

# Corporate Presentation

May 2020



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*The statements contained in this document are public and available on the Company's website ([www.taesa.com.br/ri](http://www.taesa.com.br/ri)). Additional information about Transmissora Aliança de Energia Elétrica S.A. ("TAESA" or "Company") can also be obtained from this same website.*

*The forward-looking statements contained in this document relating to the business outlook, projections of operational and financial results and the growth prospects of TAESA are merely projections, and as such are based exclusively on expectations for the future of the business. These expectations depend materially on changes in market conditions and the performance of the Brazilian economy, the sector and international markets and therefore are subject to change without prior notice.*

*EBITDA consists of net income before taxes, net financial expenses, and expenses with depreciation and amortization, and revenues. EBITDA is not recognized by generally accepted accounting principles in Brazil or by the IFRS, it does not represent a cash flow for the periods presented, it should not be considered as an alternative to net income. The 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 is not recognized by generally accepted accounting principles in Brazil or by the IFRS, it does not represent a cash flow for the periods presented. The Net Debt presented is used by TAESA to measure its own performance. TAESA understands that some investors and financial analysts use Net Debt as an indicator of financial performance.*



# Energy Transmission Sector

# Brazilian electric energy sector is divided in Generation, Transmission and Market

(Distribution + Free Consumers + Traders).

## Fundamental Principles

- Safe electric energy supply
- Economic and financial balance among agents
- Social inclusion - universalization

## Generation



- 164 GW of installed capacity
  - 10 groups control 59% of installed capacity
  - 46% State-owned
- Generation sites
  - 65% Hydro
  - 21% Thermo
  - 14% Other sources

## Transmission



- 156.8 thousand km of high voltage lines (>230 kV)
- 26% State-owned
- Regulated tariff (annually adjusted)

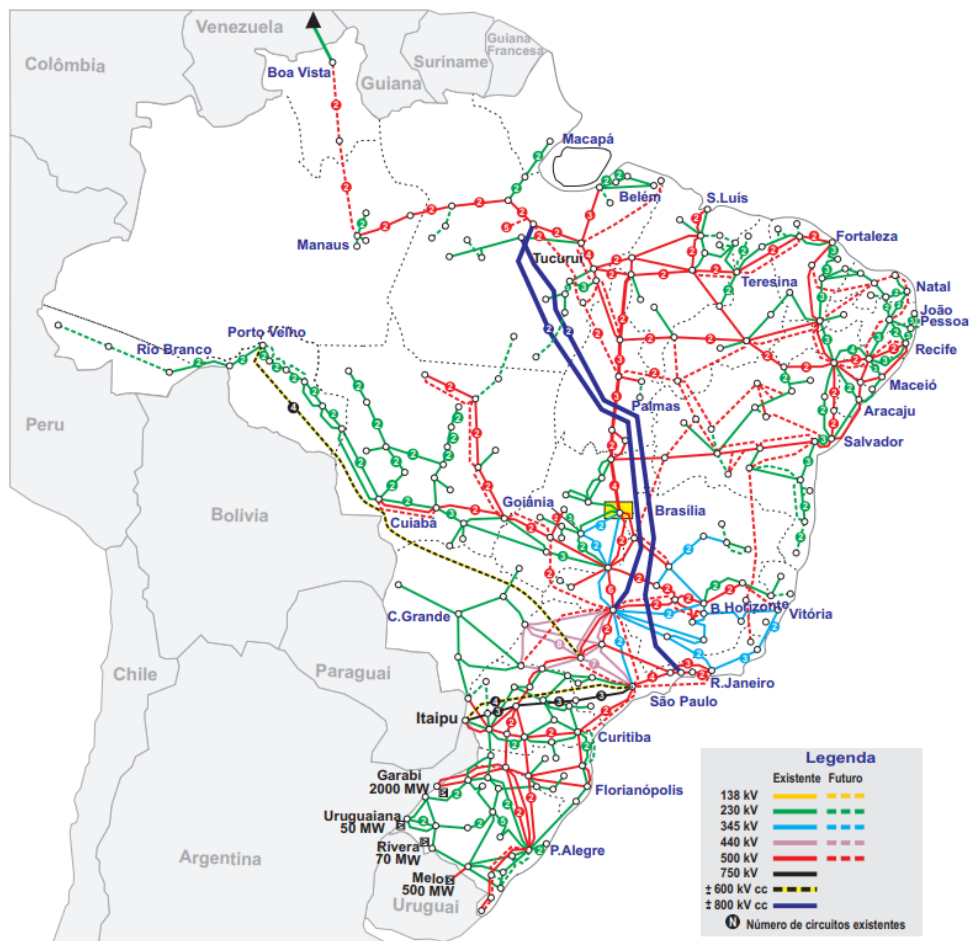
## Market



- Distribution
  - 84 MM Clients
  - 30% State-owned
- Consumers
  - Captive 316 TWh
  - Free 159 TWh

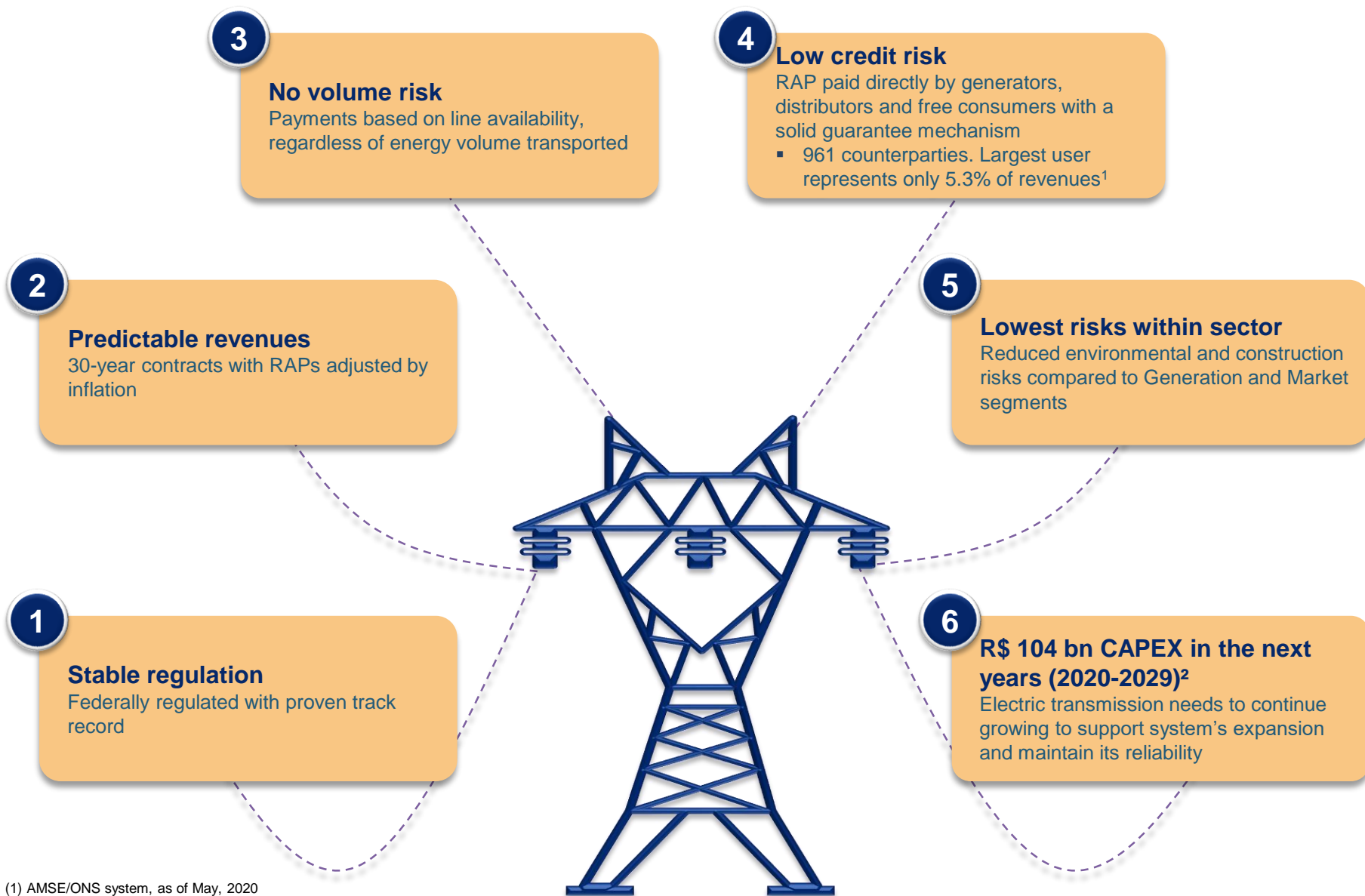
# Transmission grid has 156,800 km of extension

SIN transport 98% of national energy volume



- Regulated and supervised by **ANEEL (National Agency of Electrical Energy)** and operated by **ONS (National System Operator)**
- 30-year contracts have fixed revenues adjusted by inflation, regardless of energy volume traded
- Directly paid by **Generation, Distribution Companies and Free Consumers**

# Stable and positive regulatory framework



(1) AMSE/ONS system, as of May, 2020  
(2) PDE 2029



# Transmission sector divided into 3 categories

## Category 1

- Assets granted **before 1999**
- **Concessions renewed** in 2012 for 30 years, after MP579
- Annual Permitted Revenues ("RAP") annually adjusted by **IPCA** since 2013
- Subject to tariff reviews every five years

## Category 2

- Assets auctioned **between 1999 and November, 2006**
- RAP annually adjusted by **IGP-M**
- **RAP reduced** by 50% in the 16th year of operations
- **No tariff review**
- 30-year concession term

**taesa**

|             |            |
|-------------|------------|
| <b>86%</b>  | <b>68%</b> |
| operational | total      |
| RAP         | RAP        |

## Category 3

- Assets auctioned **from November, 2006 onwards**
- RAP annually adjusted by **IPCA**
- Subject to **tariff reviews** in the 5th, 10th, 15th year of the contract
- 30-year concession term

**taesa**

|             |            |
|-------------|------------|
| <b>14%</b>  | <b>32%</b> |
| operational | total      |
| RAP         | RAP        |



# TAESA

## Transmissora Aliança de Energia Elétrica S.A.





# TAESA at a glance

## One of the largest players of transmission assets in Brazil (Categories II and III)

1

**39 concessions with 13,576 km** in transmission lines

2

**R\$ 2.75 billion** contracted **Annual Permitted Revenues** ("RAP") for 2019-2020 cycle

3

**EBITDA<sup>1</sup> of R\$ 312.7 million** with an EBITDA<sup>1</sup> margin of **83.9%** for **1Q20**. **2019: R\$ 1,153.7 million** and margin of **82.7%**.

4

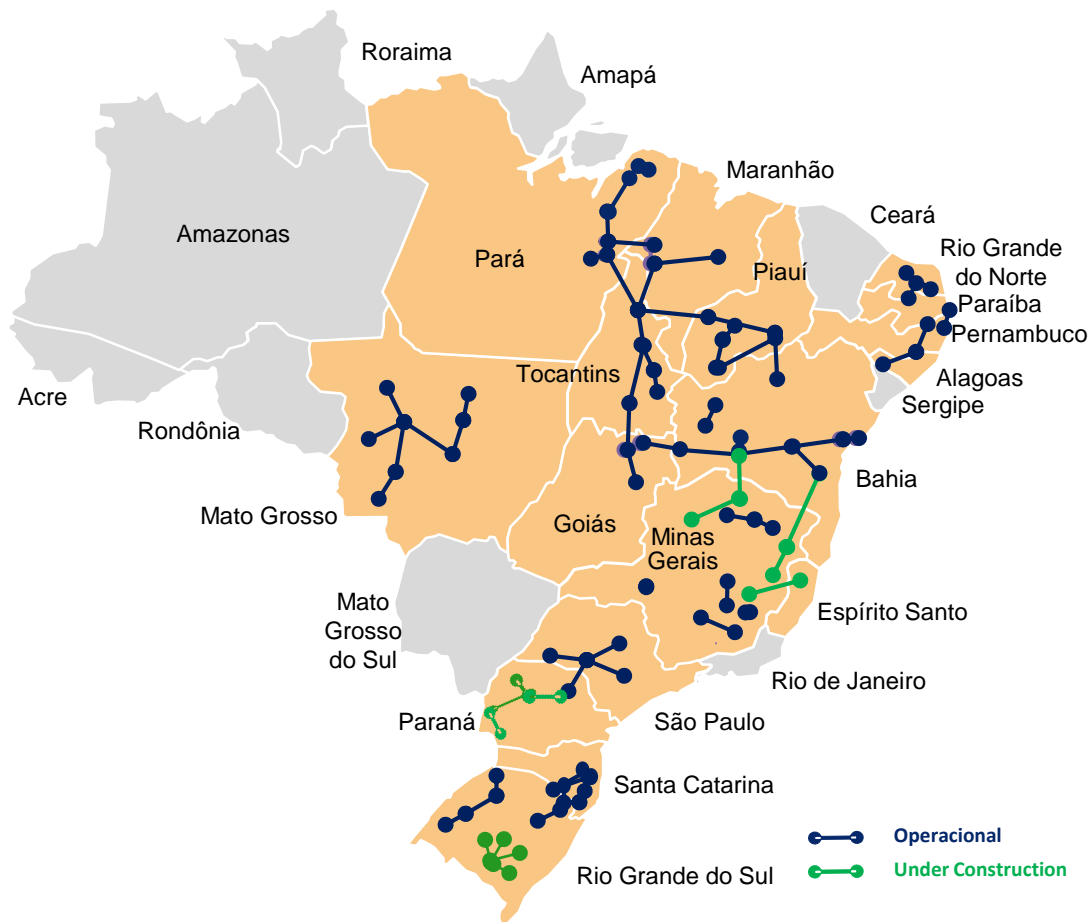
**IFRS Net Income** of **R\$ 364.2 million** for **2019**. **2019: R\$ 1,002.3 million**.

5

**R\$ 9.8 billion** of market capitalization<sup>2</sup>



### Geographic Footprint

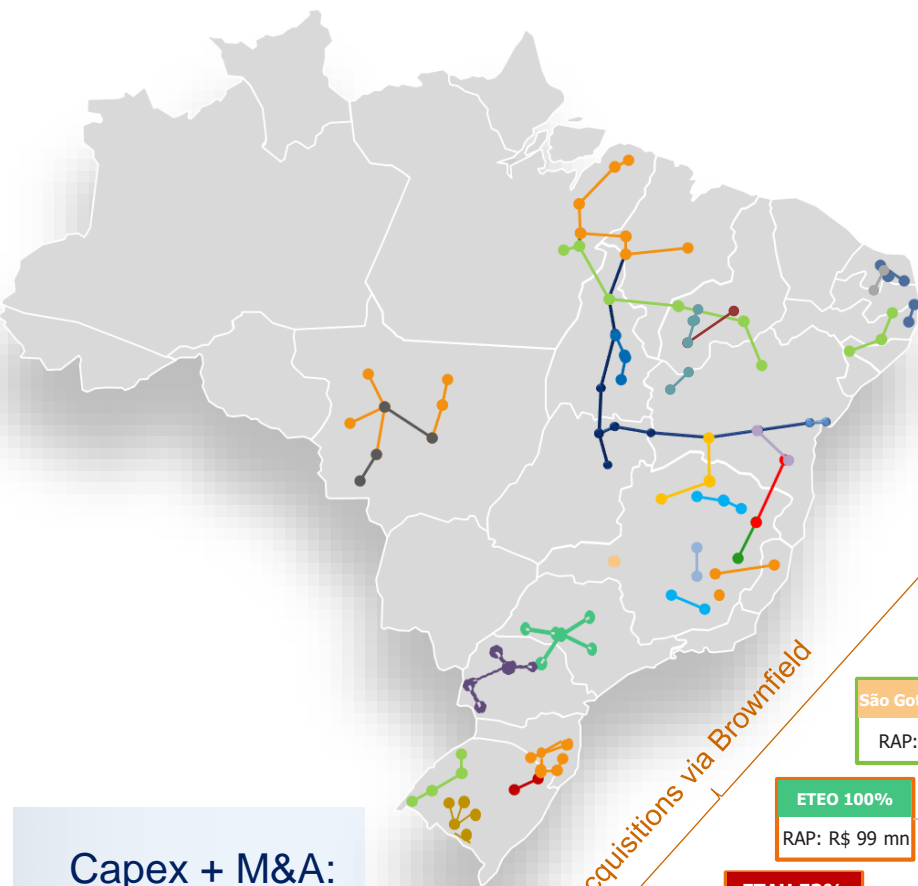


(1) Consolidated Regulatory EBITDA

(2) May 29, 2020

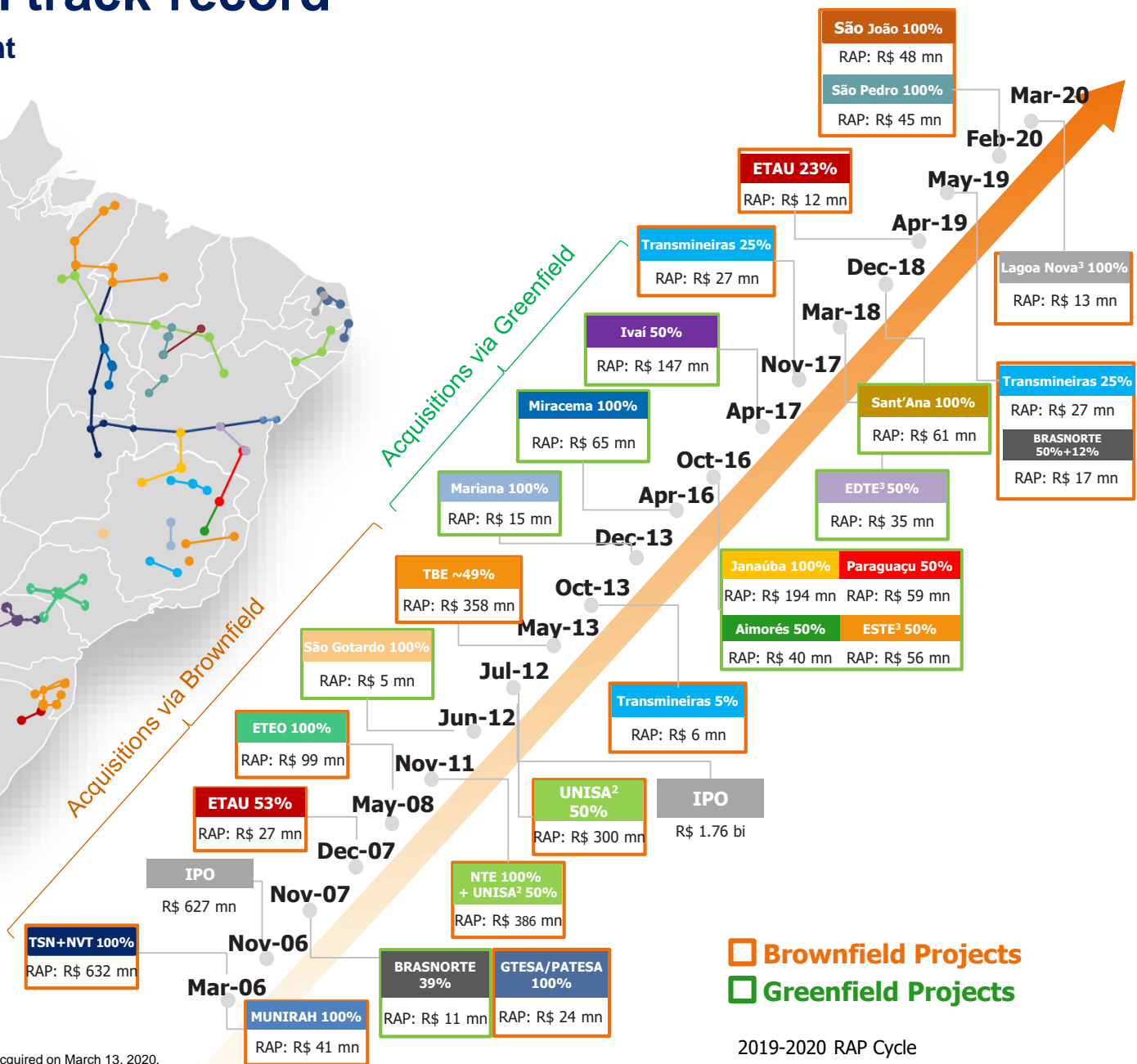
# Proven growth track-record

TAESA's current footprint



Capex + M&A:  
R\$ 6.9 bn<sup>1</sup>

Dividends:  
R\$ 8.1 bn<sup>1</sup>



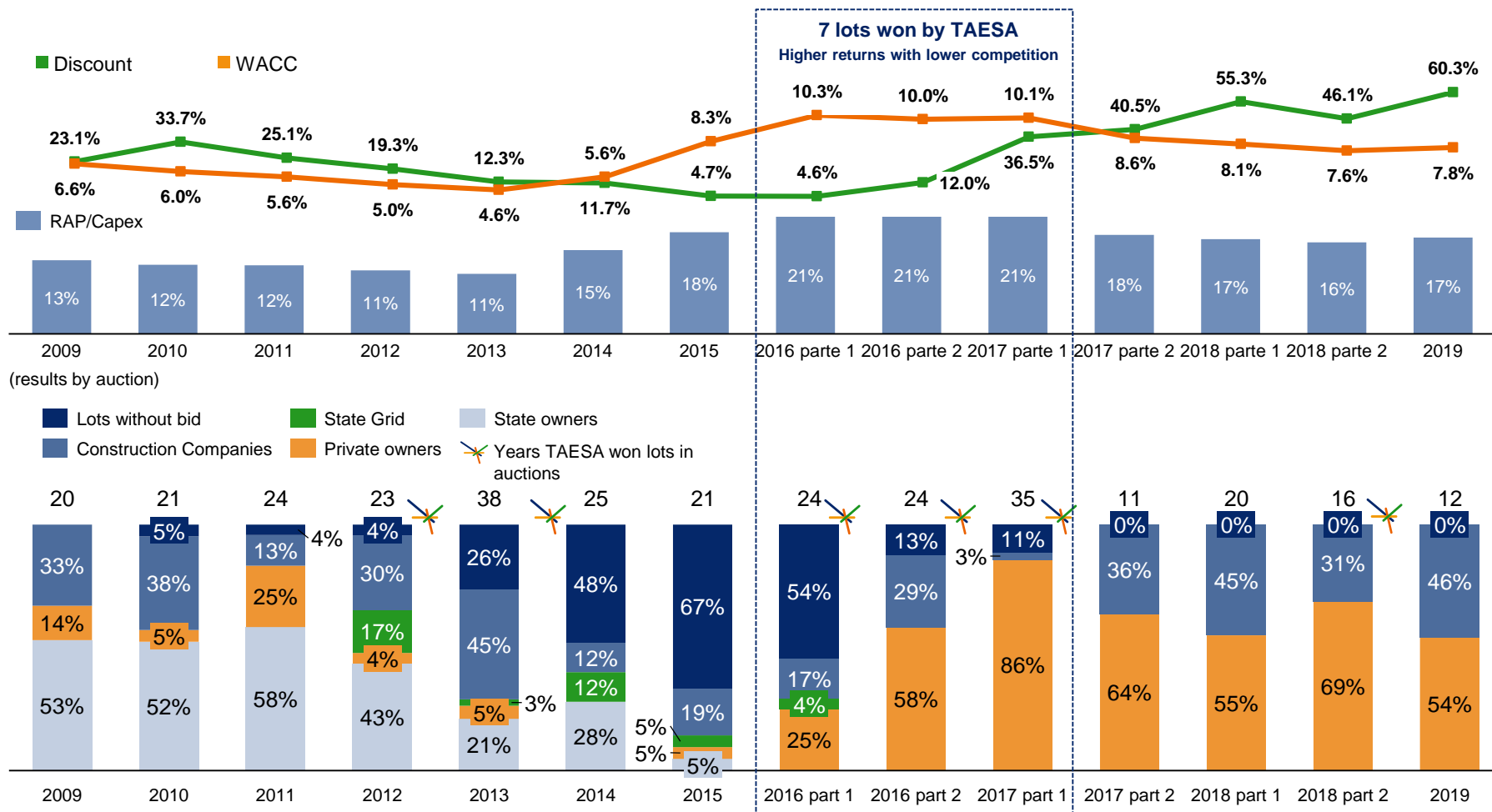
(1) Capex and dividends between 2006 and 1Q20

(2) STE, ATE, ATE II and ATE III

(3) Lagoa Nova is the new denomination for Rialma I, which was acquired on March 13, 2020.

# Historical trends in auctions' conditions

Trend of higher returns, decreasing presence of State Owned Companies and return of private sector participants to auctions provide evidence of renewed opportunities for organic growth



Regulatory changes resulted in a better risk/return equation for greenfield electric transmission projects in Brazil

Source: ANEEL, Company's Filings.  
WACC shown as real rate of return.



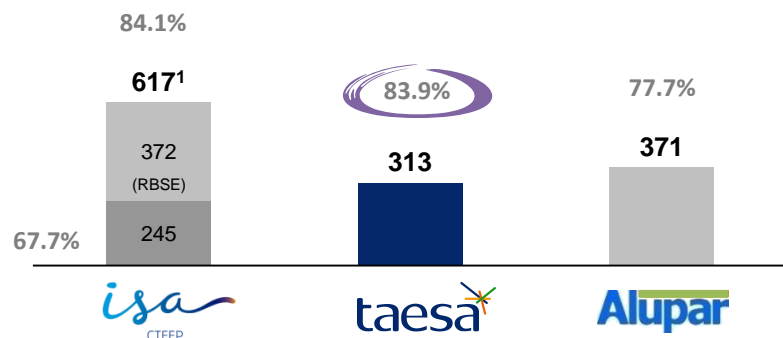
# Scale and profitability

TAESA's operational and financial results stand out amongst its transmission peers

1<sup>st</sup>

## EBITDA Margin - 2019

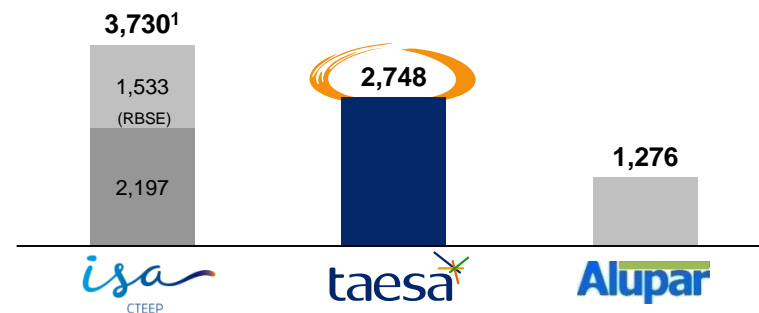
(R\$ mn)



2<sup>nd</sup>

## 2019/2020 RAP Cycle

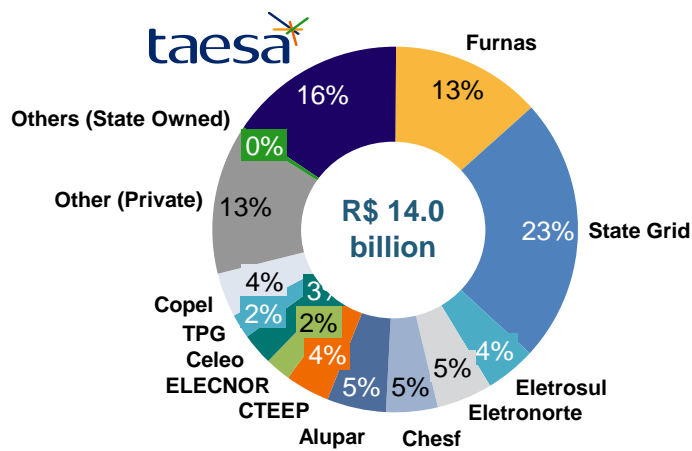
(R\$ mn)



2<sup>nd</sup>

## Operational Brazilian RAP<sup>2</sup> - Market Share

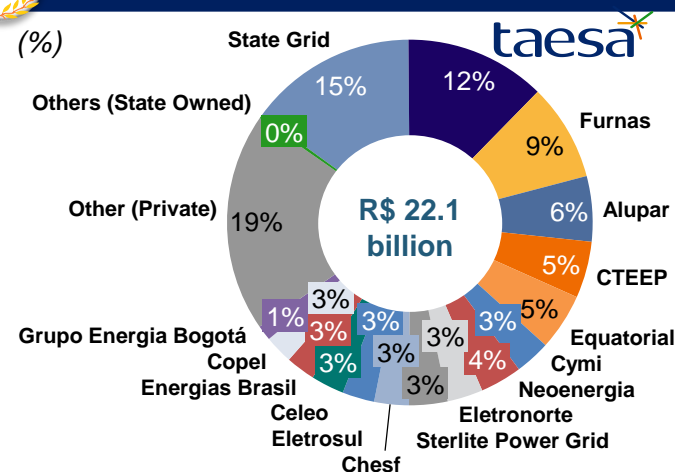
(%)



2<sup>nd</sup>

## Total Brazilian RAP<sup>2</sup> - Market Share

(%)



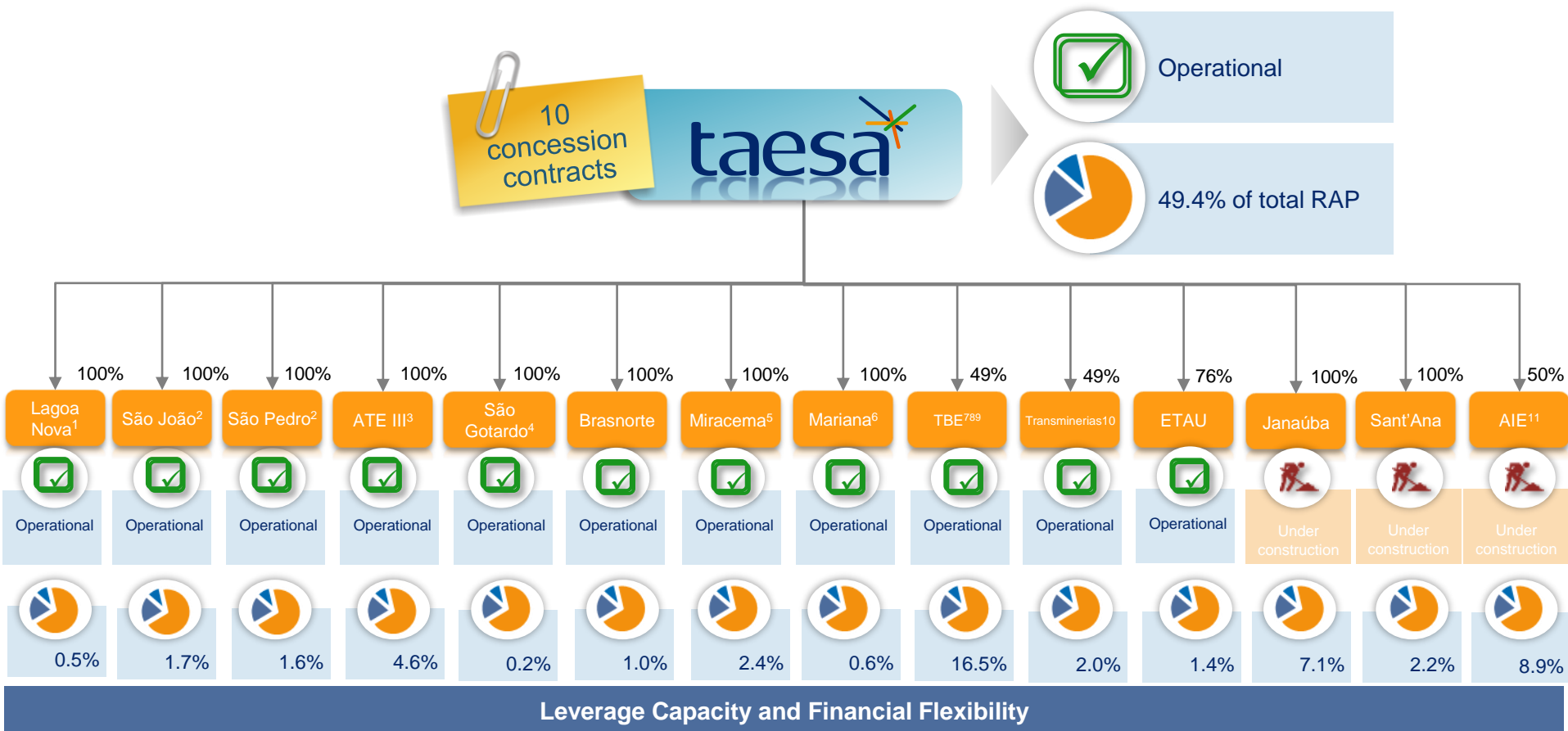
Source: Company and ANEEL.

(1) Includes the effect of the remuneration of the RBSE concession asset.

(2) 2019/2020 RAP Cycle, only categories II and III.

# Optimized corporate structure

TAESA's 39 concessions are grouped into 10 concessions at the holding company. In addition, TAESA has 10 concessions in which it holds a 100% stake and 19 other concessions.



(1) Lagoa Nova is the new denomination for Rialma I, which was acquired on March 13, 2020.

(2) In 2018, the Company announced the purchase of 4 operating assets from Ambar Energia Ltda. The acquisition of São João Transmissora de Energia S.A. and São Pedro Transmissora de Energia S.A. was completed on February 14, 2020.

(3) TAESA does not incorporate ATE III due to fiscal benefits.

(4) TAESA does not incorporate São Gotardo due to Presumed Profit ("Lucro Presumido") taxation regimen.

(5) The energization of Miracema facilities was completed on November 29, 2019.

(6) The energization of Mariana facilities was completed on May 25, 2020.

(7) TBE is an economic group of a partnership between TAESA and Alupar.

(8) ESTE is the only concession of the TBE group that are under construction and represent 2.1% of the total RAP.

(9) The energization of EDTE, also of TBE group, was concluded on January 20, 2020 and represent 1.3% of the total RAP.

(10) TAESA has additionally a 5% indirect stake of Transmineiras through EATE (TBE).

(11) AIE – Aliança Interligação Elétrica is an economic group of a partnership between TAESA and ISA Cteep, currently responsible for implementing 3 new projects (Aimorés, Paraguaçu and Ivaí).

# Business model focused on growth with solid cash generation ...

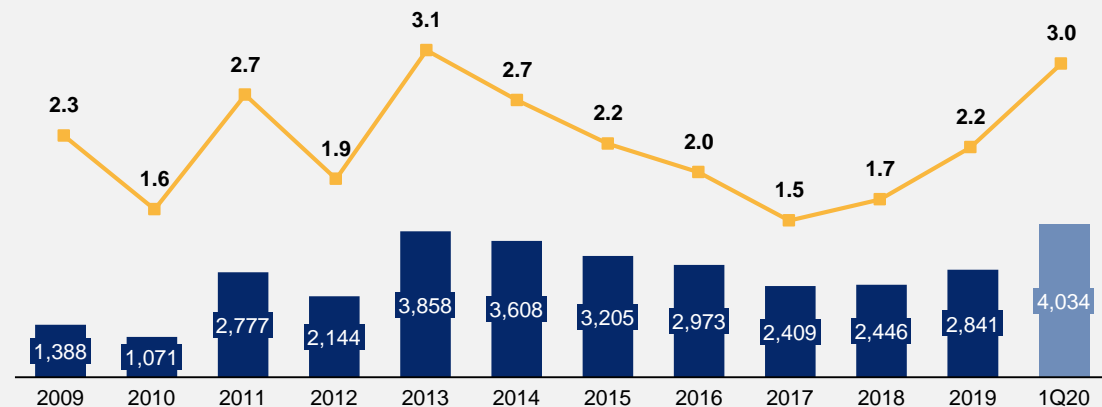
## Combination of growth, cash generation and deleveraging

### Total RAP (R\$ million)



*Consistent growth, reflecting financial discipline*

### Net debt and net debt / EBITDA<sup>1</sup> (R\$ million)



*Strong cash generation and track record of rapid deleveraging*

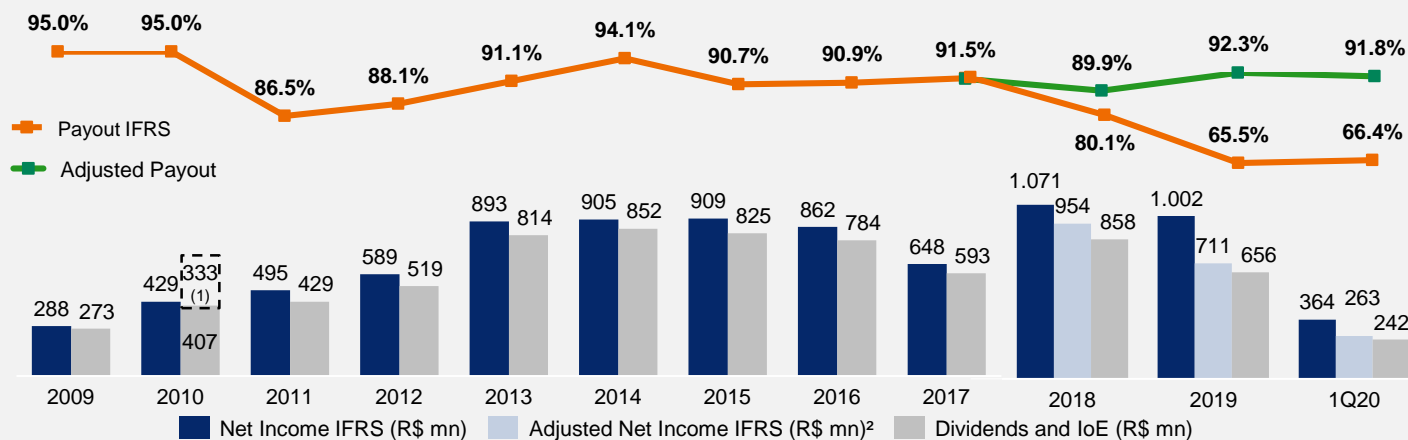
(1) Net debt to EBITDA ratio includes TAESA's proportional stakes in TBE, ETAU, Transmineiras and AIE. It considers Regulatory EBITDA.



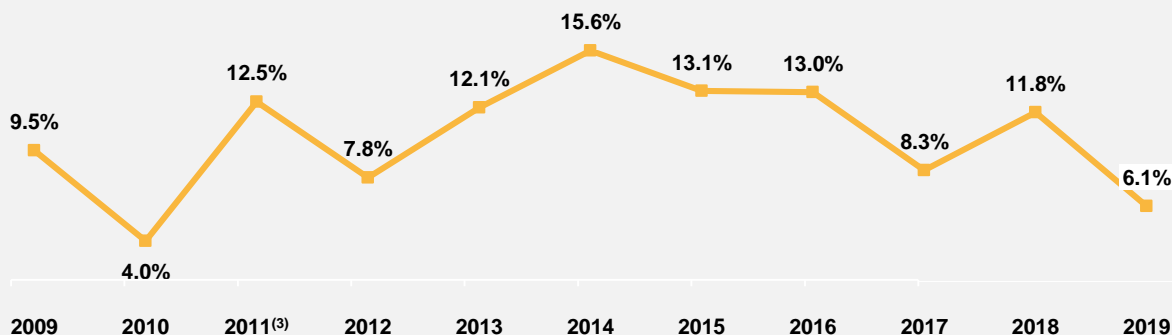
# ... creating value to shareholders.

## High dividend payout with attractive yield

### Dividends + Interest on Equity, and Payout



### Dividend Yield<sup>(4)</sup>



(1) IFRS reserve distributed as dividends. This reserve was registered after the adoption of the IFRS accounting method in 2010.

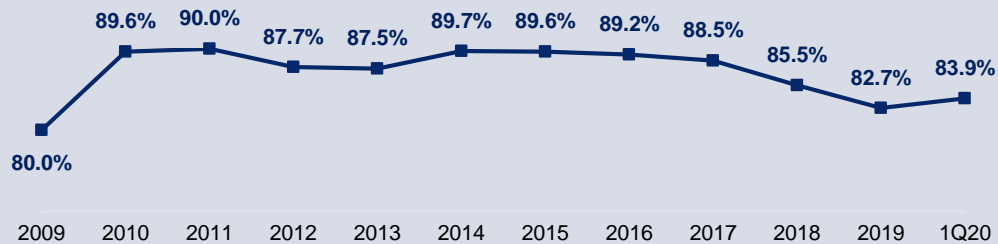
(2) Adjusted Net Income excluding the non-cash effect of CPC 47 (IFRS 15).

(3) Considering the extra dividends paid in 2011, the dividend yield was 22.7%.

(4) Yield is calculated by the total amount of dividend and IoE paid in the year divided by the market cap as of the last trading day of the respective year.

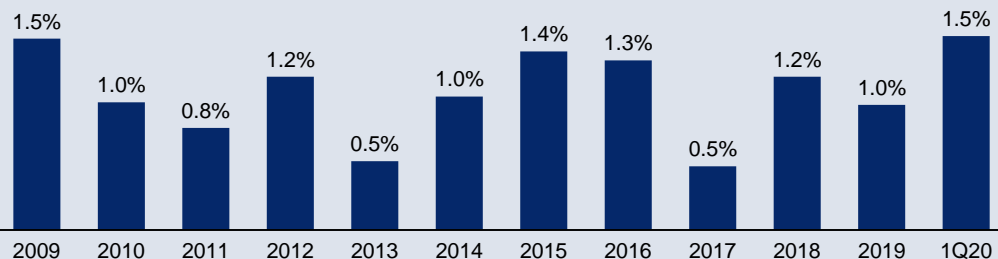
# Consistent operational efficiency coupled with strong corporate management has resulted in high margins

## EBITDA margin<sup>1</sup>



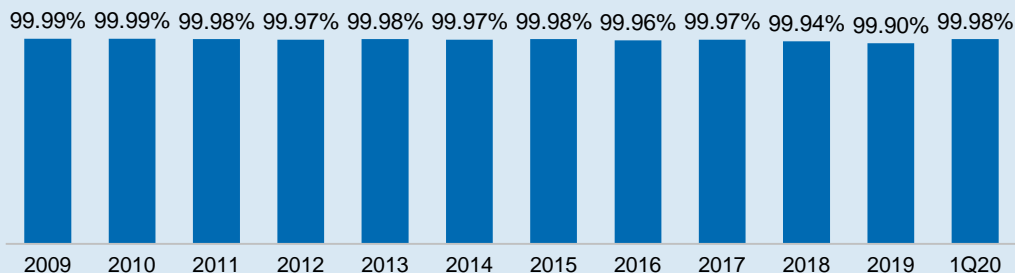
Strict cost control and high margins

## Variable Portion (% RAP)



Low levels of Variable Portion

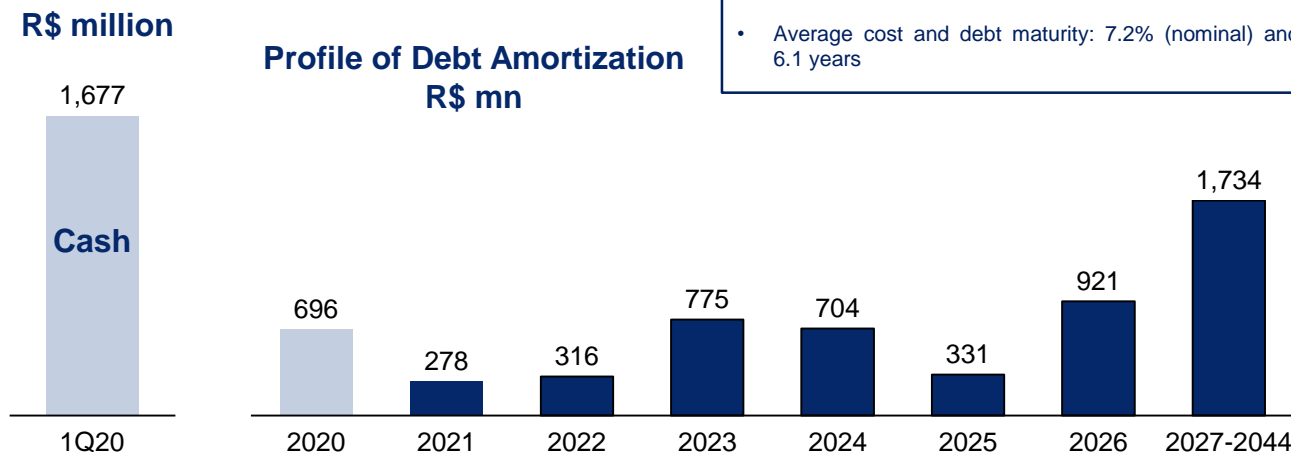
## Lines availability



Consistent operational performance

Source: Company and ANEEL.  
(1) Consolidated Regulatory EBITDA.

# Indebtedness profile



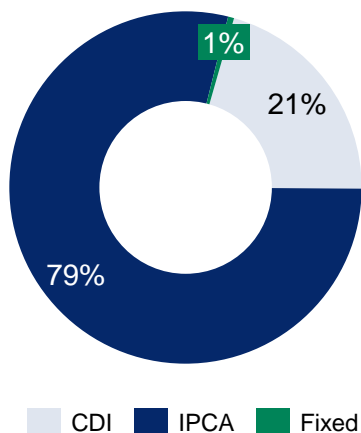
In 1Q20:

- Net debt of R\$ 4,034.0 million, a 42.0% q.o.q growth
- 3.0x Net debt / EBITDA \*
- Average cost and debt maturity: 7.2% (nominal) and 6.1 years

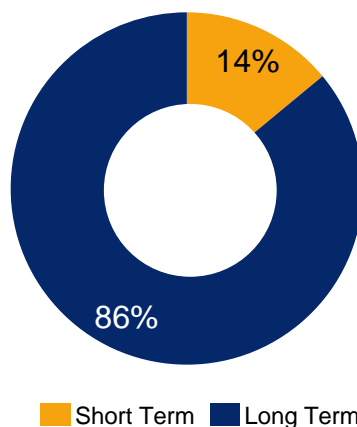
**Corporate Credit Rating**  
(nacional scale)

- **Moody's: Aaa.br**
- **Fitch: AAA(bra)**
- **S&P: brAAA**

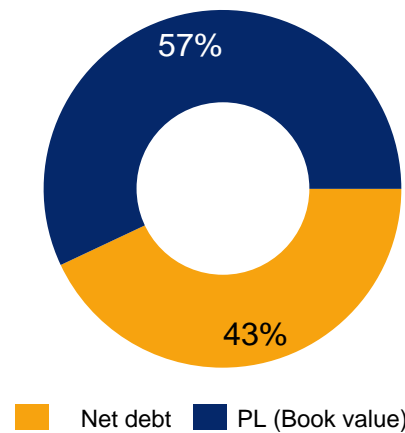
## Debt Profile



## Debt Term



## Capital Structure (BV)



\* Leverage ratio calculated based on TAESA Consolidated + Associated Concessions (TBE, ETAU, Transmineiras and AIE)



# Brownfield Acquisitions

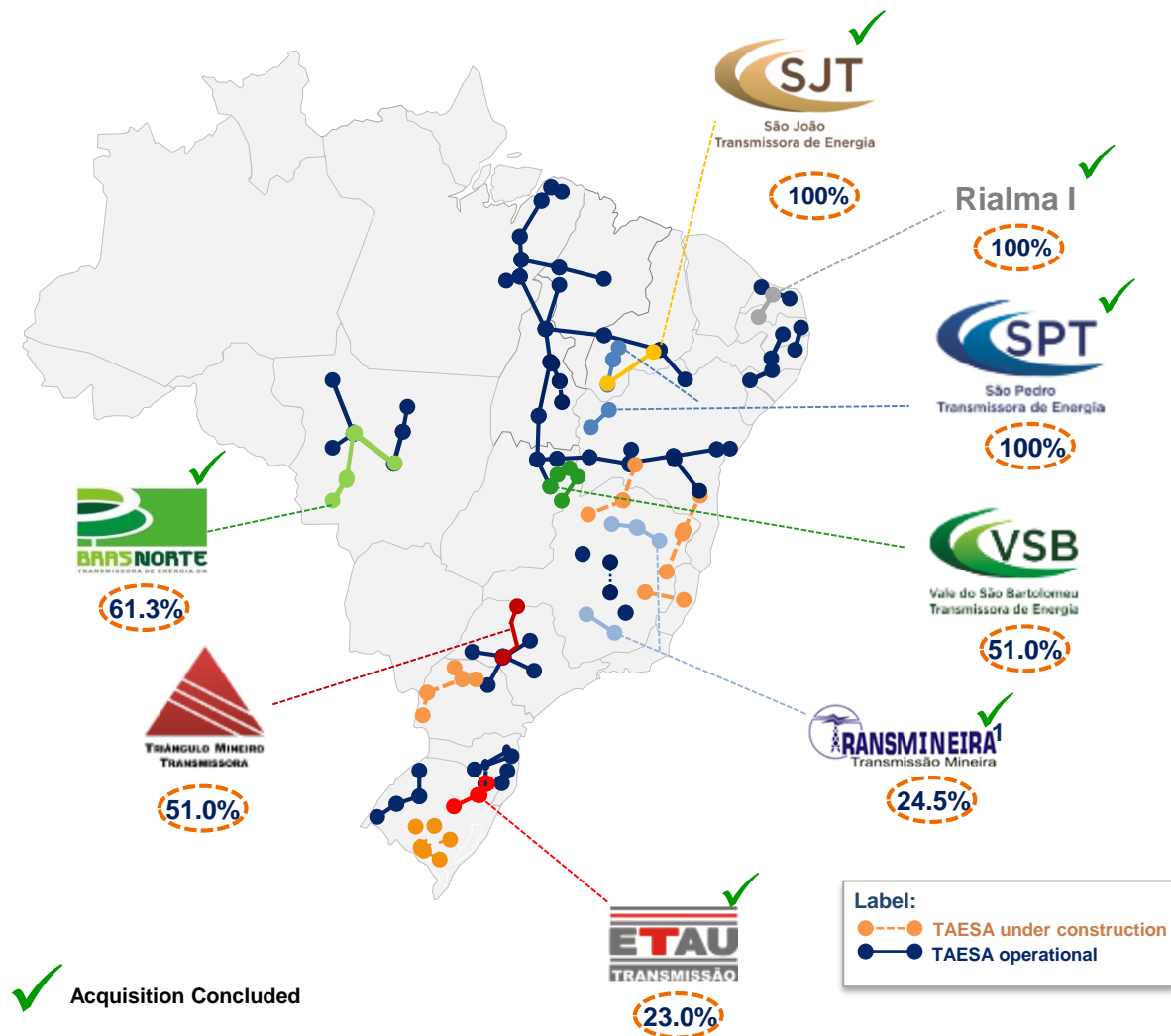


# Acquisition of transmission operating assets totaling a RAP of R\$ 201.4 million

Strategic assets with great geographic complementarity and synergies with TAESA's portfolio

Assets with high operating quality and high margins

Concessions with revenues guaranteed until 2047 in category 2 and 3



(1) Considers the shareholding interest acquired by Taesa in Transmineiras concessions: 24.00% of Transleste, 25.00% of Transudeste and 24.50% of Transirapé

# Summary of recently acquired concessions

| SPE                              |                        | ACQUISITION<br>VALUE <sup>1</sup><br>(R\$' 000) | RAP <sup>2</sup><br>(R\$' 000) | ACQUIRED<br>STAKE   | TAESA FINAL<br>STAKE | ACCOUNTING<br>METHOD IN TAESA | STATUS           |
|----------------------------------|------------------------|---|--------------------------------|---------------------|----------------------|-------------------------------|------------------|
| Eletrobras<br>Auction<br>01/2018 | Brasnorte <sup>3</sup> | 93,646  | 16,904                         | 61.34%              | 100.0%               | Consolidation                 | Concluded        |
|                                  | Transmineiras          | 77,508  | 27,194                         | 24.50% <sup>4</sup> | 54.00%               | Equity Method                 | Concluded        |
|                                  | ETAU                   | 32,880  | 11,728                         | 23.04%              | 75.62%               | Equity Method                 | Concluded        |
|                                  |                        | <b>204,034</b>                                  | <b>55,826</b>                  |                     |                      |                               |                  |
| Ambar<br>Acquisition             | SJT                    | 399,029   | 47,573                         | 100.0%              | 100.0%               | Consolidation                 | Concluded        |
|                                  | SPT                    | 354,139   | 44,927                         | 100.0%              | 100.0%               | Consolidation                 | Concluded        |
|                                  | TMT                    | 150,903   | 20,885                         | 51.00%              | 51.00%               | Equity Method                 | Not<br>Concluded |
|                                  | VSB                    | 126,195   | 19,582                         | 51.00%              | 51.00%               | Equity Method                 | Not<br>Concluded |
|                                  |                        | <b>1,030,266</b>                                | <b>132,967</b>                 |                     |                      |                               |                  |
| Rialma<br>Acquisition            | Lagoa<br>Nova          | 60,482  | 12,617                         | 100.0%              | 100.0%               | Consolidation                 | Concluded        |

(1) Equity values consider the base date for the operations in progress (12/31/2018 - TMT and VSB) and the closing date for the operations already concluded (04/29/2019 for ETAU, 05/31/2019 for Brasnorte and Transmineiras, 02/14/2020 for SPT e SJT and 02/13/2020 for Rialma I).

(2) RAP (Annual Permitted Revenues) for the 2019-2020 cycle, considering the stake acquired by TAESA.

(3) Considers the acquisition by Taesa of 11.624% of Brasnorte held by Bipar, in the amount of R\$ 18,023,923.47.

(4) Considers the shareholding interest acquired by Taesa in Transmineiras concessions: 24.00% of Transleste, 25.00% of Transudeste and 24.50% of Transirapé.

# Greenfield Acquisitions





# Projects under construction

|   |                    | EXTENSION /<br>LOCATION                      | CONCESSION<br>START | RAP <sup>1</sup><br>(R\$ million) | CAPEX ANEEL<br>(R\$ million) | PARTNERSHIP  | ANEEL<br>DEADLINE        |             |
|---|--------------------|--|---------------------|-----------------------------------|------------------------------|--|--------------------------|-------------|
| Auction<br>013/13<br>December 2013                        | Mariana<br>Lot A   | 82 km<br>Minas Gerais                        | May<br>2014         | 15.4                              | 107                          | 100% TAESA   | May<br>2020 <sup>2</sup> | ✓ Concluded |
|   | Miracema<br>Lot P  | 90 km<br>Tocantins                           | June<br>2016        | 65.0                              | 276                          | 100% TAESA   | December<br>2019         | ✓ Concluded |
| Auction<br>013/15<br>April 2016                           | EDTE<br>Lot M      | 167 km<br>Bahia                              | December<br>2016    | 69.1                              | 368                          | 25% TAESA<br>25% Apollo 12<br>50% ENTE                           | December<br>2019         | ✓ Concluded |
|   | ESTE<br>Lot 22     | 236 km<br>Minas Gerais and<br>Espírito Santo | February<br>2017    | 112.2                             | 486                          | 50% TAESA<br>50% Alupar<br>(100% EATE-TBE)                       | February<br>2022         |             |
|   | Janaúba<br>Lot 17  | 542 km<br>Bahia and<br>Minas Gerais          | February<br>2017    | 194.1                             | 960                          | 100% TAESA   | February<br>2022         |             |
| Auction<br>013/15<br>2 <sup>nd</sup> Part<br>October 2016 | Aimorés<br>Lot 4   | 208 km<br>Minas Gerais                       | February<br>2017    | 79.4                              | 341                          | 50% TAESA<br>50% ISA Cteep                                       | February<br>2022         |             |
|   | Paraguaçu<br>Lot 3 | 338 km<br>Bahia and<br>Minas Gerais          | February<br>2017    | 118.5                             | 510                          | 50% TAESA<br>50% ISA Cteep                                       | February<br>2022         |             |
| Auction<br>005/16<br>April 2017                           | Ivaí<br>Lot 1      | 600 km<br>Paraná                             | August<br>2017      | 294.0                             | 1,937                        | 50% TAESA<br>50% ISA Cteep                                       | August<br>2022           |             |
| Auction<br>004/18<br>December 2018                        | Sant'Ana<br>Lot 12 | 591 km<br>Rio Grande do<br>Sul               | March<br>2019       | 60.7                              | 610                          | 100% TAESA   | March<br>2023            |             |
|   |                    |  |                     | <b>1,008</b>                      | <b>5,595</b>                 | RAP TAESA <sup>3</sup> : 672<br>Capex TAESA <sup>3</sup> : 3,774 |                          |             |

(1) RAP for 2019/2020 Cycle

(2) Actual delivery date; ANEEL deadline: May 2017

(3) RAP and Capex figures proportional to TAESA's stake

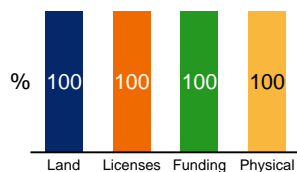
# Projects under Construction

## Miracema

100% Taesa

RAP/CAPEX\*: **65.0 / 276**  
 ANEEL Construction term: **Dec 2019**  
 End of concession: **Jun/46**

SUDAM benefit



90 Km

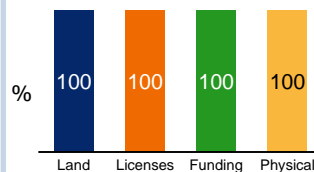


## EDTE

49.99% Taesa

RAP/CAPEX\*: **69.1 / 368**  
 ANEEL Construction term: **Dec 2019**  
 End of concession: **Dec/46**

SUDENE Benefit



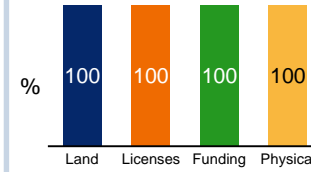
167 km



## Mariana

100% Taesa

RAP/CAPEX\*: **15.4 / 107**  
 Completion date: **May 2020**  
 End of concession: **May/44**



82 Km

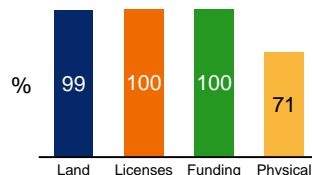


## Aimorés

50% Taesa

RAP/CAPEX\*: **79.4 / 341**  
 ANEEL Construction term: **Feb 2022**  
 End of concession: **Feb/47**

SUDENE Benefit



208 km

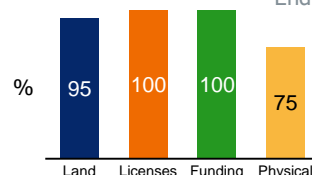


## Paraguaçu

50% Taesa

RAP/CAPEX\*: **118.5 / 510**  
 ANEEL Construction term: **Feb 2022**  
 End of concession: **Feb/47**

SUDENE Benefit



338 km

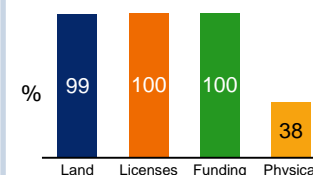


## Janaúba

100% Taesa

RAP/CAPEX\*: **194.1 / 960**  
 ANEEL Construction term: **Feb 2022**  
 End of concession: **Feb/47**

SUDENE Benefit



542 km

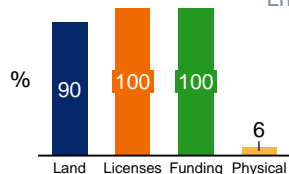


## ESTE

49.98% Taesa

RAP/CAPEX\*: **112.2 / 486**  
 ANEEL Construction term: **Feb 2022**  
 End of concession: **Feb/47**

SUDENE Benefit



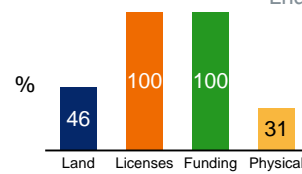
236 km



## Ivaí

50% Taesa

RAP/CAPEX\*: **294.0 / 1,937**  
 ANEEL Construction term: **Aug 2022**  
 End of concession: **Aug/47**



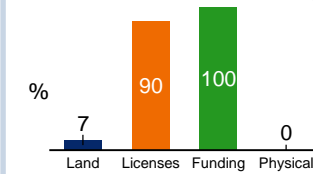
600 km (CD)



## Sant'Ana

100% Taesa

RAP/CAPEX\*: **60.9 / 610**  
 ANEEL Construction term: **Mar 2023**  
 End of concession: **Mar/49**



591 km



\* R\$ millions (2019-2020 RAP cycle / ANEEL CAPEX)

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



Project Concluded

# Growth Opportunities

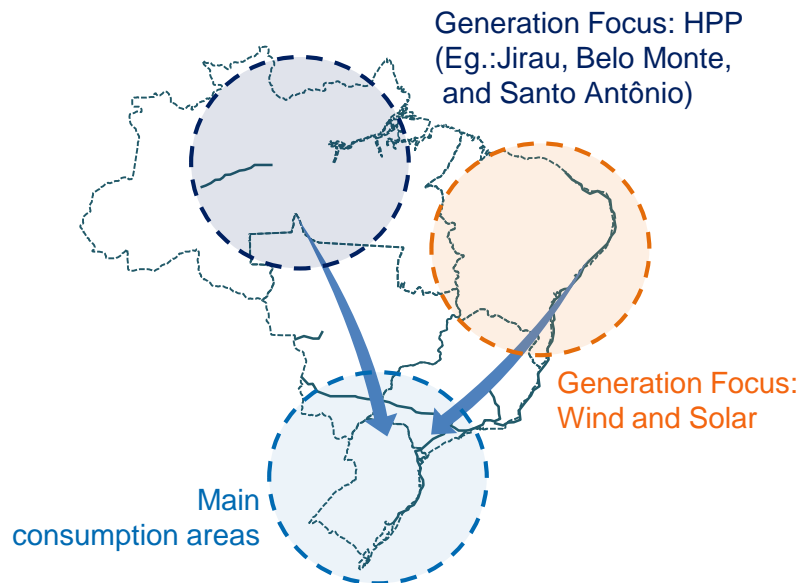


# Sector with significant room for growth

Transmission system is currently the bottleneck for the sector

## Significant need to invest in new transmission lines

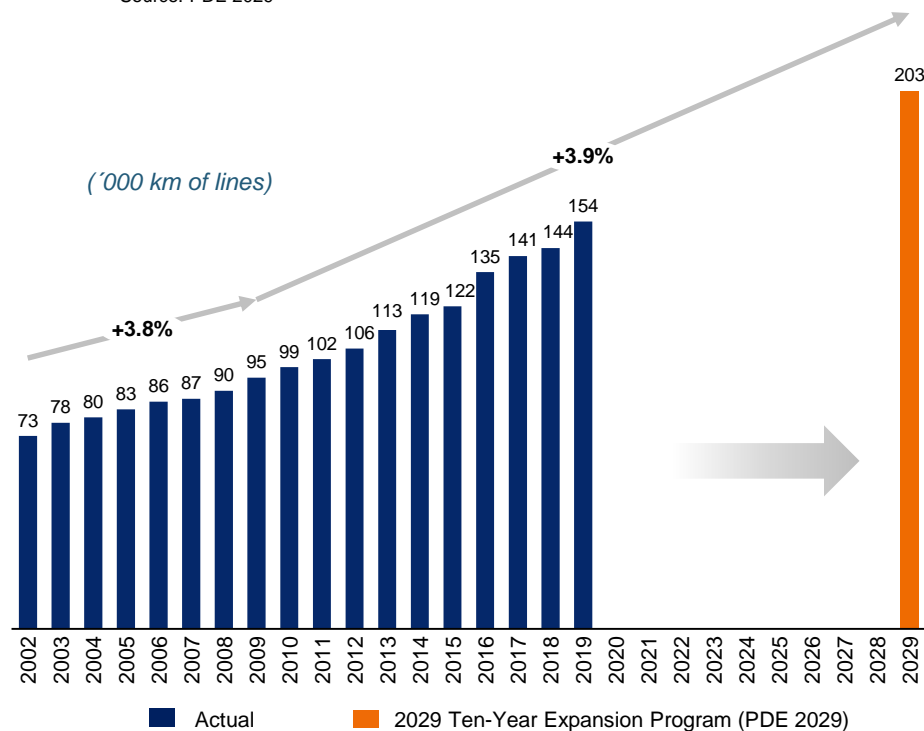
## Transmission grid will continue to grow



| Estimated Capex | R\$ billion |
|-----------------|-------------|
| 2020 to 2029    | 104.0       |

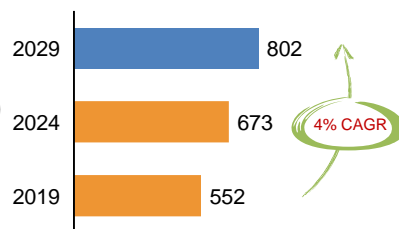
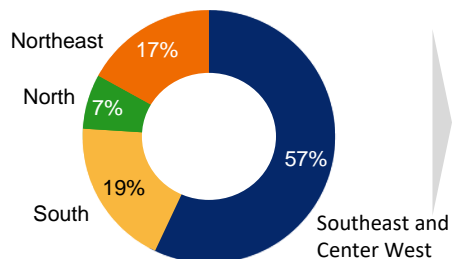
Source: PDE 2029

('000 km of lines)



## Brazil Regional Consumption (feb/2020)

## Electricity Consumption (TWh)

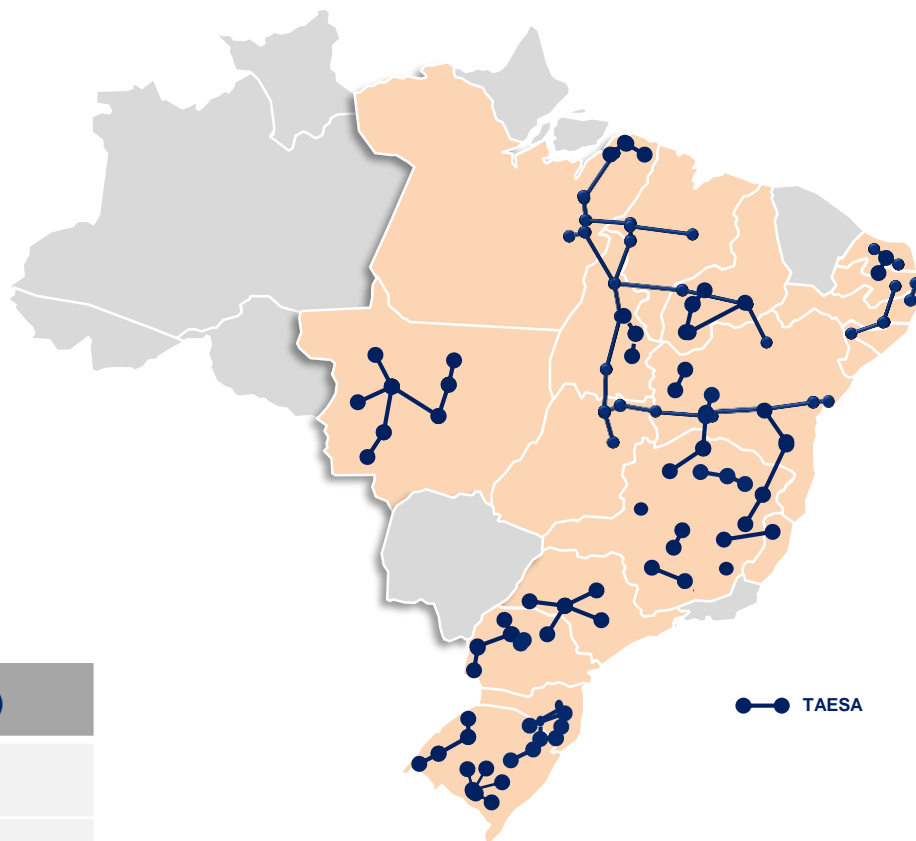


Source: Brazilian Statistics Bureau (IBGE), Aneel, National System Operator (ONS), Brazilian Ministry of Energy, ACENDE, Energetic Research Enterprise (EPE) and Wall Street research.

# Expectation for new auctions

The Brazilian government expects between 2020-2029 investments of around R\$ 104 billion<sup>1</sup> for transmission in Brazil

Maintaining **financial discipline** and focused on **assets with returns that generate value to the business**, TAESA is strategically positioned to **capture synergies** from future auctions and **consolidate its transmission lines** all over Brazil



 Auction  
2020-2029

 Auction  
2020

## Investments (R\$)

35 billion<sup>1</sup>

10,2 billion<sup>2</sup>

(1) PDE 2029

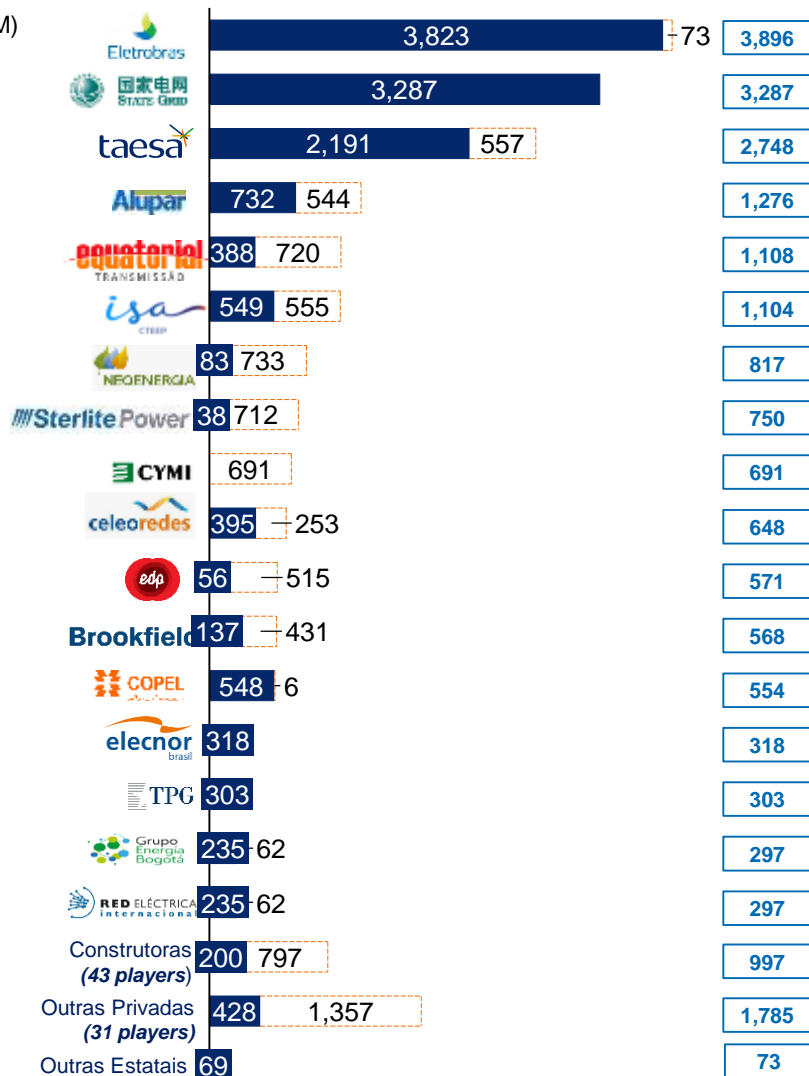
(2) Public Hearing Aneel Nº. 046/2019. Process: 48500.005211 / 2019-42



# Uniquely positioned to capture M&A opportunities with attractive returns

## Brazilian Total RAP<sup>1</sup> (Concession Category II and III)

(R\$ MM)



**One of the largest players in the sector and with an extensive capability in M&A, TAESA is strategically positioned to capture opportunities with attractive returns:**

- i) national presence*
- ii) scalability*
- iii) low leverage*

Source: ANEEL and Company  
(1) 2019/2020 RAP Cycle, category II and III.

Operational RAP

Non-operational RAP

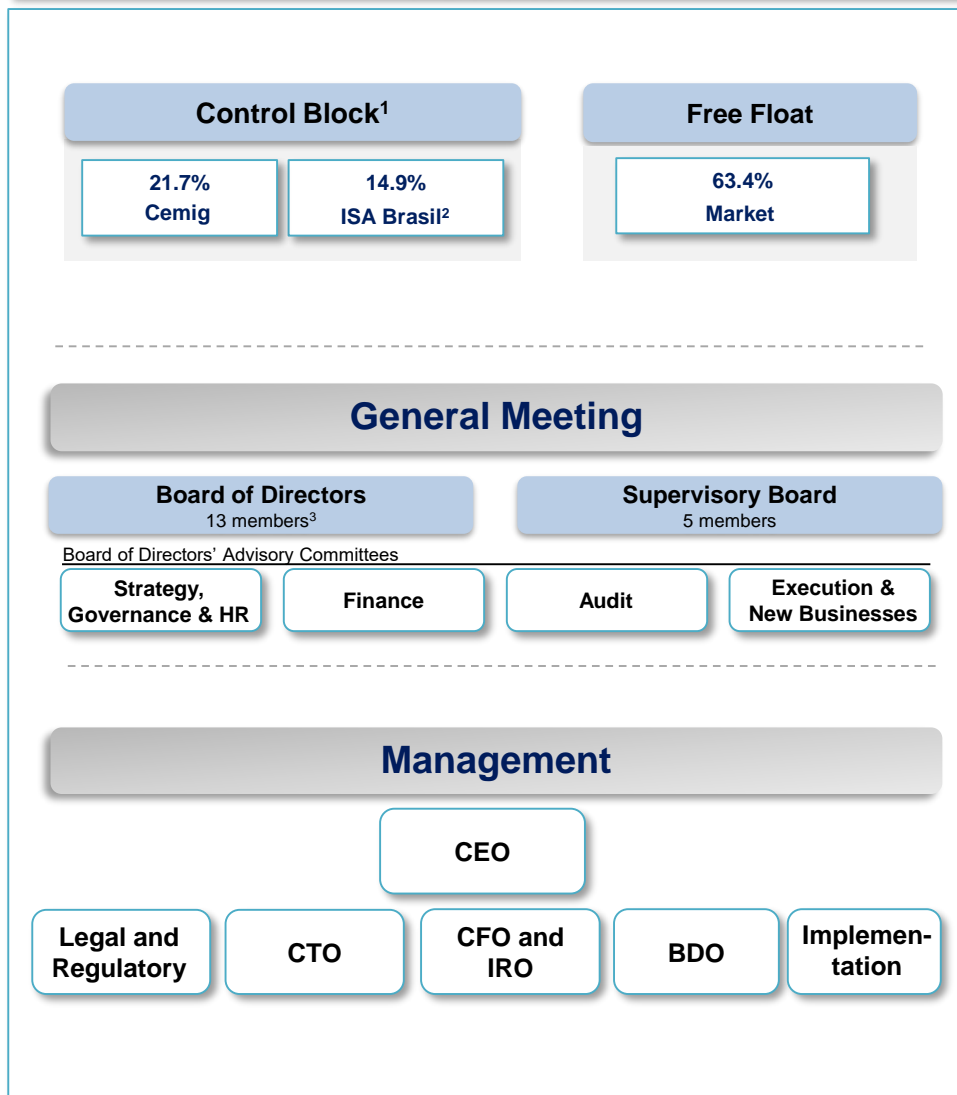
Total RAP

# Governance Corporate



# TAESA's Corporate Governance

## Balanced Decision-Making Structure Among Controlling Shareholders



(1) The control block has a 63% stake of TAESA's common shares.

(2) ISA Investimentos e Participações do Brasil S.A.

(3) Approved in the ESM of April 29, 2019

(4) Occupational Health and Safety (SST)

## Superior Governance Practices

### Shareholders Agreement



- 9 votes needed to approve relevant matters on the Board of Directors' meetings
- CEO, CFO/IRO and Implementation Officer must be professionals with proven experience in the energy and/or financial sectors, and must be appointed by a headhunter.
- Tag along rights (100%) to all shareholders
- Right of first refusal (ROFR)
- Four independent Board Directors and six Executive Officers elected by the BoD

### Company Listing



### Awards



Valor 1000 Award



Valor Carreira Award



Transparency Award



Best Companies in SST<sup>4</sup>



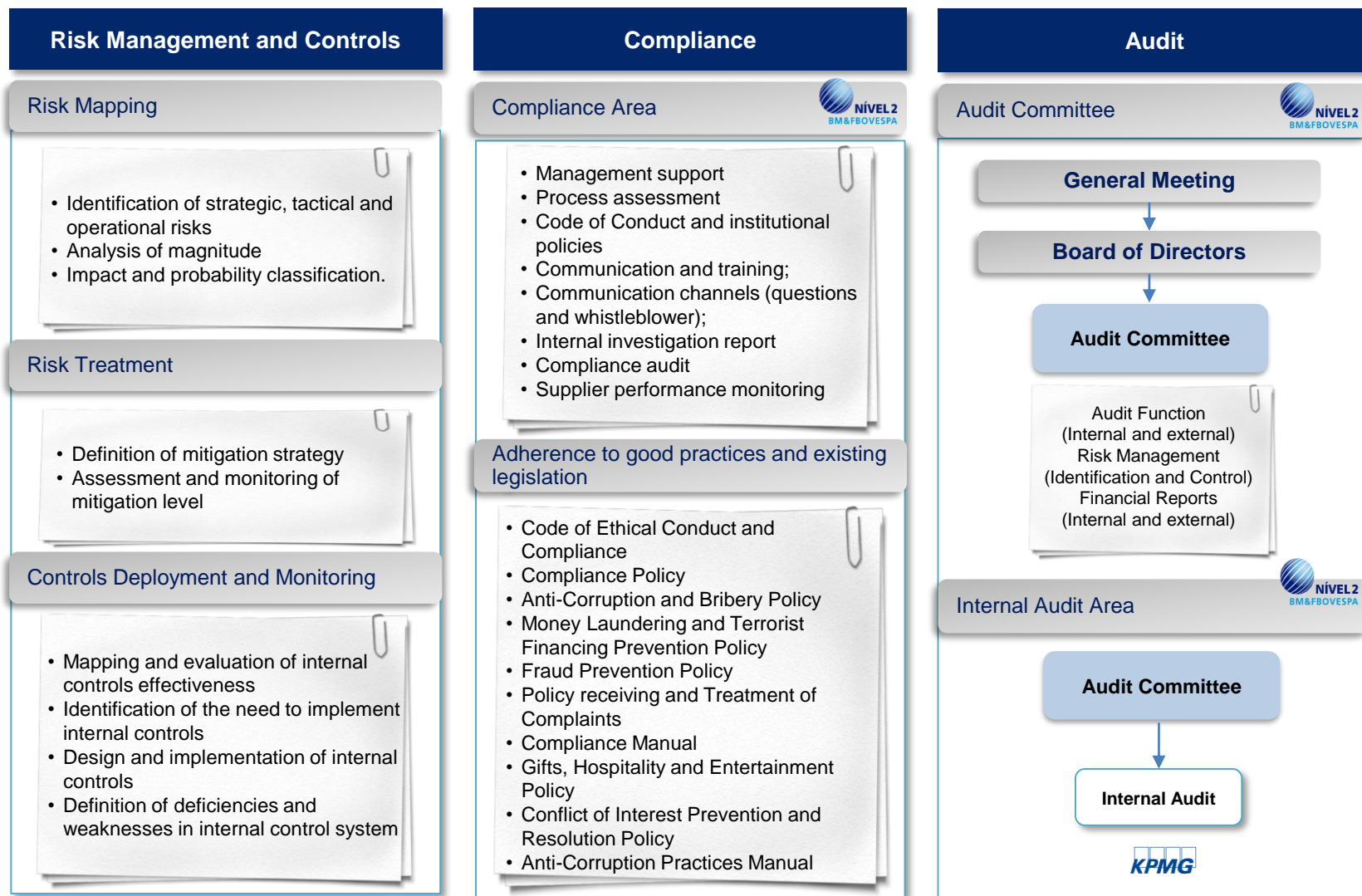
Broadcast Companies Award



Great Place To Work Certificate

# Compliance, Risk Management and Audit

In line with the best market practices, TAESA aims to meet additional criteria than those required by Level 2 of B3's Corporate Governance standards. Always concerned about the continuity and maintenance of its business, the Company has implemented the following defense mechanisms:



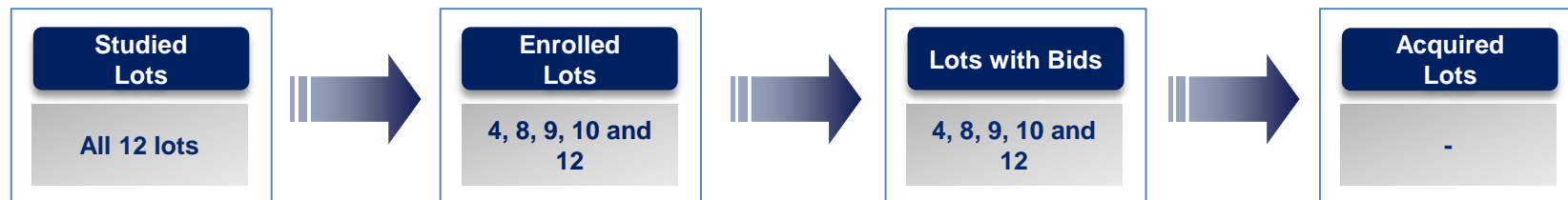


# Appendix





# TAESA's participation in the auction 02/2019



## Summary of Auction 02/2019 held on December 19, 2019

| Lot          | Aneel Capex<br>(R\$ million) | Construction<br>Period<br>(months) | Location | Maximum<br>RAP<br>(R\$ million) | Winner RAP<br>(R\$ million) | Winner<br>Discount | TAESA<br>Discount |
|--------------|------------------------------|------------------------------------|----------|---------------------------------|-----------------------------|--------------------|-------------------|
| 1            | 682                          | 60                                 | RS       | 113.9                           | 37.7                        | 66.9%              | -                 |
| 2            | 76                           | 36                                 | BA       | 12.4                            | 5.4                         | 56.7%              | -                 |
| 3            | 376                          | 60                                 | MG/RJ    | 65.0                            | 30.2                        | 53.5%              | -                 |
| 4            | 30                           | 42                                 | AL       | 5.9                             | 2.9                         | 50.9%              | 0%                |
| 5            | 591                          | 60                                 | PA/MT    | 101.4                           | 38.0                        | 62.5%              | -                 |
| 6            | 99                           | 42                                 | MS/SP    | 16.7                            | 5.3                         | 68.1%              | -                 |
| 7            | 554                          | 60                                 | MG       | 95.0                            | 32.9                        | 65.4%              | -                 |
| 8            | 102                          | 42                                 | CE       | 17.0                            | 8.0                         | 53.3%              | 42.5%             |
| 9            | 303                          | 48                                 | BA/GO    | 50.1                            | 18.0                        | 64.0%              | 59.2%             |
| 10           | 518                          | 60                                 | BA       | 89.0                            | 37.1                        | 58.4%              | 51.6%             |
| 11           | 720                          | 60                                 | AC       | 123.2                           | 58.1                        | 52.9%              | -                 |
| 12           | 171                          | 60                                 | BA       | 30.2                            | 12.2                        | 59.6%              | 39.2%             |
| <b>Total</b> | <b>4.2</b>                   |                                    |          | <b>719.7</b>                    | <b>285.7</b>                | <b>60.3%</b>       | <b>49.2%</b>      |

# TAESA's participation in the auction 004/2018

## TAESA's Performance

### Studied Lots

All

Field recognition with careful assessment and detailed study to evaluate the complexity and construction costs of each lot.

### Enrolled Lots

2, 3, 4, 6 and 12

Attractive lots for the Company in view of the complexity and construction costs as well as potential synergies.

### Lots with Bids

2, 3, 4, 6 and 12

Bidding on 5 lots, following our trajectory based on financial discipline and value generation.

### Acquired Lot

12

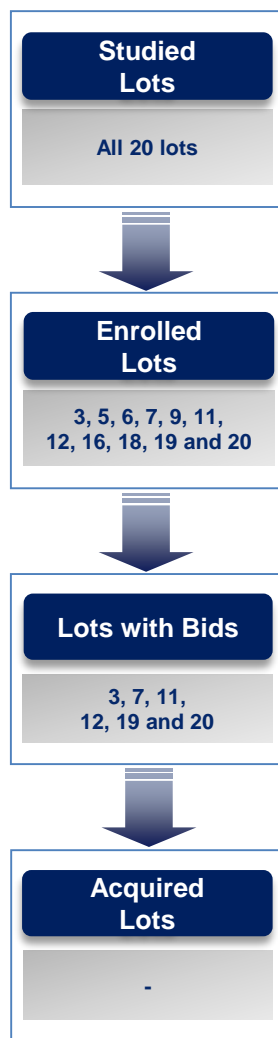
Achieving good returns with a base case considering lower Capex, anticipation, tax regime of presumed income, EBITDA margin over TAESA's current levels, and better financial conditions than those guaranteed by BNDES.

## Summary of Auction 004/2018 held on December 20, 2018

| Lot          | Aneel Capex (R\$ million) | Construction Period (months) | Location     | Maximum RAP (R\$ million) | Winner RAP (R\$ million) | Winner Discount | TAESA Discount |
|--------------|---------------------------|------------------------------|--------------|---------------------------|--------------------------|-----------------|----------------|
| 1            | 2,792                     | 60                           | SC           | 452.4                     | 194.2                    | 57.1%           | -              |
| 2            | 1,331                     | 60                           | RJ           | 220.7                     | 117                      | 47.0%           | 35.7%          |
| 3            | 754                       | 60                           | RJ / ES / MG | 125.4                     | 69.1                     | 44.9%           | 44.5%          |
| 4            | 699                       | 60                           | BA / TO      | 116.1                     | 62.8                     | 45.8%           | 43.0%          |
| 5            | 366                       | 60                           | SC           | 61.6                      | 26.4                     | 57.1%           | -              |
| 6            | 134                       | 54                           | SC           | 22.6                      | 11.5                     | 49.0%           | 28.0%          |
| 7            | 278                       | 48                           | AP / PA      | 44.5                      | 20.7                     | 53.5%           | -              |
| 8            | 89                        | 48                           | SP           | 15.2                      | 8.2                      | 20.3%           | -              |
| 9            | 161                       | 60                           | AM           | 28.0                      | 11.5                     | 59.0%           | -              |
| 10           | 2,432                     | 48                           | RS           | 381.0                     | 219.5                    | 42.4%           | -              |
| 11           | 349                       | 48                           | RS           | 55.1                      | 33.9                     | 38.5%           | -              |
| 12           | 610                       | 48                           | RS           | 96.3                      | 59.0                     | 38.8%           | 38.8%          |
| 13           | 777                       | 48                           | RS           | 122.3                     | 74.7                     | 38.9%           | -              |
| 14           | 1,215                     | 60                           | RS           | 201.5                     | 120.1                    | 34.0%           | -              |
| 15           | 61                        | 48                           | RO           | 10.4                      | 4.3                      | 58.0%           | -              |
| 16           | 1,127                     | 60                           | AM / PA      | 186.9                     | 120.1                    | 35.7%           | -              |
| <b>Total</b> | <b>13.2</b>               |                              |              | <b>208.5</b>              | <b>1,154</b>             | <b>46.1%</b>    | <b>39.3%</b>   |

# TAESA's participation in the auction 002/2018

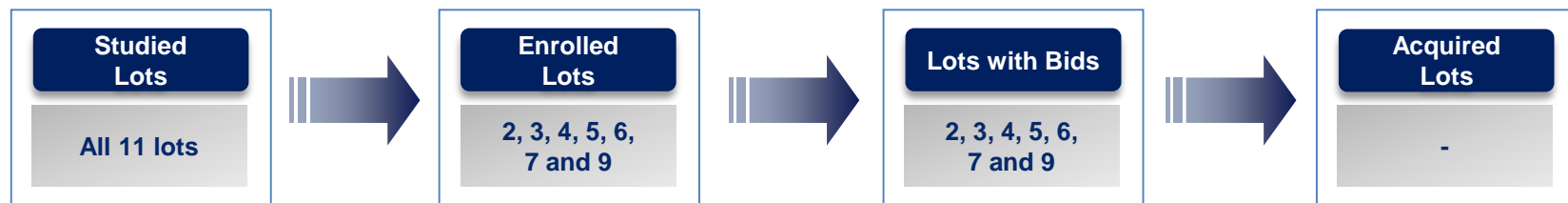
## TAESA's Performance



## Summary of Auction 002/2018 held on June 28, 2018

| Lot          | Aneel Capex<br>(R\$ million) | Construction<br>Period<br>(months) | Location | Maximum<br>RAP<br>(R\$ million) | Winner RAP<br>(R\$ million) | Winner<br>Discount | TAESA<br>Discount |
|--------------|------------------------------|------------------------------------|----------|---------------------------------|-----------------------------|--------------------|-------------------|
| 1            | 641                          | 60                                 | SC       | 114.7                           | 38.2                        | 66.7%              | -                 |
| 2            | 199                          | 42                                 | RJ       | 31.1                            | 14.9                        | 51.9%              | -                 |
| 3            | 1,217                        | 60                                 | CE / RN  | 205.1                           | 85.1                        | 58.5%              | 33.3%             |
| 4            | 367                          | 54                                 | PB       | 60.0                            | 25.7                        | 48.8%              | -                 |
| 5            | 60                           | 54                                 | BA       | 10.5                            | 5.4                         | 53.9%              | -                 |
| 6            | 112                          | 42                                 | BA       | 17.4                            | 10.9                        | 37.5%              | -                 |
| 7            | 773                          | 60                                 | BA / SE  | 133.3                           | 52.5                        | 60.6%              | 15.4%             |
| 8            | 77                           | 42                                 | AL       | 12.3                            | 8.0                         | 35.0%              | -                 |
| 9            | 102                          | 42                                 | CE       | 16.7                            | 7.9                         | 52.8%              | -                 |
| 10           | 238                          | 48                                 | SP       | 38.8                            | 10.1                        | 73.9%              | -                 |
| 11           | 124                          | 36                                 | TO       | 19.7                            | 7.2                         | 62.4%              | 54.3%             |
| 12           | 322                          | 48/54                              | GO       | 52.3                            | 25.3                        | 51.6%              | 26.2%             |
| 13           | 64                           | 48                                 | GO       | 11.1                            | 4.9                         | 54.9%              | -                 |
| 14           | 59                           | 42                                 | RS       | 9.8                             | 5.2                         | 47.0%              | -                 |
| 15           | 560                          | 54                                 | PA       | 91.2                            | 61.6                        | 32.4%              | -                 |
| 16           | 60                           | 48                                 | PI / MA  | 10.6                            | 5.8                         | 45.3%              | -                 |
| 17           | 96                           | 42                                 | PI       | 19.2                            | 9.4                         | 51.4%              | -                 |
| 18           | 57                           | 48                                 | MA       | 10.2                            | 7.8                         | 23.6%              | -                 |
| 19           | 480                          | 54                                 | PA       | 78.3                            | 33.5                        | 57.2%              | 38.4%             |
| 20           | 403                          | 64                                 | MG       | 65.6                            | 31.4                        | 52.1%              | 35.0%             |
| <b>Total</b> | <b>6,010</b>                 | <b>-</b>                           | <b>-</b> | <b>1,008</b>                    | <b>451</b>                  | <b>55.3%</b>       | <b>30.0%</b>      |

# TAESA's participation in the auction 002/2017



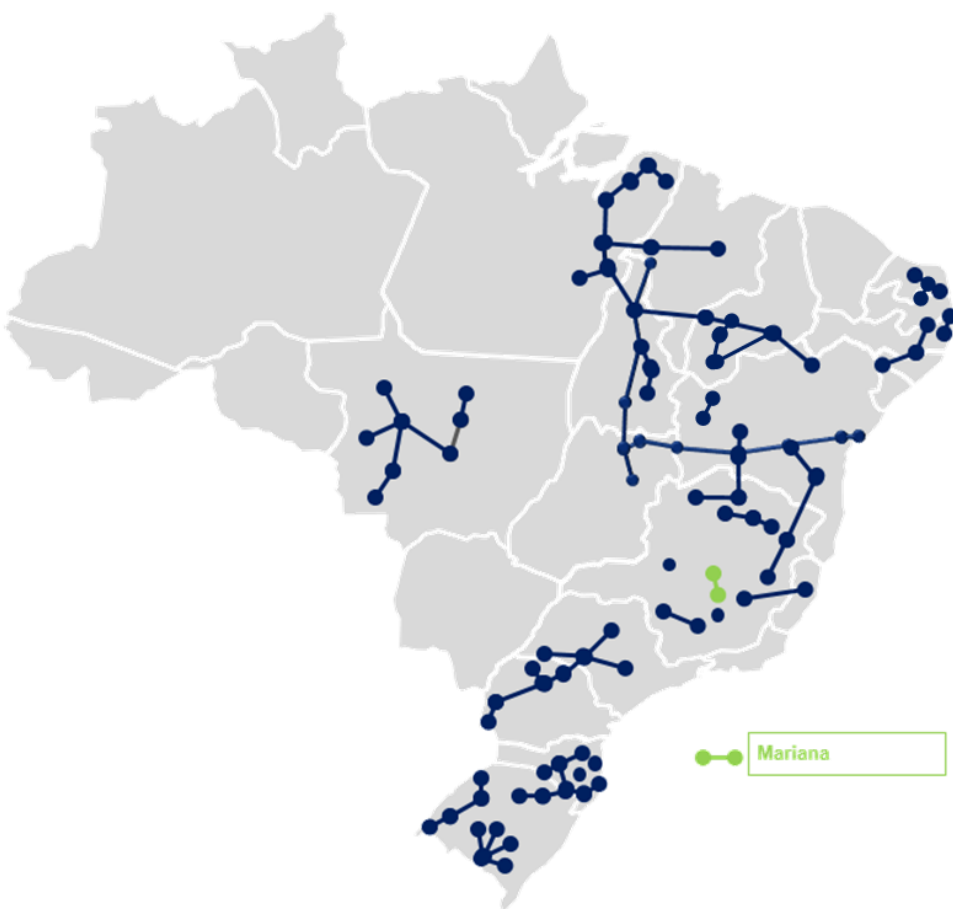
## Summary of Auction 002/2017 held on December 15, 2017

| Lot          | Aneel Capex<br>(R\$ million) | Construction<br>Period<br>(months) | Location | Maximum<br>RAP<br>(R\$ million) | Winner RAP<br>(R\$ million) | Winner<br>Discount | TAESA<br>Discount |
|--------------|------------------------------|------------------------------------|----------|---------------------------------|-----------------------------|--------------------|-------------------|
| 1            | 2,017                        | 60                                 | PR       | 355.4                           | 231.7                       | 34.8%              | -                 |
| 2            | 1,043                        | 60                                 | PI / CE  | 182.3                           | 85.3                        | 53.2%              | 22.3%             |
| 3            | 2,780                        | 60                                 | PA / TO  | 487.1                           | 313.1                       | 35.7%              | 0.0%              |
| 4            | 1,346                        | 60                                 | TO / BA  | 236.1                           | 126.0                       | 46.6%              | 19.0%             |
| 5            | 194                          | 42                                 | RN       | 31.3                            | 14.4                        | 53.9%              | 24.4%             |
| 6            | 584                          | 60                                 | PB / CE  | 103.4                           | 57.3                        | 44.6%              | 21.1%             |
| 7            | 277                          | 60                                 | MG       | 49.9                            | 32.6                        | 34.7%              | 7.6%              |
| 8            | 284                          | 60                                 | MG       | 51.1                            | 33.0                        | 35.5%              | -                 |
| 9            | 107                          | 42                                 | BA       | 17.4                            | 9.1                         | 47.9%              | 5.0%              |
| 10           | 72                           | 42                                 | PE       | 12.1                            | 7.3                         | 40.0%              | -                 |
| 11           | 45                           | 42                                 | PE       | 8.6                             | 4.0                         | 52.9%              | -                 |
| <b>Total</b> | <b>8,747</b>                 | <b>-</b>                           | <b>-</b> | <b>1.535</b>                    | <b>914</b>                  | <b>40.5%</b>       | <b>10.8%</b>      |

# Project - Mariana

Auction 013/13 - December 2013

Project  
Concluded



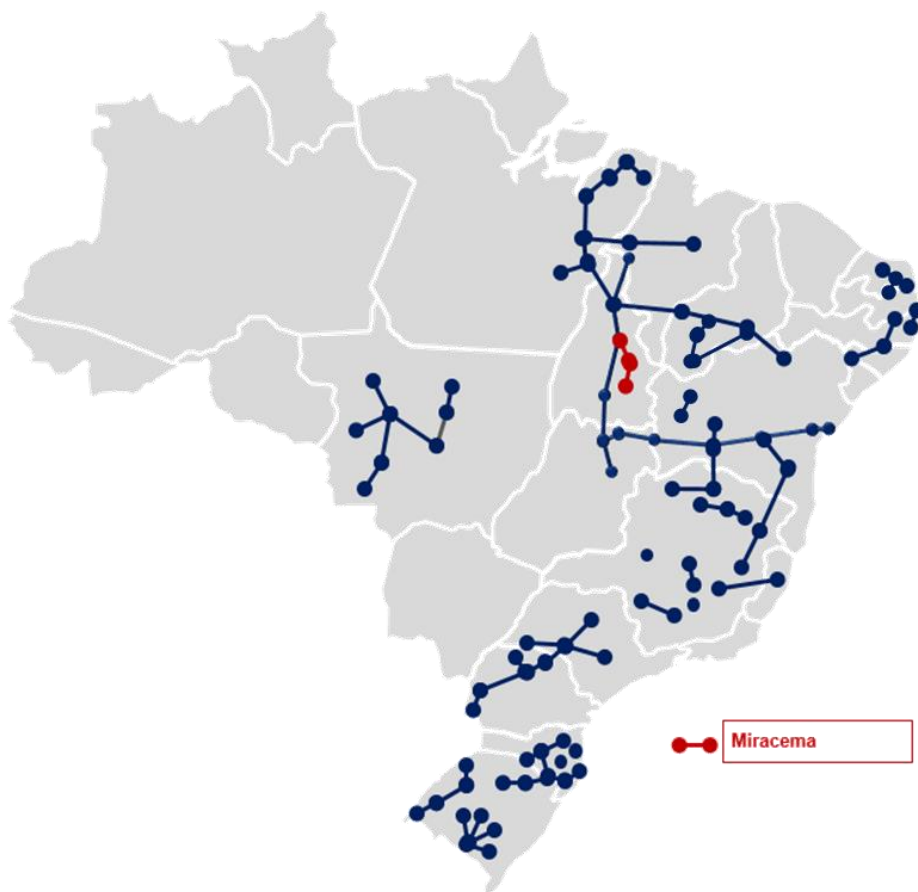
- **Completion Deadline:** May 2020 – Concluded on May 25, 2020.
- **Project Status:**
  - Preliminary license (LP) issued in May 2016;
  - Approval of the Installation (LI) and Operation (LO) Licenses by the state environmental agency in December 2018.
  - Issuance of TLD (Termo de Liberação Definitiva) on December 20, 2019 for Mariana reinforcement
  - Energization concluded on May 25, 2020.
  - Concession in operation
- **Performed Capex until mar/2020:** R\$ 161.9 million.
- **Construction Progress:** 100% accomplished.
- **Financing:**
  - (i) IPCA + 4.41% y.y (Equity – 4th Issue of Debentures - TAESA). Maturity: September/2024; and (ii) IPCA + 5.5% y.y (Equity – 6th Issue of Debentures - TAESA). Maturity: May/2044.



# Project - Miracema

Auction 013/15 - April 2016

Project  
Concluded



- **ANEEL's Deadline:** December 2019 – Concluded on November 29, 2019

- **Project Status:**

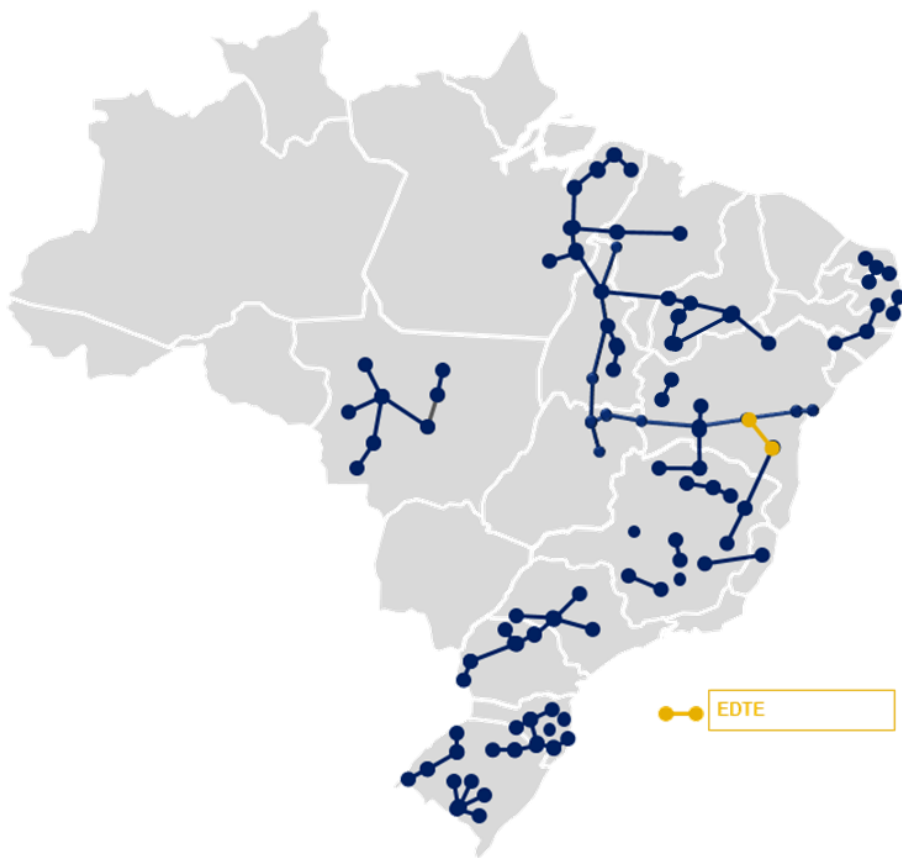
All environmental licenses have been obtained: Installation and Preliminary Licenses of LT 500kV, LT 230Kv, SE Palmas, SE Lajeado, and SE Miracema; Approval of the right to SUDAM's tax benefit in September 2018, which will last for 10 years from the start of operations; The section LT Miracema - Lajeado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

- **Total Performed Capex:** R\$ 268.6 million.
- **Construction Progress:** 100% accomplished.
- **Financing:**
  - (i) IPCA + 4.41% y.y (Equity – 4<sup>th</sup> Issue of Debentures - TAESA) - Maturity: September/2024; and
  - (ii) IPCA + 5.5% y.y Equity – 6<sup>th</sup> Issue of Debentures - TAESA) - Maturity: May/2044.

# Project – EDTE

Auction 013/15 - April 2016 - Lot M acquired by TAESA and ENTE on March 26, 2018

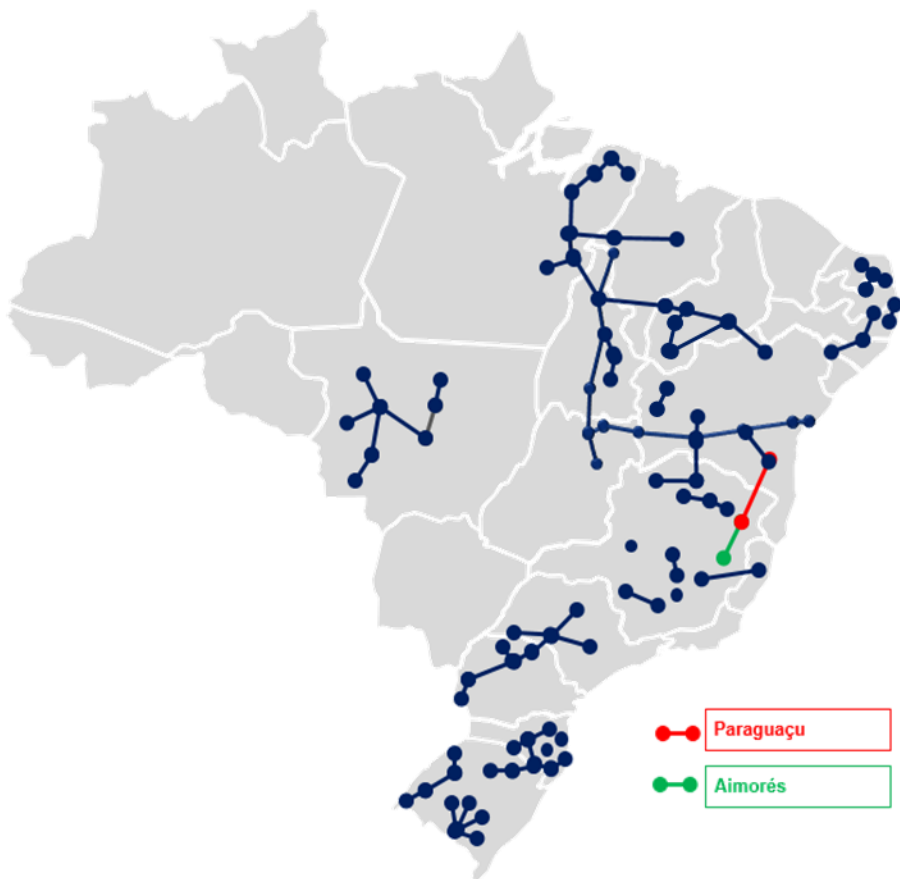
Project  
Concluded



- **ANEEL's Deadline:** December 2019 – Concluded on January 20, 2020;
- **Project Status:**
  - Preliminary License (LP) issued in June 2018;
  - 2<sup>nd</sup> issuance of EDTE debentures in December 2018.
  - Installation License (LI) issued in January 2019.
  - The energizations of the sections LT 500 kV Ibicoara - Poções III and the SE 500/230 kV Poções III were completed on December 22, 2019. The energization of the last section (LT 230kV Poções III - Poções II) was concluded on January 20, 2020.
  - Issuance of TLP (Termo de Liberação Provisória) on January 20, 2020.
  - Issuance of TLD (Termo de Liberação Definitiva) on February 7, 2020.
  - Concession in operation.
- **Total Performed Capex:** R\$ 191.6 million.
- **Construction Progress:** 100% accomplished.
- **Financing:**
  - (i) IPCA + 5.29% (semiannual interest - NTN-B) – 10 years - 2<sup>nd</sup> Issuance of Debenture in Dec/18 - Maturity: December/2028.

# Projects – Paraguaçu and Aimorés

## Auction 013/15 2<sup>nd</sup> Part - October 2016



### Paraguaçu:

- **ANEEL's Deadline:** February 2022
- **Project Status:** Basic project approved by ANEEL. Issued Licenses: LP in Oct/18 and LI in May/19. Approval of the right to SUDENE's tax benefit in January 2019, which will last for 10 years from the start of operations. Construction started.
- **Performed Capex until Mar/2020:** R\$ 183.2 million.
- **Construction Progress:** 75% accomplished.
- **Financing:**
  - (i) IPCA + 5.95% y.y (Equity – 5th Issue of Debentures - TAESA) - Maturity: July /2025; and
  - (ii) IPCA + 4.5% y.y (Equity – 7th Issue of Debentures - TAESA) - Maturity: September /2044.

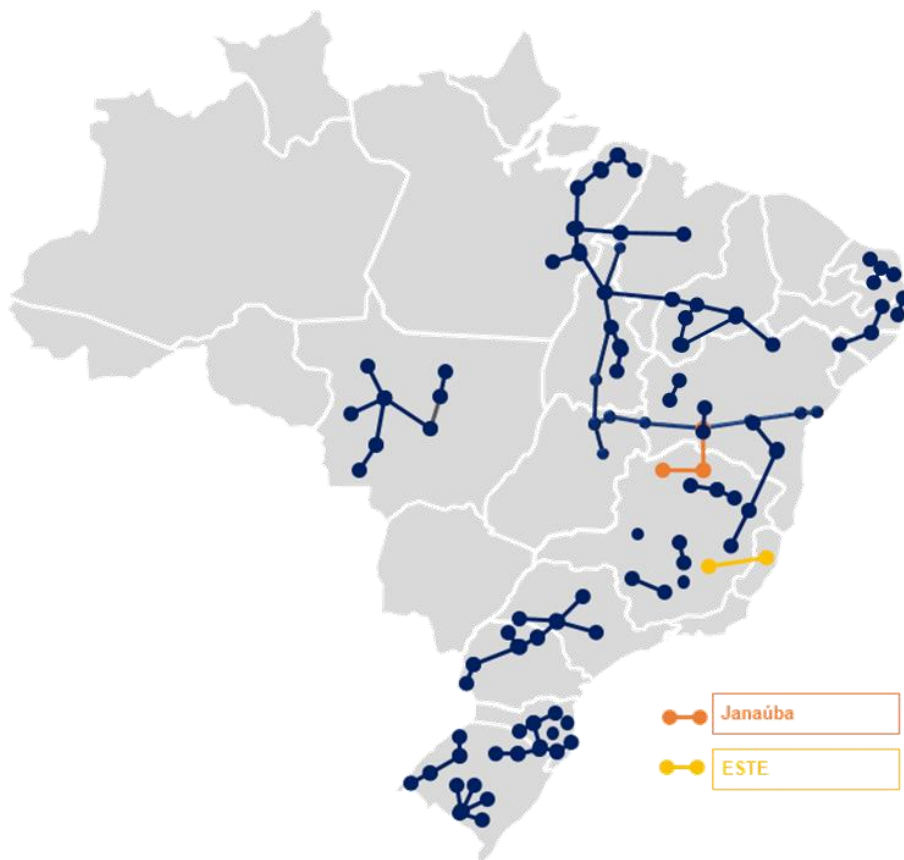
### Aimorés:

- **ANEEL's Deadline:** February 2022.
- **Project Status:** Basic project approved by ANEEL. Issued Licenses: LP in Oct/18 and LI in Apr/19. Approval of the right to SUDENE's tax benefit in December/2018, which will last for 10 years from the start of operations. Construction started.
- **Performed Capex until Mar/2020:** R\$ 113.6 million.
- **Construction Progress:** 71% accomplished.
- **Financing:**
  - (i) IPCA + 5.95% y.y (Equity – 5th Issue of Debentures - TAESA) - Maturity: July /2025; and
  - (ii) IPCA + 4.5% y.y (Equity – 7th Issue of Debentures - TAESA) - Maturity: September /2044.



# Projects – Janaúba and ESTE

## Auction 013/15 2<sup>nd</sup> Part - October 2016



### Janaúba:

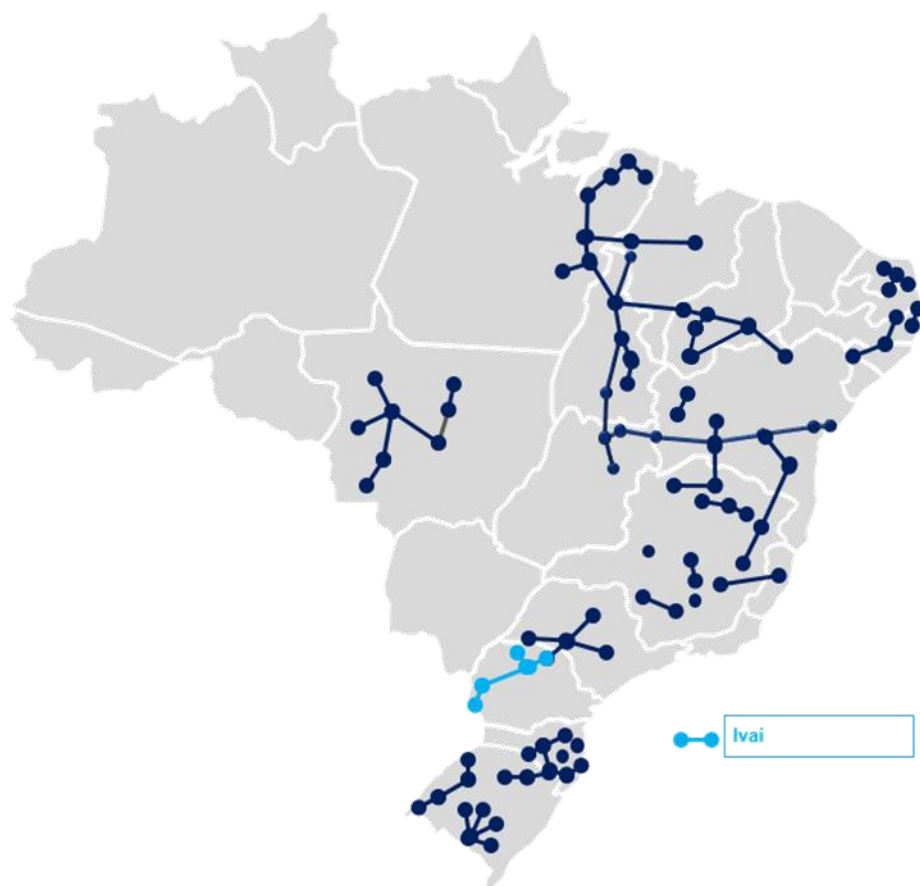
- **ANEEL's Deadline:** February 2022
- **Project Status:** The basic project is approved by ANEEL/ONS for the substations and under review for transmission lines. The design implementation/topography activities were completed; Preliminary License (LP) issued in September 2018; Installation License (LI) issued in July 2019; Approval of the right to SUDENE's tax benefit in September 2018, which will last for 10 years from the start of operations. Construction started.
- **Performed Capex until Mar/2020:** R\$ 311.4 million.
- **Construction Progress:** 38% accomplished.
- **Financing:**
  - (i) IPCA + 5.95% y.y. – (Equity – 5<sup>a</sup> Issuance of Debêntures - TAESA) – Maturity: July/2025; and (ii) IPCA + 4.50% y.y. - 1<sup>st</sup> Issuance of Debentures – Janaúba - Maturity: July /2033; and (iii) IPCA + 4.8295% y.y. – 2<sup>nd</sup> Issuance of Debentures – Janaúba - Maturity: December /2044.

### ESTE:

- **ANEEL's Deadline:** February 2022.
- **Project Status:** Basic project filed at ANEEL and already approved by ONS; Preliminary License (LP) issued in January 2019 and Installation License (LI) issued in October 2019. Field Service Order (CSO) issued to start the fieldwork.
- **Performed Capex until Mar/2020:** R\$ 19.3 million.
- **Construction Progress:** 6% accomplished.
- **Financing:**
  - (i) IPCA + 4.50% y.y. – (1<sup>a</sup> Issuance of Debentures - ESTE) – Maturity: December/2044.

# Project – Ivaí

Auction 005/16 - April 2017

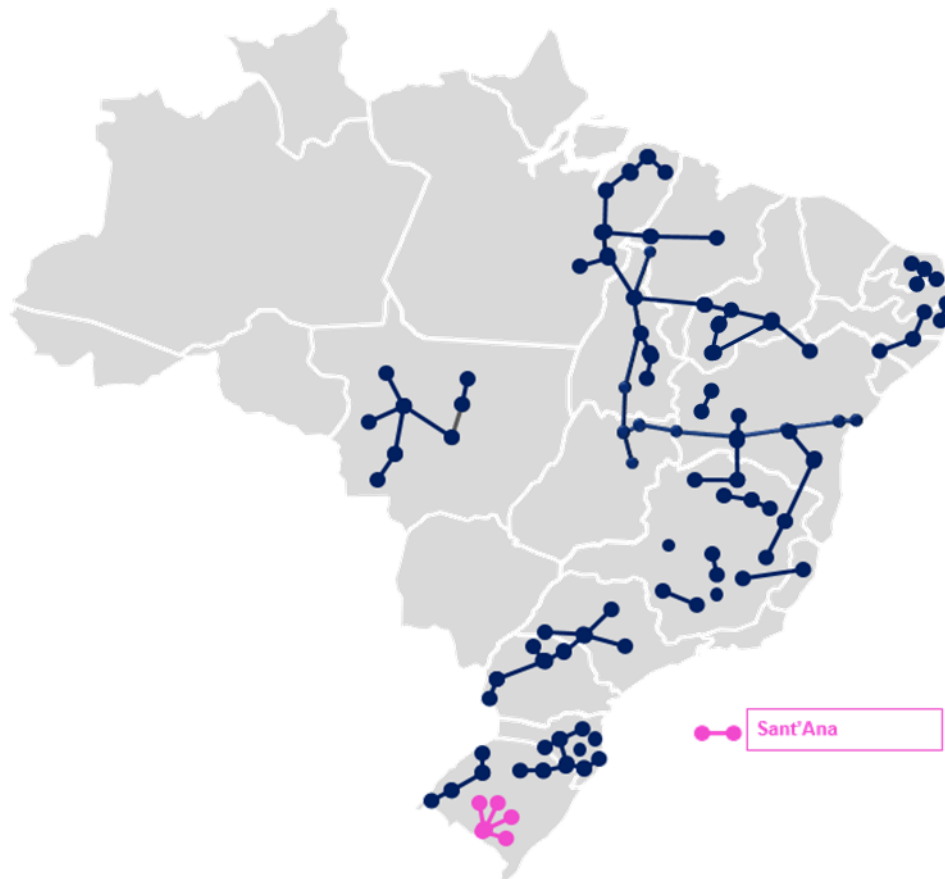


- **ANEEL's Deadline:** August 2022
- **Project Status:**
  - Basic project was filed at ANEEL;
  - EIA/RIMA registered at IAP;
  - Preliminary License (LP) for the 230 kV installations issued in September 2018;
  - Change of the corporate name from Elétricas Reunidas do Brasil S.A. - ERB1 to Interligação Elétrica Ivaí S.A.
  - All environmental licenses have been obtained: Preliminary and Installation Licenses of all LT 525 kV, 230 kV, SE Guaíra 525/230 kV, SE Sarandi de 525/230 kV, SE Paranaíba Norte 230/138 kV, SE Londrina - 525 kV and SE Foz do Iguaçu - 525 kV.
- **Performed Capex until Mar/2020:** R\$ 101.9 million.
- **Construction Progress:** 31% accomplished.
- **Financing:**
  - (i) IPCA + 4.9982% y.y. – (1ª Issuance of Debêntures - Ivaí) – Maturity: December/2043.



# Project – Sant'Ana

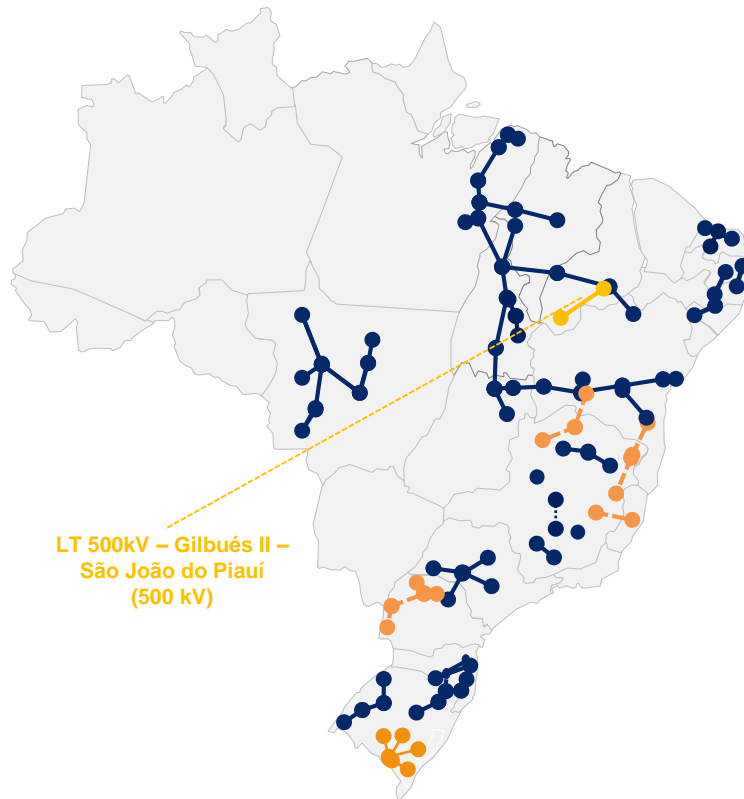
Auction 004/18 - December 2018



- **ANEEL's Deadline:** March 2023
- **Project Status:**
  - Constitution of the company Sant'Ana Transmissora de Energia S.A. in January 2019.
  - Concession Contract signed on March 22, 2019.
  - Preliminary and Installation Licenses (LPI) for the Livramento 3 and Maçambará 3 substations, both 230kV, issued in October 2019.
  - Preliminary Licenses (LP) for all transmission lines ("LT") and for 3 existing substations (Alegrete 2, Cerro Chato and Santa Maria 3 substations)
  - Installation Licenses (LI) for the transmission lines LT Livramento 3 / Alegrete 2 (C1), LT Livramento 3 / Maçambará 3 (C1), LT Livramento 3 / Cerro Chato (C1), and sectionings LT Maçambará / Santo Ângelo (C1/C2), all of 230kV voltage and for the extensions to substations SE 230kV Alegrete 2 and SE 230kV Cerro Chato on April 9, 2020.
  - The final schedule is being consolidated.
- **Performed Capex until Mar/2020:** R\$ 45.9 million.
- **Financing:**
  - (i) IPCA + 5.50% - Green Bonds – 6<sup>th</sup> Debentures Issuance – Taesa – Maturity: May/2044; and (ii) IPCA + 4.50% – 7<sup>th</sup> Debentures Issuance – Taesa – Maturity: September/2044.
  - (ii) IPCA + 4.7742% - Green Bonds - 8<sup>a</sup> Debentures Issuance – Taesa – Maturity: December/2044

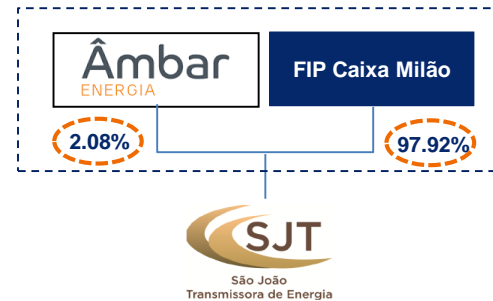
# Summary of Assets

## São João Transmissora de Energia S.A.



### Label:

- TAESA under construction
- TAESA operational
- SJT - São João



Acquisition value<sup>1</sup>:  
R\$ 399,028,830.00

Stake acquired by TAESA: 100%

R\$ 47.6 million of RAP<sup>2</sup>

417 Km of extension

Net debt<sup>3</sup>: R\$ 144.1 million  
Rate: 3,5% p.a. fixed (gr. debt: R\$ 160 mn, mat: Dec/23)

Location: State of Piauí

EBITDA Margin<sup>4</sup>: 90.0%  
EBITDA<sup>4</sup>: R\$ 42.3 million

Lot A of Auction 001/2013

End of Concession: Aug 2043

Category 3 – IPCA

Concluded: 02/14/2020 ✓

(1) Base date: December 31, 2018

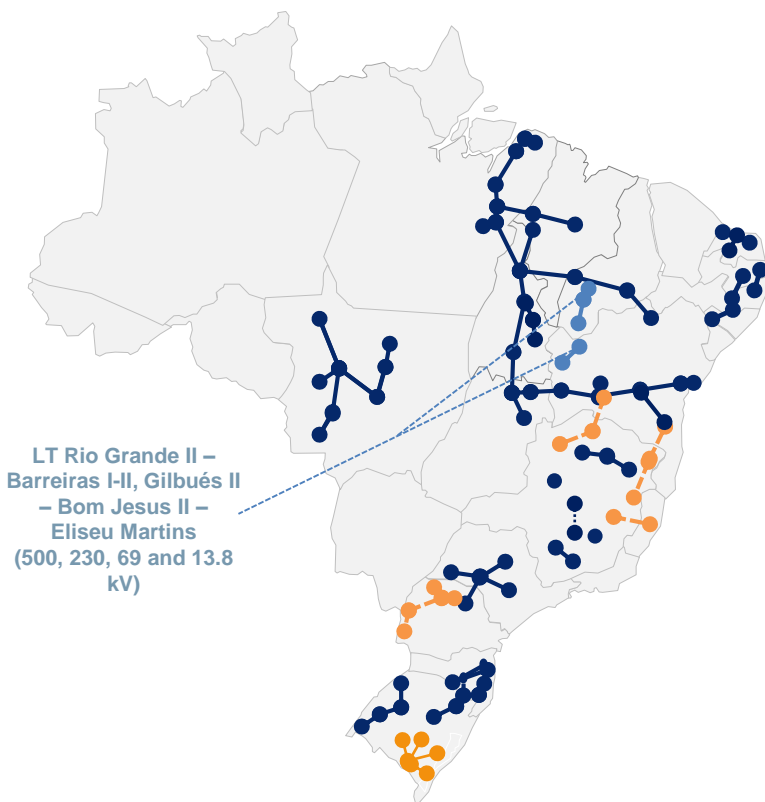
(2) RAP (Annual Permitted Revenues) amount referred to 2019-2020 cycle, including basic network and RBNI.

(3) Net debt value, estimated as of December 31, 2018, considers the reserve account balance.

(4) Estimated Regulatory EBITDA for 2019.

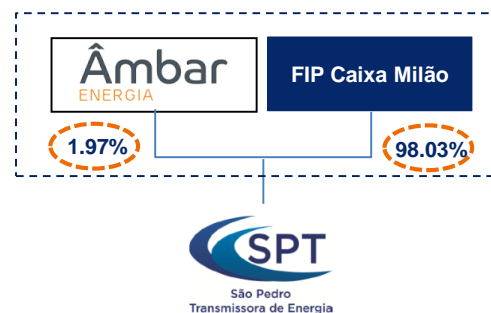
# Summary of Assets

## São Pedro Transmissora de Energia S.A.



**Label:**

- TAESA under construction
- TAESA operational
- SPT - São Pedro



**Acquisition value<sup>1</sup>:**  
R\$ 354,139,232.00

**Stake acquired by TAESA: 100%**

**R\$ 44.9 million of RAP<sup>2</sup>**

**418 Km of extension**

**Net debt<sup>3</sup>: R\$ 107.0 million**

Rates: 3,5% p.a. fixed (gr. debt: R\$ 124 mn, mat: Dec/23)  
136% CDI (gr. debt: R\$ 8 mn, mat: Vov/25)

**Location: States of Bahia and Piauí**

**EBITDA Margin<sup>4</sup>: R\$ 82.6%**  
EBITDA<sup>4</sup>: R\$ 36.5 million

**Lot C of Auction 002/2013**

**End of Concession: Oct 2043**

**Category 3 – IPCA**

**Concluded: 02/14/2020 ✓**

(1) Base date: December 31, 2018

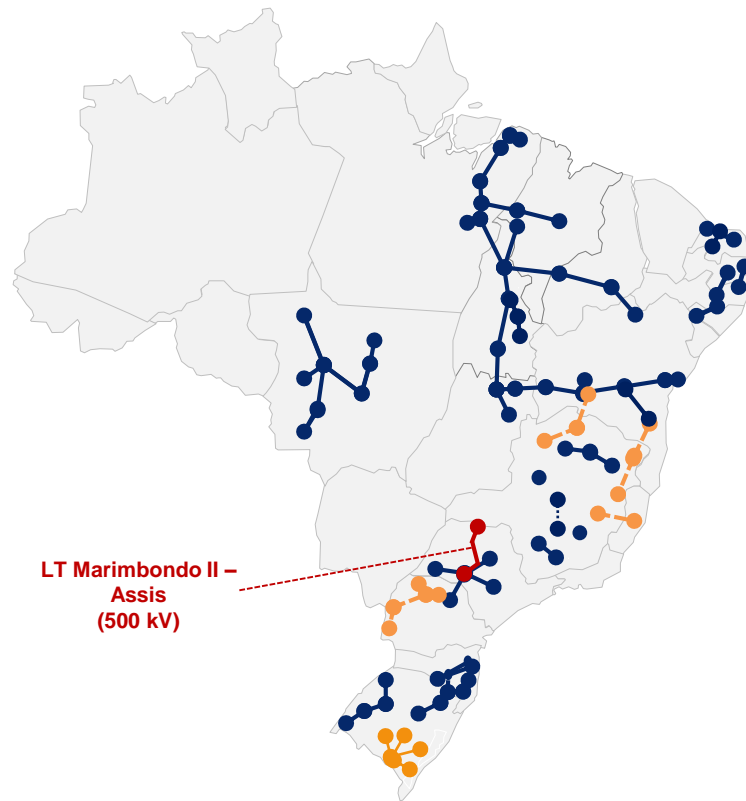
(2) RAP (Annual Permitted Revenues) amount referred to 2019-2020 cycle, including basic network and RBNI.

(3) Net debt value, estimated as of December 31, 2018, considers the reserve account balance.

(4) Estimated Regulatory EBITDA for 2019.

# Summary of Assets

## Triângulo Mineiro Transmissora S.A.



Acquisition value<sup>1</sup>:  
R\$ 150,903,000.00

Stake acquired by TAESA: 51%

R\$ 20.9 million of RAP<sup>2</sup>

297 Km of extension

Net debt<sup>3</sup>: R\$ 54.7 million  
Rates: 3,5% p.a. fixed (gr. debt: R\$ 53 mn, mat: Dec/23)  
136% CDI (gr. debt: R\$ 9 mn, mat: Vov/25)

Location: States of Minas Gerais  
and São Paulo

EBITDA Margin<sup>4</sup>: 86,0%  
EBITDA<sup>4</sup>: R\$ 17.6 million

Lot D of Auction 007/2012

End of Concession: Aug 2043

Category 3 – IPCA

(1) Base date: December 31, 2018

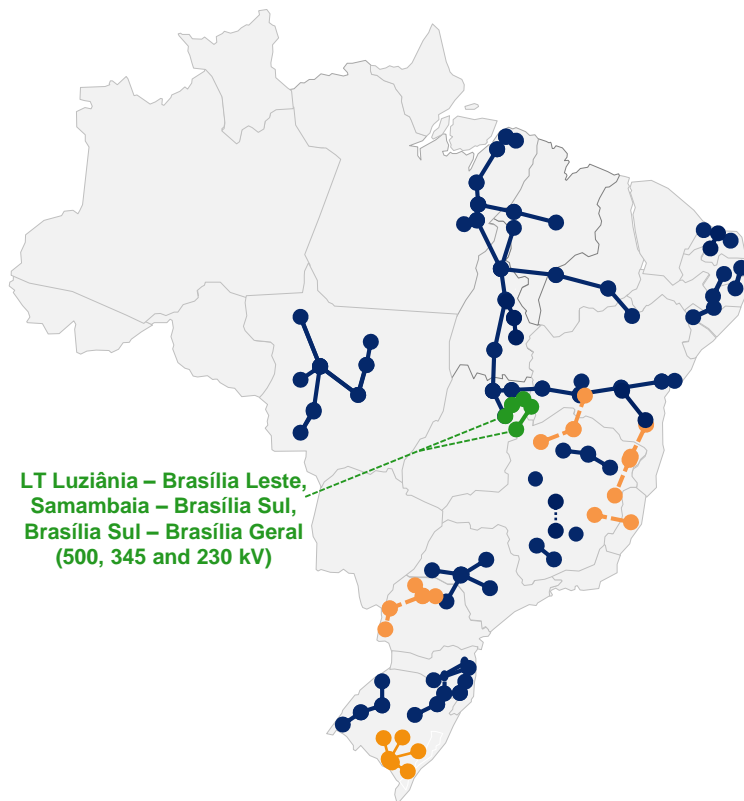
(2) RAP (Annual Permitted Revenues) amount referred to 2019-2020 cycle, including basic network and RBNI, considers only the stake acquired by TAESA.

(3) Net debt value, estimated as of December 31, 2018, considers the reserve account balance and is proportional to the stake acquired by TAESA.

(4) Estimated Regulatory EBITDA for 2019. Amount considers only the stake acquired by TAESA.

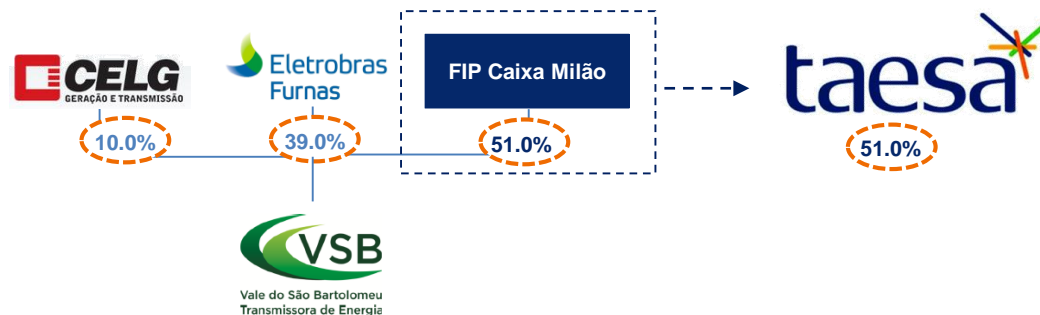
# Summary of Assets

## Vale do São Bartolomeu Transmissora de Energia S.A.



Label:

- TAESA under construction
- TAESA operational
- VSB - Vale do São Bartolomeu



Acquisition value<sup>1</sup>:  
R\$ 126,195,000.00

Stake acquired by TAESA: 51%

R\$ 19.6 million of RAP<sup>2</sup>

95 Km of extension

Net debt<sup>3</sup>: R\$ 57.0 million

Rate: 3,5% p.a. fixed (gr. debt: R\$ 60 mn, mat: Dec/23)

Location: Federal District and  
State of Goiás

Margin EBITDA<sup>4</sup>: 81.4%  
EBITDA<sup>4</sup>: R\$ 15.4 million

Lot B of Auction 002/2013

End of Concession: Oct 2043

Category 3 – IPCA

(1) Base date: December 31, 2018

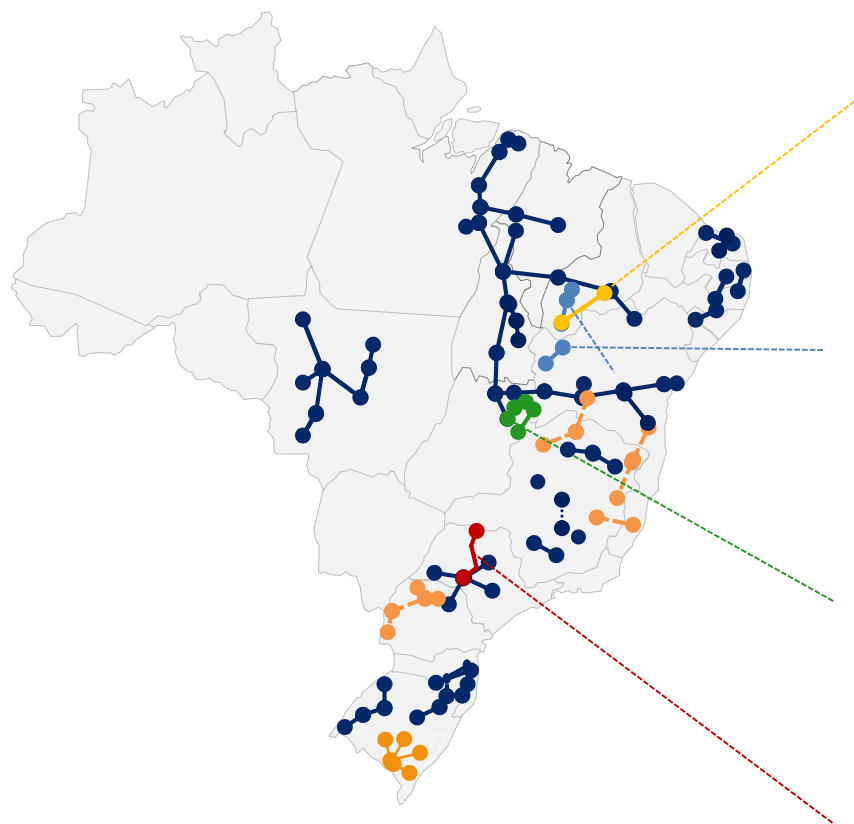
(2) RAP (Annual Permitted Revenues) amount referred to 2019-2020 cycle, including basic network and RBNI, considers only the stake acquired by TAESA.

(3) Net debt value, estimated as of December 31, 2018, considers the reserve account balance and is proportional to the stake acquired by TAESA.

(4) Estimated Regulatory EBITDA for 2019. Amount considers only the stake acquired by TAESA.



## The 4 assets are close to TAESA's concessions, allowing operational synergies



Near to ATE II concession. Managed by Araguaína regional office.



Near to ATE II and TSN concessions. Managed by Araguaína and Brasília regional offices.



Near to Novatrans concession (Brasília regional office)<sup>1</sup>



Near to ATE and ETEO concessions (Assis regional office)<sup>1</sup>

Label:

- TAESA under construction
- TAESA operational

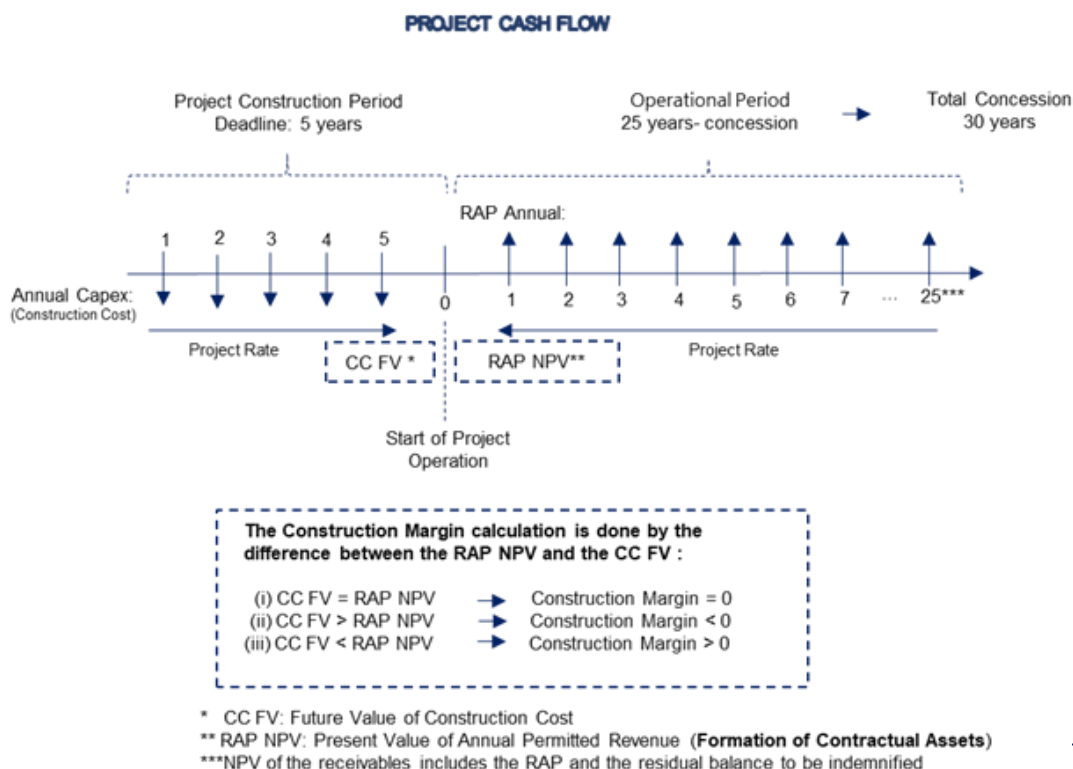
(1) With the possibility of buying minority shareholders' stakes, additional synergies will be captured.

# Relevant Benefits for TAESA

- 1** Quality operating assets close to TAESA's lines
- 2** Operational synergies mainly in G&A and O&M managing
- 3** RAP replacement with category-3 assets
- 4** Extension of TAESA's average concessions term. Acquired concessions end only in 2043.
- 5** Increase of TAESA's capacity to pay dividends
- 6** Possibility of buying minority shareholders' stakes, capturing additional synergies

# Adoption of IFRS 15 (CPC 47)

## Concept based on the Construction Margin



### Impacts of CPC 47 Adoption:

- For the beginning (initial) balance of Contractual Asset as of January 01, 2018: Adjustment accounted in **Special Reserve** (Shareholders' Equity) for the 2018 Fiscal Year in the amount of **R\$ 113.4 MM (no cash effect)**, referring to previous years
- Contractual Assets for the 2018 Fiscal Year: Adjustment recorded in the **2018 Income Statements** in the amount of **R\$ 116.9 MM (no cash effect)**, with 5% being accounted in **Legal Reserve** and the remainder in **Special Reserve**.
- Contractual Assets for the 2019 Fiscal Year: Adjustment recorded in the **2019 Income Statements** in the amount of **R\$ 291.3 MM (no cash effect)**, with 5% being accounted in **Legal Reserve** and the remainder in **Special Reserve**.
- On March 31, 2020, the adjustments generated by the adoption of CPC 47 in the net income amounted to **R\$ 100,9 MM<sup>1</sup>**.
- The amounts accounted in Special Reserve should be distributed in the future as dividends.

(1) 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.



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