

# 1Q21

## RESULTS

**Rio de Janeiro, May 5, 2021**

**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 first quarter of the year of 2021.

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

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

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

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

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

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

In the Regulatory Results presented below, prepared based on the structure prevailing in the Accounting Manual for the Electricity Sector as issued by ANEEL, all investments in the construction of transmission lines and substations are recorded as fixed assets and the effects of the application of CPC 47 (IFRS 15) are eliminated, including the fiscal impact (deferred IR and social contribution and deferred PIS and COFINS) are recognized on the differences arising from the temporary application of this interpretation. It is important to mention that the Regulatory Results are audited annually in the disclosure of the regulatory financial statements to ANEEL. Therefore, the deadline for completing the audit of the Regulatory Financial Statements (DCRs) 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 sense, the Company informs that it proceeded with the restatement of its Regulatory Results for the year of 2020, due to a write-off of R\$ 15.1 million related to an accounts receivable recorded in the regulatory accounting of the concession São João Transmissora de Energia S.A in the year of 2019, based on an injunction referring to the receipt of this asset's RAPs for the months of July, August, October and November of 2019. In 2020, the Company proceeded with the write-off of this accounts receivable, in view of its non-recoverability.

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

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

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

### Video Conference call in English (simultaneous translations)

May 6, 2021  
Thursday  
New York 10am  
Brasília 11am

Webcast in English: [Click here](#)

Webcast in Portuguese: [Click here](#)

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## 1. MESSAGE FROM THE ADMINISTRATION

### CONSISTENCY IN RESULTS REAFFIRMS RESUME OF GROWTH

*Taesa presented consistent results in the first quarter of 2021, proving its commitment to the sustainable growth strategic pillar. It is worth remembering that the Company has been showing a growth resumption in the regulatory operating result since 2020, driven by the entry into operation of some projects under construction and assets acquired in recent years.*

*The Company's net regulatory operating revenues grew 3.6% compared to the first quarter of 2020, totaling R\$ 386.4 million. If we exclude non-recurring events for this quarter, net revenues would amount to R\$ 395.4 million, accounting for an annual growth of 6.1%.*

*Regulatory EBITDA in 1Q21 reached R\$ 316.7 million, with a growth of 1.3%, while EBITDA margin reached 82.0% in the period. If we disregard the non-recurring effects for the quarter, EBITDA would total R\$ 334.3 million, presenting an increase of 6.9% year-on-year and an EBITDA margin of 84.5%, higher than the 83.9% recorded in the same period of last year.*

*In terms of IFRS results, the Company recorded net income of R\$ 555.9 million for the quarter, 42.1% higher than the same quarter of 2020, mainly due to higher macroeconomic indexes recorded in the compared periods, with a greater effect of the IGP-M index that recorded 6.2% in 1Q21, and to the acquisitions and the entry into operation of Mariana in 2020.*

*From an operational standpoint, the Company maintained a high rate of availability for the lines, reaching 99.96%, and a variable portion below 1.0% of the Annual Permitted Revenues (RAP) in this quarter, demonstrating its soundness, consistency and operational resilience.*

*We remain dedicated and prioritizing our six projects under construction. Some of them are in an advanced stage of completion with expected delivery before ANEEL's deadline and the possibility of conclusion in 2021. It is worth highlighting that these projects together represent approximately R\$ 5 billion in investments and a RAP of R\$ 875 million (2020-2021 cycle). Considering only TAESA's interest in such concessions, the amount to be invested is R\$ 3.2 billion, with a proportional RAP of R\$ 567.5 million.*

*Sustainability remains a fundamental foundation for the Company in all aspects and is an integral part of Taesa's long-term strategic planning recently approved by its Board of Directors.*

*On April 28, 2021, the Company released its sustainability report – the new name for the social and environmental report – thus bringing greater transparency with the adoption of the Global Reporting Initiative (GRI) international standard and showing the evolution of several Environmental, Social and Governance (ESG) practices, attesting its relevance in Taesa. The report covers 5 dimensions that address issues related to the improvement and awareness of sustainability practices for internal and external audiences. Among the topics covered, we highlight the following: mapping of the Greenhouse Gas (GHG) inventory, diversity and inclusion program, Great Place to Work certification with 1<sup>st</sup> place in the 2020 GPTW Energy for the Generation, Distribution and Transmission segment, Corporate Governance practices, initiatives to face the pandemic, among others. In the context of the diversity and inclusion program, Taesa joined the Women's Empowerment Principles (WEP's), an initiative of the UN Women and International Labor Organization, which seeks to support and promote gender equality and the empowerment of women in the workplace, market and community.*

*Finally, it is worth highlighting that, on April 29, 2021, the Shareholders' Meeting approved the allocation of net income for the year 2020. Therefore, until May 31, 2021, additional dividends in the amount of R\$ 561.9 million (R\$ 1.63/Unit) will be paid, representing a payout of 71.0% of net income under IFRS.*

*Regarding Taesa's board of executive officers, we announced the election of Mr. Luis Alessandro Alves as the Chief Implementation Officer on March 12, 2021, thus completing the executive team of the Company's Statutory Board.*

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

## 2. SUMMARY OF RESULTS

R\$ mn	Consolidated			Consolidated and Associated		
	1Q21	1Q20*	Chg.%	1Q21	1Q20*	Chg.%
Net Revenues IFRS	908.4	688.4	32.0%	1,365.3	1,105.5	23.5%
Net Income IFRS	555.9	391.2	42.1%	748.0	565.3	32.3%
Net Revenues Reg.	386.4	372.8	3.6%	484.6	482.0	0.5%
EBITDA Reg.	316.7	312.7	1.3%	403.7	409.1	-1.3%
EBITDA Margin Reg.	82.0%	83.9%	-1.9 pp	83.3%	84.9%	-1.6 pp
Net Debt	5,226.1	4,034.0	29.5%	6,392.1	4,590.2	39.3%
Net Debt/EBITDA	-	-	-	3.9	3.0	30.0%

\*The Company performed the adjustments and reclassification of its balance sheets as of March 31, 2020 in order to present such amounts for comparative purposes with the interim information as of March 31, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47 (IFRS).

## IFRS RESULTS

- Net income amounted to R\$ 555.9 million in 1Q21, +42.1% y.o.y, mainly due to:
  - (i) Greater macroeconomic indices recorded between the compared periods, mainly IGP-M, reflecting positively the monetary restatement revenues (+R\$ 241.5 million);
  - (ii) Consolidation of results from the acquisitions of São João, São Pedro, Lagoa Nova and the entry into operation of Mariana concession, with an impact of approximately +R\$ 30 million in the net income between the compared quarters;
  - (iii) Increase of 17.9% in equity method, also resulting from the higher macroeconomic indexes that positively impacted the monetary restatement revenues from its jointly-controlled investees;
  - (iv) The above effects were partially offset by the following:
    - a. Reduction in the implementation of infrastructure margin due to the lower investments in Janaúba in the annual comparison.
    - b. Increase of 35.8% in net financial expenses as a result of funding raised in 2020, increase in IPCA and the lower volume of cash, due to investments in the projects under construction, associated with a lower CDI.
- The Annual Shareholders' Meeting, held on April 29, 2021, approved the 2020 net income allocation through additional dividends of R\$ 561.9 million (R\$ 1.63 / Unit) payable until May 31, 2021, with the shares trading "ex-dividends" on May 5, 2021. Accordingly, the Company paid to its shareholders the total amount of R\$ 1,606.4 million (R\$ 4.66 / Unit) relating to 2020 income statements, equivalent to a payout of 98.5% of the adjusted net income and 71.0% of the IFRS net income.

## REGULATORY RESULTS

- Net revenues totaled R\$ 386.4 million in 1Q21, registering an increase of 3.6% y.o.y. If we exclude the non-recurring effect in 1Q21, revenues would be R\$ 395.4 million, with an annual increase of 6.1%, explained by the entry into operation of Mariana, acquisition of São João, São Pedro and Lagoa Nova concessions and by the inflationary adjustment of the 2020-2021 cycle. These effects offset the decrease in RAP of some concessions.



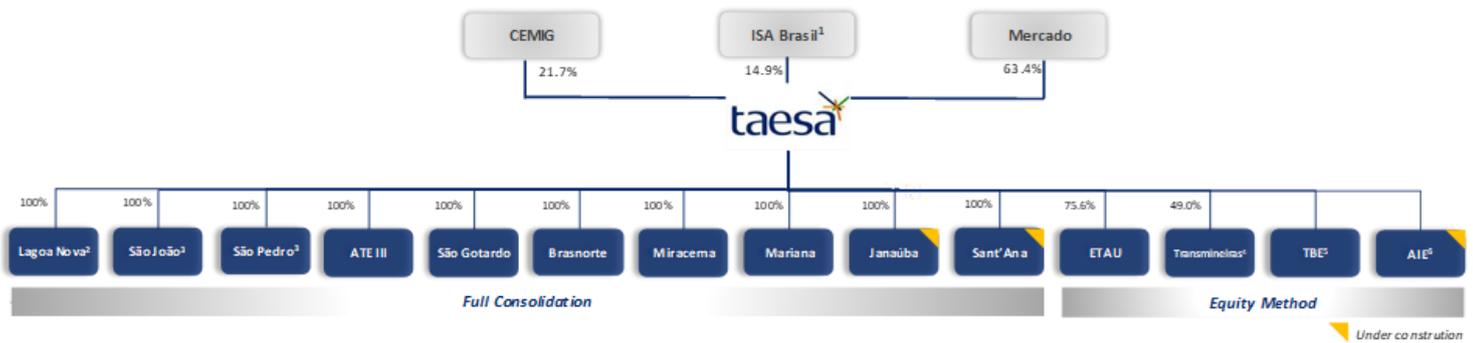
## 2021 First Quarter Earnings Release

- PMSO costs reached R\$ 69.7 million in 1Q21, 15.9% higher y.o.y, mainly due to some non-recurring events in other operating costs. If these specific events are disregarded, PMSO costs would total R\$ 61.1 million, registering an increase of 1.6% y.o.y.
- EBITDA totaled R\$ 316.7 million in 1Q21, an y.o.y increase of 1.3% and an EBITDA margin of 82.0%. Excluding the non-recurring effects of revenues and costs, EBITDA would amount to R\$ 334.3 in the quarter, presenting an y.o.y growth of 6.9% and an EBITDA margin of 84.5% (+ 0.7pp versus 1Q20).
- Net financial expenses closed at R\$ 182.4 million, registering an annual increase of 36.0%, as a result of the funding raised in 2020, the increase of IPCA, and the lower average cash volume, due to the investments made in the projects under construction, associated with a lower CDI.
- Net income stood in R\$ 107.8 million in 1Q21, an y.o.y decrease of 22.6%.
- On March 31, 2021, gross debt closed at R\$ 6,257.6 million, a 2.4% q.o.q reduction. The Company's cash position was R\$ 1,031.5 million (+13.9% q.o.q), resulting in a net debt of R\$ 5,226.1 million (+0,4% q.o.q).
- The ratio of Taesa's net debt to EBITDA, consolidating proportionally the jointly-controlled and affiliated companies, was 3.9x (versus 3.8x in 4Q20).
- The transmission lines availability rate was 99.96% and the Variable Portion (PV) was R\$ 4.3 million (less than 1% of the consolidated RAP) in 1Q21, the latter presenting an improvement of 32.7% y.o.y.

## 3. OVERVIEW

### 3.1. Corporate Structure

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



<sup>1</sup> ISA Investimentos e Participações do Brasil S.A.

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

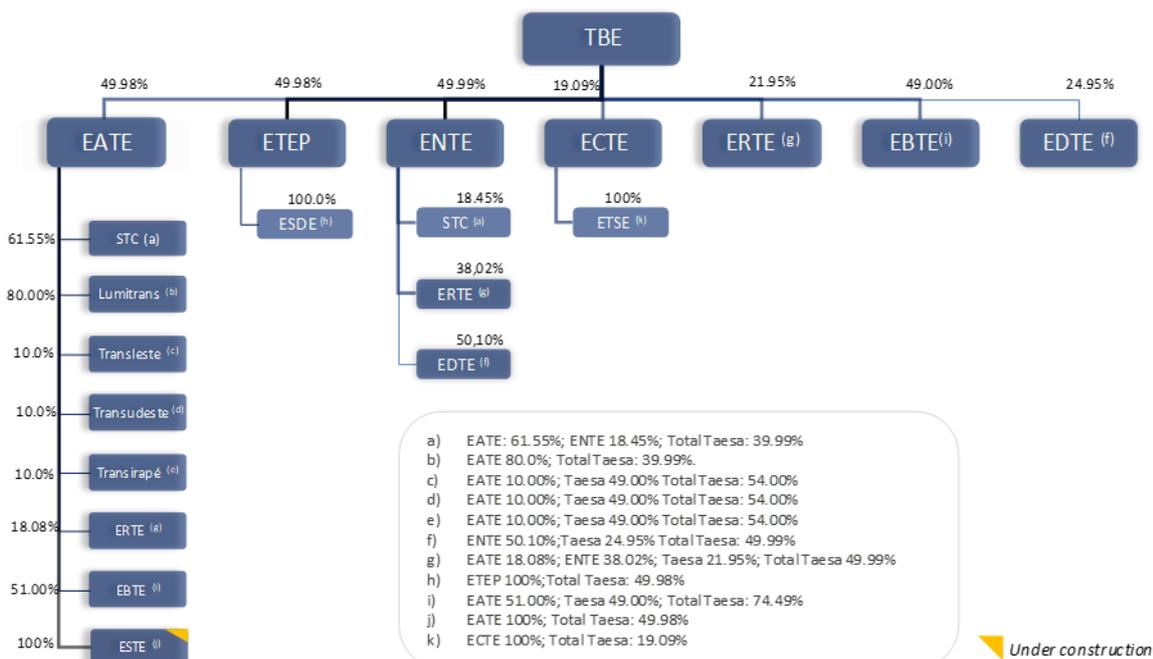
<sup>3</sup> In 2018, the Company announced the purchase of 4 operating assets from Ambar Energia Ltda. The acquisition of São João Transmissora de Energia SA and São Pedro Transmissora de Energia SA was completed on February 14, 2020. The closing of the transaction for the acquisition of Triângulo Mineiro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

<sup>4</sup> Transmineiras is a group in which Taesa holds stakes in 3 concessions: Transisapé (54.0%), Transleste (54.0%) and Transudeste (54.0%)

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

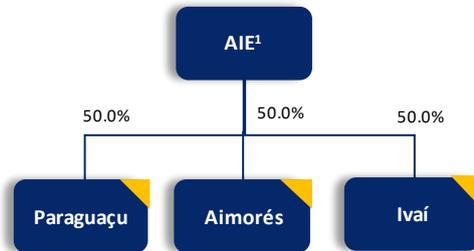
<sup>6</sup> AIE - Aliança Interligação Elétrica is an economic group of the partnership of the companies TAESA and ISA CTEEP, currently responsible for implementing 3 new projects.

### 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



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

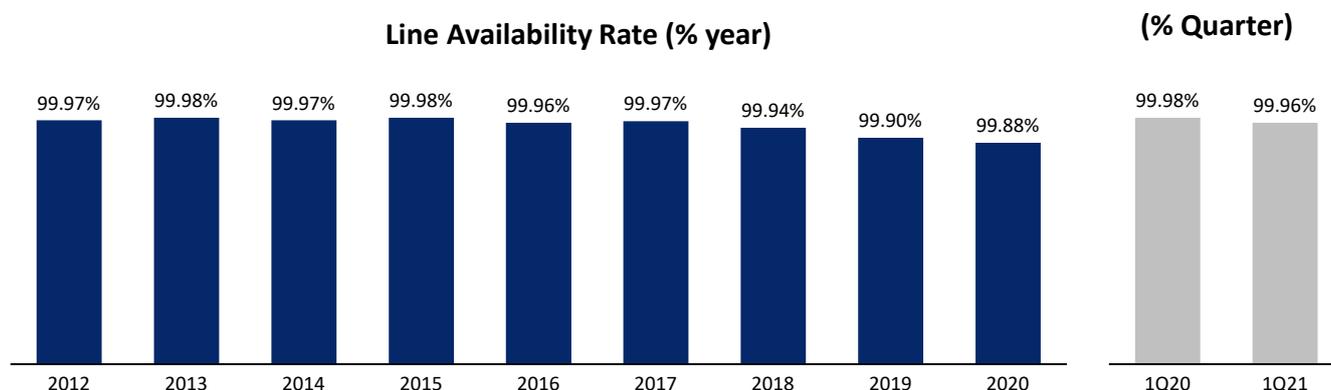
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## 4. ECONOMIC AND FINANCIAL PERFORMANCE

### 4.1. Operational Performance

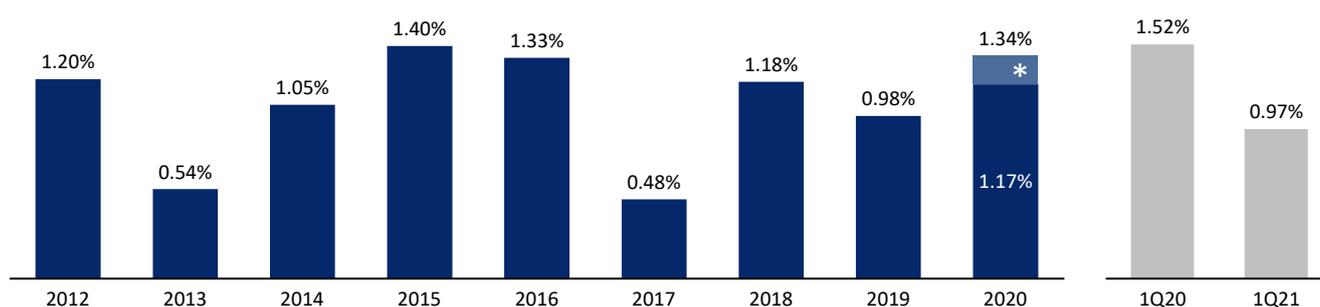
With a high operating performance over the years, Taesa recorded a consolidated average line availability rate of 99.96% in 1Q21, as shown in the diagram below, presenting its consolidated performance, therefore, disregarding ETAU, Transmineiras, AIE and TBE.

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



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

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



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

PV in 1Q21 was R\$ 4.3 million, an improvement of R\$ 2.1 million compared to the same period in 2020, chiefly due to the greater disconnections/provisions in 1Q20, mainly in São João and Novatrans concessions. It is important to note that the events that occurred in the São João concession accounted for in 1Q20 were compensated in the following quarter (2Q20) by the sellers as agreed in the purchase and sale contract, since the triggering factor of these events occurred before the closing date of the acquisition, although the materialization of the effective PV took place after the closing. The PV of R\$ 4.3 million recorded in 1Q21 was more impacted by the following events: (i) TSN: untimely shutdown caused by failure to SE Serra da Mesa circuit breaker in January 2021; and (ii) NVT: shutdown scheduled at SE Gurupi to maintain the BSGUMI4 capacitor bank in December 2020.

## 4.2. RAP Cycle 2020-2021

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

RAP (R\$ mn)	2018-2019 Cycle	2019-2020 Cycle	2020-2021 Cycle
IGP-M Adjustment	4.3%	7.6%	6.5%
Novatrans <sup>28</sup>	413.509	330.9	352.5
TSN <sup>2</sup>	279.621	301.0	325.1
Munirah	38.039	40.9	29.0
GTESA	5.822	5.5	5.9
PATESA <sup>2</sup>	26.074	18.1	17.4
ETAU <sup>12</sup>	25.249	38.5	29.9
ETEO	91.909	98.9	105.4
NTE <sup>2</sup>	125.21	86.3	92.1
STE <sup>2</sup>	85.256	48.6	50.6
ATE I <sup>2</sup>	155.389	167.3	115.1
ATE II <sup>2</sup>	240.25	258.7	275.5
EATE <sup>128</sup>	113.603	122.2	130.6
ETEP <sup>1</sup>	25.614	27.6	29.4
ENTE <sup>1</sup>	117.37	102.0	67.3
ECTE <sup>1</sup>	9.417	10.2	10.8
ERTE <sup>12</sup>	26.343	19.5	15.3
Lumitrans <sup>12</sup>	11.115	12.0	12.7
Transleste <sup>1</sup>	12.763	24.7	19.3
Transirapé <sup>1</sup>	10.188	20.1	22.2
Transudeste <sup>1</sup>	7.647	15.3	16.3
<b>Subtotal</b>	<b>1,820.4</b>	<b>1,748.3</b>	<b>1,722.3</b>
IPCA Adjustment	2.9%	4.7%	1.9%
ATE III <sup>235</sup>	119.808	125.4	127.7
São Gotardo <sup>3</sup>	5.175	5.4	5.5
Mariana <sup>3</sup>	14.678	15.4	16.4
Miracema <sup>38</sup>	62.138	65.0	67.9
Janaúba <sup>34</sup>	185.422	194.1	197.7
Aimorés <sup>134</sup>	37.92	39.7	40.4
Paraguaçu <sup>134</sup>	56.603	59.2	60.4
Brasnorte <sup>1238</sup>	10.223	27.6	28.1
STC <sup>123</sup>	18.095	18.9	19.2
EBTE <sup>123</sup>	35.751	34.4	36.4
ESDE <sup>13</sup>	6.735	7.0	7.2
ETSE <sup>123</sup>	3.829	4.0	4.1
ESTE <sup>134</sup>	53.611	56.1	57.2
Ivaí <sup>134</sup>	140.457	147.0	149.8
EDTE <sup>138</sup>	32.968	34.6	35.2
Sant'Ana <sup>4</sup>	58.956	60.9	62.1
São João <sup>6</sup>		47.6	49.8
São Pedro <sup>6</sup>		44.9	46.5
Lagoa Nova <sup>7</sup>		12.6	12.9
<b>Subtotal</b>	<b>842.4</b>	<b>999.8</b>	<b>1,024.6</b>
<b>Total</b>	<b>2,662.8</b>	<b>2,748.1</b>	<b>2,746.9</b>

<sup>1</sup> RAP amount proportional to TAESA's stake

<sup>2</sup> Including reinforcements

<sup>3</sup> Gross up PIS/COFINS

<sup>4</sup> Under Construction

<sup>5</sup> Category II Concession with IPCA Adjustment

<sup>6</sup> Acquisition completed on February 14, 2020

<sup>7</sup> Acquisition completed on March 13, 2020

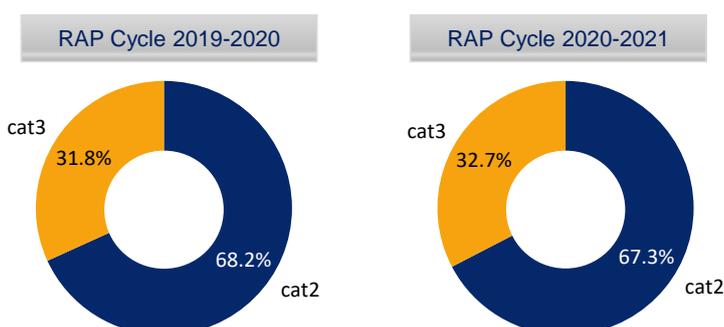
<sup>8</sup> RAP's rectified based on ANEEL order 3,219 / 2020 on 11/20/2020

Including the controlled concessions, jointly-controlled investees and affiliates, Taesa's total RAP (operational and under construction) for 2020-2021 cycle is R\$ 2,746.9 million, of which 49.8% is at the holding company level. Considering the completion of the Mariana project in May 2020, Taesa's operating RAP for 2020-2021 cycle was R\$ 2,179 million, against R\$ 2,176 million for 2019-2020 cycle, considering the conclusion of Mariana project only for 2020-2021 cycle.

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

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

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



### 4.3. 50% Reduction in RAP

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

For the 2016-2017, 2017-2018, 2018-2019, 2019-2020 and 2020-2021 cycles, the following concessions reached or will reach the 16th year of operation<sup>1</sup>:

- **ETEO**: 100% of RAP from ETEO started the 16th year of operation on 10/19/2016.
- **ECTE<sup>3</sup>**: 67.6% of RAP from ECTE started the 16th year of operation on 3/9/2017, and 28.4% started on 3/26/2017.
- **ETEP<sup>3</sup>**: 99.7% of RAP from ETEP reached the 16th year of operation on 8/25/2017.
- **EATE<sup>3</sup>**: 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.
- **TSN<sup>3</sup>**: 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% da 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.
- **STE<sup>3</sup>**: 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.
- **PATESA<sup>3</sup>**: 98.2% of RAP from PATESA reached the 16th year of operation on 9/1/2019.
- **ERTE<sup>3</sup>**: 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.
- **ETAU<sup>3</sup>**: 34.2% of RAP from ETAU reached the 16th year of operation on 4/17/2020, and 36.0% of RAP on 9/29/2020.
- **Munirah**: 100% of RAP from Munirah reached the 16th year of operation on 10/30/2020.
- **ATE I**: 54.0% of RAP from ATE I reached the 16th year of operation on 10/8/2020, and 46.0% of RAP on 10/27/2020.
- **Transleste**: 100% of RAP from Transleste reached the 16th year of operation on 12/18/2020.

For future 2021-2022 cycle, the following concessions will reach the 16th year of operation<sup>1</sup>:

- **ATE II**: 100% of RAP from ATE II will reach the 16th year of operation on 12/11/2021.
- **Transudeste**: 100% of RAP from Transudeste will reach the 16th year of operation on 2/23/2022.
- **Transirapé<sup>3</sup>**: 45.1% of RAP from Transirapé will reach the 16th year of operation on 05/23/2022, and 15.9% of RAP on 5/30/2022.

For future 2022-2023 cycle, the following concessions will reach the 16th year of operation<sup>1</sup>:

- **Lumitrans<sup>3</sup>**: 99.9% of RAP from Lumitrans will reach the 16th year of operation on 10/3/2022.
- **STC<sup>3</sup>**: 71.9% of RAP from STC will reach the 16th year of operation on 11/8/2022.
- **ATE III<sup>3</sup>**: 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.

Notas:

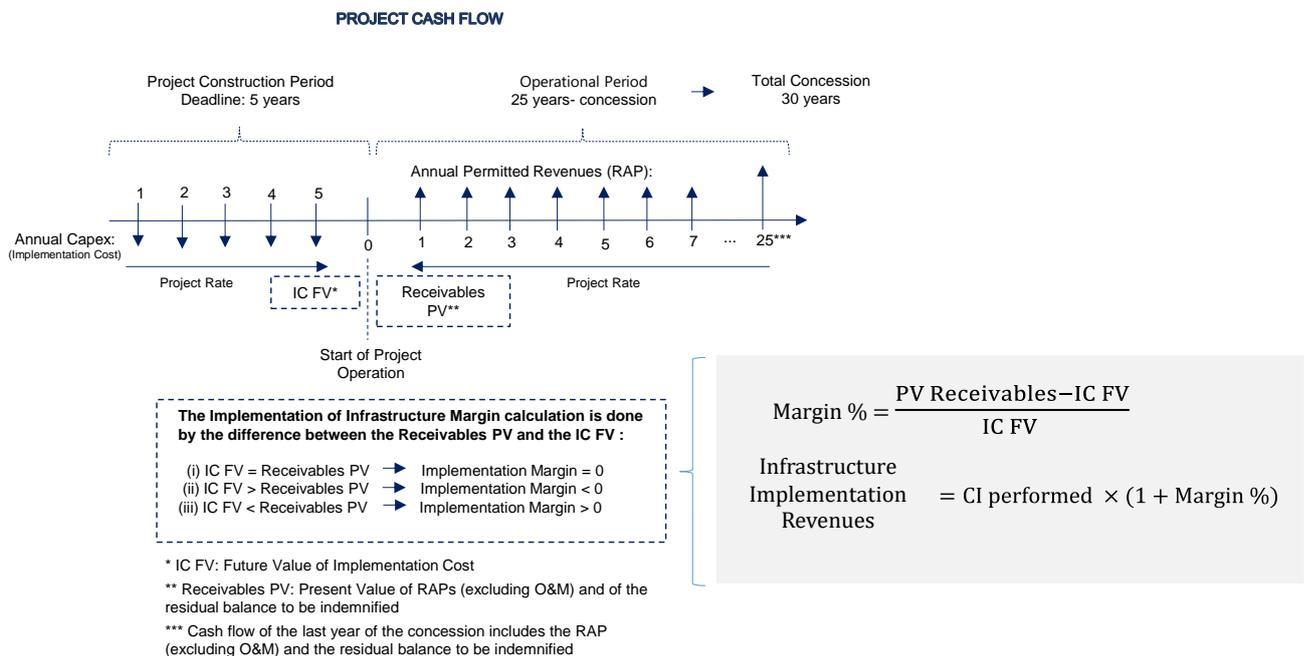
1. The 50% reduction schedule of RAP mentioned above was taken from the Technical Note n. 144-2018-SGT of ANEEL.
2. The RAP percentages were calculated based on the value of the RAP prior to the date of the first 50% reduction.
3. For those concessions whose percentages of RAP indicated above do not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

### 4.4. Impact of Accounting Change (CPC 47)

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

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

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



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

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

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

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

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

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

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

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



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

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

On March 31, 2021, the adjustments generated by the adoption of CPC 47 in the net income amounted to R\$ 79,933,069.06, recorded in the Accumulated Profits account.

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

#### 4.5. Net Revenues under IFRS

Net Revenues under IFRS in 1Q21 was R\$ 908.4 million, 32.0% higher y.o.y, due to the acquisitions of São João, São Pedro and Lagoa Nova and the entry of operation of Mariana, both in 2020, and the growth of monetary restatement of contractual assets explained by the increase of IGP-M.

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

Considering the monetary restatement of the revenues assured in the concession agreement, the Company monthly records the monetary restatement of the concession's contractual asset in the result. Thus, the inflationary effect is diluted month by month considering the inflation as per the IGP-M or the IPCA verified in the previous month. The indices used for the monetary restatement of the first quarter of 2021 were: IGP-M of 0.96%, 2.58% and 2.53% (accumulated +6,18%), and IPCA of 1.35%, 0.25% and 0.86% (accumulated +2.48%), referring to the months of december, january e february, 2021, respectively. In the first quarter of 2020, the IGP-M was 2.09%, 0.48% e -0.04% (accumulated +2.54%), and IPCA of 1.15%, 0.21% and 0.25% (accumulated +1.62%), referring to the respective months of 2020.

##### Net Revenues - IFRS (Consolidated)

R\$ mn	1Q21	1Q20*	Chg.%
Operation and Maintenance	175.0	161.3	8.5%
Remuneration of contractual assets	187.0	148.8	25.7%
Monetary restatement of contractual assets	364.8	123.3	195.8%
Implementation of infrastructure	249.2	315.7	-21.1%
<b>Total IFRS Revenues</b>	<b>976.1</b>	<b>749.0</b>	<b>30.3%</b>
Variable Portion	(4.3)	(6.4)	-32.7%
Other Revenues	5.8	14.0	-58.6%
<b>Total Gross Revenues</b>	<b>977.6</b>	<b>756.7</b>	<b>29.2%</b>
PIS/Cofins	(52.8)	(50.4)	4.6%
Service Tax	(0.2)	(0.1)	65.2%
ICMS	(0.0)	-	n/a
Consumer's Fees	(16.2)	(17.8)	-8.7%
<b>Deductions</b>	<b>(69.1)</b>	<b>(68.3)</b>	<b>1.3%</b>
<b>Total Net Revenues</b>	<b>908.4</b>	<b>688.4</b>	<b>32.0%</b>

\*The Company performed the adjustments and reclassification of its balance sheets as of March 31, 2020 in order to present such amounts for comparative purposes with the interim information as of March 31, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

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

- **Operation and maintenance:** The 8.5% y.o.y increase in O&M revenues is mainly due to (i) the inflation adjustment of the 2020-2021 cycle, 6.51% from IGP-M and 1.88% from IPCA, considering the variation between the periods from July 2020 to June 2021, according to the Ratifying Resolution 2,275/20, (ii) the entry into operation of Mariana concession in May, 2020, and (iii) the completion of the acquisition of São João and São Pedro in February 2020, and of Lagoa Nova in March 2020.
- **Remuneration of the contractual asset of concession:** Calculated by multiplying the project rate over the balance of the contractual asset (recorded only in the operating period of the concession). 1Q21 results

showed a 25.7% y.o.y increase due to: (i) the monetary restatement of the contractual asset of the last months, which softened the natural effect of the amortization of the the asset balance by the receivables, (ii) the completion of the acquisition of São João and São Pedro in February 2020, and of Lagoa Nova in March 2020, (iii) the entry into operation of Mariana concession in May, 2020, and (vi) the accounting for the remuneration of Miracema's contractual assets starting only at March 2020, when full energization of all of its facilities was carried out.

- **Monetary restatement of the concession contractual asset :** Based on the monthly inflation adjustment, the Monetary restatement revenues showed an y.o.y increase of R\$ 241.5 million mainly due to the increase in the macroeconomic indices registered in the compared periods, with a greater effect of the IGP-M, which registered 6.18% in the accumulated of the quarter, against 2.54% in the same period of 2020, as described above. It is worth mentioning the monetary restatement of the contractual asset was also affected by the consolidation of the new assets (São João, São Pedro, Lagoa Nova and Mariana) in 2020, and by the accounting of Miracema's contractual asset starting only at March 2020, when full energization of all of its facilities was carried out.
- **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 21.1% y.o.y reduction in implementation revenues is basically due to lower investments in Janaúba and the reinforcement of São Pedro which were partially offset by the higher investments in Sant'Ana.
- **Variable Portion (PV):** PV decreased 32.7% y.o.y due to the greater disconnections/provisions occurred in 1Q20, mainly in São João and Novatrans. For more details see section 4.1.
- **Other operating revenues:** The annual reduction of 58.6% is mainly due to the recognition of R\$ 8.9 million in 1Q20 related to Miracema's revenues in the first three months of its operation since the facilities of 500kV and 230kV were released at different periods, since the contractual asset is only accounted for after the release of all facilities. The reduction in this line was partially offset by the revenues from the *Rede de Fronteira* and DIT (Other Installations) of São Pedro concession.
- **Deductions of gross revenues:** There was a y.o.y decrease of 1.3%, explained by the increase of PIS / COFINS, which follows the variation in gross revenues under IFRS (the tax varies from according to each concession – see section 4.15), but partially offset by the reduction in the sector charges, which are based on the regulatory results. For more details see section 4.8.

#### 4.6. Costs, Expenses, Depreciation and Amortization under IFRS

Costs, Expenses, and Depreciation and Amortization totaled R\$ 239.7 million in 1Q21, 6.4% lower y.o.y.

Cost, Expenses and D&A - IFRS (Consolidated)			
R\$ mn	1Q21	1Q20	Chg. %
Personnel	(42.8)	(38.6)	11.0%
Material	(168.6)	(194.9)	-13.5%
Third Party Services	(12.0)	(14.3)	-16.4%
Other	(11.6)	(4.8)	143.6%
<b>Total</b>	<b>(235.0)</b>	<b>(252.5)</b>	<b>-6.9%</b>
Depreciation and amortization	(4.7)	(3.4)	36.0%
<b>Total</b>	<b>(239.7)</b>	<b>(256.0)</b>	<b>-6.4%</b>

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

- **Personnel:** The y.o.y increase of 11.0% is explained by the employee's salary adjustments of 5.45% under the collective bargaining agreement (result of the mix of the inflation indices for the 2019-2020 RAP cycle – 6.51% for IGP-M and 1.88% for IPCA), the completion of São João, São Pedro and Lagoa Nova acquisitions and the entry into operation of Mariana, in addition to the meritocracy and promotions program and increase in staff.
- **Material:** The y.o.y decrease of R\$ 26.3 million is mainly due to lower investments in projects under construction of Janaúba (-R\$ 101.4 million) and of São Pedro reinforcement (-R\$ 2.3 million), in addition to the Mariana concession (-R\$ 17.4 million), concluded in May 2020. This reduction was partially offset by higher investments in the Sant'ana project (+98.2 million).
- **Third-party services:** The y.o.y reduction of 16.4% was mainly influenced by the reduction in administrative consultancy and travel expenses. This reduction was partially offset by the increase in IT consultancy expenses.
- **Other:** These expenses showed an annual increase of 143.6% mainly due to – among other non-recurring events totaling R\$ 8.6 million – the write-off of outstanding balances in São Pedro that corresponded to advanced payments made to construction contractors, settled through an escrow account at the closing of the transaction, but which were not written off on the closing date of acquisition. These effects were partially offset by lower labor indemnities.
- **Depreciation and amortization:** The y.o.y increase of 36.6% is basically due to the remeasurement of finance lease contracts within the scope of CPC 06 (R2), which generated an increase in depreciation in 1Q21 compared to 1Q20.

#### 4.7. EBITDA and EBITDA Margin under IFRS

In 1Q21, the EBITDA under IFRS totaled R\$ 673.5 million with a EBITDA margin of 74.1%. The increase of 54.5% in EBITDA under IFRS in comparison with 1Q20 is mainly explained by the higher macroeconomic indexes recorded in the period that positively impacted the monetary restatement revenues of the contractual asset, by the acquisitions of new assets and by the entry into operation of Mariana in 2020.

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

### EBITDA IFRS (Consolidated)

	R\$ mn	1Q21	1Q20*	Chg.%
Net Revenues		908.4	688.4	32.0%
Costs and Expenses		(235.0)	(252.5)	-6.9%
<b>EBITDA</b>		<b>673.5</b>	<b>435.9</b>	<b>54.5%</b>
<b>EBITDA margin</b>		<b>74.1%</b>	<b>63.3%</b>	<b>10.8 pp</b>

*\*The Company performed the adjustments and reclassification of its balance sheets as of March 31, 2020 in order to present such amounts for comparative purposes with the interim information as of March 31, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.*

## 4.8. Regulatory Net Revenues

**Regulatory Net Revenues in 1Q21 reached R\$ 386.4 million, 3.6% higher y.o.y, explained by the entry into operation of Mariana, acquisition of São João, São Pedro and Lagoa Nova concessions and by the inflation adjustment, effects that were partially offset by the RAP drop on some concessions.**

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 1<sup>st</sup> of July of each year and ends on the 30<sup>th</sup> of June of the following year (see section 4.2).

The 5.0% y.o.y growth in the line of RAP is explained, basically by the entry into operation of Mariana concession, by the conclusion of the acquisition of São João, São Pedro and Lagoa Nova, and by the inflation adjustment of the 2020-2021 RAP cycle (6.51% from IGP-M and 1.88% from IPCA). This increase was partially offset by the RAP drop from Munirah, PATESA, STE and ATE I (more details on the effects and cutoff dates in sections 4.2 and 4.3).

The Variable Portion (PV) decreased 32.7% y.o.y due to higher disconnections in 1Q20, mainly in the São João and Novatrans concessions. For more details see section 4.1.

The other revenues presented an y.o.y reduction of R\$ 9.0 million related to São João's adjustment portion, defined in the ratifying resolution 2,275/20, as a result of ANEEL's administrative process 48500.002803/2017-41 established before the conclusion of its acquisition, whose total amount was settled through an escrow account, therefore with no financial impact to Taesa.

The 8.7% reduction in sector charges is basically explained by the reduction of the Global Reversion Reserve - RGR tariff, between the compared periods, as a result of the effects of the ANEEL order 2,403/2020. It is worth noticing that the new concessions that positively affected the results in the annual comparison are exempt from the collection of RGR, according to Law 12,783/2013, which waives this payment for concessions auctioned after September 12, 2012.

### Net Revenues - Regulatory (Consolidated)

R\$ mn	1Q21	1Q20	Chg.%
RAP Concessions	439.7	418.7	5.0%
Variable Portion	(4.3)	(6.4)	-32.7%
<b>Service Revenues</b>	<b>435.4</b>	<b>412.3</b>	<b>5.6%</b>
Other Revenues	(8.7)	0.3	n/a
<b>Total Gross Revenues</b>	<b>426.7</b>	<b>412.6</b>	<b>3.4%</b>
PIS/Cofins	(24.0)	(21.9)	9.3%
Service Tax	(0.2)	(0.1)	65.2%
ICMS	(0.0)	-	0.0%
Consumer's Fee	(16.2)	(17.8)	-8.7%
<b>Deductions</b>	<b>(40.3)</b>	<b>(39.8)</b>	<b>1.4%</b>
<b>Total Net Revenues</b>	<b>386.4</b>	<b>372.8</b>	<b>3.6%</b>

#### 4.9. Regulatory Costs, Expenses, Depreciation and Amortization

Costs, Expenses, and Depreciation and Amortization totaled R\$ 132.8 million in 1Q21, 13.2% higher y.o.y. PMSO costs totaled R\$ 69.7 million, registering an y.o.y increase of 15.9%.

Costs, Expenses and D&A - Regulatory (Consolidated)			
R\$ mn	1Q21	1Q20	Chg. %
Personnel	(42.8)	(38.6)	11.0%
Material	(0.7)	(0.3)	121.5%
Third Party Services	(12.0)	(14.3)	-16.4%
Other	(14.2)	(6.9)	104.9%
<b>Total</b>	<b>(69.7)</b>	<b>(60.2)</b>	<b>15.9%</b>
Depreciation and amortization	(63.1)	(57.1)	10.5%
<b>Total</b>	<b>(132.8)</b>	<b>(117.3)</b>	<b>13.2%</b>

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

The costs and expenses for PMSO totaled R\$ 69.7 million in 1Q21 (+15.9% y.o.y), explained by the following events:

- **Personnel:** The y.o.y increase of 11.0% is explained by the employee's salary adjustments of 5.45% under the collective bargaining agreement (result of the mix of the inflation indices for the 2019-2020 RAP cycle – 6.51% for IGP-M and 1.88% for IPCA), the completion of São João, São Pedro and Lagoa Nova acquisitions and the entry into operation of Mariana, in addition to the meritocracy and promotions program and increase in staff.
- **Material:** The y.o.y increase of R\$ 0.4 million is due to higher operation and maintenance expenses and to the completion of São João, São Pedro and Lagoa Nova acquisitions.
- **Serviços de Terceiros:** The y.o.y reduction of 16.4% was mainly influenced by the reduction in administrative consultancy and travel expenses. This reduction was partially offset by the increase in IT consultancy expenses.
- **Outros:** These expenses showed an annual increase of 104.6% mainly due to – among other non-recurring events totaling R\$ 8.6 million – the write-off of outstanding balances in São Pedro that corresponded to advanced payments made to construction contractors, settled through an escrow account at the closing of the transaction, but which were not written off on the closing date of acquisition. These effects were partially offset by lower labor indemnities.
- **Depreciação e Amortização:** The y.o.y increase of 10.5% refers to the unitizations of the acquired companies São João, São Pedro and Lagoa Nova and the concluded project of Mariana in 2020.

#### 4.10. Regulatory EBITDA and EBITDA Margin

The Regulatory EBITDA for 1Q21 reached R\$ 316.7 million, 1.3% higher y.o.y, and an EBITDA margin of 82.0%. As previously mentioned, the RAP reduction of 50% of some concessions was offset by the acquisition of São João, São Pedro and Lagoa Nova and the entry into operation of Mariana in 2020.

Excluding the non-recurring effects of the quarter on other revenues (-R\$ 9 million) and on other costs (-R\$ 8.6 million), mentioned above, EBITDA would total R\$ 334.3 million, presenting an increase of 6.9% y.o.y and an EBITDA margin of 84.5%, higher than the 83.9% recorded in the same period last year.

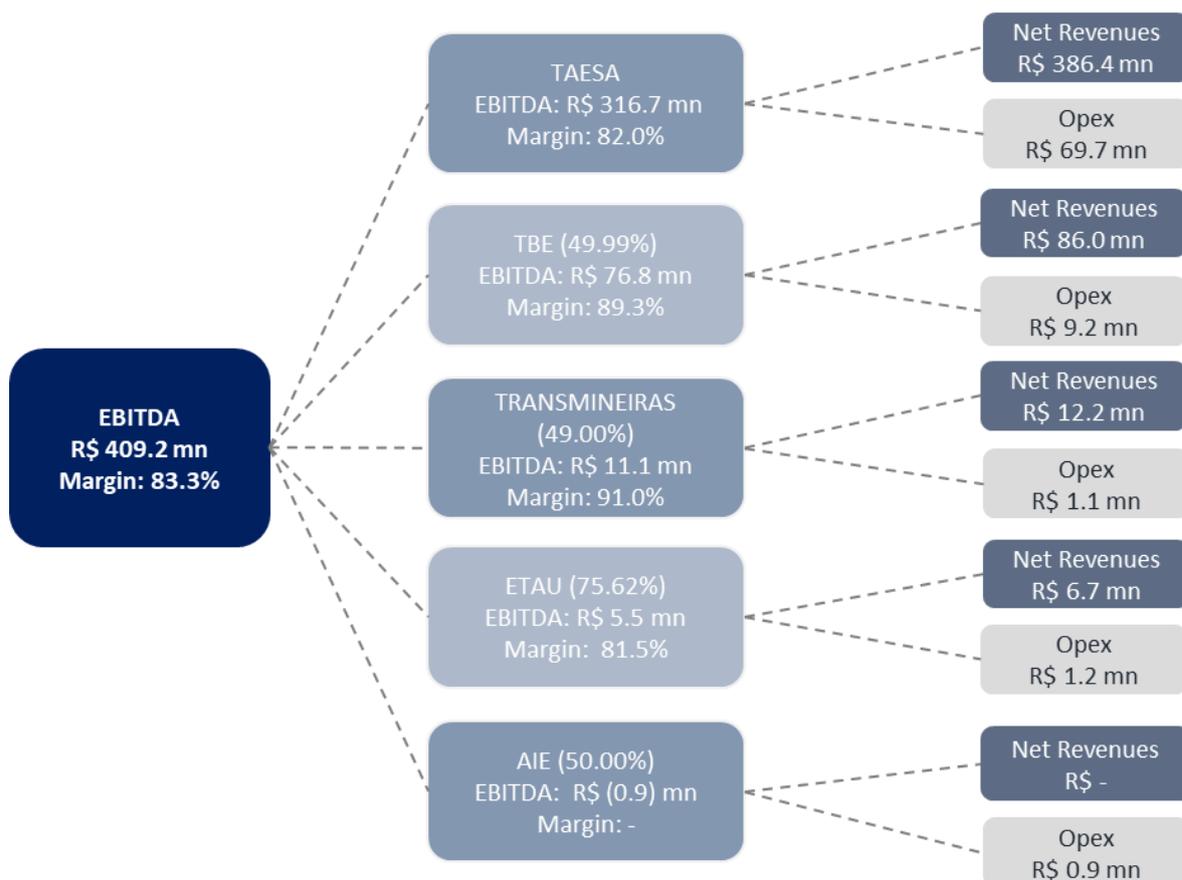
In the power transmission sector, the **Regulatory EBITDA** is an important operating and financial performance indicator, since it is adherent to the Company's effective operating cash generation.

##### EBITDA Regulatory (Consolidated)

	R\$ mn	1Q21	1Q20	Chg.%
Net Revenues		386.4	372.8	3.6%
Costs and Expenses		(69.7)	(60.2)	15.9%
<b>EBITDA</b>		<b>316.7</b>	<b>312.7</b>	<b>1.3%</b>
<b>EBITDA margin</b>		<b>82.0%</b>	<b>83.9%</b>	<b>-1.9 pp</b>

## 4.11. Composition of Regulatory EBITDA

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



#### 4.12. Equity Method under IFRS

The Equity Method under IFRS in 1Q21 totaled R\$ 205.3 million, 17.9% higher y.o.y.

Equity Method - IFRS				
	R\$ mn	1Q21	1Q20*	Chg. %
ETAU		13.1	3.7	256.5%
TBE		136.7	100.8	35.7%
Aimorés		4.8	23.3	-79.3%
Paraguaçu		6.9	39.0	-82.2%
Ivaí		27.6	(0.7)	-
Transmineiras		16.1	7.9	103.8%
<b>Total Equity method</b>		<b>205.3</b>	<b>174.0</b>	<b>17.9%</b>

\*The Company performed the adjustments and reclassifications of its balance sheets as of March 31, 2020 in order to present such amounts for comparative purposes with the interim information as of March 31, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

The y.o.y increase of 17.9% in the IFRS results of the jointly-controlled investees and affiliates is mainly due to: (i) increase in the monetary restatement revenues for TBE, Transmineiras and ETAU by higher macroeconomic indexes recorded in the quarter; and (ii) greater investments in the concessions under construction (ESTE, which is part of TBE, and Ivaí of the AIE group). These effects were partially offset by lower investments in Aimorés and Paraguaçu concessions and by the higher financial expenses related to the 1<sup>st</sup> issuance of Ivaí's debentures and the 2<sup>nd</sup> issuance of EDTE's debentures.

#### 4.13. Regulatory Equity Method

The Regulatory Equity Method totaled R\$ 38.7 million in 1Q21, 4.5% lower y.o.y.

Equity method - Regulatory				
	R\$ mn	1Q21	1Q20	Chg. %
ETAU		9.8	4.3	129.3%
TBE		50.0	55.9	-10.6%
Aimorés		(0.0)	(0.1)	-69.7%
Paraguaçu		(0.1)	(0.1)	-50.3%
Ivaí		(16.3)	(13.8)	18.3%
Transmineiras		8.9	8.0	11.1%
<b>Subsidiaries Net Income</b>		<b>52.4</b>	<b>54.2</b>	<b>-3.4%</b>
Amortization of goodwill - TBE		(13.6)	(13.6)	0.0%
<b>Total Equity Method</b>		<b>38.7</b>	<b>40.5</b>	<b>-4.5%</b>

The Regulatory Equity Method in 1Q21 presented a y.o.y reduction of 4.5% due to the increase in financial expenses related to the 1<sup>st</sup> issuance of debentures of Ivaí and the 2<sup>nd</sup> issuance of debentures of EDTE, and due to the 50% RAP reduction in Transleste, ERTE and ENTE, partially offset by the inflation adjustment of the 2020-2021 RAP cycle.

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

#### 4.14. Net Financial Results

The net financial expenses under IFRS totaled R\$ 183.1 million in 1Q21, 35.8% higher y.o.y. The Regulatory net financial expenses totaled R\$ 182.4 million, 36.0% higher y.o.y.

##### Net Financial Expenses IFRS

	R\$ mn	1Q21	1Q20	Chg.%
<b>Financial Revenues</b>		4.4	13.0	-66.0%
Revenues from financial investments		4.4	13.0	-65.9%
<b>Financial Expenses</b>		(187.5)	(147.8)	26.9%
Interest incurred		(87.2)	(75.8)	15.1%
Monetary and exchange variations		(94.8)	(54.6)	73.5%
Fair Value Adjustment		(0.0)	(12.4)	-
Leasing		(0.7)	(0.7)	-3.3%
Other financial expenses/revenues		(4.9)	(4.2)	14.6%
<b>Total IFRS</b>		<b>(183.1)</b>	<b>(134.9)</b>	<b>35.8%</b>

The 66.0% y.o.y reduction in Financial Revenues occurred mainly due to the lower average cash volume invested, due to investments in projects under construction and settlement of the 2020 acquisitions, and the lower profitability of financial investments explained by the decrease of CDI.

The increase in the interest incurred line was resulted basically from the increase in the debts for the compared periods, by virtue of the 9<sup>th</sup> issuance of debentures of Taesa in the amount of R\$ 450 million in April 2020, the two bank credit notes of R\$ 350 million and R\$ 100 million, on behalf of Banco Citibank and Bradesco, respectively, both in April 2020. The effect from the increased debt fully compensated the decrease in the CDI rate applicable to the interest for the period, as the debt subject to the CDI rate is equivalent to solely 27.4% of the total gross debt – as at March 31, 2021.

The y.o.y growth in the line of monetary and exchange variations line is explained by the increase of accumulated inflation of IPCA recorded in the period.

The reduction in the fair value adjustment line refers to the accounting of R\$ 12.4 million in 1Q20 due to the update of the swap methodology of the 1<sup>st</sup> series of the 6<sup>th</sup> issuance of Taesa's debentures, from CDI to IPCA, in 2019, since this debt was accounted for in 2019 balance sheet at amortized cost and not at market value. It is worth remembering that the impact in 1Q20 was purely accounting and it was offset in 2Q20.

Other financial expenses/income increased by 14.6% in the annual comparison, explained by the regularization of tax debts, an effect that was partially offset by the lower expenses with custody of shares.

The line of leasing recorded a 3.3% y.o.y reduction explained by the amortization of leasing contracts between the periods compared.

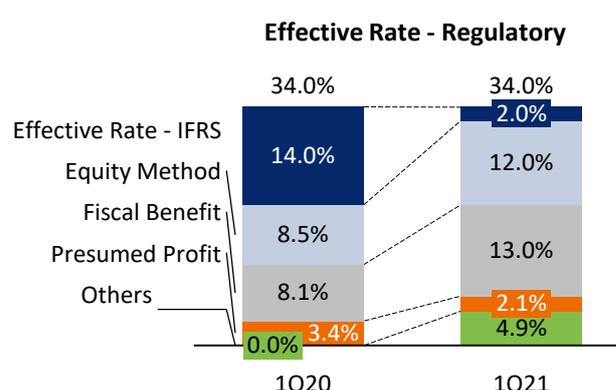
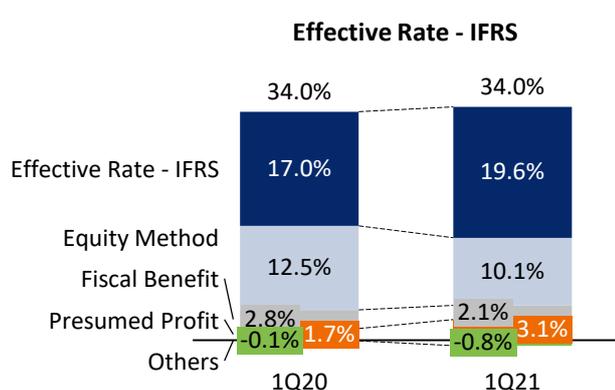
## 4.15. Taxes

The y.o.y increase of 68.1% in Income Tax and Social Contribution in IFRS and recognized in the results is explained by the increase in income before taxes, which was not followed by the deductible effects of SUDAM/SUDENE tax benefit due to the tax adjustments to the real profit (monetary restatement of the contractual asset and the infrastructure implementation margin), which limited the use of the tax benefit for the period. The presumed profit line was higher due to the increase in profit of these companies in 2021.

It is worth noting that the effective rate in the first quarter of each year is naturally higher than the other quarters, as normally no dividends or interest on equity are paid in the first 3 months of the year, since the earnings allocation for the previous year only occurs after approval in the Annual Shareholders' Meeting.

Reconciliation of Income Tax	R\$ mn	IFRS			Regulatory		
		1Q21	1Q20*	Chg.%	1Q21	1Q20	Chg.%
PreTax Profit	690.9	471.6	46.5%	110.0	162.0	-32.1%	
IRPJ and CSLL rate of 34%	(234.9)	(160.3)	46.5%	(37.4)	(55.1)	-32.1%	
Equity Method	69.8	59.2	17.9%	13.2	13.8	-4.5%	
SUDAM/SUDENE	14.3	13.0	9.9%	14.3	13.0	9.9%	
Presumed Profit Companies	21.3	8.1	163.3%	2.3	5.6	-58.4%	
Others	(5.6)	(0.3)	1648.1%	5.4	(0.1)	n/a	
IRPJ and CSLL recognized in profit	(135.1)	(80.3)	68.1%	(2.2)	(22.7)	-90.4%	
<b>Effective Rate</b>	<b>19.6%</b>	<b>17.0%</b>	<b>2.5 pp</b>	<b>2.0%</b>	<b>14.0%</b>	<b>12.0 pp</b>	

\* The Company performed the adjustments and reclassifications of its balance sheets as of March 31, 2020 in order to present such amounts for comparative purposes with the interim information as of March 31, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.



## 2021 First Quarter Earnings Release

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

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

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

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

### **Income and social contribution taxation rule by fiscal regimen**

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

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

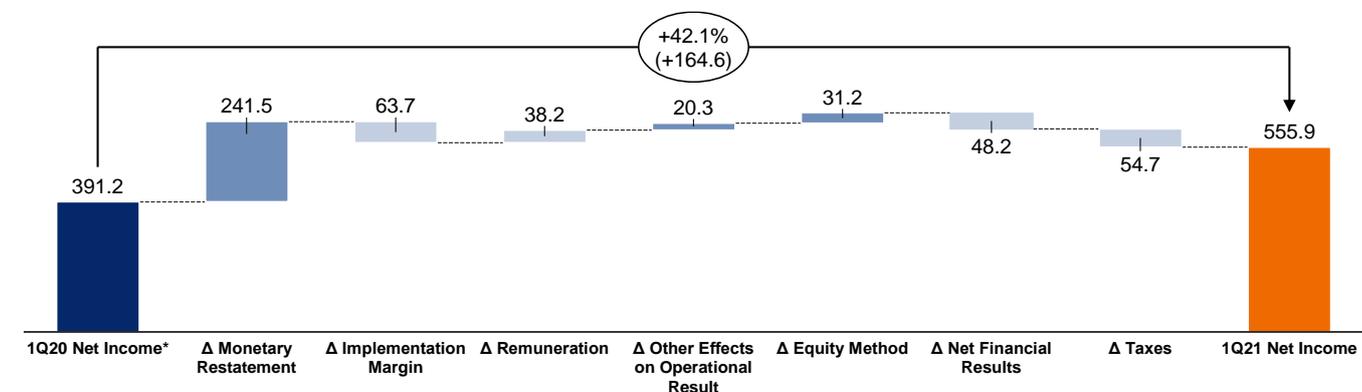
With the Law 12,973/2014, from 2015 until November 2017 the Company accounted the income and social contribution taxes using the presumption rate of 32%. However, based on past law cases, in 4Q17 the Company reversed the provision for IRPJ and CSLL in ETAU\* and São Gotardo, and began to account them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

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

## 4.16. Net Income

Net Income under IFRS totaled R\$ 555.9 million in 1Q21, 42.1% higher y.o.y.

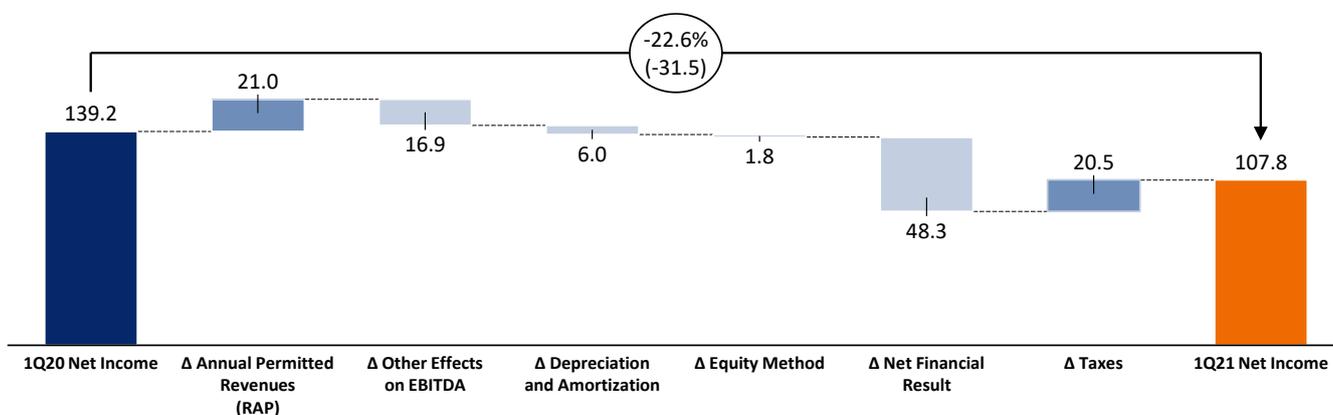
1Q21 Net Income under IFRS:



\*The Company performed the adjustments and reclassifications of its balance sheets as of March 31, 2020 in order to present such amounts for comparative purposes with the interim information as of March 31, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

Regulatory Net Income totaled R\$ 107,8 million in 1Q21, presenting a y.o.y decrease of 22.6%.

1Q21 Regulatory Net Income:



**Adjusted Net Income**

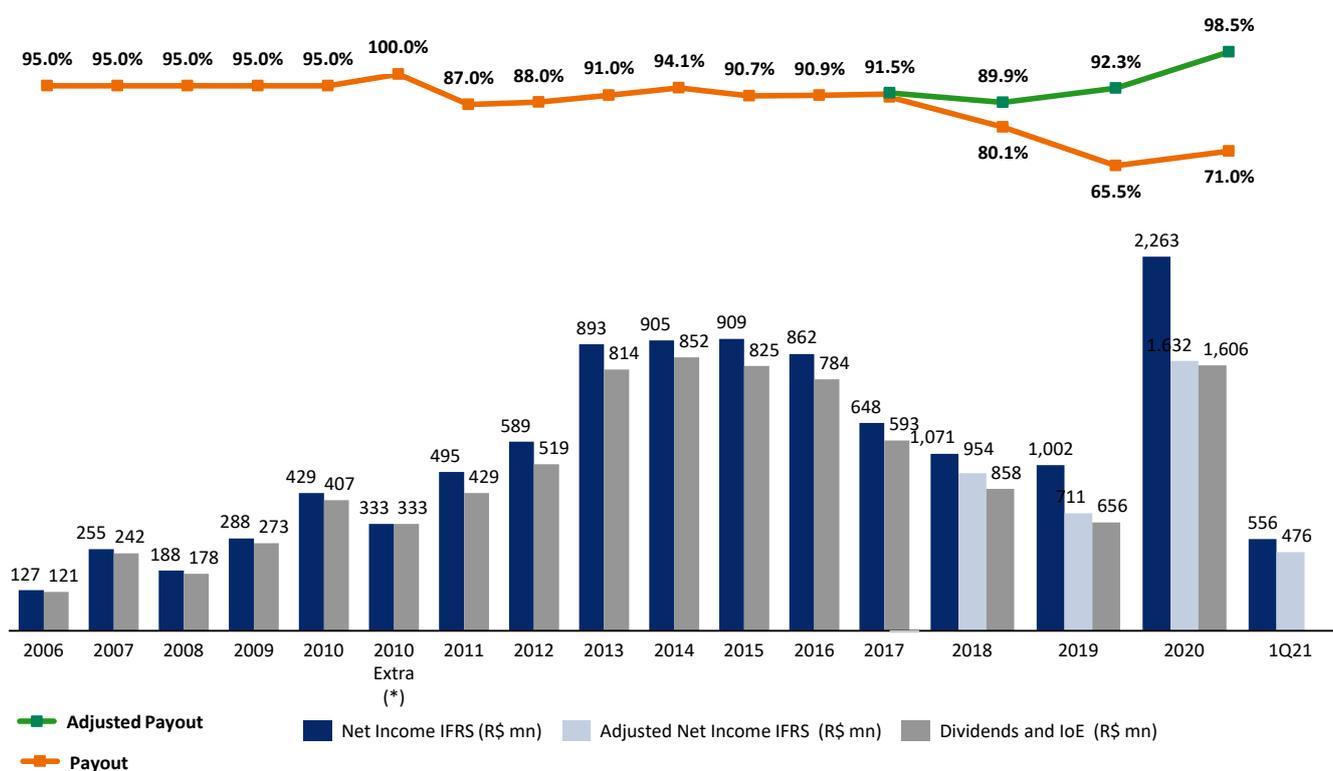
With the adoption of CPC 47 for 2018 onwards, the Company began to anticipate a result that is strictly accounting (with no cash effect) in connection with the efficiency of the construction (see section 4.4 for further details). However, for purposes of distribution of dividends and in order to maintain the flow of dividends that Taesa has historically paid, without impacting its cash and leverage position, the Company will record, on a quarterly basis, the adjusted net income excluding the effects of construction margins. That is, the adjusted net income approximates the previously adopted accounting method (financial asset at amortized cost). Consequently, the Company will record the special earnings reserve relating to such adjustments, which may be distributed as dividends in the future.

**Income Statement under IFRS - Consolidated - 1Q21**

	R\$ '000	Financials (CPC 47)	Adjustments	Adjusted Financials
<b>GROSS OPERATING REVENUES</b>				
Operation and Maintenance		175,029		175,029
Remuneration of the Contractual Asset		187,001	(29,980)	157,021
Monetary Restatement of the Contractual Asset		364,847		364,847
Implementation of Infrastructure Revenues		249,178	(11,581)	237,597
Other Revenues		5,809		5,809
Variable Portion		(4,281)		(4,281)
<b>TOTAL GROSS REVENUES</b>		<b>977,583</b>	<b>(41,561)</b>	<b>936,022</b>
PIS/Cofins		(52,769)	3,762	(49,007)
Service Tax		(150)		(150)
ICMS		(4)		(4)
RGR, P&D, TFSEE, CDE and PROINFA		(16,211)		(16,211)
Others Deductions		-		-
Gross Revenue deductions		(69,134)	3,762	(65,372)
<b>NET REVENUES</b>		<b>908,449</b>	<b>(37,799)</b>	<b>870,650</b>
<b>COSTS AND OPERATING EXPENSES</b>		-		-
Personnel		(42,842)		(42,842)
Material		(168,581)	-	(168,581)
Third party services		(11,955)		(11,955)
Depreciation and amortization		(4,686)		(4,686)
Other operating expenses		(11,597)		(11,597)
Costs and Expenses		(239,661)	-	(239,661)
Gains (losses) on company acquisitions		-		-
<b>GROSS PROFIT</b>		<b>668,788</b>	<b>(37,799)</b>	<b>630,989</b>
Equity method		205,253	(54,547)	150,705
Revenues from financial investments		4,410		4,410
Financial Expenses		(187,506)		(187,506)
Financial Revenues (Expenses)		(183,096)	-	(183,096)
<b>NET INCOME BEFORE INCOME TAXES</b>		<b>690,945</b>	<b>(92,346)</b>	<b>598,599</b>
Income taxes and social contribution		(135,094)	12,413	(122,680)
<b>NET INCOME</b>		<b>555,852</b>	<b>(79,933)</b>	<b>475,919</b>
Controlling Shareholder Interest (Distributable)		555,852	(79,933)	475,919
Participation of non-controlling shareholders		-		-
		Fiscal Incentive Reserve	(9,342)	(9,342)
		Special Reserve - Initial Adoption CPC 47	(79,933)	79,933
		<b>Distributable Profit</b>	<b>466,577</b>	<b>466,577</b>

## 4.17. Dividends and Interest on Equity

An additional dividend for the 2020 earnings, in the amount of R\$ 561.9 million (R\$ 1.63119213894 / Unit) was approved at the Shareholders' Meeting held on April 29, 2021. The payment will be made until May 31, 2021, as from the base date of May 4, 2021. Taesa had previously distributed, for the results of the fiscal year 2020, R\$ 1,044.4 million as interim dividends and interest on equity. As a result, the Company remunerated its shareholders in the total amount of R\$ 1,606.4 million (R\$ 4.66 / Unit) referring to the 2020 earnings, representing a payout of 71.0% of the net income and 98.5% of the adjusted net income for the period.



\* IFRS Reserve

#### 4.18. Indebtedness

No 1Q21, Taesa's Gross Debt totaled R\$ 6,257.6 million, 2.4% higher q.o.q. The Company's cash position totaled R\$ 1,031.5 million, an increase of 13.9% in the quarter resulting in a net debt of R\$ 5,226.1 million, increase of 0.4% q.o.q.

R\$ mn					
Net Debt	1Q21	% Outst. Debt	4Q20	% Outst. Debt	Chg.%
<b>Short Term</b>	<b>528.1</b>	<b>8.4%</b>	<b>440.8</b>	<b>7.2%</b>	<b>19.8%</b>
Fixed Coupon	9.0	0.1%	9.0	0.1%	0.0%
CDI	122.3	2.0%	111.3	1.8%	9.9%
IPCA	396.9	6.3%	320.6	5.2%	23.8%
<b>Long Term</b>	<b>5,729.4</b>	<b>91.6%</b>	<b>5,670.5</b>	<b>92.8%</b>	<b>1.0%</b>
Fixed Coupon	8.7	0.1%	10.9	0.2%	-20.5%
CDI	1,591.4	25.4%	1,590.7	26.0%	0.0%
IPCA	4,129.4	66.0%	4,068.9	66.6%	1.5%
<b>Total Debt</b>	<b>6,257.6</b>	<b>100.0%</b>	<b>6,111.3</b>	<b>100.0%</b>	<b>2.4%</b>
(-) Cash and cash equivalent	(1,031.5)		(905.6)		13.9%
<b>(=) Net Debt</b>	<b>5,226.1</b>		<b>5,205.7</b>		<b>0.4%</b>

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

In 1Q21 the gross debt totaled R\$ 6,257.6 million and the cash position R\$ 1,031.5 million, resulting in a net debt of R\$ 5,226.1 million. The increase of 2.4% in the gross debt for the period resulted from incurred interest and the increase of CDI and IPCA in the period.

The increase of 13.9% in Cash and Cash Equivalents is explained by operating cash generation of R\$ 327.4 million and dividends received from affiliated and controlled companies in the amount of R\$ 42.0 million. It is important to note that there were no major disbursements in 1Q21, such as payment of dividends or debt amortization, influencing the increase mentioned above. This increase was partially offset by capex disbursements for the projects under construction in the amount of R\$ 172.9 million and the payment of debt interest in the amount R\$ 9.7 million.

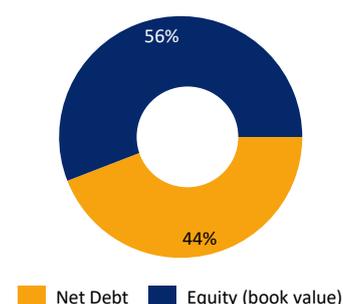
By proportionally consolidating the jointly-controlled and affiliated companies, the total gross debt is R\$ 8,008.0 million and the cash position is R\$ 1,615.9 million, considering the following amounts: (i) TBE's debt in the amount of R\$ 801.9 million and cash/investments of R\$ 139.4 million; (ii) ETAU's debt in the amount of R\$ 7.5 million and cash/investments of R\$ 7.2 million; (iii) Transmineiras' debt in the amount of R\$ 43.6 million and cash/investments of R\$ 11.4 million; and (iv) AIE's debt (Aimorés, Paraguaçu and Ivai) of R\$ 897.4 million and cash/investments R\$ 426.5 million.

Considering the proportional net debt of jointly-controlled and affiliated companies, the net debt to EBITDA ratio was 3.9x in 1Q21, higher than 4Q20 (3.8x). Excluding the results of the jointly-controlled and affiliated companies, this ratio would be 4.2x in 1Q21 in line with the registered in the previous quarter.

Debt by Company (R\$ mn)

Capital Structure Taesa (Book Value)

Company	Gross Debt R\$ mn	Cash Balance R\$ mn	Net Debt R\$ mn
TAESA	6,257.6	1,031.5	5,226.1
ETAU (75.6%)	7.5	7.2	0.3
TBE (49.99%)	801.9	139.4	662.5
Transmineiras (49%)	43.6	11.4	32.3
AIE (50%)	897.4	426.5	470.9
<b>TOTAL</b>	<b>8,008.0</b>	<b>1,615.9</b>	<b>6,392.1</b>



# 2021 First Quarter Earnings Release

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

Company	Creditor	Index	Principal (R\$ / 000)	Interest (R\$ / 000)	Cost	Issuance Rating	Maturity	Amort	Coupons per Year
Taesa	3rd Debentures	IPCA	1,123,046	25,575	IPCA + 5.10%	Br.AAA	Oct - 2024	Annual	1
	4th Debentures	IPCA	293,795	6,933	IPCA + 4.41%	AAA.br	Sep - 2024	Annual	1
	5th Debentures	IPCA	580,401	24,540	IPCA + 5.9526%	-	Jul - 2025	Annual	1
	6th Debentures	CDI	440,311	6,643	108% CDI	AAA.br	May-2026	Bullet	1
	6th Debentures	IPCA	218,259	4,549	IPCA + 5,50%	AAA.br	May-2044	Monthly	12
	7th Debentures	IPCA	521,201	35,372	IPCA + 4,50%	AAA.br	Sep-2044	Semiannual	2
	8th Debentures	IPCA	299,853	18,199	IPCA + 4,77%	AAA.br	Dec-2044	Semiannual	2
	9th Debentures	CDI	448,638	10,117	CDI + 2.85%	-	Apr/2022	Bullet	1
	CCB Bradesco	CDI	99,962	4,652	CDI + 2.55%	-	Apr/2021	Bullet	1
	CCB citibank	CDI	348,965	3,432	CDI + 2.85%	-	Apr/2022	Bullet	1
	SWAP - CITIBANK*	CDI	351,013	0	106.0% CDI	-	May-2023	Bullet	1
	SWAP 1 <sup>st</sup> Serie of 6 <sup>th</sup> issuance (BR Partners)	CDI	108,748	0	3.995% per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Santander)	IPCA	108,746	0	3.99% per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Itaú)	IPCA	54,457	0	3.94% per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Br Partners)	IPCA	54,339	0	3.91% per year	-	May-2026	Bullet	1
	SWAP 1st Serie of 6th issuance (Santander)	IPCA	53,536	0	3.66% per year	-	May-2026	Bullet	1
	SWAP 1 <sup>st</sup> Serie of 6th issuance (ABC)	IPCA	54,676	0	3.59% per year	-	May-2026	Bullet	1
	FINAME	Fixed	121	0	5.50%	-	Jul - 2022	Monthly	12
FINAME	Fixed	4,442	5	2.50%	-	Dec - 2022	Monthly	12	
FINAME	Fixed	8,566	11	3.00%	-	Aug - 2024	Monthly	12	
FINAME	Fixed	184	0	6.00%	-	Jun - 2023	Monthly	12	
SGT	FINAME	Fixed	4,281	5	2.5%	-	Dec - 2022	Monthly	12
Janaúba	1st Debentures	IPCA	236,376	23,921	IPCA + 4.5% per year	-	Jul/2033	Quarterly	4
	2nd Debentures	IPCA	581,892	37,820	4.8295% per year	-	Dec - 2044	Annual	1
Lagoa Nova	BNB Financing	IPCA	56,798	3,194	IPCA + 2.109% per year	-	May - 2038	Monthly	12
ETAU	BNDES	Selic	574	1	SELIC + 3.76%	-	Aug - 2021	Monthly	12
	BNDES	TJLP	580	2	TJLP + 5.20%	-	Aug - 2021	Monthly	12
	BNDES - GIRO	TJLP	6,258	46	TLP + 2,78% + 1,5% + 1,5%	-	Oct - 2023	Monthly	12
EATE	5th Debentures - 2nd	CDI	26,982	48	116% CDI	-	Sep - 2021	Monthly	12
	6th Debentures	CDI	11,423	4	107.75% CDI	-	Sep - 2022	Monthly	12
	7th Debentures	CDI	20,795	7	113.53% CDI	-	Jun - 2023	Monthly	12
	8th Debentures	CDI	134,691	587	108.60% CDI	-	Jul - 2024	Bullet	1
EBTE	1st Debentures	CDI	36,762	13	113.83% CDI	-	Jun - 2023	Monthly	12
EDTE	2nd Debentures	IPCA	153,215	19,866	IPCA + 5,29%	-	Dec - 2028	Semiannual	2
ECTE	4th Debentures	CDI	8,871	3	107.75% CDI	-	Sep - 2022	Monthly	12
	5th Debentures	CDI	9,513	42	108.60% CDI	-	Jul - 2024	Semiannual	2
	CCB Santander	CDI	15,473	66	2,90% per year + CDI	-	Jul - 2025	Monthly	12
ENTE	4th Debentures	CDI	24,906	109	108.60% CDI	-	Jul - 2024	Bullet	1
	CCB Santander	CDI	50,658	215	2,90% per year + CDI	-	Jul - 2025	Monthly	12
ETEP	3rd Debentures	CDI	12,357	4	112% CDI	-	Jun - 2023	Monthly	12
	CBB Santander	CDI	45,587	194	TJLP + 2,08%	-	Apr - 2027	Monthly	12
ETSE	BNDES	Fixed	4,745	16	3.50%	-	Nov - 2023	Monthly	12
	BNDES - FINAME	Fixed	2,259	3	3,5% per year	-	Nov - 2023	Monthly	12
ESTE	1st Debentures	IPCA	195,261	27,229	IPCA + 4.5% per year	-	Dec - 2044	Semiannual	2
TRANSLESTE	BDMG	Fixed	5,205	28	10% per year	-	Mar - 2025	Monthly	12
	BNB	Fixed	1,470	120	9.50%	-	Mar - 2025	Monthly	12
	2nd Debentures	CDI	11,642	4	107.75% CDI	-	Sep - 2022	Monthly	12
TRANSIRAPÉ	BDMG	Fixed	3,645	6	3.5%	-	Jan - 2024	Monthly	12
	BDMG	Fixed	128	7	4.5% + TJLP	-	Apr - 2021	Monthly	12
	BDMG	Fixed	1,951	83	3.5% + TJLP	-	Oct - 2029	Monthly	12
	2nd Debentures	CDI	7,864	3	107.75% CDI	-	Sep - 2022	Mensal	12
	BNDES	Fixed	1,488	88	6.0% + TJLP	-	Apr - 2026	Monthly	12
TRANSUDESTE	2nd Debentures	CDI	9,898	3	107.75% CDI	-	Sep - 2022	Monthly	12
IVAÍ	1st Debentures	IPCA	842,080	55,316	IPCA + 4,8892% a.a.	-	Dec - 2043	Semiannual	2
Total			7,698,887	309,079					

\* 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 1Q21, the Company, its subsidiaries, jointly invested and affiliates invested a total of R\$ 308.3 million against R\$ 331.5 million invested in 1Q20, related to the projects under construction. The 7.0% y.o.y reduction is due to lower investments in some projects (Janaúba, Aimorés and Paraguaçu), mainly explained by their advanced construction stage, partially offset by higher investments in Sant'ana, Ivaí and ESTE.

### Projects under Construction

R\$ '000	Implementation Cost (Capex)								
	2014	2015	2016	2017	2018	2019	2020	1Q21	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	52,996	865,112
Aimorés				3,923	3,638	65,877	82,034	1,929	157,401
Paraguaçu				5,750	4,611	110,848	108,966	2,075	232,250
Ivaí				8,662	12,740	46,190	379,137	102,346	549,075
ESTE				868	4,546	6,243	122,486	37,026	171,168
EDTE					14,635	175,155	1,837	-	191,626
Sant'Ana						32,172	151,021	111,961	295,154
<b>Total</b>	<b>2,619</b>	<b>4,751</b>	<b>22,378</b>	<b>109,195</b>	<b>208,716</b>	<b>718,306</b>	<b>1,535,184</b>	<b>308,333</b>	<b>2,909,481</b>

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

## 4.20. Projects under Construction

Currently Taesa has 6 projects under construction with a total investment of R\$ 4,844 million and a RAP of R\$ 875 million (2020-2021 cycle). Considering only the Company's interest in these concessions, the amount to be invested is R\$ 3,206.9 million with a proportional RAP of R\$ 567.5 million. It is worth mentioning that 3 projects, Miracema, EDTE and Mariana, and reinforcements for Novatrans, were concluded between 2019 and 2020, adding a total RAP of R\$ 161.0 million to Taesa – 2020-2021 cycle (see section 3.1 for further details).

Auction	Project	Extension / Location	Partnership	RAP (2020-21 cycle) R\$ mn	Capex ANEEL R\$ mn	Contract Signing	ANEEL's Deadline	Status
Auction 013/2013 (Dec-13)	Mariana (Lot A)	82 km / Minas Gerais	100% Taesa	16.4	107	May/14	May/17	Concluded in 05/25/2020
Auction 013/2015 (Apr-16)	Miracema (Lot P)	90 km / Tocantins	100% Taesa	67.9	276	Jun/16	Dec/19	Concluded in 11/29/2019
	EDTE (Lot M)	167 km / Bahia	25% Taesa 25% Apollo 12 50% ENTE	70.4	368	Dec/16	Dec/19	Concluded in 01/20/2020
Auction 013/2015 2º Part (Oct-16)	ESTE (Lot 22)	236 km / Minas Gerais and Espírito Santo	50% Taesa 50% Alupar (100% EATE-TBE)	114.4	486	Feb/17	Feb/22	In progress
	Janaúba (Lot 17)	542 km / Bahia and Minas Gerais	100% Taesa	197.7	960	Feb/17	Feb/22	In progress
	Aimorés (Lot 4)	208 km / Minas Gerais	50% Taesa 50% CTEEP	80.9	341	Feb/17	Feb/22	In progress
	Paraguaçu (Lot 3)	338 km / Bahia and Minas Gerais	50% Taesa 50% CTEEP	120.7	510	Feb/17	Feb/22	In progress
Auction 005/2016 (Apr-16)	Ivaí (Lot 1)	600 km / Paraná	50% Taesa 50% CTEEP	299.5	1937	Aug/17	Aug/22	In progress
Auction 004/2018 Dec/18	Sant'Ana (Lot 12)	591 km / Rio Grande do Sul	100% Taesa	62.1	610	Mar/19	Mar/23	In progress
<b>TOTAL</b>		<b>2.854 km</b>		<b>R\$ 1.030 mn</b>	<b>R\$ 5.595 mn</b>			

## Project Status

### Mariana

- Preliminary License (LP) issued in May 2016.
- Installation and Operation Licences (LI e LO) issued in December 2018.
- Issuance of TLD (Termo de Liberação Definitivo) on 20/12/2019 for Mariana reinforcement.
- Energization scheduled for May 25, 2020.
- Issuance of TLD (Termo de Liberação Definitivo) on June 8, 2020, with date to entry into retroactive commercial operation on June 4, 2020 .
- Concession in operation.

### Miracema

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

### EDTE

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

### ESTE

- Basic project filed in ANEEL and already approved in ONS.
- Preliminary License (LP) issued in January 2019.
- Installation Licence (LI) issued in October 2019.
- 1st issuance of debentures of ESTE in December 2019.
- Issued the OSC (Ordem de Serviço de Campo) for the start of field work.
- Construction progress: 72% accomplished.

### Janaúba

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

- Recognition of the right to SUDENE tax benefit in September 2018. The benefit will last for 10 years, from the start of its operations.
- 1<sup>st</sup> issuance of debentures of Janaúba in January 2019.
- Installation Licence (LI) issued in July 2019.
- 2<sup>nd</sup> issuance of debentures of Janaúba in December 2019.
- Construction progress: 94% accomplished.

### **Aimorés**

- Basic project approved by ANEEL.
- Preliminary License (LP) issued in October 2018.
- Recognition of the right to SUDENE tax benefit in December 2018. The benefit will last for 10 years, from the start of its operations.
- Installation Licence (LI) issued in April 2019.
- Construction progress: 90% accomplished.

### **Paraguçu**

- Basic project approved by ANEEL.
- Preliminary License (LP) issued in October 2018.
- Recognition of the right to SUDENE tax benefit in December 2018. The benefit will last for 10 years, from the start of its operations.
- Installation Licence (LI) issued in May 2019.
- Construction progress: 87% accomplished.

### **Ivaí**

- Basic project filed in ANEEL.
- EIA/RIMA registered with IAP.
- Preliminary License (LP) for the 230 kV installations issued in September 2018.
- Change in corporate name of Elétricas Reunidas do Brasil S.A. (ERB1) for Interligação Elétrica Ivaí S.A.
- Installation Licence (LI) issued for SE Sarandi of 525/230 kV in April 2019, SE Paranavaí Norte - 230/138 kV in May 2019, LT 230 kV Sarandi - Paranavaí Norte in June 2019, and for the Substations Londrina of 525 kV, Foz do Iguçu of 525 kV and Guaíra of 525 kV/230 kV and the LT 525 kV Sarandi - Londrina in August 2019.
- 1<sup>st</sup> issuance of debentures of Ivaí in January 2020.
- Construction progress: 72% accomplished.

### **Sant'ana**

- Establishment of the company Sant'Ana Transmissora de Energia S.A. in January 2019.
- Execution of the concession agreement on March 22, 2019.
- Previous and Installation Licences (LPI) issued for the SEs Livramento 3 and Maçambará 3, both with 230kV, in October 2019.
- Previous Licences (LP) issued for all transmission lines and for the 3 existing substations (SE Alegrete 2, SE Cerro Chato and SE Santa Maria 3) in December 2019.
- Installation Licence issued for the transmission lines LT Livramento 3 – Alegrete 2 (C1), LT Livramento 3 – Maçambará 3 (C1), LT Livramento 3 – Cerro Chato (C1), and LT Maçambará – Santo Ângelo (C1/C2), all with 230kV voltage, as well as for the expansion of existing substations of SE 230kV Alegrete 2 and SE 230kV Cerro Chato on April 9, 2020.
- Issuance of the last installation license in november 2020 referring to the LT 230kV CS Livramento 3 - Santa Maria 3 and for the expansion of existing associated substations.
- Construction progress: 57% accomplished.

### 4.21. Iniciativas Ambiental, Social e de Governança (ASG)

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

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

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

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

- UN Global Compact Signatory committed to the 2030 Agenda (SDG)
- 2020 Sustainability Report based on Global Reporting Initiative (GRI)
- Issuance of 4 green bonds
- Biodiversity Policy
- Great Place to Work Certification – 1<sup>st</sup> 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 program
- Survey of the Greenhouse Gas (GHG) inventory, structured based on the GHG Protocol methodology
- Approval of TAESA's long-term strategic planning
- Intensification of protection, safety and health measures against the pandemic
- Financial discipline associated with adequate remuneration to shareholder
- Adherence to the Women's Empowerment Principles - United Nations Women

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

Still based on the ESG action plan and looking for the continuous evolution in the communication of ESG themes, Taesa prepared a table of ESG indicators and developed an exclusive page on the investor relations website. The purpose of this project was to concentrate the indicators disclosed in the Company's reports in only one place in order to facilitate the access for investors, shareholders and the market in general. The indicator panel is available on the IR website: <https://ri.taesa.com.br/en/taesa/asg-indicators/>

### 4.22. Initiatives to Mitigate COVID-19 Impacts

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

#### Protection of the employees' health

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

#### 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 (99.96% in 1Q21);
- 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\$ 1.8 billion invested in 2020 and 1Q21.

#### Protection of the Company's financial health

- Maintenance of a comfortable liquidity position (R\$ 1.0 billion in cash);
- 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 annual basis, in the same way as 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.

IFRS Revenues					
R\$ mn					1Q21
Concession	Remuneration of Contractual Asset	Monetary Restatement of Contractual Asset	Implementation of Infrastructure Revenues	O&M	PV (Variable Portion)
NOVATRANS	52.1	119.3	0.5	33.3	(1.4)
TSN	17.4	31.9	0.5	62.4	(1.3)
MUNIRAH	1.7	2.9	0.9	4.2	-
GTESA	0.7	1.5	-	0.6	(0.0)
PATESA	2.2	6.1	0.0	1.5	-
ETEO	10.2	22.9	-	12.6	(0.3)
NTE	12.5	19.5	0.0	10.3	-
STE	7.4	16.5	0.0	4.1	(0.2)
ATE	15.7	38.0	0.0	7.9	(0.3)
ATE II	17.5	43.6	0.0	17.8	(0.1)
ATE III	8.0	9.7	0.0	11.4	(0.2)
ETAU	1.7	37.3	-	2.8	(0.0)
BRASNORTE	5.8	4.9	-	0.6	(0.2)
SÃO GOTARDO	0.9	1.5	-	0.2	0.1
SÃO JOÃO	8.9	13.7	-	1.9	0.2
SÃO PEDRO	7.9	11.3	1.0	1.5	(0.1)
LAGOA NOVA	2.6	2.8	-	0.4	(0.0)
MARIANA	2.9	5.3	-	0.6	(0.3)
MIRACEMA	12.6	13.2	-	3.7	(0.2)
JANAÚBA	-	-	122.1	-	-
SANT'ANA	-	-	124.0	-	-
AIMORÉS	-	-	10.3	-	-
PARAGUAÇÚ	-	-	14.0	-	-
IVAÍ	-	-	186.1	-	-
EATE	15.6	57.4	-	5.7	(0.0)
EBTE	4.0	9.0	-	2.3	(0.2)
ECTE	1.2	4.7	-	0.4	(0.0)
EDTE	0.8	8.7	-	1.2	-
ENTE	1.1	33.9	-	2.9	(0.0)
ERTE	1.5	7.0	-	1.0	(0.0)
ESDE	1.0	1.5	-	0.3	-
ESTE	-	-	73.9	-	-
ETEP	3.1	12.0	-	1.8	-
ETSE	0.7	1.2	-	0.2	(0.0)
LUMITRANS	0.8	3.9	-	0.4	-
STC	0.9	1.7	-	0.7	-
TRANSIRAPE	1.6	5.1	-	0.6	(0.1)
TRANSLESTE	2.3	5.3	-	0.4	(0.1)
TRANSUDESTE	1.3	3.9	-	0.4	-
<b>Total</b>	<b>224.8</b>	<b>557.6</b>	<b>533.3</b>	<b>196.2</b>	<b>(4.7)</b>

## 5.2. Movement of Contractual Assets (IFRS)



Concession	Project Rate	Contractual Asset 4Q20	Remuneration of Contractual Asset	Contractual Asset - Monetary Restatement	Implementation of Infrastructure Revenues	O&M	RAP	Contractual Asset 1Q21
NOVATRANS	10%	1,403.3	52.1	119.3	0.5	33.3	(205.1)	1,403.3
TSN	11%	687.1	17.4	31.9	0.5	62.4	(81.3)	718.1
MUNIRAH	12%	59.2	1.7	2.9	0.9	4.2	(7.2)	61.6
GTESA	11%	27.3	0.7	1.5	-	0.6	(1.5)	28.7
PATESA	8%	118.5	2.2	6.1	0.0	1.5	(4.4)	123.9
ETEO	10%	404.2	10.2	22.9	-	12.6	(26.3)	423.6
NTE	15%	351.6	12.5	19.5	0.0	10.3	(23.0)	370.9
STE	10%	296.9	7.4	16.5	0.0	4.1	(12.7)	312.3
ATE	10%	645.5	15.7	38.0	0.0	7.9	(28.8)	678.3
ATE II	9%	854.7	17.5	43.6	0.0	17.8	(68.9)	864.7
ATE III <sup>13</sup>	7%	487.6	8.0	9.7	0.0	11.4	(35.3)	481.5
ETAU <sup>1</sup>	18%	119.6	1.7	37.3	-	2.8	(12.4)	149.0
BRASNORTE <sup>3</sup>	6%	213.9	5.8	4.9	-	0.6	(7.1)	218.2
SÃO GOTARDO <sup>1</sup>	5%	65.3	0.9	1.5	-	0.2	(1.4)	66.5
SÃO JOÃO <sup>13</sup>	6%	593.7	8.9	13.7	-	1.9	(12.9)	605.2
SÃO PEDRO <sup>13</sup>	6%	510.7	7.9	11.3	1.0	1.5	(11.0)	521.5
LAGOA NOVA <sup>13</sup>	9%	117.3	2.6	2.8	-	0.4	(3.2)	120.0
MARIANA <sup>123</sup>	6%	202.7	2.9	5.3	-	0.6	(4.3)	207.2
MIRACEMA <sup>123</sup>	9%	554.8	12.6	13.2	-	3.7	(17.1)	567.3
JANAÚBA <sup>123</sup>	10%	1,576.0	-	-	122.1	-	-	1,698.2
SANT'ANA <sup>123</sup>	9%	201.8	-	-	124.0	-	-	325.8
AIMORÉS <sup>123</sup>	8%	342.4	-	-	10.3	-	-	352.7
PARAGUAÇU <sup>123</sup>	8%	516.7	-	-	14.0	-	-	530.7
IVAI <sup>123</sup>	8%	781.5	-	-	186.1	-	-	967.5
EATE <sup>3</sup>	7%	985.8	15.6	57.4	-	5.7	(32.7)	1,031.9
EBTE <sup>1</sup>	4%	390.5	4.0	9.0	-	2.3	(9.4)	396.4
ECTE	6%	82.7	1.2	4.7	-	0.4	(2.7)	86.3
EDTE <sup>123</sup>	9%	388.9	0.8	8.7	-	1.2	(26.4)	373.2
ENTE	6%	584.0	1.1	33.9	-	2.9	(9.6)	612.2
ERTE	5%	123.6	1.5	7.0	-	1.0	(3.8)	129.3
ESDE <sup>1</sup>	7%	64.6	1.0	1.5	-	0.3	(1.7)	65.8
ESTE <sup>123</sup>	8%	262.1	-	-	73.9	-	-	335.9
ETEP	6%	210.2	3.1	12.0	-	1.8	(7.4)	219.8
ETSE <sup>1</sup>	6%	50.5	0.7	1.2	-	0.2	(1.1)	51.5
LUMITRANS	5%	72.2	0.8	3.9	-	0.4	(3.1)	74.2
STC <sup>1</sup>	5%	77.1	0.9	1.7	-	0.7	(3.5)	76.9
TRANSIRAPE	8%	95.6	1.6	5.1	-	0.6	(3.7)	99.1
TRANSESTE	10%	93.3	2.3	5.3	-	0.4	(4.4)	96.9
TRANSUDESTE	8%	71.2	1.3	3.9	-	0.4	(3.6)	73.2
<b>Total</b>		<b>13,018.0</b>	<b>224.8</b>	<b>557.6</b>	<b>533.3</b>	<b>196.2</b>	<b>(677.0)</b>	<b>15,519.4</b>

<sup>1</sup> The RAPs must be grossed up of PIS/COFINS

<sup>2</sup> under construction

<sup>3</sup> 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.

## 5.3. 1Q21 Income Statement

Income Statement	IFRS			Regulatory			
	R\$ mn	1Q21	1Q20*	Chg. %	1Q21	1Q20	Chg. %
<b>GROSS OPERATING REVENUES</b>			-				
Service revenues	-	-	-	0.0%	439,686	418,693	5.0%
Operation and Maintenance	175,029	161,252	-	8.5%	-	-	0.0%
Remuneration of contractual assets	187,001	148,754	-	25.7%	-	-	0.0%
Monetary restatement of contractual assets	364,847	123,339	-	195.8%	-	-	0.0%
Implementation of Infrastructure Revenues	249,178	315,664	-	-21.1%	-	-	0.0%
Other Revenues	5,809	14,018	-	-58.6%	(8,668)	250	-
Variable Portion	(4,281)	(6,359)	-	-32.7%	(4,281)	(6,359)	-32.7%
<b>TOTAL GROSS REVENUES</b>	<b>977,583</b>	<b>756,668</b>	-	<b>29.2%</b>	<b>426,737</b>	<b>412,585</b>	<b>3.4%</b>
PIS/Cofins	(52,769)	(50,429)	-	4.6%	(23,972)	(21,936)	9.3%
Service Tax	(150)	(91)	-	65.2%	(150)	(91)	65.2%
ICMS	(4)	-	-	0.0%	(4)	-	0.0%
RGR, P&D, TFSEE, CDE and PROINFA	(16,211)	(17,750)	-	-8.7%	(16,211)	(17,750)	-8.7%
Other Deductions	-	-	-	0.0%	-	-	0.0%
Gross Revenue deductions	(69,134)	(68,270)	-	1.3%	(40,337)	(39,777)	1.4%
<b>NET REVENUES</b>	<b>908,449</b>	<b>688,398</b>	-	<b>32.0%</b>	<b>386,401</b>	<b>372,808</b>	<b>3.6%</b>
Personnel	(42,842)	(38,605)	-	11.0%	(42,842)	(38,605)	11.0%
Material	(168,581)	(194,851)	-	-13.5%	(709)	(320)	121.5%
Third party services	(11,955)	(14,305)	-	-16.4%	(11,955)	(14,305)	-16.4%
Other operating expenses	(11,597)	(4,762)	-	143.6%	(14,189)	(6,926)	104.9%
<b>Costs and Expenses</b>	<b>(234,974)</b>	<b>(252,523)</b>	-	<b>-6.9%</b>	<b>(69,694)</b>	<b>(60,156)</b>	<b>15.9%</b>
Depreciation and amortization	(4,686)	(3,446)	-	36.0%	(63,091)	(57,108)	10.5%
<b>Costs, Expenses and D&amp;A</b>	<b>(239,661)</b>	<b>(255,969)</b>	-	<b>-6.4%</b>	<b>(132,786)</b>	<b>(117,263)</b>	<b>13.2%</b>
Gains (losses) on company acquisitions	-	-	-	0.0%	-	-	0.0%
<b>GROSS PROFIT</b>	<b>668,788</b>	<b>432,430</b>	-	<b>54.7%</b>	<b>253,615</b>	<b>255,544</b>	<b>-0.8%</b>
Equity method	205,253	174,020	-	17.9%	38,725	40,547	-4.5%
Revenues from financial investments	4,410	12,956	-	-66.0%	4,410	12,956	-66.0%
Financial Expenses	(187,506)	(147,815)	-	26.9%	(186,800)	(147,085)	27.0%
Borrowings and financing	(51,439)	(114,119)	-	-54.9%	(51,439)	(114,119)	-54.9%
- Interests Incurred	(8,614)	(3,348)	-	157.3%	(8,614)	(3,348)	157.3%
- Monetary Variation	-	2	-	-100.0%	-	2	-100.0%
- Exchange variation	(55,951)	(111,280)	-	-49.7%	(55,951)	(111,280)	-49.7%
- Fair value adjustment	13,126	508	-	2486.1%	13,126	508	2486.1%
Financial instrument	29,557	92,460	-	-68.0%	29,557	92,460	-68.0%
- Interests Incurred	(13,268)	(5,866)	-	126.2%	(13,268)	(5,866)	126.2%
- Exchange Variation	55,951	111,280	-	-49.7%	55,951	111,280	-49.7%
- Monetary Variation	-	-	-	0.0%	-	-	0.0%
- Fair value adjustment	(13,126)	(12,954)	-	1.3%	(13,126)	(12,954)	1.3%
Debentures	(160,060)	(121,188)	-	32.1%	(160,060)	(121,188)	32.1%
- Interests incurred	(65,306)	(66,558)	-	-1.9%	(65,306)	(66,558)	-1.9%
- Monetary Variation	(94,754)	(54,630)	-	73.4%	(94,754)	(54,630)	73.4%
- Mark to market	-	-	-	0.0%	-	-	0.0%
Leasing	(706)	(730)	-	-3.3%	-	-	0.0%
Other financial expenses	(4,858)	(4,239)	-	14.6%	(4,858)	(4,239)	14.6%
<b>Financial Revenues (Expenses)</b>	<b>(183,096)</b>	<b>(134,859)</b>	-	<b>35.8%</b>	<b>(182,390)</b>	<b>(134,130)</b>	<b>36.0%</b>
<b>NET INCOME BEFORE INCOME TAXES</b>	<b>690,945</b>	<b>471,590</b>	-	<b>46.5%</b>	<b>109,950</b>	<b>161,962</b>	<b>-32.1%</b>
Income taxes and social contribution	(135,094)	(80,348)	-	68.1%	(2,185)	(22,719)	-90.4%
<b>NET INCOME</b>	<b>555,852</b>	<b>391,242</b>	-	<b>42.1%</b>	<b>107,765</b>	<b>139,243</b>	<b>-22.6%</b>
EBITDA	673,475	435,876	-	54.5%	316,706	312,652	1.3%
<b>EBITDA Margin</b>	<b>74.1%</b>	<b>63.3%</b>	-	<b>10.8 pp</b>	<b>82.0%</b>	<b>83.9%</b>	<b>-1.9 pp</b>

\*The Company performed the adjustments and reclassifications of its balance sheets as of March 31, 2020 in order to present such amounts for comparative purposes with the interim information as of March 31, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

## 5.4. 1Q21 IFRS Income Statement (Subsidiaries)

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

## IFRS Income Statement

	R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
<b>GROSS OPERATING REVENUES</b>							
Service revenues		-	-	-	-	-	-
Operation and Maintenance		4,716	16,977	-	-	-	1,360
Remuneration of the Contractual Asset		1,479	30,816	-	-	-	5,209
Monetary adjustment of the Contractual Asset		6,436	139,531	-	-	-	14,076
Implementation of Infrastructure Revenues		-	75,364	10,268	13,972	186,062	263
Other Revenues		939	2,283	-	-	-	1,498
Variable Portion		-	(229)	-	-	-	(139)
<b>TOTAL GROSS REVENUES</b>		<b>13,571</b>	<b>264,742</b>	<b>10,268</b>	<b>13,972</b>	<b>186,062</b>	<b>22,267</b>
PIS/Cofins		(1,914)	(16,297)	(950)	(1,292)	(17,211)	(803)
Service Tax		-	-	-	-	-	-
ICMS		-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA		(369)	(3,426)	-	-	-	(516)
Other Deduction		-	-	-	-	-	-
Gross Revenue deductions		(2,283)	(19,724)	(950)	(1,292)	(17,211)	(1,319)
<b>NET REVENUES</b>		<b>11,288</b>	<b>245,018</b>	<b>9,318</b>	<b>12,680</b>	<b>168,851</b>	<b>20,948</b>
<b>COSTS AND OPERATING EXPENSES</b>							
Personnel		(160)	(5,203)	(94)	(150)	(174)	(203)
Material		(6)	(37,775)	(1,929)	(2,075)	(102,346)	(2,570)
Third party services		(1,074)	(2,706)	(121)	(105)	(153)	(763)
Depreciation and amortization		(214)	(23)	(12)	(16)	(13)	(4)
Other operating expenses		(7)	(1,265)	(8)	(8)	(9)	(133)
Costs and Expenses		(1,461)	(46,973)	(2,163)	(2,354)	(102,694)	(3,672)
<b>GROSS PROFIT</b>		<b>9,827</b>	<b>198,046</b>	<b>7,154</b>	<b>10,326</b>	<b>66,157</b>	<b>17,276</b>
<b>Equity method</b>			<b>1,626</b>				
Revenues from financial investments		27	537	55	53	2,315	49
Financial Expenses		(302)	(10,409)	(2)	(2)	(33,712)	(459)
Interests Incurred		(281)	-	-	-	-	-
Monetary Variation		(4)	-	-	-	-	-
Fair value adjustment		-	-	-	-	-	-
Financial instrument		-	-	-	-	-	-
Other financial expenses		(17)	(840)	(2)	(2)	(33,712)	(28)
Financial Revenues (Expenses)		(275)	(9,873)	53	51	(31,397)	(410)
<b>NET INCOME BEFORE INCOME TAXES</b>		<b>9,552</b>	<b>189,799</b>	<b>7,208</b>	<b>10,377</b>	<b>34,760</b>	<b>16,866</b>
Income taxes and social contribution		3,526	(53,066)	(2,373)	(3,447)	(7,150)	(799)
<b>NET INCOME</b>		<b>13,078</b>	<b>136,733</b>	<b>4,834</b>	<b>6,930</b>	<b>27,610</b>	<b>16,067</b>
EBITDA		10,041	198,069	7,167	10,342	66,170	17,280
EBITDA Margin		89.0%	80.8%	76.9%	81.6%	39.2%	82.5%

## 5.5. 1Q21 Regulatory Income Statement (Subsidiaries)

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

### Regulatory Income Statement

	R\$ mn	ETAU	TBE	Aimorés	Paraguaçu	Ivaí	Transmineiras
<b>GROSS OPERATING REVENUES</b>							
Service revenues		7,433	94,280	-	-	-	13,285
Operation and Maintenance		-	-	-	-	-	-
Remuneration of the Contractual Asset		-	-	-	-	-	-
Monetary adjustment of the Contractual Asset		-	-	-	-	-	-
Implementation of Infrastructure Revenues		-	-	-	-	-	-
Other Revenues		-	-	-	-	-	-
Variable Portion		-	(229)	-	-	-	(139)
<b>TOTAL GROSS REVENUES</b>		7,433	94,052	-	-	-	13,146
PIS/Cofins		(342)	(4,621)	-	-	-	(480)
Service Tax		-	-	-	-	-	-
ICMS		-	-	-	-	-	-
RGR, P&D, TFSEE, CDE and PROINFA		(369)	(3,426)	-	-	-	(516)
Other Deduction		-	-	-	-	-	-
Gross Revenue deductions		(711)	(8,048)	-	-	-	(996)
<b>NET REVENUES</b>		6,722	86,004	-	-	-	12,150
<b>COSTS AND OPERATING EXPENSES</b>							
Personnel		(160)	(5,203)	(94)	(150)	(174)	(203)
Material		(2)	-	-	-	-	-
Third party services		(1,074)	(2,706)	(127)	(112)	(160)	(763)
Depreciation and amortization		(878)	(11,367)	(6)	(10)	(6)	(1,285)
Other operating expenses		(7)	(1,265)	(8)	(8)	(9)	(133)
Costs and Expenses		(2,121)	(20,541)	(235)	(280)	(349)	(2,384)
<b>GROSS PROFIT</b>		4,601	65,463	(235)	(280)	(349)	9,766
<b>Equity method</b>			910	-	-	-	-
Revenues from financial investments		27	537	55	53	2,315	49
Financial Expenses		(302)	(10,409)	(1)	(1)	(33,711)	(459)
Interests Incurred		(281)	(9,218)	-	-	-	-
Monetary Variation		(4)	(352)	-	-	-	-
Fair value adjustment		-	-	-	-	-	-
Financial instrument		-	-	-	-	-	-
Other financial expenses		(17)	(840)	(1)	-	(33,711)	(28)
Financial Revenues (Expenses)		(275)	(9,873)	54	52	(31,396)	(410)
<b>NET INCOME BEFORE INCOME TAXES</b>		4,325	56,500	(181)	(228)	(31,745)	9,357
Income taxes and social contribution		5,516	(6,486)	136	156	15,459	(437)
<b>NET INCOME</b>		9,841	50,015	(45)	(72)	(16,286)	8,920
EBITDA		5,478	76,830	(230)	(270)	(343)	11,051
EBITDA Margin		81.5%	89.3%	-	-	-	91.0%

## 5.6. EBITDA Reconciliation

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

### EBITDA Reconciliation IFRS

R\$ mn	1Q21	1Q20*	Chg. %
Net Income	555.9	391.2	42.1%
Income taxes and social contribution	135.1	80.3	68.1%
Net Financial Expenses	183.1	134.9	35.8%
Depreciation and amortization	4.7	3.4	36.0%
Equity method	(205.3)	(174.0)	17.9%
<b>EBITDA</b>	<b>673.5</b>	<b>435.9</b>	<b>54.5%</b>
<b>EBITDA Margin</b>	<b>74.1%</b>	<b>63.3%</b>	<b>10.8 pp</b>

\* The Company performed the adjustments and reclassifications of its balance sheets as of March 31, 2020 in order to present such amounts for comparative purposes with the interim information as of March 31, 2021, due to the impact of OFFICIAL-NOTICE /CVM/SNC/SEP/nº 04/2020 referring to CPC 47.

### EBITDA Reconciliation Regulatory

R\$ mn	1Q21	1Q20	Chg. %
Net Income	107.8	139.2	-22.6%
Income taxes and social contribution	2.2	22.7	-90.4%
Net Financial Expenses	182.4	134.1	36.0%
Depreciation and amortization	63.1	57.1	10.5%
Equity method	(38.7)	(40.5)	-4.5%
<b>EBITDA</b>	<b>316.7</b>	<b>312.7</b>	<b>1.3%</b>
<b>EBITDA Margin</b>	<b>82.0%</b>	<b>83.9%</b>	<b>-1.9 pp</b>

## 5.7. Balance Sheet

Balance Sheet			
	1Q21	Adjustment	1Q21
	R\$ '000	IFRS	Regulatory
<b>Assets</b>			
Cash and cash equivalent	1,021,839	-	1,021,839
Financial Investments	-	-	-
Receivables	202,379	(15,101)	217,480
Contractual Asset	1,040,794	1,040,794	-
Recoverable taxes	141,628	-	141,628
Bonds and related deposits	11	-	11
Derivative financial instruments	-	-	-
Dividends and interest on equity to receive	137,319	-	137,319
Stocks	8,987	-	8,987
Other Current Assets	123,173	-	123,173
<b>Total Current Assets</b>	<b>2,676,130</b>	<b>1,025,693</b>	<b>1,650,437</b>
Financial Investments	9,671	-	9,671
Financial Asset	8,873,258	8,873,258	-
Deferred income tax	-	-	-
Deferred income tax and social contribution	-	(41,860)	41,860
Income tax and social contribution	-	-	-
Investment	3,047,760	1,412,317	1,635,443
Receivables	19,664	-	19,664
Escrow deposits	53,531	-	53,531
Financial instruments derivatives	200,002	-	200,002
Other receivables	31,181	-	31,181
Fixed Assets	47,185	(6,262,080)	6,309,265
Intangible Assets	89,515	(176,757)	266,272
Right of use	30,431	30,431	-
<b>Total Non Current Assets</b>	<b>12,402,198</b>	<b>3,835,309</b>	<b>8,566,889</b>
<b>Total Assets</b>	<b>15,078,328</b>	<b>4,861,002</b>	<b>10,217,326</b>
<b>Liabilities</b>			
Trade accounts payable	81,622	-	81,622
Taxes	48,052	-	48,052
Borrowings and financing	122,961	-	122,961
Debentures	405,176	-	405,176
Leasing liability	8,707	8,707	-
Financial instruments derivatives	-	-	-
Dividends to pay	105,931	-	105,931
Regulatory fees	61,556	-	61,556
Other payables	61,113	13,655	47,458
<b>Total Current Liabilities</b>	<b>895,118</b>	<b>22,362</b>	<b>872,756</b>
Borrowings and financing	962,673	-	962,673
Debentures	4,932,262	-	4,932,262
Leasing liability	24,300	24,300	-
Financial instruments derivatives	34,503	-	34,503
Deferred taxes and social contributions	899,492	803,791	95,701
Deferred Taxes	553,694	553,694	-
Provisions for contingencies	51,220	2,594	48,626
Provision for asset demobilization	457	457	-
Special obligations	-	(11,334)	11,334
Suppliers	44,272	-	44,272
Other payables	82,126	-	82,126
<b>Total Non Current Liabilities</b>	<b>7,584,999</b>	<b>1,373,502</b>	<b>6,211,497</b>
<b>Shareholder's Equity</b>			
Paid-in capital	3,042,035	-	3,042,035
Capital Reserve	598,736	4,229	594,507
Earnings reserve	1,944,396	-	1,944,396
Proposed additional dividends	456,035	-	456,035
Equity valuation adjustment	1,157	-	1,157
AFAC Reserve	-	-	-
Interim dividends and interest on equity	-	-	-
Accumulated profit (losses)	-	3,012,822	(3,012,822)
Current results	555,852	448,087	107,765
<b>Attributing interest of controlling shareholders</b>	<b>6,598,211</b>	<b>3,465,138</b>	<b>3,133,073</b>
Participation of non-controlling shareholders	-	-	-
<b>Total Shareholder's Equity</b>	<b>6,598,211</b>	<b>3,465,138</b>	<b>3,133,073</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>15,078,328</b>	<b>4,861,002</b>	<b>10,217,326</b>

## 5.8. IFRS Cash Flow

## Cash Flow

	R\$ mn	1Q21
	R\$ thousand	IFRS
<b>Cash Flow from operating activities</b>		
Income for the period		555,852
Adjusts to:		-
Equity Method (subsidiaries net income)		(205,253)
Depreciation and amortization		2,666
Amortization of right of use		2,042
Tax, social security, labor and civil provisions		463
Environmental compensation provisions		-
Revenues from financial investments		(4,410)
Implementation cost - provision suppliers		165,515
Interest, monetary variation and exchange gains / losses and fair value adjust		51,587
Interest and inflation adjustment on debentures		160,060
Leasing liability interest		706
Derivative financial instruments		(29,557)
Income tax and social contribution		7,709
Income tax and social contribution deferred		127,385
Deferred taxes		28,797
Remuneration of Contractual Asset		(187,001)
Monetary Restatement of Contractual Asset		(364,847)
Implementation of Infrastructure Revenues		(249,178)
Gains (losses) on company acquisitions		-
Variable Portion Provision		(757)
		<b>61,779</b>
Changes in assets and liabilities:		-
(Increase) Reduction in customer balance		(11,273)
(Increase) Decrease in the Balance of Concession Contractual assets		259,171
(Increase) Decrease in the balance of income tax and social contribution asset		(14,023)
(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		(40,378)
(Increase) Decrease in balance of trade accounts payable		(164,820)
(Increase) Decrease in the balance of regulatory fees		(980)
(Increase) Decrease in the balance of other payables		45,593
Dividends earned from jointly controlled		-
Dividends and interest on equity earned from jointly controlled		42,029
		<b>115,319</b>
<b>Cash from operating activities</b>		<b>177,098</b>
Income tax and social contribution paid		(18,065)
<b>Cash flow of investing activities</b>		<b>159,033</b>
<b>Additions in property, intangible assets</b>		<b>-</b>
(Increase) Decrease in the balance of DTVM and other investments		4,326
(Additions) Write-offs in fixed and intangible assets		(5,049)
Acquisition of subsidiaries, net of cash acquired		-
Acquisition of jointly controlled subsidiaries		-
Capital increase in the joint subsidiary		-
Capital increase in jointly-owned subsidiaries		(19,000)
Advance for future capital increase in subsidiaries		-
<b>Cash Flow provided by financing activities</b>		<b>(19,723)</b>
<b>Payment of borrowings and financing (principal)</b>		<b>-</b>
Borrowing and financing		-
Payment of borrowing and financing - principal		(3,098)
Payment of borrowing and financing - interest		(6,585)
Debentures		(10)
Payment of debentures (principal)		-
Payment of debentures (interest)		-
Payment of derivative financial instruments (interest)		(901)
Receipt (payment) on settlement of financial instruments		-
Payment of lease liabilities		(2,614)
Subsidiary Acquisition		-
Payment of dividends and interest on equity		-
Advance for future capital increase		-
Capital increase		-
Others		-
<b>Net Cash provided by financing activities</b>		<b>(13,208)</b>
<b>Increase (Decrease) in cash and cash equivalents</b>		<b>126,102</b>
Opening balance of cash and cash equivalents		896,031
Closing balance of cash and cash equivalents		1,021,839
<b>Increase (decrease) in cash and cash equivalents</b>		<b>125,808</b>

## 5.9. Regulatory Cash Flow

Cash Flow	R\$ mn	1Q21
	R\$ thousand	Regulatory
<b>Cash Flow from operating activities</b>		
Income for the period		107,765
Adjusts to:		-
Equity Method (subsidiaries net income)		(38,725)
Depreciation and amortization		63,092
Amortization of right of use		-
Tax, social security, labor and civil provisions		463
Environmental compensation provisions		-
Revenues from financial investments		(4,410)
Implementation cost - provision suppliers		-
Interest, monetary variation and exchange gains / losses and fair value adjust		51,587
Interest and inflation adjustment on debentures		160,060
Leasing liability interest		-
Derivative financial instruments		(29,557)
Income tax and social contribution		7,709
Income tax and social contribution deferred		(5,524)
Deferred taxes		-
Remuneration of Contractual Asset		-
Monetary Restatement of Contractual Asset		-
Implementation of Infrastructure Revenues		-
Gains (losses) on company acquisitions		-
Variable Portion Provision		(757)
		<b>311,703</b>
Changes in assets and liabilities:		-
(Increase) Reduction in customer balance		(11,273)
(Increase) Decrease in the Balance of Concession Contractual assets		-
(Increase) Decrease in the balance of income tax and social contribution asset		(14,023)
(Increase) Decrease in the balance of income taxes and defered social contrib		3,115
(Increase) Reduction in the balance of deferred taxes		-
(Increase) Decrease in the balance of other assets		(40,378)
(Increase) Decrease in balance of trade accounts payable		695
(Increase) Decrease in the balance of regulatory fees		(980)
(Increase) Decrease in the balance of other payables		54,584
Dividends earned from jointly controlled		-
Dividends and interest on equity earned from jointly controlled		42,029
		<b>33,769</b>
<b>Cash from operating activities</b>		<b>345,472</b>
Income tax and social contribution paid		(18,065)
<b>Cash flow of investing activities</b>		<b>327,407</b>
<b>Additions in property, intangible assets</b>		-
(Increase) Decrease in the balance of DTVM and other investments		4,326
(Additions) Write-offs in fixed and intangible assets		(172,921)
Acquisition of subsidiaries, net of cash acquired		-
Acquisition of jointly controlled subsidiaries		-
Capital increase in the joint subsidiary		-
Capital increase in jointly-owned subsidiaries		(19,000)
Advance for future capital increase in subsidiaries		-
<b>Cash Flow provided by financing activities</b>		<b>(187,595)</b>
<b>Payment of borrowings and financing (principal)</b>		-
Borrowing and financing		-
Payment of borrowing and financing - principal		(3,098)
Payment of borrowing and financing - interest		(6,585)
Debentures		(10)
Payment of debentures (principal)		-
Payment of debentures (interest)		-
Payment of derivative financial instruments (interest)		(901)
Receipt (payment) on settlement of financial instruments		-
Payment of lease liabilities		-
Subsidiary Acquisition		-
Payment of dividends and interest on equity		-
Advance for future capital increase		-
Capital increase		-
Others		-
<b>Net Cash provided by financing activities</b>		<b>(10,594)</b>
<b>Increase (Decrease) in cash and cash equivalents</b>		<b>129,218</b>
Opening balance of cash and cash equivalents		896,031
Closing balance of cash and cash equivalents		1,021,839
<b>Increase (decrease) in cash and cash equivalents</b>		<b>125,808</b>

### 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.*