19;
- Several channels to take care of the physical and emotional health of Taesa's employees and families;
- Vaccination against the flu for all employees;
- Reinforcement of communication on the importance of complying with protection and safety measures (Campaign "I take care of you and you take care of me").
- Encouraging full immunization: 73% of the staff currently immunized and seeking 100%; 99.59% of employees with two doses, or one dose of Janssen, and reinstating the importance of a booster shot.
- Reinforcement of information about preventive care that should continue after vaccination;

Continuity of the operations and projects under construction

- Creation of the Overcoming Committee and Suppliers' Management Committee;
- Maintenance of the O&M activities in order to guarantee the safety of people and the electric system;
- Maintenance of high availability rates (99.86% in 2021);
- Projects under construction are in progress;
- The Company is working towards complying with the delivery schedule of the projects;
- Maintenance of investments in projects under construction – R\$ 2.45 billion invested in 2020 and 2021.

Protection of the Company's financial health

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

5. FINANCIAL STATEMENTS

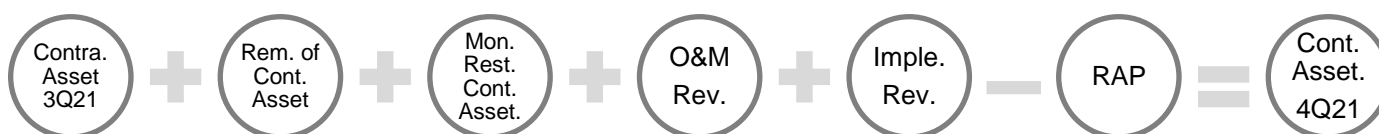
5.1. Revenues under IFRS by Concession

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

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

	R\$ mn				4Q21
Concession	Remuneration of Contractual Asset	Monetary Restatement of Contractual Asset	Implementation of Infrastructure Revenues	O&M	PV (Variable Portion)
NOVATRANS	57.2	0.4	0.6	45.8	2.4
TSN	20.3	64.2	0.6	86.6	(2.7)
MUNIRAH	1.0	(5.8)	0.3	5.7	(0.0)
GTESA	0.8	0.0	-	0.8	(0.0)
PATESA	2.5	(0.6)	-	1.9	(0.0)
ETEO	11.3	0.1	-	17.3	7.3
NTE	14.2	0.9	0.1	14.1	(0.4)
STE	8.6	3.1	0.0	5.6	(0.0)
ATE	11.6	(79.2)	0.0	10.8	(0.2)
ATE II	18.3	0.2	0.0	24.2	0.1
ATE III	10.6	73.5	0.0	10.3	(0.2)
ETAU	2.1	0.6	-	3.5	(0.1)
BRASNORTE	6.2	6.9	-	0.8	(0.0)
SÃO GOTARDO	0.9	2.2	-	0.3	(0.1)
SÃO JOÃO	9.4	19.4	-	2.0	(0.4)
SÃO PEDRO	8.4	16.0	14.7	1.6	(0.1)
LAGOA NOVA	2.9	4.2	-	0.5	-
MARIANA	3.1	6.7	-	0.6	(0.6)
MIRACEMA	13.6	19.2	-	4.0	(0.0)
JANAÚBA	33.6	102.3	(0.6)	7.4	(0.0)
SANT'ANA	-	-	71.9	-	-
AIMORÉS	-	-	10.8	-	-
PARAGUAÇÚ	-	-	19.2	-	-
IVAÍ	-	-	197.3	-	-
EATE	17.3	0.2	0.3	7.8	(0.1)
EBTE	4.2	12.0	0.4	2.5	(0.8)
ECTE	1.3	0.0	0.1	0.6	(0.0)
EDTE	8.4	12.4	0.1	1.3	-
ENTE	9.3	0.1	0.3	3.9	0.1
ERTE	1.7	0.0	0.1	1.4	(0.0)
ESDE	1.1	2.1	0.0	0.4	(0.0)
ESTE	-	-	89.2	-	-
ETEP	3.5	0.0	0.2	2.4	(4.3)
ETSE	0.7	1.6	0.0	0.2	-
LUMITRANS	0.9	0.0	0.1	0.5	0.0
STC	0.9	2.0	0.1	0.8	(0.0)
TRANSIRAPE	1.7	0.0	0.3	0.8	(0.0)
TRANSLESTE	2.5	0.0	0.1	0.6	(0.0)
TRANSUDESTE	1.4	0.0	0.1	0.5	(0.0)
Total	291.4	264.9	406.2	267.8	(0.1)

5.2. Movement of Contractual Assets (IFRS)



Concession	Project Rate	Contractual Asset 3Q21	Remuneration of Contractual Asset	Contractual Asset - Monetary Restatement	Implementation of Infrastructure Revenues	O&M	RAP	Contractual Asset 4Q21
NOVATRANS	10%	1,655.5	57.2	0.4	0.6	45.8	(120.8)	1,638.6
TSN	11%	765.3	20.3	64.2	0.6	86.6	(114.3)	822.8
MUNIRAH	12%	64.3	1.0	(5.8)	0.3	5.7	(7.5)	58.0
GTESA	11%	31.2	0.8	0.0	-	0.8	(2.0)	30.9
PATESA	8%	133.7	2.5	(0.6)	-	1.9	(6.0)	131.6
ETEO	10%	456.5	11.3	0.1	-	17.3	(36.1)	449.1
NTE	15%	405.6	14.2	0.9	0.1	14.1	(31.5)	403.4
STE	10%	340.1	8.6	3.1	0.0	5.6	(17.4)	340.1
ATE	10%	713.7	11.6	(79.2)	0.0	10.8	(30.5)	626.4
ATE II	9%	901.2	18.3	0.2	0.0	24.2	(68.4)	875.5
ATE III ¹³	7%	463.7	10.6	73.5	0.0	10.3	(38.2)	519.9
ETAU ³	18%	166.9	2.1	0.6	-	3.5	(7.9)	165.2
BRASNORTE ³	6%	228.0	6.2	6.9	-	0.8	(7.8)	234.1
SÃO GOTARDO ¹	5%	68.6	0.9	2.2	-	0.3	(1.5)	70.4
SÃO JOÃO ¹³	6%	625.7	9.4	19.4	-	2.0	(14.0)	642.6
SÃO PEDRO ¹³	6%	565.4	8.4	16.0	14.7	1.6	(11.9)	594.3
LAGOA NOVA ¹³	9%	130.7	2.9	4.2	-	0.5	(3.6)	134.7
MARIANA ¹²³	6%	214.0	3.1	6.7	-	0.6	(4.6)	219.8
MIRACEMA ¹²³	9%	602.2	13.6	19.2	-	4.0	(18.8)	620.3
JANAÚBA ¹²³	10%	2,124.8	33.6	102.3	(0.6)	7.4	(78.5)	2,189.0
SANT'ANA ¹²³	9%	447.0	-	-	71.9	-	-	518.9
AIMORÉS ¹²³⁴	8%	372.9	-	-	10.8	-	-	383.7
PARAGUAÇU ¹²³⁴	8%	580.9	-	-	19.2	-	-	600.1
IVAÍ ¹²³⁴	8%	1,329.8	-	-	197.3	-	-	1,527.2
EATE ³	7%	1,110.4	17.3	0.2	0.3	7.8	(44.7)	1,091.3
EBTE ¹	4%	406.2	4.2	12.0	0.4	2.5	(10.2)	415.1
ECTE	6%	92.4	1.3	0.0	0.1	0.6	(3.7)	90.7
EDTE ¹²³	9%	387.8	8.4	12.4	0.1	1.3	(10.5)	399.4
ENTE	6%	661.0	9.3	0.1	0.3	3.9	(23.0)	651.5
ERTE	5%	139.3	1.7	0.0	0.1	1.4	(5.2)	137.3
ESDE ¹	7%	68.2	1.1	2.1	0.0	0.4	(1.9)	70.0
ESTE ¹²³	8%	501.5	-	-	89.2	-	-	590.7
ETEP	6%	236.1	3.5	0.0	0.2	2.4	(10.0)	232.2
ETSE ¹	6%	52.2	0.7	1.6	0.0	0.2	(1.2)	53.5
LUMITRANS	5%	76.4	0.9	0.0	0.1	0.5	(4.4)	73.5
STC ¹	5%	75.5	0.9	2.0	0.1	0.8	(3.9)	75.3
TRANSIRAPE	8%	108.0	1.7	0.0	0.3	0.8	(4.9)	106.0
TRANSLESTE	10%	104.5	2.5	0.0	0.1	0.6	(4.1)	103.6
TRANSUDESTE	8%	76.2	1.4	0.0	0.1	0.5	(4.2)	74.0
Total		17,483.7	291.4	264.9	406.2	267.8	(753.1)	17,960.8

¹ The RAPs must be grossed up of PIS/COFINS

² under construction

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

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

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5.3. 4Q21 Income Statement

Income Statement

	R\$ mn	IFRS			Regulatory		
		4Q21	4Q20*	Chg. %	4Q21	4Q20	Chg. %
GROSS OPERATING REVENUES			-				
Service revenues	-	-	-	-	599,529	439,443	36.4%
Operation and Maintenance	240,521	175,025	37.4%	-	-	-	-
Remuneration of contractual assets	234,504	180,939	29.6%	-	-	-	-
Monetary restatement of contractual assets	233,668	489,373	-52.3%	-	-	-	-
Implementation of Infrastructure Revenues	87,681	415,413	-78.9%	-	-	-	-
Other Revenues	(13,441)	5,767	-	293	(8,668)	-	-
Variable Portion	5,135	(7,683)	-	5,135	(7,683)	-	-
TOTAL GROSS REVENUES	788,069	1,258,835	-37.4%	604,957	423,093	43.0%	
PIS/Cofins	(51,634)	(74,025)	-30.2%	(34,620)	(24,180)	43.2%	
Service Tax	(207)	(147)	41.0%	(207)	(147)	41.0%	
ICMS	(37)	(8)	389.9%	(37)	(8)	389.9%	
RGR, P&D, TFSEE, CDE and PROINFA	(19,233)	(15,813)	21.6%	(19,233)	(15,813)	21.6%	
Other Deductions	-	-	-	-	-	-	-
Gross Revenue deductions	(71,111)	(89,992)	-21.0%	(54,096)	(40,147)	34.7%	
NET REVENUES	716,958	1,168,842	-38.7%	550,860	382,946	43.8%	
Personnel	(48,700)	(43,703)	11.4%	(48,700)	(43,703)	11.4%	
Material	(80,537)	(256,851)	-68.6%	(1,541)	(1,730)	-10.9%	
Third party services	(28,704)	(22,495)	27.6%	(28,704)	(22,495)	27.6%	
Other operating expenses	(10,560)	(10,964)	-3.7%	(24,941)	(28,109)	-11.3%	
Costs and Expenses	(168,502)	(334,014)	-49.6%	(103,888)	(96,038)	8.2%	
Depreciation and amortization	(6,140)	(3,178)	93.2%	(68,794)	(62,623)	9.9%	
Costs, Expenses and D&A	(174,642)	(337,191)	-48.2%	(172,681)	(158,660)	8.8%	
Gains (losses) on company acquisitions	-	-	-	-	-	-	-
GROSS PROFIT	542,316	831,651	-34.8%	378,179	224,285	68.6%	
Equity method	147,633	282,108	-47.7%	25,958	31,958	-18.8%	
Revenues from financial investments	14,040	5,850	140.0%	14,040	5,850	140.0%	
Financial Expenses	(237,556)	(198,770)	19.5%	(237,031)	(198,212)	19.6%	
Borrowings and financing	(40,530)	29,520	-	(40,530)	29,520	-	
- Interests Incurred	(3,340)	(8,351)	-60.0%	(3,340)	(8,351)	-60.0%	
- Monetary Variation	-	-	-	-	-	-	
- Exchange variation	(34,970)	44,968	-	(34,970)	44,968	-	
- Fair value adjustment	(2,220)	(7,096)	-68.7%	(2,220)	(7,096)	-68.7%	
Financial instrument	20,892	(54,049)	-	20,892	(54,049)	-	
- Interests Incurred	(16,298)	(16,178)	0.7%	(16,298)	(16,178)	0.7%	
- Exchange Variation	34,970	(44,968)	-	34,970	(44,968)	-	
- Monetary Variation	-	-	-	-	-	-	
- Fair value adjustment	2,220	7,096	-68.7%	2,220	7,096	-68.7%	
Debentures	(218,586)	(172,110)	27.0%	(218,586)	(172,110)	27.0%	
- Interests incurred	(105,042)	(65,180)	61.2%	(105,042)	(65,180)	61.2%	
- Monetary Variation	(113,544)	(106,930)	6.2%	(113,544)	(106,930)	6.2%	
- Mark to market	-	-	-	-	-	-	
Leasing	(525)	(558)	-6.0%	-	-	-	
Other financial expenses	1,192	(1,573)	-	1,192	(1,573)	-	
Financial Revenues (Expenses)	(223,515)	(192,920)	15.9%	(222,991)	(192,362)	15.9%	
NET INCOME BEFORE INCOME TAXES	466,434	920,840	-49.3%	181,146	63,882	183.6%	
Income taxes and social contribution	(43,356)	(170,752)	-74.6%	(75,676)	14,670	-	
NET INCOME	423,077	750,088	-43.6%	105,470	78,553	34.3%	
EBITDA	548,457	834,829	-34.3%	446,973	286,908	55.8%	
EBITDA Margin	76.5%	71.4%	5.1 pp	81.1%	74.9%	6.2 pp	

* As a result of the impact of OFFICIAL-NOTICE/CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS), the 4Q20 earnings results were adjusted in light of the reclassifications of the applicable amounts on March 31, June 20 and September 30, 2020.

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5.4. 2021 Income Statement

Income Statement

R\$ mn	IFRS			Regulatory		
	2021	2020	Chg. %	2021	2020	Chg. %
GROSS OPERATING REVENUES						
Service revenues	-	-	-	2,039,028	1,727,646	18.0%
Operation and Maintenance	826,013	676,162	22.2%	-	-	-
Remuneration of contractual assets	807,358	657,818	22.7%	-	-	-
Monetary restatement of contractual assets	1,216,276	1,007,626	20.7%	-	-	-
Implementation of Infrastructure Revenues	915,031	1,523,739	-39.9%	-	-	-
Other Revenues	23,967	32,402	-26.0%	1,395	(16,506)	-
Variable Portion	(20,792)	(23,136)	-10.1%	(20,792)	(23,136)	-10.1%
TOTAL GROSS REVENUES	3,767,853	3,874,612	-2.8%	2,019,631	1,688,004	19.6%
PIS/Cofins	(225,269)	(245,517)	-8.2%	(111,957)	(95,402)	17.4%
Service Tax	(638)	(507)	25.7%	(638)	(507)	25.7%
ICMS	(129)	(93)	38.9%	(129)	(93)	38.9%
RGR, P&D, TFSEE, CDE and PROINFA	(69,767)	(67,208)	3.8%	(69,767)	(67,208)	3.8%
Other Deductions	-	-	-	-	-	-
Gross Revenue deductions	(295,803)	(313,325)	-5.6%	(182,491)	(163,210)	11.8%
NET REVENUES	3,472,050	3,561,287	-2.5%	1,837,140	1,524,794	20.5%
Personnel	(183,009)	(166,616)	9.8%	(183,009)	(166,616)	9.8%
Material	(501,811)	(922,080)	-45.6%	(5,598)	(3,818)	46.6%
Third party services	(85,401)	(72,864)	17.2%	(85,401)	(72,864)	17.2%
Other operating expenses	(25,357)	(23,685)	7.1%	(47,381)	(47,497)	-0.2%
Costs and Expenses	(795,579)	(1,185,244)	-32.9%	(321,389)	(290,794)	10.5%
Depreciation and amortization	(22,653)	(15,279)	48.3%	(260,435)	(242,135)	7.6%
Costs, Expenses and D&A	(818,231)	(1,200,523)	-31.8%	(581,824)	(532,929)	9.2%
Gains (losses) on company acquisitions	-	-	-	-	-	-
GROSS PROFIT	2,653,819	2,360,763	12.4%	1,255,316	991,866	26.6%
Equity method	781,436	833,942	-6.3%	130,239	162,280	-19.7%
Revenues from financial investments	34,283	38,813	-11.7%	34,283	38,813	-11.7%
Financial Expenses	(844,392)	(514,338)	64.2%	(841,760)	(511,640)	64.5%
Borrowings and financing	(74,230)	(141,054)	-47.4%	(74,230)	(141,054)	-47.4%
- Interests Incurred	(21,100)	(28,080)	-24.9%	(21,100)	(28,080)	-24.9%
- Monetary Variation	-	-	0.0%	-	-	0.0%
- Exchange variation	(44,080)	(114,958)	-61.7%	(44,080)	(114,958)	-61.7%
- Fair value adjustment	(9,049)	1,984	-	(9,049)	1,984	-
Financial instrument	(5,078)	87,418	-	(5,078)	87,418	-
- Interests Incurred	(58,207)	(25,556)	127.8%	(58,207)	(25,556)	127.8%
- Exchange Variation	44,080	114,958	-61.7%	44,080	114,958	-61.7%
- Monetary Variation	-	-	-	-	-	-
- Fair value adjustment	9,049	(1,984)	-	9,049	(1,984)	-
Debentures	(750,852)	(445,834)	68.4%	(750,852)	(445,834)	68.4%
- Interests incurred	(340,824)	(270,217)	26.1%	(340,824)	(270,217)	26.1%
- Monetary Variation	(410,027)	(175,616)	133.5%	(410,027)	(175,616)	133.5%
- Mark to Market	-	-	-	-	-	-
Leasing	(2,633)	(2,697)	-2.4%	-	-	-
Other financial expenses	(11,601)	(12,170)	-4.7%	(11,601)	(12,170)	-4.7%
Financial Revenues (Expenses)	(810,110)	(475,524)	70.4%	(807,477)	(472,827)	70.8%
NET INCOME BEFORE INCOME TAXES	2,625,145	2,719,182	-3.5%	578,077	681,318	-15.2%
Income taxes and social contribution	(411,431)	(456,255)	-9.8%	(60,843)	(40,391)	50.6%
NET INCOME	2,213,714	2,262,927	-2.2%	517,234	640,927	-19.3%
EBITDA	2,676,472	2,376,043	12.6%	1,515,751	1,234,000	22.8%
EBITDA Margin	77.1%	66.7%	10.4 pp	82.5%	80.9%	1.6 pp

* As a result of the impact of OFFICIAL-NOTICE/CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS), the 4Q20 earnings results were adjusted in light of the reclassifications of the applicable amounts on March 31, June 20 and September 30, 2020.

5.5. 4Q21 IFRS Income Statement (Subsidiaries)

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

IFRS Income Statement

R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES						
Service revenues	-	-	-	-	-	-
Operation and Maintenance	3,490	21,897	-	-	-	1,864
Remuneration of the Contractual Asset	2,095	49,148	-	-	-	5,655
Monetary adjustment of the Contractual Asset	603	30,542	-	-	-	53
Implementation of Infrastructure Revenues	-	90,739	10,830	19,157	197,348	470
Other Revenues	1,853	1,793	-	-	-	1,931
Variable Portion	(50)	(5,098)	-	-	-	(61)
TOTAL GROSS REVENUES	7,991	189,021	10,830	19,157	197,348	9,912
PIS/Cofins	(780)	(14,160)	(1,002)	(1,772)	(18,255)	(352)
RGR, P&D, TFSEE, CDE and PROINFA	(329)	(4,241)	-	-	-	(591)
Gross Revenue deductions	(1,108)	(18,401)	(1,002)	(1,772)	(18,255)	(942)
NET REVENUES	6,883	170,620	9,829	17,385	179,093	8,969
COSTS AND OPERATING EXPENSES						
Personnel	(244)	(5,632)	(171)	(256)	(285)	(332)
Material	(244)	(30,355)	(6,628)	(22,199)	(50,482)	(539)
Third party services	(1,713)	(4,774)	(88)	(96)	(275)	(2,418)
Other operating expenses	13	(2,280)	(8)	(9)	(8)	(21)
Costs and Expenses	(2,188)	(43,041)	(6,896)	(22,561)	(51,050)	(3,310)
Depreciation and amortization	(27)	(878)	(16)	(20)	(13)	(3)
Costs, Expenses and D&A	(2,215)	(43,920)	(6,912)	(22,581)	(51,063)	(3,313)
GROSS PROFIT	4,668	126,700	2,917	(5,196)	128,030	5,657
Equity method	-	440	-	-	-	-
Revenues from financial investments	193	1,094	255	261	2,437	88
Financial Expenses	(246)	(20,797)	(1)	(5)	(44,395)	(1,128)
Net Financial Revenues (Expenses)	(53)	(19,703)	254	256	(41,958)	(1,040)
NET INCOME BEFORE INCOME TAXES	4,615	107,437	3,170	(4,940)	86,072	4,617
Income taxes and social contribution	(1,926)	(22,267)	(1,118)	1,647	(29,260)	(413)
NET INCOME	2,690	85,170	2,052	(3,293)	56,811	4,203
EBITDA	4,695	127,579	2,933	(5,176)	128,044	5,659
EBITDA Margin	68.2%	74.8%	29.8%	-29.8%	71.5%	63.1%

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5.6. 2021 IFRS Income Statement (Subsidiaries)

IFRS Income Statement

	R\$ mn	ETAU	TBE	Aímorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES							
Service revenues	-	-	-	-	-	-	-
Operation and Maintenance	12,574	77,748	-	-	-	-	6,448
Remuneration of the Contractual Asset	6,146	176,178	-	-	-	-	22,031
Monetary adjustment of the Contractual Asset	12,563	430,884	-	-	-	-	40,467
Implementation of Infrastructure Revenues	-	334,766	48,931	86,031	752,608	4,532	
Other Revenues	4,328	7,719	-	-	-	-	6,895
Variable Portion	(1)	(6,591)	-	-	-	-	(236)
TOTAL GROSS REVENUES	35,610	1,020,703	48,931	86,031	752,608	80,138	
PIS/Cofins	(3,457)	(64,289)	(4,526)	(7,958)	(69,616)	(2,885)	
RGR, P&D, TFSEE, CDE and PROINFA	(1,067)	(15,478)	-	-	-	(2,221)	
Gross Revenue deductions	(4,524)	(79,766)	(4,526)	(7,958)	(69,616)	(5,107)	
NET REVENUES	31,085	940,937	44,405	78,073	682,992	75,031	
COSTS AND OPERATING EXPENSES							
Personnel	(532)	(21,579)	(407)	(634)	(572)	(1,111)	
Material	82	(143,309)	(15,751)	(40,506)	(348,458)	(3,927)	
Third party services	(3,420)	(14,548)	(462)	(486)	(783)	(4,773)	
Other operating expenses	(93)	(6,254)	(36)	(45)	(32)	(176)	
Costs and Expenses	(3,963)	(185,690)	(16,656)	(41,670)	(349,846)	(9,986)	
Depreciation and amortization	(27)	(955)	(57)	(74)	(52)	(14)	
Costs, Expenses and D&A	(3,990)	(186,645)	(16,713)	(41,745)	(349,898)	(10,000)	
GROSS PROFIT	27,095	754,292	27,692	36,328	333,095	65,031	
Equity method	-	5,034	-	-	-	-	
Revenues from financial investments	127	3,242	489	472	10,444	617	
Financial Expenses	(774)	(64,388)	(8)	(18)	(147,279)	(4,368)	
Financial Revenues (Expenses)	(647)	(61,146)	481	453	(136,835)	(3,751)	
NET INCOME BEFORE INCOME TAXES	26,449	698,180	28,173	36,782	196,259	61,281	
Income taxes and social contribution	(1,442)	(176,443)	(9,529)	(12,443)	(62,050)	(2,979)	
NET INCOME	25,006	521,737	18,644	24,339	134,209	58,302	
EBITDA	27,122	755,247	27,749	36,402	333,147	65,045	
EBITDA Margin	87.3%	80.3%	62.5%	46.6%	48.8%	86.7%	

Fourth Quarter and full year 2021 Earnings Release

5.7. 4Q21 Regulatory Income Statement (Subsidiaries)

Regulatory Income Statement

R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES						
Service revenues	9,710	120,463	-	-	-	15,116
Other Revenues	-	9	-	-	-	-
Variable Portion	(50)	(5,098)	-	-	-	(61)
TOTAL GROSS REVENUES	9,660	115,374	-	-	-	15,055
PIS/Cofins	(447)	(5,657)	-	-	-	(550)
RGR, P&D, TFSEE, CDE and PROINFA	(329)	(4,401)	-	-	-	(591)
Gross Revenue deductions	(776)	(10,058)	-	-	-	(1,140)
NET REVENUES	8,884	105,316	-	-	-	13,915
COSTS AND OPERATING EXPENSES						
Personnel	(244)	(5,632)	(171)	(256)	(285)	(332)
Material	(5)	-	-	-	-	-
Third party services	(1,713)	(4,774)	(88)	(96)	(275)	(2,418)
Other operating expenses	(15)	(2,280)	(15)	(16)	(15)	(21)
Costs and Expenses	(1,977)	(12,686)	(275)	(369)	(575)	(2,771)
Depreciation and amortization	(881)	(11,562)	(9)	(13)	(6)	(1,289)
Costs, Expenses and D&A	(2,857)	(24,248)	(283)	(382)	(581)	(4,060)
GROSS PROFIT	6,027	81,068	(283)	(382)	(581)	9,855
Equity method						
Revenues from financial investments	193	1,094	255	261	2,437	88
Financial Expenses	(245)	(20,797)	(1)	(5)	(44,395)	(1,128)
Net Financial Revenues (Expenses)	(52)	(19,703)	254	256	(41,958)	(1,040)
NET INCOME BEFORE INCOME TAXES	5,975	62,215	(29)	(126)	(42,540)	8,815
Income taxes and social contribution	(2,244)	(6,842)	10	43	14,463	(485)
NET INCOME	3,731	55,372	(19)	(83)	(28,076)	8,330
EBITDA	6,907	92,630	(275)	(369)	(575)	11,144
EBITDA Margin	77.8%	88.0%	-	-	-	80.1%

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

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5.8. 2021 Regulatory Income Statement (Subsidiaries)

Regulatory Income Statement

	R\$ mn	ETAU	TBE	Aímorés	Paraguaçu	Ivaí	Transmineiras
GROSS OPERATING REVENUES							
Service revenues		34,276	429,062	-	-	-	56,840
Other Revenues		-	9	-	-	-	-
Variable Portion		(51)	(6,591)	-	-	-	(236)
TOTAL GROSS REVENUES		34,225	422,480	-	-	-	56,605
PIS/Cofins		(1,574)	(20,359)	-	-	-	(2,066)
RGR, P&D, TFSEE, CDE and PROINFA		(1,396)	(15,478)	-	-	-	(2,221)
Gross Revenue deductions		(2,969)	(35,837)	-	-	-	(4,287)
NET REVENUES		31,256	386,643	-	-	-	52,317
COSTS AND OPERATING EXPENSES							
Personnel		(776)	(21,579)	(407)	(634)	(572)	(1,111)
Material		(30)	-	-	-	-	-
Third party services		(5,133)	(14,548)	(462)	(486)	(783)	(4,773)
Other operating expenses		(126)	(6,254)	(65)	(74)	(62)	(176)
Costs and Expenses		(6,066)	(42,381)	(934)	(1,194)	(1,416)	(6,059)
Depreciation and amortization		(3,519)	(45,582)	(30)	(47)	(25)	(5,154)
Costs, Expenses and D&A		(9,585)	(87,963)	(964)	(1,241)	(1,441)	(11,213)
GROSS PROFIT		21,671	298,680	(964)	(1,241)	(1,441)	41,104
Equity method		-	3,615	-	-	-	-
Revenues from financial investments		321	3,242	489	472	10,444	617
Financial Expenses		(1,018)	(64,388)	(4)	(15)	(147,276)	(4,368)
Net Financial Revenues (Expenses)		(697)	(61,146)	485	457	(136,832)	(3,751)
NET INCOME BEFORE INCOME TAXES		20,974	241,149	(479)	(784)	(138,273)	37,354
Income taxes and social contribution		(342)	(25,131)	244	353	51,678	(1,918)
NET INCOME		20,632	216,018	(235)	(431)	(86,595)	35,436
EBITDA		25,190	344,262	(934)	(1,194)	(1,416)	46,258
EBITDA Margin		80.6%	89.0%	-	-	-	88.4%

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	4Q21	4Q20*	Chg.%	2021	2020	Chg.%
Net Income		423.1	750.1	-43.6%	2,213.7	2,262.9	-2.2%
Income taxes and social contribution		43.4	170.8	-74.6%	411.4	456.3	-9.8%
Net Financial Expenses		223.5	192.9	15.9%	810.1	475.5	70.4%
Depreciation and amortization		6.1	3.2	93.2%	22.7	15.3	48.3%
Equity method		(147.6)	(282.1)	-47.7%	(781.4)	(833.9)	-6.3%
EBITDA		548.5	834.8	-34.3%	2,676.5	2,376.0	12.6%
EBITDA Margin		76.5%	71.4%	5.1 pp	77.1%	66.7%	10.4 pp

* As a result of the impact of OFFICIAL-NOTICE/CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS), the 4Q20 earnings results were adjusted in light of the reclassifications of the applicable amounts on March 31, June 20 and September 30, 2020.

EBITDA Reconciliation Regulatory

R\$ mn	4Q21	4Q20	Chg.%	2021	2020	Chg.%
Net Income	105.5	78.6	34.3%	517.2	640.9	-19.3%
Income taxes and social contribution	75.7	(14.7)	-615.8%	60.8	40.4	50.6%
Net Financial Expenses	223.0	192.4	15.9%	807.5	472.8	70.8%
Depreciation and amortization	68.8	62.6	9.9%	260.4	242.1	7.6%
Equity method	(26.0)	(32.0)	-18.8%	(130.2)	(162.3)	-19.7%
EBITDA	447.0	286.9	55.8%	1,515.8	1,234.0	22.8%
EBITDA Margin	81.1%	74.9%	6.2 pp	82.5%	80.9%	1.6 pp

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5.10. Balance Sheet

Balance Sheet

	4Q21		
	R\$ '000	IFRS	Adjustment Regulatory
Assets			
Cash and cash equivalent	384,824	-	384,824
Financial Investments	-	-	-
Receivables	212,069	-	212,069
Contractual Asset	1,320,728	1,320,728	-
Recoverable taxes	160,897	-	160,897
Bonds and related deposits	11	-	11
Derivative financial instruments	-	-	-
Dividends and interest on equity to receive	208	-	208
Stocks	15,308	-	15,308
Other Current Assets	41,138	-	41,138
Total Current Assets	2,135,183	1,320,728	814,455
Financial Investments	9,948	-	9,948
Financial Asset	9,799,690	9,799,690	-
Deferred income tax	-	-	-
Deferred income tax and social contribution	-	(57,308)	57,308
Income tax and social contribution	-	-	-
Investment	3,436,678	1,896,988	1,539,690
Receivables	21,332	-	21,332
Escrow deposits	64,771	-	64,771
Financial instruments derivatives	207,267	-	207,267
Other receivables	35,616	-	35,616
Fixed Assets	73,892	(6,402,981)	6,476,873
Intangible Assets	98,801	(166,176)	264,977
Right of use	12,457	12,457	-
Total Non Current Assets	13,760,452	5,082,670	8,677,782
Total Assets	15,895,635	6,403,398	9,492,237
Liabilities	-	-	-
Trade accounts payable	131,622	-	131,622
Taxes	58,894	-	58,894
Borrowings and financing	15,672	-	15,672
Debentures	933,841	-	933,841
Leasing liability	8,533	8,533	-
Financial instruments derivatives	-	-	-
Dividends to pay	147,048	-	147,048
Regulatory fees	51,679	-	51,679
Other payables	69,841	-	69,841
Total Current Liabilities	1,417,130	8,533	1,408,597
Borrowings and financing	614,073	-	614,073
Debentures	5,225,510	-	5,225,510
Leasing liability	7,257	7,257	-
Financial instruments derivatives	33,679	-	33,679
Deferred taxes and social contributions	1,172,751	1,006,024	166,727
Deferred Taxes	638,209	638,209	-
Provisions for contingencies	49,126	2,594	46,532
Provision for asset demobilization	457	457	-
Special obligations	-	(10,954)	10,954
Suppliers	16,506	-	16,506
Other payables	36,181	-	36,181
Total Non Current Liabilities	7,793,749	1,643,587	6,150,162
Shareholder's Equity			
Paid-in capital	3,042,035	-	3,042,035
Capital Reserve	598,736	4,229	594,507
Earnings reserve	2,368,240	-	2,368,240
Proposed additional dividends	653,282	-	653,282
Equity valuation adjustment	22,463	-	22,463
AFAC Reserve	-	-	-
Interim dividends and interest on equity	-	-	-
Accumulated profit (losses)	-	4,747,049	(4,747,049)
Current results	-	-	-
Attributing interest of controlling shareholders	6,684,756	4,751,278	1,933,478
Participation of non-controlling shareholders	-	-	-
Total Shareholder's Equity	6,684,756	4,751,278	1,933,478
Total Liabilities and Shareholder's Equity	15,895,635	6,403,398	9,492,237

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5.11. IFRS Cash Flow

Cash Flow	
	R\$ mn R\$ thousand
2021 IFRS	
Cash Flow from operating activities	
Income for the period	2,213,714
Adjusts to:	
Equity Method (subsidiaries net income)	(781,438)
Depreciation and amortization	13,979
Amortization of right of use	8,673
Tax, social security, labor and civil provisions	753
Environmental compensation provisions	-
Revenues from financial investments	(300)
Implementation cost - provision suppliers	464,136
Interest, monetary variation and exchange gains / losses and fair value adjust	74,229
Interest and inflation adjustment on debentures	750,851
Leasing liability interest	2,633
Derivative financial instruments	5,078
Income tax and social contribution	21,763
Income tax and social contribution deferred	389,667
Deferred taxes	113,312
Remuneration of Contractual Asset	(807,358)
Monetary Restatement of Contractual Asset	(1,216,276)
Implementation of Infrastructure Revenues	(915,031)
Gains (losses) on company acquisitions	-
Variable Portion Provision	2,040
	340,425
Changes in assets and liabilities:	-
(Increase) Reduction in customer balance	(25,427)
(Increase) Decrease in the Balance of Concession Contractual assets	1,190,443
(Increase) Decrease in the balance of income tax and social contribution asset	4,317
(Increase) Decrease in the balance of Income taxes and deferred social contrib	-
(Increase) Reduction in the balance of deferred taxes	-
(Increase) Decrease in the balance of other assets	16,362
(Increase) Decrease in balance of trade accounts payable	(441,207)
(Increase) Decrease in the balance of regulatory fees	(10,857)
(Increase) Decrease in the balance of other payables	9,594
Dividends earned from jointly controlled	-
Dividends and interest on equity earned from jointly controlled	423,809
	1,167,034
Cash from operating activities	1,507,459
Income tax and social contribution paid	(58,885)
Cash flow of investing activities	1,448,574
Additions in property, intangible assets	
(Increase) Decrease in the balance of DTVM and other investments	(62)
(Additions) Write-offs in fixed and intangible assets	(52,356)
Acquisition of subsidiaries, net of cash acquired	-
Acquisition of jointly controlled subsidiaries	-
Capital increase in the joint subsidiary	-
Capital increase in jointly-owned subsidiaries	(76,400)
Advance for future capital increase in subsidiaries	-
Cash Flow provided by financing activities	(128,818)
Payment of borrowings and financing (principal)	
Borrowing and financing	-
Payment of borrowing and financing - principal	(462,443)
Payment of borrowing and financing - interest	(26,173)
Debentures	739,539
Payment of debentures (principal)	(295,354)
Payment of debentures (interest)	(213,270)
Payment of derivative financial instruments (interest)	(13,086)
Receipt (payment) on settlement of financial instruments	1,742
Payment of lease liabilities	(10,412)
Subsidiary Acquisition	-
Payment of dividends and interest on equity	(1,551,506)
Advance for future capital increase	-
Capital increase	-
Others	-
Net Cash provided by financing activities	(1,830,963)
Increase (Decrease) in cash and cash equivalents	(511,207)
Opening balance of cash and cash equivalents	896,031
Closing balance of cash and cash equivalents	384,824
Increase (decrease) in cash and cash equivalents	(511,207)

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5.12. Regulatory Cash Flow

Cash Flow	
	R\$ mn
	R\$ thousand
	2021 Regulatory
Cash Flow from operating activities	
Income for the period	517,234
Adjusts to:	
Equity Method (subsidiaries net income)	(130,239)
Depreciation and amortization	260,435
Amortization of right of use	-
Tax, social security, labor and civil provisions	753
Environmental compensation provisions	-
Revenues from financial investments	(300)
Implementation cost - provision suppliers	-
Interest, monetary variation and exchange gains / losses and fair value adjustment	74,229
Interest and inflation adjustment on debentures	750,851
Leasing liability interest	-
Derivative financial instruments	5,078
Income tax and social contribution	21,763
Income tax and social contribution deferred	39,080
Deferred taxes	-
Remuneration of Contractual Asset	-
Monetary Restatement of Contractual Asset	-
Implementation of Infrastructure Revenues	-
Gains (losses) on company acquisitions	-
Variable Portion Provision	2,040
	1,540,924
Changes in assets and liabilities:	-
(Increase) Reduction in customer balance	(25,427)
(Increase) Decrease in the Balance of Concession Contractual assets	-
(Increase) Decrease in the balance of income tax and social contribution asset	4,317
(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	16,362
(Increase) Decrease in balance of trade accounts payable	22,929
(Increase) Decrease in the balance of regulatory fees	(10,857)
(Increase) Decrease in the balance of other payables	9,594
Dividends earned from jointly controlled	-
Dividends and interest on equity earned from jointly controlled	423,809
	440,727
Cash from operating activities	1,981,651
Income tax and social contribution paid	(58,885)
Cash flow of investing activities	1,922,766
Additions in property, intangible assets	
(Increase) Decrease in the balance of DTVM and other investments	(62)
(Additions) Write-offs in fixed and intangible assets	(536,960)
Acquisition of subsidiaries, net of cash acquired	-
Acquisition of jointly controlled subsidiaries	-
Capital increase in the joint subsidiary	-
Capital increase in jointly-owned subsidiaries	(76,400)
Advance for future capital increase in subsidiaries	-
Cash Flow provided by financing activities	(613,422)
Payment of borrowings and financing (principal)	
Borrowing and financing	-
Payment of borrowing and financing - principal	(462,443)
Payment of borrowing and financing - interest	(26,173)
Debentures	739,539
Payment of debentures (principal)	(295,354)
Payment of debentures (interest)	(213,270)
Payment of derivative financial instruments (interest)	(13,086)
Receipt (payment) on settlement of financial instruments	1,742
Payment of lease liabilities	-
Subsidiary Acquisition	-
Payment of dividends and interest on equity	(1,551,506)
Advance for future capital increase	-
Capital increase	-
Others	-
Net Cash provided by financing activities	(1,820,551)
Increase (Decrease) in cash and cash equivalents	(511,207)
Opening balance of cash and cash equivalents	896,031
Closing balance of cash and cash equivalents	384,824
Increase (decrease) in cash and cash equivalents	(511,207)

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.