



3Q23 Earnings Release

taesa^{*}

Rio de Janeiro, November 8, 2023

Transmissora Aliança de Energia Elétrica S.A. (“Taesa” or the “Company”; B3: TAEE3, TAEE4, TAEE11), one of Brazil’s largest concessionaire groups in electricity transmission, announces today its results for the third quarter of 2023.

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

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

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

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 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 audited by the auditors and approved by the Board of Directors and the shareholders’ Annual General Meeting.

**Videoconference call in English
(simultaneous translation)**

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

November 9, 2023
Thursday
New York 9:00 AM
Brasília 11:00 AM

André Augusto Telles Moreira	CEO
Rinaldo Pecchio Junior	CFO na IRO
Cristiano Prado Grangeiro	IR Executive Manager
IR Contact	investor.relations@taesa.com.br
Telephone	+55 21 2212 6060

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1. MESSAGE FROM MANAGEMENT

CONSISTENT GROWTH AND NEW CYCLE OF INVESTMENT

Taesa recorded another quarterly result with growth in operating cash generation, supported by recently completed projects, bringing new revenues with a very efficient operation and high EBITDA margins.

The Company's regulatory net operating revenues, on a proportional consolidation basis, grew by 6.0% compared to the third quarter of 2022, totaling R\$ 831.7 MM. Year-to-date, regulatory net revenues registered R\$ 2,518.0 MM, 17.8% higher than the same period in 2022. Regulatory EBITDA totaled R\$ 705.9 MM in 3Q23 and R\$ 2,181.4 in 9M23, also on a proportional consolidation view, with annual growth of 3.9% and 18.5%, respectively. Thus, the EBITDA margin reached 84.9% in the quarter and a cumulative 86.6% in 2023.

The annual increase in net revenues and EBITDA is primarily driven by Saíra (Phase 1) beginning operations under the management of Taesa as of March 31, 2023, and the beginning of operations of other projects previously under construction: Aimorés, Paraguaçu, Sant' Ana and Ivaí. In addition to the IPCA inflationary adjustment (category 3 contracts) of +3.9% for the new RAP 2023-2024 cycle, the completion of these projects was crucial to offset the drop in revenue of category 2 contracts due to the IGP-M deflation recorded 4.5% for the same cycle along with the remaining 50% reduction in RAP of the ATE III, STC and Lumitrans concessions. Even maintaining a very robust operational cash generation, the Company has intensified its efficiency and cost control actions to soften the impact of the IGP-M in this RAP 2023-2024 cycle.

Taesa ended the first nine months of the year with a cash position of R\$ 2 billion and net outstanding debt of R\$ 10.4 billion – considering the Company's participation in jointly controlled and associated companies –, recording a net debt to EBITDA ratio of 3.7x, in line with the level reported in the previous quarter and twelve months. This level is compatible with a growing company in the transmission business and this stability demonstrates the robustness of our cash generation, in a year with investments of R\$ 1.5 billion in projects and R\$ 800 MM paid in earnings year to date.

As part of our continued focus on financial efficiency, we completed another successful debenture issuance, Taesa's 14th, totaling R\$ 800 MM to the general public, which presented a demand of more than R\$1 billion. It complied with law 12.431 on infrastructure debentures and had a green bond certification, an increasingly important differentiator for funding. There were 3 series of 10, 12 and 15 years issued, with very efficient premiums over the IPCA, with the 1st and 2nd series presenting one of the best premiums among market issuances up to that date. Furthermore, the spreads on the reference NTN-Bs were very good, closing between 41 and 70 bps, also presenting the lowest premiums compared to other issuances on the market.

From an operational perspective, the Company maintained a high line availability rate of 99.9%, highlighting its consistency in operational excellence and management of its transmission assets.

Taesa remains dedicated to the execution and delivery of its new projects under construction, Ananaí, Pitiguari, Sairá, Tangará and the new reinforcements at Novatrans, which together will add almost R\$ 400 MM in RAP when they become operational. We completed an investment cycle in 2022 and now begin a new cycle in 2023 with these projects. In the first nine months of this year, the Company has invested R\$ 1.5 billion, including an indemnity payment of R\$ 870.6 MM for the operational part of the Saíra concession.

It is worth highlighting that since our success at the auctions, we have won more than 10 lots and added more than R\$1 billion in terms of operational RAP for Taesa, a significant volume that proves our commitment and competitiveness in auctions and delivery of projects, always with a diligent eye on generating value from each project.

Within the Sustainability pillar, we continue working on unfolding the materiality matrix encompassing all stakeholders established at the beginning of last year. Based on it, we defined 6 material topics to focus on in the coming years, considering the sustainability and perpetuity of our business. We then correlated these material topics with 5 priority Sustainable Development Goals (SDGs) defined by the Company.

In August 2023, the Company inaugurated its new System Operation Center ("COS"), investing in modernization, safety and operational quality and aiming for sustainable business growth. The COS is prepared to increase operational capacity and sustain Taesa's growth in the transmission sector, in addition to providing greater reliability and operational security for the development of the energy sector in Brazil. The new center has state-of-the-art technology and infrastructure, with the capacity to command and monitor, in real time, all of Taesa's assets. It is an energy self-sufficient building, equipped with systems that guarantee a reduction in annual water and energy consumption, within ESG best practices.

Finally, on this date, the Board of Directors approved the distribution of proceeds in the amount of R\$ 204.6 MM (R\$ 0.59 / Unit), of which R\$ 200.5 million as interest on equity (JCP) and R\$ 4.1 million as interim dividends based on the interim financial statements as of June 30, 2023. Payment will take place on December 15, 2023, with a cut-off date of November 13, 2023.

We continue working with great commitment and dedication, aligned with our mission of connecting Brazil with safe and reliable energy. We reinforce our focus on the strategic pillars of sustainable growth, value generation, financial discipline, and operational efficiency, ratifying our commitment to society and respecting the environment and all stakeholders.



MISSION

We connect Brazil with safe and reliable electric power.



VISION

To be the electric power transmission company of greatest Value to society.



VALUES

We genuinely care for **people**.

We act with **integrity** building relationships of **trust**.

We seek **excellence** in everything we do.

We are TAESA!

2. SUMMARY OF RESULTS

Consolidated						
R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
Net Revenues Reg.	606.5	583.9	3.9%	1,837.7	1,670.1	10.0%
EBITDA Reg.	501.7	498.1	0.7%	1,558.5	1,417.4	10.0%
EBITDA Margin Reg.	82.7%	85.3%	-2.6 pp	84.8%	84.9%	-0.1 pp
Net Income Reg.	330.2	373.7	-11.6%	792.0	661.6	19.7%
Net Revenues IFRS	686.5	463.8	48.0%	2,058.0	2,107.2	-2.3%
Net Income IFRS	278.9	302.5	-7.8%	886.1	1,426.4	-37.9%
Net Debt	8,474.7	6,925.3	22.4%	8,474.7	6,925.3	22.4%
Dividends and IoE Paid	339.5	506.7	-33.0%	799.5	1,307.0	-38.8%

Consolidated and Associated Concessions						
R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
Net Revenues Reg.	831.7	784.4	6.0%	2,518.0	2,137.1	17.8%
EBITDA Reg.	705.9	679.3	3.9%	2,181.4	1,840.3	18.5%
EBITDA Margin Reg.	84.9%	86.6%	-1.7 pp	86.6%	86.1%	0.5 pp
Net Income Reg.	330.2	373.7	-11.6%	792.0	661.6	19.7%
Net Revenues IFRS	756.3	752.3	0.5%	2,751.8	3,305.0	-16.7%
Net Income IFRS	278.9	302.5	-7.8%	886.1	1,426.4	-37.9%
Net Debt	10,400.3	8,904.7	16.8%	10,400.3	8,904.7	16.8%
Net Debt/EBITDA	3.7	3.7	0.0 pp	3.7	3.7	0.0 pp

REGULATORY RESULTS

- The Company recorded an increase of close to 20% in net income year to date, jumping from R\$ 661.6 million in the first nine months of 2022 to R\$ 792.0 million in the same period of 2023. Net revenues and EBITDA rose 10% in the same period, reaching R\$ 1.8 billion and R\$ 1.6 billion, respectively, in the first nine months of this year.
- In 3Q23, net revenues totaled R\$ 606.5 MM, registering a y.o.y. growth of 3.9%, primarily driven by the operational start-up of Saíra (phase 1), the operational start-up of new phases of Sant'Ana (~94% of total RAP active) and the IPCA inflationary adjustment of the 2023-2024 RAP cycle. These effects were partially offset by the negative adjustment of the IGP-M for category 2 concessions in this cycle, higher Variable Portion and step-down in RAP at ATE III.
- EBITDA totaled R\$ 501.7 MM this quarter, 0.7% higher y.o.y. EBITDA margin came in at 82.7% in 3Q23 (-2.6pp vs. 3Q22).
- Annual growth of 26.3% in equity income explained by the operational start up at Ivaí (~99.5% of total RAP active), Paraguaçu and by the IPCA inflationary adjustment of the 2023-2024 RAP cycle. These effects were offset by higher financial expenses at Ivaí, IGP-M deflation and step-down in RAP at the STC and Lumitrans concessions.
- Increase of 112.9% in net financial expenses resulting from the higher average outstanding debt balance along with an increase IPCA observed between the compared periods.
- Net income dropped 11.6% y.o.y., totaling R\$ 330.2 MM this quarter.
- On September 30, 2023, gross debt totaled R\$ 10.2 billion, a 6.5% q.o.q. increase. The Company's cash position was R\$ 1.7 billion (26,3% q.o.q. increase), resulting in a net outstanding debt of R\$ 8.5 billion (3.3% increase q.o.q.).

- The ratio of Taesa's net debt to EBITDA, proportionally consolidating the jointly controlled and affiliated companies, was 3.7x (in line with 2Q23).
- From an operational aspect, the lines' availability rate was 99.9% and the accounting Variable Portion (PV) recorded a reversal of -R\$ 661 thousand, both in 9M23.

IFRS RESULTS

- Net income totaled R\$ 278.9 MM in 3Q23, registering a 7.8% y.o.y. drop primarily driven by:
 - (i) Lower macroeconomic indices recorded between the compared periods, mainly the IGP-M which recorded accumulated deflation in the quarter (IGP-M: -2.77% in 3Q23 vs. +0.10% in 3Q22), directly impacting monetary restatement revenues of the contractual assets of the Company's category 2 concessions.
 - (ii) Increase of R\$ 14.2 MM y.o.y. in the Variable Portion due to charges related to a denied appeal for unforeseeable circumstances related to downed cables at the ETEO concession in 2021 and other major events that occurred in 3Q23 at the Novatrans and Sant'Ana concessions.
 - (iii) Decrease of 79.1% y.o.y. in equity method mainly explained by lower investments due to the operational start-up of some projects, reduction in monetary restatement revenues due to a lower IGP-M, and higher financial expenses in Ivaí.
 - (iv) Increase of 112.9% in net financial expenses resulting from a higher average outstanding debt balance along with an increase IPCA observed between the compared periods.
- The above effects were partially offset by the following:
 - a. Annual increase in the infrastructure implementation margin due to investments at Ananaí, Tangará and Pitiguari, as well as completion of new phases for Sant'Ana and significant reinforcements at Novatrans.
 - b. Increase in income from remuneration of contractual assets as a result of the operational start-up at Saíra and new phases of Sant'Ana, in addition to the impact of monetary correction on the balance of contractual assets in the last twelve months, primarily from the IPCA.
- On this date, the Board of Directors approved the distribution of dividends and interest on equity (JCP) in the amount of R\$ 204.6 MM (R\$ 0.59 / Unit); R\$ 200.5 MM (R\$ 0,58 / Unit) as JCP and R\$ 4.1 MM (R\$ 0.01 / Unit) as interim dividends, based on earnings reported on June 30, 2023. Payment will take place on December 15, 2023, with a cut-off date of November 13, 2023.

3. OVERVIEW

3.1. Corporate Structure

The 43 concessions/interests of transmission assets owned by TAESA are segregated into: (i) 10 concessions that make up the holding company (TSN, Novatrans, ETEO, GTESA, PATESA, Munirah, NTE, STE, ATE, and ATE II); (ii) 14 full investees (ATE III, Brasnorte, São Gotardo, Mariana, Miracema, Janaúba, Sant'Ana, São João, São Pedro, Lagoa Nova, Ananaí, Pitiguari, Tangará and Saíra); and (iii) shareholding interest in 19 companies (ETAU, AIE, and TBE).

Currently, there are seven large scale projects under construction (Sant'Ana, Ivaí, Ananaí, Pitiguari, Tangará, Saíra and reinforcements at Novatrans).

Recent project completions:

Between August and September 2023, the project Ananaí Transmissora de Energia Elétrica S.A. ("Ananaí") obtained the Preliminary License for sections of the LT 525kV Bateias – Curitiba Leste (C1/C2) and the LT 500kV Ponta Grossa – Assis (C1/C2), including the expansion works of the SE Bateias, SE Curitiba Leste, SE Ponta Grossa and SE Assis substations to be interconnected. Ananaí is a project referring to lot 1 of the ANEEL 02/2021 Transmission Auction from December 17, 2021, 100% controlled by Taesa. It is located between the States of São Paulo and Paraná, with 363 km extension in double circuit and an estimated investment of R\$ 1.75 billion (ANEEL Capex). The regulatory term for completion of the project is 60 months and it will add a RAP of R\$ 166.2 MM (2023-2024 cycle) to the Company when it becomes operational. The project was officially taken over by the Company on March 31, 2022, when the concession contract was formally signed.

On September 1, 2023, the Pitiguari Transmissora de Energia Elétrica S.A. ("Pitiguari") concession project obtained the Preliminary License for the LT Abdon Batista – Videira (C1/C2) and LT Abdon Batista – Barra Grande (C3) sections. Including works to expand the SE Barra Grande, SE Abdon Batista and SE Videira substations to be interconnected. Pitiguari Transmissora de Energia Elétrica S.A. ("Pitiguari") is a project in lot 10 of the ANEEL Transmission Auction 01/2022, held in June 2022, 100% controlled by Taesa. Pitiguari presents a total RAP of R\$21.4 million for the 2023-2024 cycle and an ANEEL Capex of R\$243.2 MM. The project is located in the State of Santa Catarina, with an approximate length of 92.7 km of transmission lines, 66.7 km of which are double circuit. The deadline stipulated by ANEEL for energizing Pitiguari is March 2027. The project was formally taken over by the Company on September 30, 2022, when the concession contract was signed.

In August 2023, the Company inaugurated its new System Operation Center ("COS"), investing in modernization, safety and operational quality and aiming for sustainable business growth. The COS is prepared to increase operational capacity and sustain Taesa's growth in the transmission sector, in addition to providing greater reliability and operational security for the development of the energy sector in Brazil. The COS has state-of-the-art technology and infrastructure with the capacity to command and monitor, in real time, all of Taesa's assets. The building is energy self-sufficient, equipped with systems that guarantee a reduction in annual water and energy consumption, within ESG best practices.

Also in August 2023, the Sant'Ana project obtained from the National Electric System Operator ("ONS") the issuance of Release Terms ("TLs") for the sectioning of Maçambará – Santo Ângelo in Maçambará 3 C2. On May 30, 2023, Sant'Ana obtained from the ONS the TLs for the facilities LT Livramento 3 – Santa Maria 3, SE Santa Maria and Synchronous Compensator of SE Livramento 3. The TLs were issued retroactively to the project's energization dates, which took place on May 2nd and 18th, respectively, thus guaranteeing to the Company receipt of approximately 36% of the project's total RAP. On December 7, 2022, Sant'Ana obtained the TL for the facilities LT Livramento - Maçambará 3, SE Maçambará 3 and Sectioning Maçambará - Santo Ângelo in Maçambará 3 C1 and adding to the Company a RAP of 32% of the total RAP of the development, retroactive to November 30, 2022. On April 1, 2022, the Sant'Ana project obtained the TLs for the transmission lines LT Livramento 3 – Alegrete 2 (C1) and LT Livramento 3 – Cerro Chato (C1), both with a voltage of 230 kV, and for part of the substation SE 230 kV Livramento 3, adding to the Company a RAP of more than 23% of the total RAP of the project, retroactive to March 28, 2022. With these

partial deliveries, Sant'Ana is now entitled to approximately R\$ 74 million (or ~91%) of its total RAP (2023-2024 cycle) ahead of ANEEL's scheduled completion date of July 2023. Sant'Ana is a project from lot 12, from the auction transmission no. 004/2018, carried out in December 2018, 100% controlled by Taesa. Sant'Ana has a total RAP of R\$ 80.8 MM for the 2023-2024 cycle. The deadline stipulated by ANEEL for its energization is July 2023, altered after the publication of ANEEL Authorizing Resolution (REA) No. 8.926/2020, which granted an additional 4 months to begin commercial operations as a measure to combat the effects of the pandemic.

The Ivaí project obtained the Definitive Release Term ("TLD") from the ONS for the following installations: (i) in August 2023, the General Module 525 kV SE Sarandi, the Reactor Banks 525 kV SE Sarandi, and the Transformer Banks 525/230 kV SE Sarandi; (ii) in May 2023, the 525 kV Foz do Iguaçu-Guaíra LT (double circuit), the 525 kV General Modules of SE Foz do Iguaçu and SE Guaíra, 525 kV Reactors, and the 525/230 kV Transformer Banks of SE Guaíra; (iii) in April 2023, the Capacitor Bank 138kV – 30 Mvar of SE Paranavaí Norte, the General Module 230 kV of SE Paranavaí Norte with interconnections, the Transformer Banks 230/138 kV of SE Paranavaí Norte, the line inputs 138 kV Paranavaí and LT 230 kV Sarandi-Paranavaí Norte (double circuit); (iv) in January 2023, the 525 kV Guaíra – Sarandi reactors, (v) in December 2022, the 525 kV Guaíra – Sarandi LT (double circuit); and (vi) in November 2022, LT 525 kV Sarandi-Londrina C1 and General Module 525 kV Londrina. The project obtained provisional release terms for the sections above and for the LT 525 kV Sarandi-Londrina C2, which guaranteed a RAP of 90% of each segment on dates prior to the above listed dates. With these partial deliveries, Ivaí started to receive approximately 98% of the project's total RAP. Ivaí is a development related to lot 1 of transmission auction nº 005/2016, held in April 2017, in which Taesa participates in the partnership, in the equal proportion of 50%. The concession has a total RAP of R\$ 414.2 MM for the 2023-2024 cycle, and is located in Paraná, with a length of 593 km of line in double circuit, with voltages of 230kV and 525kV, interconnecting 5 substations.

On March 30, 2023, Taesa signed the concession agreements for lots 3 and 5 referring to the ANEEL Transmission Auction No. 02/2022, held in December 2022. Lot 5 or Saíra Transmissora de Energia S.A. ("Saíra") is located between Rio Grande do Sul and Santa Catarina and consists of 743 km in existing transmission lines and three substations, including SE Garabi, which is a back-to-back converter that enables the export and import of electricity to Argentina. The project has an expected investment of R\$ 1,176 million (Capex ANEEL), and a RAP of R\$ 174.4 MM (2023-2024 cycle), including PIS/COFINS. As part of the investment amount, the Company paid the compensation of R\$ 870.6 MM to the previous concessionaire and began carrying out all the operation and maintenance and thus guaranteeing, as of March 31, the accounting of 72.2 % of its total RAP. Once the revitalization works are completed, whose regulatory deadline for completion is 60 months, the remaining 27.8% of its total RAP for the Company will be added. Lot 3 or Tangará Transmissora de Energia S.A. ("Tangará") is located in Maranhão and Pará, with a length of 279 km, of which 72 km are double circuits, and has an expected investment of R\$ 1,117 MM (Capex ANEEL). Tangará will have a regulatory period of 60 months for completion and will add a RAP of R\$ 104.7 MM (2023-2024 cycle), for the Company when it becomes operational.

On October 4 and 25, 2022, under ANEEL's Authoritative Resolutions (REA) nº 12.850/2022 and 12.823/2022, Taesa obtained authorization to begin reinforcements at the Novatrans facilities. Novatrans began operating in June 2003 and currently interconnects the North and Southeast regions, with approximately 1,278 km of 500kV transmission lines and 6 substations passing through the states of Maranhão, Tocantins and Goiás. The REAs above authorize the replacement of 3 Series Capacitor Banks at the SE Imperatriz, SE Colinas substations and at the line exit at LT 500kV Colinas-Imperatriz C2. With an expected investment of R\$ 262.6 MM (Capex ANEEL), the projects will have a regulatory term of 30 months for completion and will add a RAP of R\$ 45.0 MM for the Company at its energization.

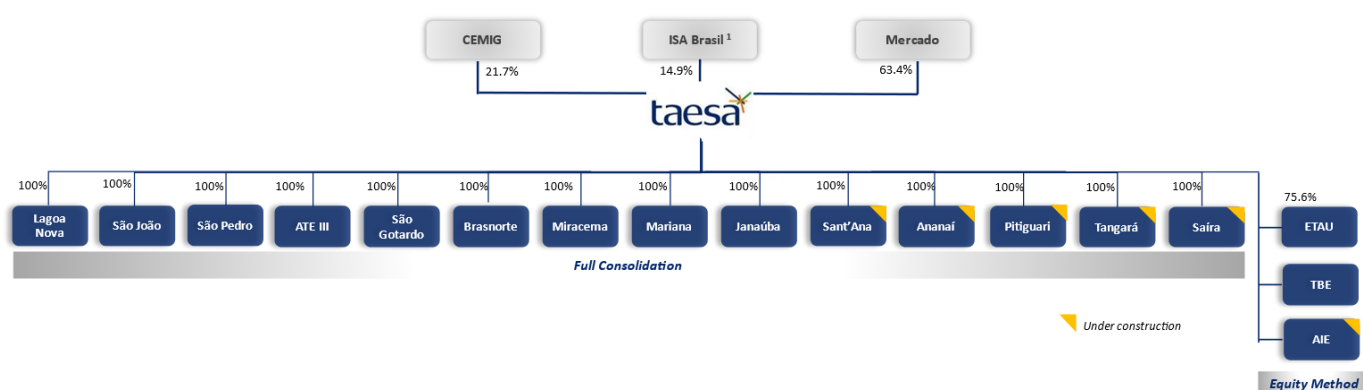
On July 27, 2022, the Paraguaçu project obtained the release term from the ONS, which authorizes the receipt of R\$ 81.7 MM of Annual Permitted Revenues (RAP) for the Company according to the RAP cycle 2023-2024. Paraguaçu is a project referring to lot 3 of the transmission auction nº 013/2015 (part 2), held in October 2016, in which Taesa participates in a partnership in an equal proportion of 50%. The concession has a total RAP of R\$ 163.5 MM for the 2023-2024 cycle. It is located in the states of Minas Gerais and Bahia with a length of 338 km of line with a voltage of 500 kV interconnecting the Poções III substation to the substation Padre Paraíso 2.

On May 6, 2022, the Aimorés concession became commercially operational, adding R\$ 54.8 MM of RAP for the Company, according to the 2023-2024 RAP cycle. Aimorés is the project from lot 4 of the transmission auction n.

013/2015 (part 2), held in October 2016, in which Taesa participated in with 50% partnership. The concession is attributed a total RAP of R\$ 109.5 MM for the 2023-2024 cycle. It is located in the state of Minas Gerais, with a total extension of 208 km of lines with 500 kV of voltage, connecting the substations of Padre Paraíso 2 to the substation Governador Valadares 6.

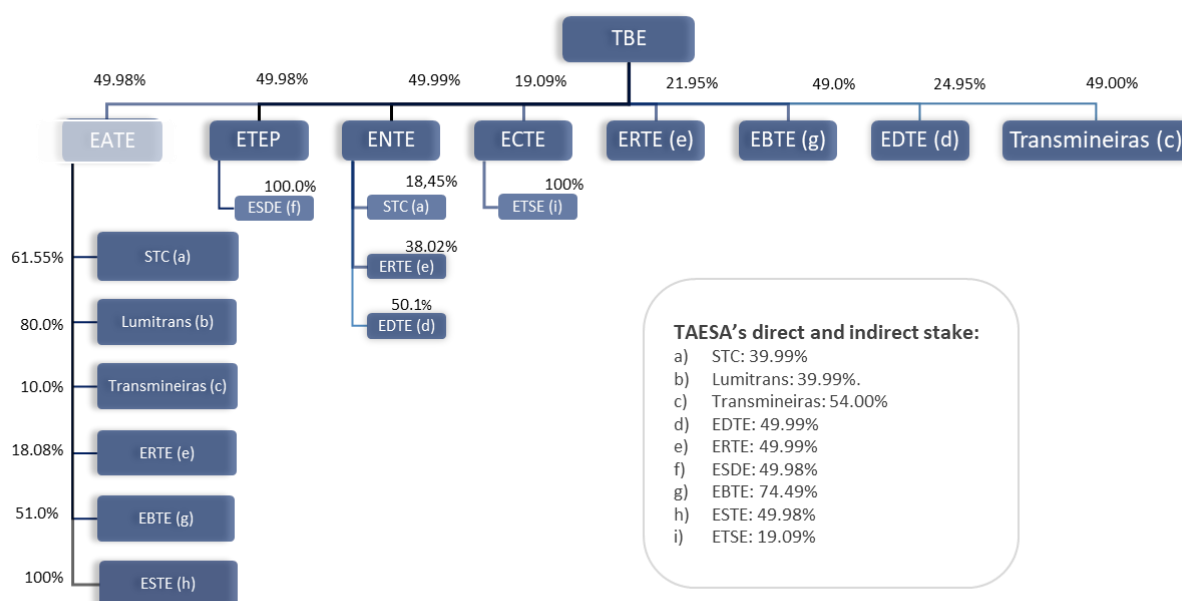
On February 18, 2022, the ESTE concession obtained the ONS release terms retroactively authorizing the receipt of revenues as of February 9, 2022, adding to Taesa a RAP of R\$ 77.4 MM (2023-2024 cycle). ESTE is the project associated with lot 22 of the transmission auction nº 013/2015 (part 2) carried out in October 2016. It is 100% controlled by the subsidiary EATE, in which Taesa holds 49.98% of its total capital. ESTE is attributed a total RAP of R\$ 154.9 MM for the 2023-2024 cycle and is located between the states of Minas Gerais and Espírito Santo, comprising the transmission line LT 500 kV Mesquita - João Neiva 2, approximately 236 km long, and the SE 500/345 kV João Neiva 2 substation.

All RAP amounts mentioned above are inclusive of PIS/COFINS. For more details, see section 4.2.



¹ ISA Investimentos Participações do Brasil S.A.

3.2. TBE Corporate Structure




TBE - Transmissora Brasileira de Energia is an economic group resulting from the partnership of majority shareholders, Taesa and Alupar.
Transmineiras - Group of interests in 3 concessions: Transirapé, Transleste and Transudeste, whose operational management is carried out by the TBE group.

3.3. AIE Corporate Structure



¹AIE is an economic group where TAESA and CTEEP are each 50% stakeholders.

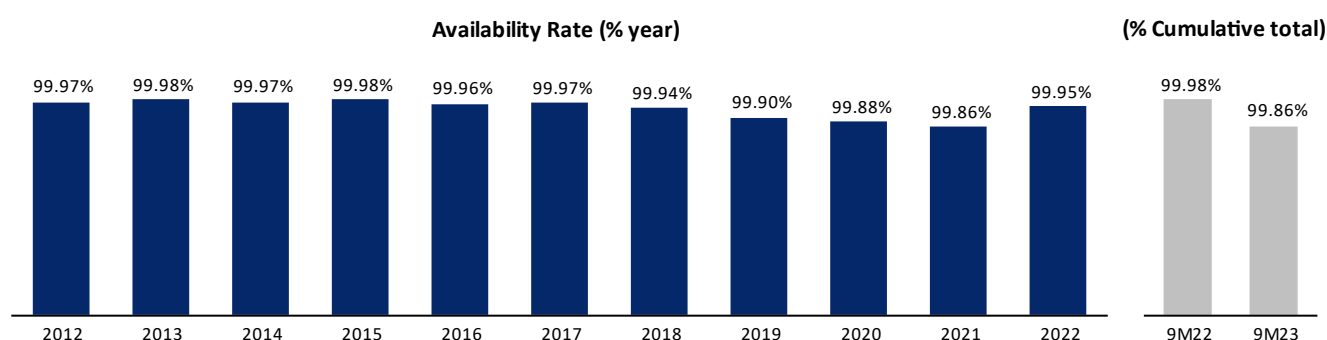
 Under construction

4. ECONOMIC AND FINANCIAL PERFORMANCE

4.1. Operational Performance

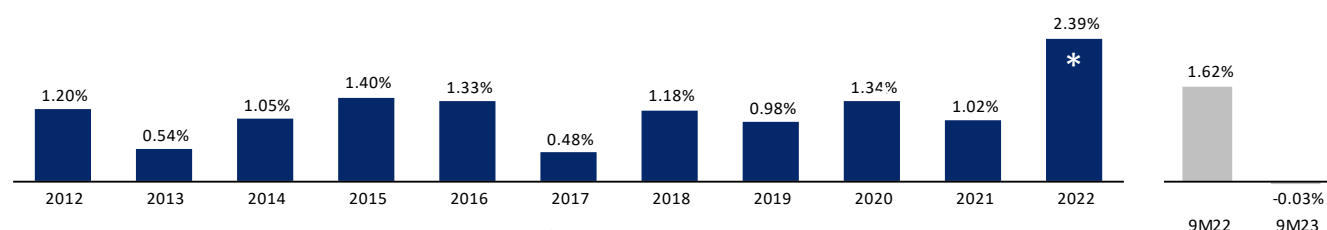
With a strong operating performance verified over the years, Taesa recorded a consolidated availability rate of 99.86% in 9M23, as shown in the diagram below, disregarding partially owned assets such as ETAU, AIE and TBE.

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



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

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



* PV referring to the fortuitous case of the collapse of towers on LT 500 kV Imperatriz-Colina C2, in December 2022, resulting from depredation of public assets due to sabotage to the SIN.

The PV accounted for in 9M23 registered a reversal of R\$ 661 thousand, which represents 0.03% of the RAP in the period. The main events that impacted this year's PV were as follows: (i) ATE: reversal of the provision accounted for 2Q23, due to the granting of an injunction suspending the collection of the variable portion, related to the collapse of towers on LT 525 kV Assis-Araraquara C1 SP, which occurred in October 2021, due to a severe weather event, and therefore, are external and beyond the control of the Company; (ii) Novatrans: partial reversal of the provision for the collapse of towers on LT 500 kV Imperatriz-Colina C2, in December 2022, resulting from depredation of public assets due to sabotage to the National Interconnected System, as widely reported in the media and, therefore, external and unrelated to the Company; (iii) ETEO: charge after a judgment rejecting a request for an external event unrelated to the Company regarding the downed cables from phase B of the LT 440 kV Assis-Sumaré in September 2021, caused by intentional sawing of the insulator support shackle, whose provision in 4Q21 was reversed in 1Q22; (iv) Sant'Ana: charge in 3Q23 for delays in commissioning and protection tests of the new Maçambará LTs; and (v) Novatrans: provisions for replacement of defective capacitive cells at SE Serra da Mesa and capacitors at SE Gurupi.

4.2. 2023-2024 RAP Cycle

On July 4, 2023, ANEEL published Ratifying Resolution 3.216/2023 ("REH 3.216"), which established the Annual Permitted Revenues (RAP) of transmission concessions for the 2023-2024 cycle, effective from July 1, 2023 until June 30, 2024, and therefore affecting the Company's results from 3Q23 onwards. Concessions adjusted by the IGP-M (Category II) suffered an inflation adjustment of -4.47%, and concessions adjusted by the IPCA (Category III) suffered an inflation adjustment of +3.94%.

RAP (R\$ mn)	2021-2022 Cycle	2022-2023 Cycle	2023-2024 Cycle
IGP-M Adjustment	37.0%	10.7%	-4.5%
Novatrans ²	483.3	535.4	550.5
TSN ²	454.6	506.2	494.7
Munirah	29.9	33.1	31.6
GTESA	8.1	8.9	8.5
PATESA ²	23.9	26.7	26.4
ETAU ¹	39.1	43.2	41.3
ETEO	144.4	159.9	152.7
NTE	126.1	139.9	133.6
STE	69.5	77.2	73.6
ATE I	122.1	135.3	129.2
ATE II	273.6	211.8	202.3
EATE ¹	179.0	198.3	189.4
ETEP ¹	40.3	44.6	42.6
ENTE ¹	92.2	102.1	97.5
ECTE ¹	14.9	16.5	15.7
ERTE ¹	21.0	23.2	22.2
Lumitrans ¹	17.4	12.1	9.2
Transleste ¹	18.0	20.0	19.1
Transirapé ¹	29.4	23.5	23.0
Transudeste ¹	18.4	12.4	11.8
Subtotal	2,205.1	2,330.3	2,275.2
IPCA Adjustment	8.1%	11.7%	3.9%
ATE III ²⁴	152.3	158.9	95.0
São Gotardo	6.2	6.9	7.2
Mariana	18.4	20.6	21.4
Miracema	77.4	86.4	89.8
Janaúba	235.4	257.6	267.7
Aimorés ¹	48.1	52.7	54.8
Paraguaçu ¹	71.9	78.6	81.7
Brasnorte	33.9	37.8	39.2
STC ¹⁴	21.7	18.0	15.1
EBTE ¹	44.5	48.5	51.7
ESDE ¹	8.1	9.1	9.4
ETSE ¹	5.0	6.5	6.8
ESTE ¹	68.1	74.5	77.4
Ivaí ¹³	178.3	199.2	207.1
EDTE ¹	41.9	46.1	47.9
Sant'Ana ³	69.6	77.8	80.8
São João	55.9	62.4	64.9
São Pedro	60.1	67.2	75.6
Lagoa Nova	14.4	16.1	16.7
Ananai ³	143.1	159.9	166.2
Pitiguari ³		19.5	21.4
Tangará (Lot 3) ³⁵		100.7	104.7
Saíra (Lot 5) ³⁵		167.7	174.4
Subtotal	1,354.6	1,772.7	1,777.0
Total	3,559.7	4,103.0	4,052.2

Obs: All RAP amounts are grossed up with PIS/COFINS

¹ RAP amount proportional to TAESA's stake

² Including reinforcements

³ Under Construction

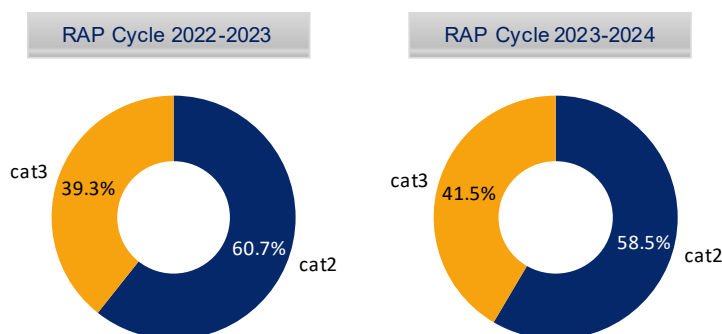
⁴ Category II Concession with IPCA Adjustment

⁵ Concession contracts signed on March 30, 2023

Including the controlled concessions, jointly controlled and affiliated companies, Taesa's total RAP¹ (operational and under construction) for 2023-2024 cycle is R\$ 4.1 billion, 44.5% of which is at the holding level. Taesa's operational RAP for the 2023-2024 cycle reached R\$ 3.7 billion, against R\$ 3.5 billion for the 2022-2023 cycle, considering the beginning of operations of new phases of Sant'Ana, new portions of Ivaí and the completion of Paraguaçu.

The RAP adjustment for the 2023-2024 cycle differed from inflation in some concessions for the following reasons: (i) **ATE III, Lumitrans, and STC** were impacted by the 50% drop in RAP, due to the entry into the 16th year of operation (for further details, see section 4.3); (ii) **Novatrans, TSN, and São Pedro** reinforcements were authorized; and (iii) **PATESA** received additional O&M RAP related to the sectioning of lines. It is worth noting that the values presented by REH 3.216 may be changed upon analysis and presentation of an appeal to ANEEL by the Company.

The published RAP values via REH 3.216 for ATE III, São Gotardo, Mariana, Miracema, Janaúba, Aimorés, Paraguaçu, Brasnorte, STC, EBTE, ESDE, ETSE, ESTE, Ivaí, EDTE, Sant'Ana, São João, São Pedro, Lagoa Nova, Ananai, Pitiguari, Tangará and Saíra were adjusted to incorporate PIS/COFINS to align with the other concessions in the table.



4.3. 50% Reduction in RAP

The transmission concession contracts offered in auctions between 1999 and 2006 (Category II) consider 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 were 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, 2020-2021, 2021-2022 and 2022-2023 cycles, the following concessions reached the 16th year of operation¹:

- **ETEO**: 100% of RAP from ETEO reached the 16th year of operation on 10/19/2016.
- **ECTE³**: 67.6% of RAP from ECTE reached the 16th year of operation on 3/9/2017, and 28.4% of RAP reached on 3/26/2017.
- **ETEP³**: 99.7% of RAP from ETEP reached the 16th year of operation on 8/25/2017.
- **EATE³**: 19.0% of RAP from EATE reached the 16th year of operation on 2/1/2018, 45.6% of RAP on 2/20/2018, and 33.5% of RAP on 3/10/2018.
- **TSN³**: 89.9% of RAP from TSN reached the 16th year of operation on 3/4/2018, 4.0% of RAP on 4/5/2018, 0.7% of RAP on 5/22/2018, and 1.3% of RAP on 6/3/2018.
- **Novatrans**: 16.3% of RAP from Novatrans reached the 16th year of operation on 6/3/2018, 19.4% of RAP on 12/8/2018, 19.1% of RAP on 12/23/2018, and 45.2% of RAP on 4/8/2019.
- **GTESA**: 100% of RAP from GTESA reached the 16th year of operation on 8/26/2018.
- **NTE**: 100% of RAP from NTE reached the 16th year of operation on 1/25/2019.
- **STE³**: 19.0% of RAP from STE reached the 16th year of operation on 6/27/2019, 36.6% of RAP on 7/13/2019, and 42.1% of RAP on 7/18/2019.
- **PATESA³**: 98.2% of RAP from PATESA reached the 16th year of operation on 9/1/2019.
- **ERTE³**: 71.5% of RAP from ERTE reached the 16th year of operation on 09/15/2019.
- **ENTE**: 100% of RAP from ENTE reached the 16th year of operation on 2/12/2020.
- **ETAU³**: 34.2% of RAP from ETAU reached the 16th year of operation on 4/17/2020, and 36.0% of RAP on 9/29/2020.
- **Munirah**: 100% of RAP from Munirah reached the 16th year of operation on 10/30/2020.
- **ATE I**: 54.0% of RAP from ATE I reached the 16th year of operation on 10/8/2020, and 46.0% of RAP on 10/27/2020.
- **Transleste**: 100% of RAP from Transleste reached the 16th year of operation on 12/18/2020.
- **ATE II**: 100% of RAP from ATE II reached the 16th year of operation on 12/11/2021.
- **Transudeste**: 100% of RAP from Transudeste will reach the 16th year of operation on 2/23/2022.
- **Transirapé³**: 45.1% of RAP from Transirapé reached the 16th year of operation on 05/23/2022, and 15.9% of RAP on 5/30/2022.
- **Lumitrans³**: 99.9% of RAP from Lumitrans reached the 16th year of operation on 10/3/2022.
- **STC³**: 71.9% of RAP from STC reached the 16th year of operation on 11/8/2022.
- **ATE III³**: 54.4% of RAP from ATE III reached the 16th year of operation on 4/27/2023, and 40.1% of RAP on 5/23/2023.

Therefore, Taesa's RAP will not sustain additional 50% RAP reductions in the coming cycles beyond those recognized by the end of the 2023-2024 cycle.

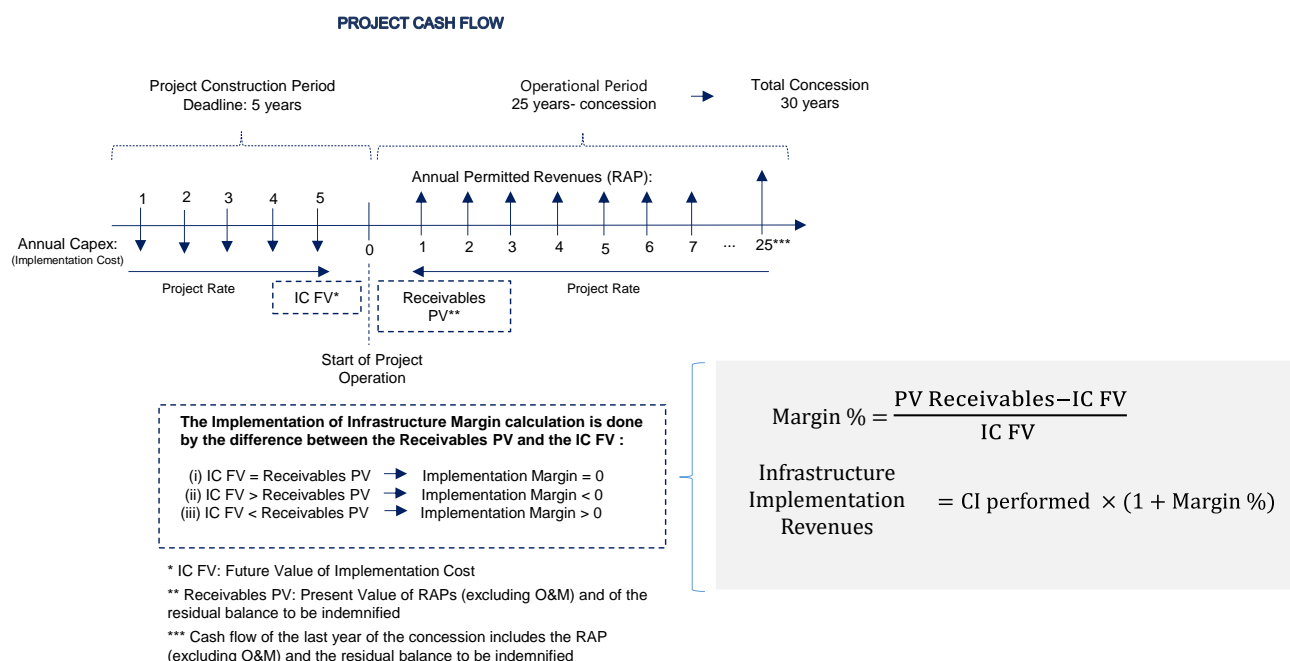
Notes:

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

4.4. Impact of Accounting Changes (CPC 47)

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

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



Under the accounting method (CPC 47 - Contractual Asset), the efficiencies/inefficiencies generated in the project under construction are recorded as implementation of infrastructure margin. That is, the implementation of infrastructure revenues comprised the implementation margin, calculated by the difference between the Present Value of the RAP and the Future Value of Implementation Cost in the start-up of operations (see picture above). In other words, the implementation revenues are calculated, over the pre-operational period, as the implementation cost plus the implementation margin, which also includes the interest on the remuneration of the asset in the period, calculated by the Project Rate over the balance of the contractual asset. Therefore, as it relates to the Contractual Asset, the implementation margin impacts the Income Statement of the project.

The revenues from the remuneration are calculated based on the Project Rate levied on the balance of the contractual asset and is recorded solely after the start-up of operations of the project. During the construction period, the interest on the remuneration is included in the Implementation of Infrastructure Revenues and the calculation is performed as described above.

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

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

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

- (i) For the initial (starting) balance of the Contractual Asset on January 1, 2018, the adjustment was entered into the special reserve account for the 2018 financial year (Shareholders' Equity), in the amount of R\$ 113,399,544.45, referring to previous years.
- (ii) For Fiscal year 2018, the adjustment was entered into the Income Statements in the amount of R\$ 116,924,085.17 and allocated to the special reserve account at the end of the year, net of the 5% that were retained as legal reserve.
- (iii) For Fiscal year 2019, the adjustment was entered into the Income Statements in the amount of R\$ 291,323,518.24 and allocated to the special reserve account at the end of the year, net of the 5% that were retained as legal reserve.
- (iv) For the Fiscal Year 2020, the adjustment was entered in the Income Statements in the amount of R\$ 631,469,547.58 (including the amount of R\$ 124,947,792.20 related to the CIRCULAR LETTER / CVM / SNC / SEP / nº04 / 2020) that was allocated to the special reserve account at the end of the year. In addition, the amount of R\$ 63,583,002.83 also related to the CIRCULAR LETTER / CVM / SNC / SEP / nº 04/2020 for previous years was recorded in the special reserve account, in the 2020 shareholders' equity.
- (v) For the Fiscal Year 2021, the adjustment was recorded in the Income Statement in the amount of R\$ 408,098,711.76, which was allocated to the special reserve account at the end of the year.
- (vi) For the Fiscal Year 2022, the adjustment was recorded in the Income Statement in the net amount of R\$ 94,232,513.75 allocated to the special reserve account at the end of the year, consisting of a reserve of R\$ 207,632,058.20 and a decrease of R\$ 113,399,544.45 referring to the payment of interim dividends in December 2022.

It is important to note that for the fiscal years of 2021, 2022 and the first half of 2023, the legal reserve (5%) was not constituted based on art. 193 paragraph 1 of the Brazilian Corporation Law, which indicates 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 adjustments above totaled R\$ 1,719,030,923.76, of which R\$ 1,698,618,543.59 was recorded as Special Reserve and R\$ 20,412,380.17 as Legal Reserve (5%).

On September 30, 2023, the adjustments generated by the adoption of CPC 47 in the net income amounted to R\$ 141,492,160.95, recorded in the Accumulated Net Income 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 Retained Earnings 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 3Q23 totaled R\$ 686.5 million, 48.0% higher y.o.y. mainly due to investments in Ananaí, Tangará, Sant'Ana (new phases) and reinforcements at Novatrans, as well as a reduction of the negative effect on monetary restatement revenues driven by the recovery of the IPCA, which partially offset the deflation of the IGP-M in the period.

Net Revenues under IFRS in 9M23 was R\$ 2,058.0 million, 2.3% lower than that recorded in 9M22.

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

Considering the monetary restatement of revenues assured in the concession agreement, the Company records the monetary restatement of the concession's contractual asset in its results on a monthly basis. Thus, the inflationary effect is diluted month by month considering the inflation as per the IGP-M or the IPCA verified in the previous month. The indices used for the monetary restatement of the second quarter of 2023 were: IGP-M of -1.93%, -0.72% and -0.14% (cumulative -2.77%), and IPCA of -0.08%, +0.12% and +0.23% (cumulative +0.27%), referring to the months of June, July and August 2023, respectively. In the third quarter of 2022, the IGP-M was +0.59%, +0.21% and -0.70% (cumulative +0.10%), and IPCA was +0.67%, -0.68% e -0.36% (cumulative -0,37%), referring to the months of June, July and August 2022, respectively.

Net Revenues - IFRS (Consolidated)

R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
Operation and Maintenance	267.1	266.0	0.4%	810.0	745.7	8.6%
Remuneration of contractual assets	288.9	269.4	7.2%	845.0	787.5	7.3%
Monetary restatement of contractual assets	(56.3)	(81.3)	-30.8%	51.3	598.3	-91.4%
Implementation of infrastructure	231.2	51.5	348.6%	491.3	147.5	233.0%
Total IFRS Revenues	730.9	505.7	44.5%	2,197.7	2,279.1	-3.6%
Variable Portion	(16.8)	(2.6)	539.7%	0.7	(30.3)	n/a
Other Revenues	35.7	7.3	386.0%	52.5	37.2	41.1%
Total Gross Revenues	749.8	510.4	46.9%	2,250.9	2,286.0	-1.5%
PIS/Cofins	(36.0)	(21.9)	64.0%	(116.6)	(115.1)	1.3%
Service Tax	(0.1)	(0.1)	0.0%	(0.3)	(0.3)	7.2%
ICMS	(0.1)	-	n/a	(0.1)	(0.0)	531.5%
Consumer's Fees	(27.2)	(24.6)	10.6%	(75.8)	(63.4)	19.7%
Deductions	(63.3)	(46.6)	35.9%	(192.9)	(178.8)	7.9%
Total Net Revenues	686.5	463.8	48.0%	2,058.0	2,107.2	-2.3%

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

- **Operation and maintenance:** The slight annual increase of 0.4% in O&M revenues is due to the start-up of operations at Saíra under Taesa's management and the new phases of Sant'Ana, as well as the inflationary adjustment of +3.94% (IPCA) for the 2023-2024 cycle for category 3 concessions. These impacts were offset by -4.47% (IGP-M) adjustment for the same cycle for category 2 concessions, according to Ratifying Resolution No. 3.216/2023
- **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). The y.o.y. increase of 7.2% is primarily due to the operational start-up of Saíra (phase 1) under Taesa's management as of March 31, 2023, immediately following the signing of the concession contract, the operational start-up of new phases of Sant'Ana (~94% of the total RAP active), in addition to the material impact of monetary correction

on the balance of contractual assets in the last twelve months, which more than offset the natural drop in this revenue due to the asset's amortization from the inflows.

- **Monetary restatement of the concession contractual asset:** Based on the monthly inflation adjustment, the income from monetary correction showed an y.o.y. increase of R\$ 25.0 MM due to the recovery of the IPCA recorded between the compared periods (cumulative +0.27% in 3Q23 vs. -0.37% in 3Q22), in addition to the start of operations at Saíra and the new phases at Sant'Ana, partially offset by the deflation recorded in the IGP-M (cumulative deflation of -2.77% in 3Q23 vs. inflation of +0.10% in 3Q22).
- **Implementation of infrastructure:** As explained in section 4.4, since the adoption of CPC 47, the efficiencies generated in projects under construction so far are now accounted for as an implementation margin in this revenue line. Bearing in mind that the interest on the remuneration of the asset is also added to implementation revenues during the pre-operating period. The R\$ 179.7 MM y.o.y. growth in implementation revenues is basically due to the investments at Ananai, Tangará, and Pitiguari as well as the reinforcements at Novatrans and completion of new phases of the Sant'Ana project in December 2022, May and August 2023.
- **Variable Portion (PV):** The Variable Portion recorded an increase of R\$ 14.2 MM y.o.y. due to: (i) ETEO: charge this quarter related to the denial of a request for an external case unrelated to the Company, referring to downed cables in phase B of the 440 kV Assis-Sumaré LT in September 2021; (ii) Novatrans: provisions for replacement of defective capacitive cells at SE Serra da Mesa and capacitors at SE Gurupi; and (iii) Sant'Ana: fine for delay in commissioning and protection tests of the new Maçambará LTs.
- **Other operating revenues:** The increase of R\$ 28.3 MM in this line is primarily due to the accounting of additional revenues related to the Charges for the Use of the Transmission System (EUST) as a result of the termination of Contracts for the Use of the Transmission System (CUST) by the ONS in 3Q23.
- **Deductions of gross revenues:** There was a 35.9% increase in the comparison between 3Q23 and 3Q22 due to deferred PIS/COFINS, which follows the variation in gross revenues under IFRS (the tax varies according to each concession – see section 4.15).

4.6. Costs, Expenses, Depreciation and Amortization under IFRS

Costs, Expenses, and Depreciation and Amortization totaled R\$ 290.9 million in 3Q23, 57.1% higher y.o.y.

In 9M23, Costs, Expenses, and Depreciation and Amortization totaled R\$ 730.8 million, or 64.3% higher y.o.y.

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

R\$ mn	3Q23	3Q22	Chg. %	9M23	9M22	Chg. %
Personnel	(63.9)	(57.3)	11.6%	(178.7)	(155.8)	14.7%
Material	(199.8)	(97.4)	105.1%	(446.5)	(185.0)	141.3%
Third Party Services	(44.6)	(20.5)	117.3%	(93.3)	(64.6)	44.4%
Other	21.3	(4.1)	n/a	0.5	(19.7)	n/a
Total	(287.1)	(179.4)	60.0%	(718.0)	(425.2)	68.9%
Depreciation and amortization	(3.8)	(5.8)	-34.7%	(12.8)	(19.7)	-35.1%
Total	(290.9)	(185.2)	57.1%	(730.8)	(444.9)	64.3%

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

- **Personnel:** The y.o.y. increase of 11.6% is primarily explained by the (i) operational start-up of Saíra (phase 1) under Taesa's management as of March 31, 2023, (ii) employees' salary adjustment of +3.94% under the collective bargaining agreement, based exclusively on the IPCA inflation index, and (iii) operational start-up of new phases of Sant'Ana.
- **Material:** The y.o.y. increase of R\$ 102.4 MM is primarily due to investments in the projects of Ananaí (+R\$ 65.3 MM), Tangará (+R\$ 21.6 MM) and reinforcements at Novatrans (+R\$ 16.7 MM), in addition to investments in Pitiguari, reinforcements at TSN, and (+R\$ 8.3 MM) in material costs at the São João and São Pedro concessions related to pending issues negotiated in the purchase and sale contract, which were offset by receipts at Taesa via the escrow account established at the time of acquisition of these companies. These effects were partially offset by lower investments in Sant'Ana (-R\$ 21.1 MM).
- **Third-party services:** The y.o.y. increase of R\$ 24.1 MM was primarily influenced by (i) service costs (R\$ 18.6 MM) in the São João and São Pedro concessions related to pending issues negotiated in the purchase contract and sales, which were offset by receipts from Taesa via the escrow account established at the time of the acquisition of these companies, as mentioned above, (ii) higher expenses with technical consultants, and (iii) higher expenses with surveillance, cleaning and conservation services.
- **Other:** The y.o.y. decrease of R\$ 25.4 MM is mainly due to (i) receipt of indemnities at Taesa via the escrow account established at the time of the acquisition of the São João and São Pedro concessions, as mentioned above, and (ii) net positive effect of the recurring revision of project margins (Saíra and Sant'Ana). These effects were partially offset by higher provisions for contingencies of civil proceedings.
- **Depreciation and amortization:** The 34.7% annual decrease is explained by the (i) termination of vehicle lease agreements and (ii) completion of software depreciation and amortization due to the end of its useful life.

4.7. EBITDA and EBITDA Margin under IFRS

In 3Q23, IFRS EBITDA totaled R\$ 399.4 million with an EBITDA margin of 58.2%. The 40.4% increase in IFRS EBITDA in the annual comparison is basically explained by (i) an increase in the infrastructure implementation margin, following the larger investments in the Ananaí, Tangará, Sant'Ana (new phases) and reinforcements at Novatrans, (ii) improvement in monetary correction revenue driven by the recovery of the IPCA and the start of operations at Saíra, and (iii) increase in remuneration revenue also influenced by the operational start-up of Saíra and the new phases of Sant'Ana.

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

EBITDA IFRS (Consolidated)

R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
Net Revenues	686.5	463.8	48.0%	2,058.0	2,107.2	-2.3%
Costs and Expenses	(287.1)	(179.4)	60.0%	(718.0)	(425.2)	68.9%
EBITDA	399.4	284.4	40.4%	1,340.0	1,682.0	-20.3%
EBITDA margin	58.2%	61.3%	-3.1 pp	65.1%	79.8%	-14.7 pp

4.8. Regulatory Net Revenues

Regulatory Net Revenues in 3Q23 reached R\$ 606.5 million, 3.9% higher y.o.y., primarily explained by the operational start-up of Saíra (phase 1) under Taesa's management and new phases of Sant'Ana and new phases of Sant'Ana, as well as the IPCA inflationary readjustment of the category 3 concessions for the 2023-2024 RAP cycle. These effects were partially offset by the negative readjustment of the IGP-M of the category 2 concessions for the same cycle, a higher Variable Portion and step-down in RAP for ATE III.

Regulatory Net Revenues in 9M23 amounted to R\$ 1,837.7 million, presenting an annual increase of 10.0%.

The Regulatory Net Revenues represent the recognition of the RAPs defined in the concession contracts and authorized by ANEEL for the current cycle, representing one twelfth of the RAP recorded monthly in the income statement. As established in the concession contract, the RAP is annually readjusted for inflation in each new cycle that begins on the 1st of July of each year and ends on the 30th of June of the following year (see section 4.2). Therefore, it is not different from IFRS Net Income described in section 4.5.

The 6.7% y.o.y. growth in the line of RAP is explained by (i) the operational start-up at Saíra (phase 1) under Taesa's management and the beginning of operations of new phases of Sant'Ana in December 2022, May and August 2023, (ii) the IPCA inflation adjustment of the category 2 concessions for the 2023-2024 RAP cycle; and (iii) accounting of additional revenues related to the Charges for the Use of the Transmission System (EUST) as a result of the termination of Contracts for the Use of the Transmission System (CUST) by the ONS in 3Q23. This increase was partially offset by the negative readjustment of the IGP-M of the category 2 concessions for the same cycle, higher Variable Portion and the remaining 50% step-down in RAP for ATE III (more details on the effects and cutoff dates in sections 4.2 and 4.3).

The Variable Portion recorded an increase of R\$ 14.2 MM y.o.y. as a result of (i) ETEO: charge this quarter related to the denial of a request for an external case unrelated to the Company, referring to the fall of cables in phase B of the 440 kV Assis-Sumaré LT in September 2021; (ii) Novatrans: provisions for replacement of defective capacitive cells at SE Serra da Mesa and capacitors at SE Gurupi; and (iii) Sant'Ana: fine for delay in commissioning and protection tests of the new Maçambará LTs.

The 10.3% increase in revenue deductions follows the increase in the gross operating revenues.

Net Revenues - Regulatory (Consolidated)

R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
RAP Concessions	688.1	645.1	6.7%	2,024.8	1,865.2	8.6%
Variable Portion	(16.8)	(2.6)	539.7%	0.7	(30.3)	n/a
Service Revenues	671.3	642.5	4.5%	2,025.4	1,834.9	10.4%
Other Revenues	0.3	0.5	-25.2%	0.9	0.8	10.8%
Total Gross Revenues	671.6	642.9	4.5%	2,026.4	1,835.7	10.4%
PIS/Cofins	(37.8)	(34.4)	9.8%	(112.4)	(101.9)	10.2%
Service Tax	(0.1)	(0.1)	0.0%	(0.3)	(0.3)	7.2%
ICMS	(0.1)	-	0.0%	(0.1)	(0.0)	531.5%
Consumer's Fee	(27.2)	(24.6)	10.6%	(75.8)	(63.4)	19.7%
Deductions	(65.1)	(59.1)	10.3%	(188.7)	(165.6)	13.9%
Total Net Revenues	606.5	583.9	3.9%	1,837.7	1,670.1	10.0%

4.9. Regulatory Costs, Expenses, Depreciation and Amortization

Costs, Expenses, and Depreciation and Amortization totaled R\$ 200.1 million in 3Q23, 26.2% higher y.o.y. PMSO costs totaled R\$ 104.8 million, registering an increase of 22.2% y.o.y.

In 9M23, Costs, Expenses and Depreciation and reached R\$ 541.3 million, 15.4% higher y.o.y. PMSO costs totaled R\$ 279.2 million in 9M23, registering an increase of 10.5%.

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

R\$ mn	3Q23	3Q22	Chg. %	9M23	9M22	Chg. %
Personnel	(63.9)	(57.3)	11.6%	(178.7)	(155.8)	14.7%
Material	(10.6)	(1.7)	516.8%	(14.4)	(4.1)	246.5%
Third Party Services	(44.6)	(20.5)	117.3%	(93.3)	(64.6)	44.4%
Other	14.4	(6.2)	n/a	7.2	(28.1)	n/a
Total	(104.8)	(85.8)	22.2%	(279.2)	(252.7)	10.5%
Depreciation and amortization	(95.3)	(72.8)	30.9%	(262.1)	(216.3)	21.2%
Total	(200.1)	(158.6)	26.2%	(541.3)	(468.9)	15.4%

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

The costs and expenses for PMSO totaled R\$ 104.8 million in 3Q23 (+22.2% y.o.y.), explained by the following events:

- **Personnel:** The y.o.y. increase of 11.6% is primarily explained by the (i) operational start-up of Saíra (phase 1) under Taesa's management as of March 31, 2023, (ii) employees' salary adjustment of +3.94% under the collective bargaining agreement, based exclusively on the IPCA inflation index, and (iii) operational start-up of new phases of Sant'Ana.
- **Material:** The annual increase of R\$ 8.9 MM between the compared periods is due to material costs (+R\$ 8.3 MM) in the São João and São Pedro concessions related to pending issues negotiated in the purchase and sale contract, which were compensated by receipts from Taesa via escrow account established at the time of the acquisition of these companies.
- **Third-party Services:** The y.o.y. increase of R\$ 24.1 MM was mainly influenced by (i) service costs (R\$ 18.6 MM) in the São João and São Pedro concessions related to pending issues negotiated in the purchase contract and sales, which were offset by receipts from Taesa via the escrow account established at the time of the acquisition of these companies, as mentioned above, (ii) higher expenses with technical consultants, and (iii) higher expenses with surveillance, cleaning and conservation services.
- **Other:** The R\$ 20.6 MM annual reduction is mainly due to (i) receipt of compensation at Taesa via escrow account established in the time of the acquisition of the São João and São Pedro concessions, as mentioned above, and (ii) termination of vehicle leasing contracts in March 2023. These effects were partially offset by higher provisions for contingencies of civil proceedings.

The y.o.y. increase of 30.9% in the depreciation and amortization line, basically refers to the operational start-up at Saíra (phase 1) and the operational start-up of new phase at Sant'Ana.

4.10. Regulatory EBITDA and EBITDA Margin

The Regulatory EBITDA of 3Q23 reached R\$ 501.7 million, 0.7% higher y.o.y. and an EBITDA margin of 82.7% (-2.6pp y.o.y.). As previously mentioned, the operational start-up of Saíra (phase 1) under Taesa's management as of March 31, 2023, the operational start-up of new phases at Sant'Ana in December 2022, May and August 2023, and the IPCA inflation adjustment (+3.9%) of the category 3 concessions for the 2023-2024 RAP cycle primarily explain the EBITDA performance and drop in EBITDA margin in the annual comparison. These effects were partially offset by the negative IPG-M inflation readjustment (-4.5%) of the category 2 concessions, higher Variable Portion, and the step-down in RAP at ATE III.

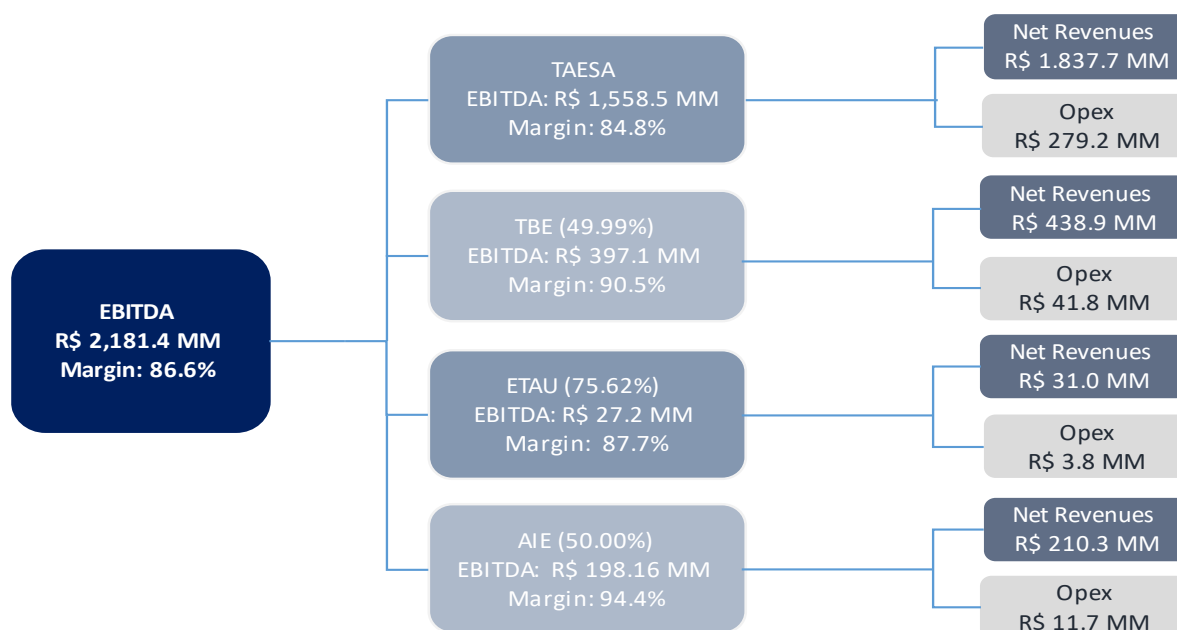
In the power transmission sector, the **Regulatory EBITDA** is an important operating and financial performance indicator since it is reflective of the Company's effective operating cash generation.

EBITDA Regulatory (Consolidated)

R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
Net Revenues	606.5	583.9	3.9%	1,837.7	1,670.1	10.0%
Costs and Expenses	(104.8)	(85.8)	22.2%	(279.2)	(252.7)	10.5%
EBITDA	501.7	498.1	0.7%	1,558.5	1,417.4	10.0%
EBITDA margin	82.7%	85.3%	-2.6 pp	84.8%	84.9%	-0.1 pp

4.11. Composition of Regulatory EBITDA

The diagram below shows the Regulatory EBITDA in the first nine months of 2023 considering all concessions of the Taesa group proportionally. It is important to note that according to the Brazilian accounting standards, the consolidated results do not include the jointly controlled and affiliated companies (ETAU, Brasnorte, AIE, and TBE).



4.12. Equity Method under IFRS

The Equity Method under IFRS in 3Q23 totaled R\$ 24.7 million, 79.1% lower y.o.y. In 9M23, IFRS Equity Income reached R\$ 293.5 million, 47.1% lower y.o.y.

Equity Method - IFRS

R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
ETAU	2.0	4.7	-56.6%	11.3	19.3	-41.8%
TBE	14.6	49.0	-70.1%	111.7	360.4	-69.0%
Aimorés	10.6	(0.9)	-	37.2	58.4	-36.4%
Paraguaçu	14.9	41.3	-63.9%	56.1	70.7	-20.7%
Ivaí	(17.5)	24.1	-	77.3	46.1	67.8%
Total Equity method	24.7	118.2	-79.1%	293.5	554.9	-47.1%

The 79.1% decrease y.o.y. in IFRS net income of jointly controlled and affiliated companies is primarily due to: (i) lower investments in Paraguaçu due to its operational start-up; (ii) reduction in monetary restatement revenues due to a lower IGP-M, with a significant impact on TBE; (iii) higher financial expenses in Ivaí, pressured by the higher cumulative IPCA for the period; and (iv) accounting of the periodic tariff review in Ivaí with a negative impact in other operating revenues. These effects were partially offset by accounting for the remuneration of the contractual assets of the Ivaí (partial) and Paraguaçu concessions, as they became operational in 2022, in addition to the inflationary effect (IPCA) on the category 3 concessions.

4.13. Regulatory Equity Method

The Regulatory Equity Method totaled R\$ 102.6 million in 3Q23, 26.3% higher y.o.y. In 9M23, the Regulatory Equity Income reached R\$ 297.7 million, 105.2% higher y.o.y.

Equity Method - Regulatory

R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
ETAU	7.6	5.9	28.3%	24.4	8.1	202.7%
TBE	79.3	85.6	-7.3%	232.1	226.1	2.7%
Aimorés	10.0	4.0	152.4%	26.4	8.3	218.5%
Paraguaçu	14.4	2.4	509.7%	39.3	2.4	1519.1%
Ivaí	4.9	(3.0)	-	16.3	(59.0)	-
Subsidiaries Net Income	116.2	94.8	22.5%	338.6	185.8	82.2%
Amortization of goodwill - TBE	(13.6)	(13.6)	0.0%	(40.9)	(40.9)	0.0%
Total Equity Method	102.6	81.2	26.3%	297.7	144.9	105.5%

The Regulatory Equity Income in 3Q23 increased by R\$ 21.4 million y.o.y. (+26.3%). This performance is explained by (i) operational start-up at Ivaí and Paraguaçu, and (ii) the IPCA inflationary adjustment (+3.9%) of the category 3 concessions for the 2023-2024 RAP cycle. These effects were partially offset by (i) the negative impact of the IGP-M readjustment (-4.5%) of the category 2 concessions for the same cycle, (ii) higher financial expenses at Ivaí driven by the higher IPCA, and (iii) the remaining 50% step-down in RAP for the STC and Lumitrans concessions.

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

4.14. Net Financial Results

The net financial expenses under IFRS totaled R\$ 182.5 million in 3Q23, 112.9% higher than that recorded in 3Q22. Regulatory net financial expenses totaled R\$ 182.5 MM, an increase of 113.2% y.o.y.

In 9M23, IFRS net financial expenses closed at R\$ 707.5 MM, showing an increase of 23.2% against 9M22. Regulatory net financial expenses totaled R\$ 707.2 MM, 22.8% y.o.y.

Net Financial Expenses IFRS

R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
Financial Revenues	38.0	54.6	-30.5%	108.4	124.6	-13.0%
Revenues from financial investments	38.0	54.6	-30.5%	108.4	124.6	-13.0%
Financial Expenses	(220.5)	(140.4)	57.1%	(815.9)	(699.1)	16.7%
Interest incurred	(204.4)	(165.2)	23.7%	(578.7)	(474.0)	22.1%
Monetary and exchange variations	(6.2)	46.7	n/a	(206.8)	(187.9)	10.0%
Fair Value Adjustment	-	(11.2)	n/a	-	(11.2)	n/a
Leasing	(0.1)	(0.2)	-57.6%	(0.3)	(0.8)	-66.6%
Other financial expenses/revenues	(9.8)	(10.5)	-6.8%	(30.2)	(25.3)	19.3%
Total IFRS	(182.5)	(85.8)	112.9%	(707.5)	(574.5)	23.2%

The annual decrease of 30.5% in Financial Income was due to the lower volume of cash invested between the compared quarters, driven by payments of (i) R\$ 1.3 billion in dividends and interest on equity paid in the last twelve months, (ii) R\$ 871 MM in indemnity payment for Saíra, (iii) R\$ 1.05 billion in interest and amortization related to the 3rd, 4th, 5th, 6th, 10th, 11th, 12th and 13th issuances of Taesa's debentures, (iv) in addition to contributions to projects under construction. These effects were offset by operating cash generation, 13th debenture issuance and receipt of dividends from jointly controlled and affiliated companies.

The 23.7% annual growth in the interest incurred line is basically due to the increase in the average debt volume as a result of the 12th and 13th debenture issuances and the increase in the IPCA between the compared periods (+0.61% in 3Q23 vs. -1.32% in 3Q22), partially offset by the payments of interest and amortization mentioned above.

The annual increase of R\$ 52.9 MM in the monetary and exchange variation line is basically explained by the increase of the IPCA index recorded in the annual comparison, which is applied to the debt indexed to inflation. It is worth noting that in 3Q22, the IPCA recorded a deflation, positively impacting this line.

The annual increase in the fair value adjustment line basically refers to the early 4.131 debt settlement and the financial instrument corresponding to this debt in 3Q22.

The line of other financial expenses/income dropped by 6.8% in the annual comparison, basically explained by an increase in revenues from the monetary restatement of judicial deposits, partially offset by higher expenses for restatement of provisions for contingencies.

4.15. Taxes

The y.o.y. decrease of R\$ 49.8 MM in Income Tax and Social Contribution under IFRS registered is basically explained by (i) the drop in pre-tax income, (ii) increase in pre-tax income for companies filing under the Presume Profit tax regime, and (iii) greater use of the SUDAM/SUDENE tax benefit for the companies in the group. The variation was also partially influenced by the start-up of operations at Saira (phase 1), which filed under the Presumed Profit tax regime for its first year, as well as the increase in current taxes due to the change in the tax regime of the Miracema concession to Real from Presumed Profit.

R\$ mn	IFRS					
Reconciliation of Income Tax	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
PreTax Profit	237,7	311,0	-23,6%	913,2	1.642,7	-44,4%
IRPJ and CSLL rate of 34%	(80,8)	(105,8)	-23,6%	(310,5)	(558,5)	-44,4%
Equity Method	8,4	40,2	-79,1%	99,8	188,7	-47,1%
SUDAM/SUDENE	8,5	(9,8)	n/a	16,9	23,5	-28,0%
Interest on Equity Paid/Received	73,5	67,3	9,3%	73,5	67,3	9,3%
Presumed Profit Companies	32,0	(4,3)	n/a	92,6	62,9	47,4%
Others	(0,4)	3,7	n/a	0,6	(0,1)	n/a
IRPJ and CSLL recognized in profit	41,2	(8,6)	n/a	(27,1)	(216,3)	-87,5%
Effective Rate	-17,3%	2,8%	-20,1 pp	3,0%	13,2%	-10,2 pp

R\$ mn	Regulatory					
Reconciliation of Income Tax	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
PreTax Profit	326,5	420,9	-22,4%	886,8	770,0	15,2%
IRPJ and CSLL rate of 34%	(111,0)	(143,1)	-22,4%	(301,5)	(261,8)	15,2%
Equity Method	34,9	27,6	26,3%	101,2	49,3	105,5%
SUDAM/SUDENE	8,5	(9,8)	n/a	16,9	23,5	-28,0%
Interest on Equity Paid/Received	73,5	67,3	9,3%	73,5	67,3	9,3%
Presumed Profit Companies	(1,7)	20,6	n/a	12,5	34,6	-63,9%
Others	(0,4)	(9,8)	-95,6%	2,6	(21,2)	n/a
IRPJ and CSLL recognized in profit	3,7	(47,2)	n/a	(94,8)	(108,4)	-12,5%
Effective Rate	-1,1%	11,2%	-12,4 pp	10,7%	14,1%	-3,4 pp

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

Concession	Fiscal Regime	Fiscal Benefit	% Área	Maturity	PIS	COFINS
TSN	"Real"	"Sudene"	84%	2031	0.65%	3.00%
Munirah	"Real"	"Sudene"	84%	2031	0.65%	3.00%
GTESA	"Real"	"Sudene"	100%	2031	0.65%	3.00%
PATESA	"Real"	"Sudene"	100%	2031	0.65%	3.00%
NVT	"Real"	"Sudam"	73%	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%	2031	1.65%	7.60%
Brasnorte	"Presumed"	-	-	-	0.65%	3.00%
ATE III	"Real"	"Sudam"	100%	2027	1.65%	7.60%
ETAU	"Presumed"	-	-	-	0.65%	3.00%
São Gotardo	"Presumed"	-	-	-	0.65%	3.00%
Mariana	"Presumed"	-	-	-	0.65%	3.00%
Miracema	"Real"	"Sudam"	100%	(1)	1.65%	7.60%
Janaúba	"Real"	"Sudene"	100%	2031	1.65%	7.60%
Aimorês	"Real"	"Sudene"	100%	2032	1.65%	7.60%
Paraguaçu	"Real"	"Sudene"	100%	2032	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%
Saíra	"Presumed"	-	-	-	0.65%	3.00%
Ananaí	"Presumed"	-	-	-	0.65%	3.00%
Pitiguari	"Presumed"	-	-	-	0.65%	3.00%
Tangará	"Presumed"	"Sudam/Sudene"	100%	(2)	0.65%	3.00%
EATE	"Real"	"Sudam"	100%	2023 ⁽³⁾	0.65%	3.00%
ENTE	"Real"	"Sudam"	100%	2026	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%	2032	1.65%	7.60%
ESDE	"Presumed"	-	-	-	1.65%	7.60%
STC	"Presumed"	-	-	-	0.65%	3.00%
ETSE	"Presumed"	-	-	-	0.65%	3.00%
ESTE	"Real"	"Sudene"	62%	2032	1.65%	7.60%
Ivaí	"Real"	-	-	-	1.65%	7.60%
Transudeste	"Presumed"	-	-	-	0.65%	3.00%
Transleste	"Presumed"	-	-	-	0.65%	3.00%
Transirapé	"Presumed"	-	-	-	0.65%	3.00%
EDTE	"Real"	"Sudene"	100%	2029	1.65%	7.60%

(1) The project is in the process of requesting the definitive approval from SUDAM to obtain the benefit.

(2) The acquisition of the benefit and applicable period will occur when the project becomes operational.

(3) The benefit is in the process of renewal.

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

Income and social contribution taxation rules by fiscal regimen

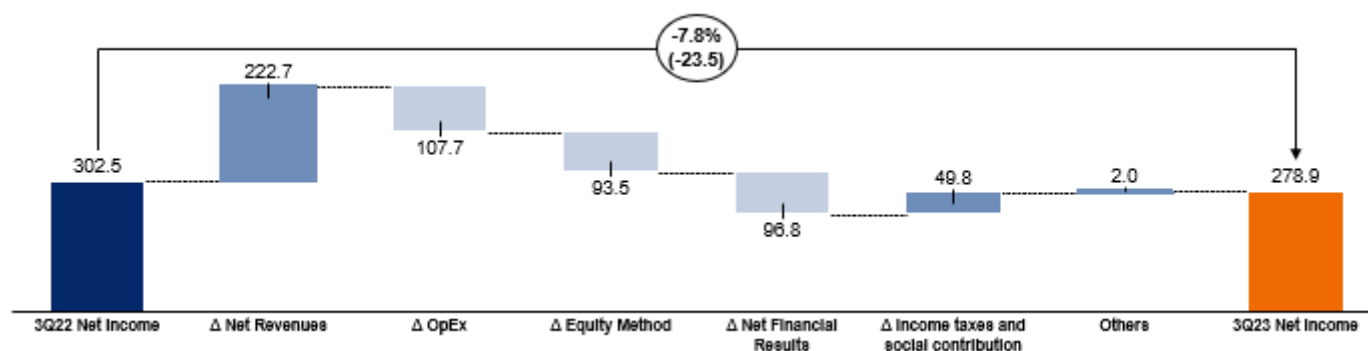
Lucro Real (real profit): The company must anticipate taxes monthly, based on monthly revenues, over which predetermined percentages are applied, according to the activities, in order to obtain an estimated profit margin on which the income tax (IRPJ) and social contribution (CSLL) are levied. At the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

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

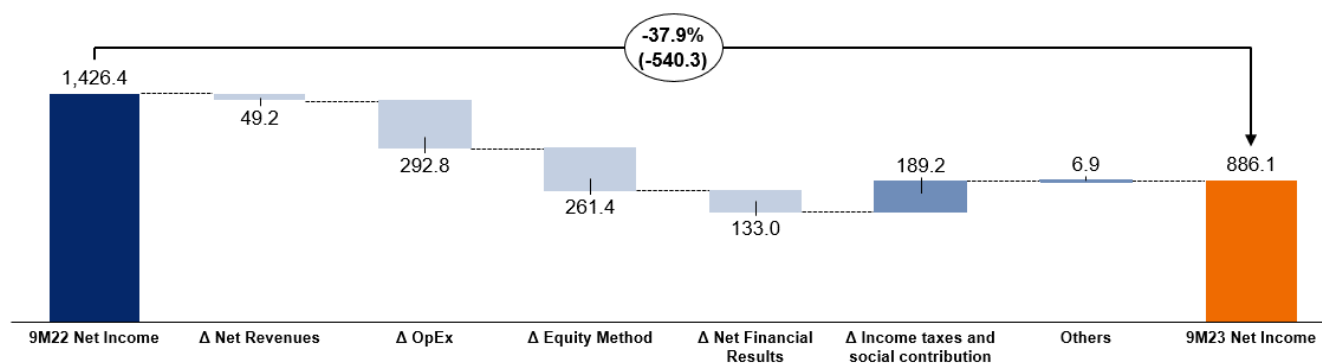
4.16. Net Income

Net Income under IFRS totaled R\$ 278.9 million in 3Q23, 7,8% lower y.o.y. In the first nine months of 2023, IFRS Net Income closed at R\$ 886.1 million, 37.9% lower than the same period in 2022.

3Q23 Net Income under IFRS:

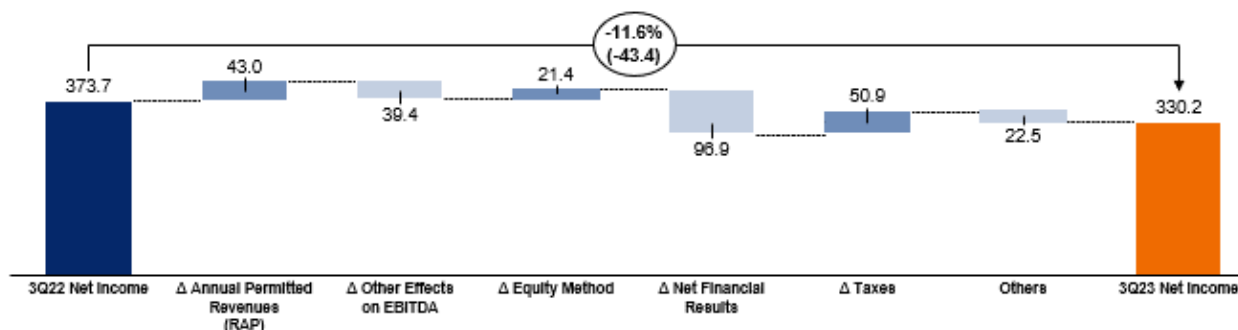


9M23 Net Income under IFRS:

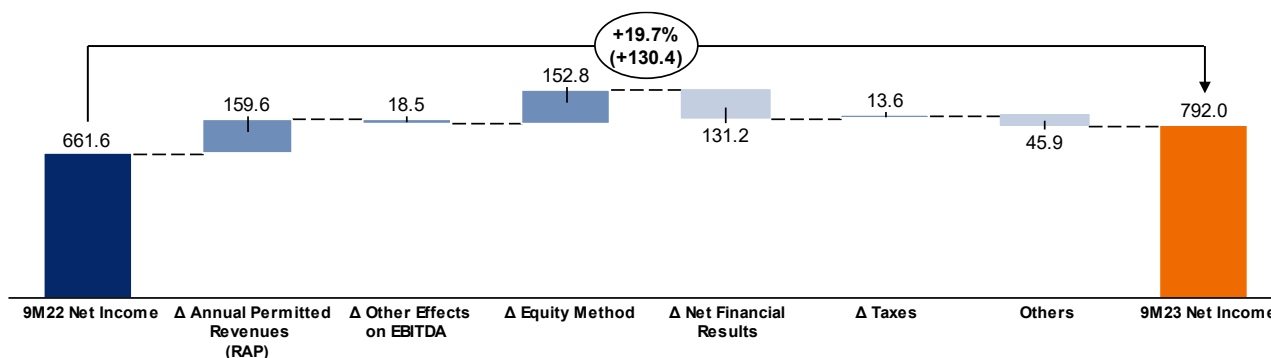


Regulatory Net Income totaled R\$ 330.2 million in 3Q23, 11.6% lower y.o.y. In 9M23, the Regulatory Net Income closed at R\$ 792.0 million, 19.7% higher than the same period of the previous year.

3Q23 Regulatory Net Income:



9M23 Regulatory Net Income:



4.17. Dividends and Interest on Equity

On this date, the Board of Directors approved the distribution of dividends and interest on equity (JCP) in the amount of R\$ 204.6 MM (R\$ 0.59 / Unit), of which R\$ 200.5 MM (R\$ 0.58 / Unit) is JCP and R\$ 4.1 MM (R\$ 0.01 / Unit) as interim dividends, based on the interim financial statements as of June 30, 2023. Payment will take place on December 15, 2023, with a cut-off date of November 13, 2023.

On August 29, Taesa paid a total of R\$ 313.4 MM (R\$ 0.91 / Unit), bifurcated as follows: (i) R\$ 216.2 MM (R\$ 0.63 / Unit) as JCP and (ii) R\$ 97.2 MM (R\$ 0.28 / Unit) as interim dividends, based on the results obtained on March 31, 2023.

At the Annual Shareholders' Meeting held on April 27, 2023, the shareholders approved the management's proposal regarding the allocation of the results of the 2022 fiscal year. The total amount of dividends and interest on equity approved for the fiscal year 2022 was R\$ 1.2 billion, of which: (i) R\$ 354.0 MM were paid in 2022 as Interim Dividends; (ii) R\$ 404.8 MM were paid in 2022 as JCP; (iii) R\$ 460.0 MM were paid in January 2023 as Interim Dividends; and (iv) R\$ 26.0 MM were paid in August 2023 as remaining minimum mandatory dividends.

4.18. Indebtedness

In 3Q23, Taesa's Gross Debt totaled R\$ 10,160.7 million, 6.5% higher than the previous quarter. The Company's cash position totaled R\$ 1,686.0 million, a 26.3% increase this quarter, resulting in a net outstanding debt of R\$ 8,474.7 million, or 3.3% higher q.o.q.

R\$ mn					
Net Debt	3Q23	% Outst. Debt	2Q23	% Outst. Debt	Chg.%
Short Term	1,165.7	11.5%	816.8	8.6%	42.7%
Fixed Coupon	1.3	0.0%	0.1	0.0%	2291.3%
CDI	193.1	1.9%	201.7	2.1%	-4.3%
IPCA	971.3	9.6%	615.1	6.4%	57.9%
Long Term	8,994.9	88.5%	8,725.0	91.4%	3.1%
Fixed Coupon	2.4	0.0%	0.0	0.0%	26683.6%
CDI	3,175.5	31.3%	3,181.2	33.3%	-0.2%
IPCA	5,817.0	57.3%	5,543.8	58.1%	4.9%
Total Debt	10,160.7	100.0%	9,541.8	100.0%	6.5%
(-) Cash and cash equivalents*	(1,686.0)		(1,334.5)		26.3%
(=) Net Debt	8,474.7		8,207.3		3.3%

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

In 3Q23, gross debt totaled R\$ 10,160.7 MM and cash totaled R\$ 1,686.0 MM, resulting in a net debt of R\$ 8,474.7 MM, an increase of 3.3% compared to the previous quarter.

The 26.3% increase in Cash and Investments in the quarter is mainly explained by the generation of operating cash, the 14th issuance of Taesa debentures and the receipt of dividends from affiliated companies, partially offset by the payment of a total amount of R\$ 354 million in interest and amortization relating to the 4th, 5th, and 13th issuances of Taesa debentures, and R\$ 339.5 in payment of dividends to shareholders.

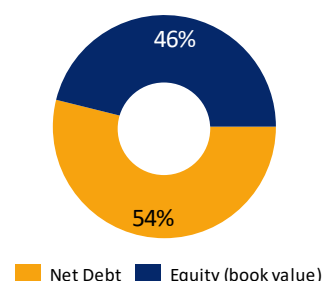
Proportionally consolidating the jointly controlled and associated companies, the total gross debt would be R\$ 12,443.8 MM and the cash of R\$ 2,043.5 MM, considering the following values: (i) TBE debt in the amount of R\$ 1,119.9 MM and cash/investments of R\$ 219.0 MM; (ii) ETAU cash/investments of R\$ 26.8 MM; and (iii) debt from AIE (Aimorés, Paraguaçu and Ivaí) of R\$ 1,163.2 MM and cash/investments of R\$ 111.7 MM.

Considering the proportional net debt of jointly controlled and associated companies, the net debt to EBITDA ratio was 3.7x in 3Q23, in line with the value recorded in 2Q23 (3.7x). Disregarding the results of jointly controlled and associated companies, this indicator would be 4.2x in 3Q23 against 4.1x recorded in 2Q23.

Debt by Company (R\$ MM)

Company	Gross Debt R\$ mn	Cash Balance R\$ mn	Net Debt R\$ mn
TAESA	10,160.7	1,686.0	8,474.7
ETAU (75.6%)	0.0	26.8	-26.8
TBE (49.99%)	1,119.9	219.0	900.9
AIE (50%)	1,163.2	111.7	1,051.5
TOTAL	12,443.8	2,043.5	10,400.3

Capital Structure Taesa (Book Value)



2023 Third Quarter Earnings Release

The debt of Taesa, jointly-controlled and affiliated 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	665,003	32,272	IPCA + 5.10%	AAA(bra)	Oct-2024	Annual	1
	4th Debentures	IPCA	175,353	331	IPCA + 4,41%	AAA(bra)	Sep-2024	Annual	1
	5th Debentures	IPCA	695,207	8,694	IPCA + 5.9526%	AAA.br	Jul-2025	Annual	1
	6th Debentures	CDI	442,216	45,657	108% CDI	AAA.br	May-2026	Bullet	1
	6th Debentures	IPCA	261,448	5,665	IPCA + 5,50%	AAA.br	May-2044	Monthly	2
	7th Debentures	IPCA	627,728	122,385	IPCA + 4,50%	AAA.br	Sep-2044	Semiannual	2
	8th Debentures	IPCA	386,545	5,691	IPCA + 4,77%	AAA.br	Dec-2044	Semiannual	2
	10th Debentures	CDI	645,919	36,707	CDI + 1.70%	AAA(bra)	May-2028	Bullet	1
	10th Debentures	IPCA	113,389	2,144	IPCA + 4.7605%	AAA(bra)	May-2036	Annual	1
	11th Debentures	CDI	149,275	4,348	IPCA + 4.7605%	AAA(bra)	May-2025	Semiannual	2
	11th Debentures	CDI	649,275	19,090	IPCA + 4.7605%	AAA(bra)	May-2027	Semiannual	2
	12th Debentures	IPCA	648,825	16,685	IPCA + 4.7605%	AAA.br	May-2027	Semiannual	1
	12th Debentures	IPCA	301,737	8,156	IPCA + 4.7605%	AAA.br	May-2027	Semiannual	1
	12th Debentures	IPCA	321,064	8,804	IPCA + 4.7605%	AAA.br	May-2027	Semiannual	1
	13th Debentures	CDI	996,514	16,509	CDI + 1.50% a.a.	AAA.br	Feb-2025	Bullet	1
	14th Debentures	IPCA	327,374	149	IPCA + 5.8741%	AAA(bra)	Set-2033	Bullet	1
	14th Debentures	IPCA	85,522	40	IPCA + 6.0653%	AAA(bra)	Set-2035	Bullet	1
	14th Debentures	IPCA	385,510	187	IPCA + 6.2709%	AAA(bra)	Set-2038	Annual	1
	SWAP - CITIBANK*	CDI	363,143	0	106.0% CDI	-	May-2023	Bullet	1
	SWAP 1st Series of 6th issuance (BR Partners)	CDI	121,412	0	3.995% per year	-	May-2026	Bullet	1
	SWAP 1st Series of 6th issuance (Santander)	IPCA	121,409	0	3.99% per year	-	May-2026	Bullet	1
	SWAP 1st Series of 6th issuance (Itaú)	IPCA	60,696	0	3.94% per year	-	May-2026	Bullet	1
	SWAP 1st Series of 6th issuance (Br Partners)	IPCA	60,620	0	3.91% per year	-	May-2026	Bullet	1
	SWAP 1st Series of 6th issuance (Santander)	IPCA	60,065	0	3.66% per year	-	May-2026	Bullet	1
	SWAP 1st Series of 6th issuance (ABC)	IPCA	60,276	0	3.59% per year	-	May-2026	Bullet	1
Janaúba	1st Debentures	IPCA	240,985	2,349	IPCA + 4.5% per year	-	Jul-2033	Quarterly	2
	2nd Debentures	IPCA	791,936	11,753	4.8295% per year	-	Dec-2044	Annual	1
Lagoa Nova	BNB Financing	IPCA	48,808	2,105	IPCA + 2.109% per year	-	May-2038	Monthly	12
Saíra	Non-Deliverable Forward (NDF)	-	3,696	0	-	-	Apr-2024	Bullet	1
EATE	8th Debentures	CDI	134,881	3,881	108.60% CDI	-	Jul-2024	Bullet	1
	9th Debentures	CDI	99,811	7,213	CDI + 1,9%	-	Apr-2026	4th e 5th year	1
	10th Debentures	CDI	54,744	3,295	CDI + 1,8%	-	Apr-2026	4th e 5th year	1
	2nd Debentures	CDI	37,162	2,687	CDI + 1,9%	-	Apr-2026	4th e 5th year	1
	3rd Debentures	CDI	33,344	2,009	CDI + 1,8%	-	May-2027	4th e 5th year	1
	2nd Debentures	IPCA	152,811	51,951	IPCA + 5,29%	-	Dec-2028	Semiannual	2
	5th Debentures	CDI	9,538	275	108,60% CDI	-	Jul-2024	Bullet	1
	CCB Santander	CDI	11,552	125	2,90% a.a. + CDI	-	Jul-2025	Monthly	12
	6th Debentures	CDI	9,525	689	CDI + 1,9%	-	Apr-2026	4th e 5th year	1
	7th Debentures	CDI	11,400	687	CDI + 1,8%	-	May-2027	4th e 5th year	1
ENTE	4th Debentures	CDI	24,970	719	108,60% CDI	-	Jul-2024	Bullet	1
	CCB Santander	CDI	44,545	483	2,90% a.a. + CDI	-	Jul-2025	Monthly	12
	5th Debentures	CDI	14,905	899	CDI + 1,8%	-	Apr-2027	4th e 5th year	1
	CBB Santander	CDI	40,086	435	TJLP + 2,08%	-	Apr-2027	Monthly	12
	4ª Debentures	CDI	24,936	1,803	CDI + 1,9%	-	Apr-2026	4th e 5th year	1
	5th Debentures	CDI	17,394	1,049	CDI + 1,8%	-	May-2027	4th e 5th year	1
ESTE	1st Debentures	IPCA	280,914	5,118	IPCA + 4,5% a.a.	-	Dec-2044	Semiannual	2
TRANSESTE	BDMG	pré-fix	1,883	10	10% a.a.	-	Mar-2025	Monthly	12
	BNB	pré-fix	538	44	9,5% a.a.	-	Mar-2025	Monthly	12
TRANSIRAPÉ	BDMG	pré-fix	429	1	3.50%	-	Jan-2024	Monthly	12
	BDMG	pré-fix	1,383	83	3,5% + TJLP	-	Oct-2029	Monthly	12
	3rd Debentures	CDI	26,940	1,948	CDI + 1,9%	-	Apr-2026	4th e 5th year	1
	BNDES	pré-fix	756	58	6,5% + TJLP	-	Apr-2026	Monthly	12
IVAÍ	1st Debentures	IPCA	1,148,229	14,951	IPCA + 4,9982% a.a.	-	Dec-2043	Semiannual	2
Total			11,993,628	450,130					

* 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 includes the swap balance.

4.19. Investments

In 9M23 the Company, its subsidiaries, jointly controlled and associated companies invested a total of R\$ 1,480.9 MM vs. R\$ 426.4 MM invested in 9M22, related to projects under construction. The increase of approximately R\$ 1.1 billion between the compared periods is mainly due to the indemnity paid upon signing the Saíra contract and higher investments in the Ivaí and Ananaí projects, partially offset by lower investments in Paraguaçu, Aimorés and ESTE due to the completion of these projects.

R\$ '000	Implementation Cost (Capex)										TOTAL
	2014	2015	2016	2017	2018	2019	2020	2021	2022	9M23	
Mariana	2,619	4,751	21,181	38,106	22,797	55,083	34,592	-	-	-	179,129
Miracema			1,197	41,695	115,009	110,664	-	-	-	-	268,565
Janaúba				10,190	30,741	116,074	655,111	162,130	-	-	974,246
Aimorés				3,923	3,638	65,877	82,034	15,751	37,394	-	208,618
Paraguaçu				5,750	4,611	110,848	108,966	40,506	92,716	-	363,396
Ivaí				8,662	12,740	46,190	379,137	348,458	131,194	248,097	1,174,478
ESTE				868	4,546	6,243	122,486	140,757	28,481	-	303,380
EDTE					14,635	175,155	1,837	-	-	-	191,626
Sant'Ana						32,172	151,021	268,325	118,440	105,143	675,101
Ananaí						-	-	-	106,917	176,387	283,304
Pitiguari										15,715	19,530
Tangará										25,065	25,065
Saíra ¹										893,024	893,024
Novatrans ²										17,425	17,425
Total	2,619	4,751	22,378	109,195	208,716	718,306	1,535,184	975,927	518,958	1,480,855	5,559,464

Note: The amounts presented in the table above consider the implementation of infrastructure costs in each of the projects on an accrual basis, in line with the IFRS Results disclosed by the Company. (1) The 9M23 amount includes the indemnity payment of R\$ 870.6 MM to the previous concessionaire. Since the indemnity is related to the operational portion of the project, the Company treated the transaction as a contractual asset acquisition, registering the exact value disbursed in its asset base, thus not affecting the IFRS income statements in the quarter. (2) Values show for Novatrans reflect the large-scale reinforcements authorized via the Authoritative Resolutions (REA) no. 12.850/2022 and 12.823/2022.

4.20. Projects under Construction

Currently, Taesa has six projects under construction with a total ANEEL Capex of R\$ 6.8 billion and a RAP of R\$ 962 million (2023-2024 RAP cycle) and material reinforcements at the Novatrans concessions with a total ANEEL Capex of R\$ 263 million and a RAP of R\$ 45.0 million. Considering the Company's proportionate interest in these six projects, the ANEEL Capex is R\$ 5.9 billion with a proportional RAP of R\$ 755 million.

Auction	Project	Extension / Location	Partnership	RAP (2022-23 cycle) R\$ mn	Capex ANEEL R\$ mn	Contract Signing	ANEEL's Deadline	Status
Auction 005/2016 (Apr-16)	Ivaí (Lot 1)	593 km / Paraná	50% Taesa 50% CTEEP	414.2	1937	Aug/17	Aug/22	In Progress (~99.5% RAP authorized)
Auction 004/2018 (Dec/18)	Sant'Ana (Lot 12)	606 km / Rio Grande do Sul	100% Taesa	80.8	610	Mar/19	jul/23 ⁽¹⁾	In progress (~94% RAP authorized)
Auction 002/2021 (Dec/21)	Ananaí (Lot 1)	363 km / São Paulo and Paraná	100% Taesa	166.2	1,750	Mar/22	mar/27	In progress
Auction 001/2022 (Jun/22)	Pitiguari (Lot 10)	93 km / Santa Catarina	100% Taesa	21.4	243	Sep/22	Mar/27	In progress
Auction 002/2022 (Dec/22)	Tangará (Lote 3)	279 km / Maranhão e Pará	100% Taesa	100.7	1,117	Mar/23	Mar/28	In progress
Auction 002/2022 (Dec/22)	Saíra (Lote 5)	743 km / Rio Grande do Sul e Santa Catarina	100% Taesa	167.7	1,175	Mar/23	Mar/28	In progress
TOTAL		2,677 km		R\$ 962 MM	R\$ 6,832 MM			

Note: The RAP values presented in the table above is reflective of PIS/COFINS. (1) The deadline stipulated by ANEEL for its energization is July 2023, altered after the publication of ANEEL Authorizing Resolution (REA) No. 8.926/2020, which granted an additional 4 months to begin commercial operations as a measure to combat the effects of the pandemic.

Project Status

Ivaí

- Basic project proposal filed with ANEEL.
- EIA/RIMA registered with IAP.
- Preliminary License (LP) for the 230 kV installations issued in September 2018.
- Change in corporate name of Elétricas Reunidas do Brasil S.A. (ERB1) for Interligação Elétrica Ivaí S.A.
- Installation Licence (LI) issued for SE Sarandi of 525/230 kV in April 2019, SE Paranavaí Norte - 230/138 kV in May 2019, LT 230 kV Sarandi - Paranavaí Norte in June 2019, and for the Substations Londrina of 525 kV, Foz do Iguaçu of 525 kV and Guaíra of 525 kV/230 kV and the LT 525 kV Sarandi - Londrina in August 2019.
- 1st issuance of debentures of Ivaí in January 2020.
- Provisional Release Terms issued (i) in November 2022, for the 525kV corridor for the LT Foz do Iguaçu – Guaíra transmission lines (double circuit), 525 kV General Modules of SE Foz do Iguaçu and SE Guaíra, Banks of 525 kV Reactors at SE Guaíra, and (ii) in May 2023, for the 525/230 kV Transformer Banks at SE Guaíra. TLDs issued for these segments in May 2023.
- Provisional Release Terms issued for the 525 kV corridor for the LT 525 kV Guaíra – Sarandi transmission lines (double circuit) in November 2022, with TLD issued in December 2022.
- Provisional Release Terms issued for the 525kV corridor of the SE Guaíra Reactor Banks in November 2022, with TLD issued in January 2023.
- Provisional Release Terms issued for the start of commercial operation of the Capacitor Bank 138kV-30 Mvar of SE Paranavaí Norte, the General Mode 230 kV of SE Paranavaí Norte with interconnections, Transformer Banks 230/138 kV of SE Paranavaí Norte, LT 230 kV Sarandi – Paranavaí Norte (double circuit) and 138 kV Paranavaí line inputs and LT 230 kV Sarandi-Paranavaí Norte (double circuit) in January 2023, TLD issued in April 2023.
- Provisional Release Terms and TLD issued for LT 525 kV Sarandi – Londrina C1 in November 2022. Provisional Release Terms issued for LT 525 kV Sarandi – Londrina C2 in November 2022. TLD issued for General Module 525 kV of SE Londrina in November 2022.
- Provisional Release Terms issued for the 525 kV General Model of SE Sarandi, the 525 kV Reactor Banks of 525/230 kV – 150 Mvar, and the 525/230 kV Reactor Banks of SE Sarandi in November 2022. TLDs issued for these sections in August 2023.
- Construction progress: 99.9% accomplished as of September 30, 2023.

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.
- Release Terms issued on April 1st, 2022, retroactively dated for March 28, 2022, for transmission lines LT Livramento 3 – Alegrete 2 e LT Livramento 3 – Cerro Chato and part of substation SE 230 kV Livramento 3.

- Release Terms issued on December 7, 2022, retroactively dated for November 30, 2022, for transmission lines LT Livramento 3 – Maçambará 3, substation SE Santa Maria 3 and Subsection Maçambará – Santo Ângelo em Maçambará 3 C1.
- Energization of the stretch of LT Livramento 3 – Santa Maria 3 and SE Santa Maria 3 on May 2, 2023.
- Energization of the Livramento 3 SE Synchronous Compensator on May 18, 2023. Energization of the Maçambará – Santo Ângelo Sectioning in Maçambará 3 C2 on August 25, 2023.
- Construction progress: 97.9% accomplished as of September 30, 2023.

Ananaí

- Incorporation of the company Ananaí Transmissora de Energia Elétrica S.A. in December 2021 to build and operate Lot 1 of Auction 02/2021.
- Concession contract formally signed on March 31, 2022
- Preliminary License (LP) for the section of LT Bateias – Curitiba Leste issued in August 2023 and for the section of LT Ponta Grossa – Assis issued in September 2023.
- Construction progress: 24.2% accomplished as of September 30, 2023.

Pitiquari

- Incorporation of the company Pitiquari Transmissora de Energia Elétrica S.A. in June 2022 to build and operate Lot 10 of Auction 01/2022.
- Concession contract formally signed on September 30, 2022.
- Preliminary License (LP) for the LT Abdon Batista – Videira and LT Abdon Batista – Barra Grande sections issued in August 2023
- Construction progress: 14.7% accomplished as of September 30, 2023.

Tangará

- Incorporation of the company Tangará Transmissora de Energia Elétrica S.A. in December 2022 to build and operate Lot 3 of Auction 002/2022.
- Concession contract expected to be signed on March 30, 2023.
- Construction progress: 14.1% accomplished as of September 30, 2023.

Saíra

- Incorporation of the company Saíra Transmissora de Energia Elétrica S.A. on December 2022 to build and operate Lot 5 of Auction 002/2022.
- Concession contract expected to be signed on March 30, 2023.
- Garabi I and II units and Transmission Lines LT Santo Ângelo – Itá, LT Garabi 2 – Santo Ângelo, and LT Garabi 1- Fronteira are operational with active RAP (phase 1) as of March 31, 2023.
- Reinforcements (phase 2) – Construction progress: 7.5% accomplished as of September 30, 2023.

Novatrans Reinforcements

- Issuance of ANEEL's Authoritative Resolutions (REA) nº 12.850/2022 and 12.823/2022 to implement reinforcements at the Novatrans concession.
- Construction progress: 8.9% accomplished as of September 30, 2023.

4.21. Environmental, Social and Governance (ESG) Initiatives

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

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

The following are highlighted actions in the recent years:

- Preparation of the sustainability report based on the GRI guidelines and the UN Global Compact SDGs
- Implementation of the Materiality Process and definition of Material Topics based on the GRI assumptions
- Preparation of the third GHG Emissions Inventory according to the GHG Protocol methodology
- Consolidation of the Diversity Program through the creation of the Diversity and Inclusion Committee and Policy
- Adherence to the UN Women's Seven Women's Empowerment Principles and association with the +Mulher 360 Movement
- Adherence to the "Race Movement is a Priority"
- Availability of the ESG dashboard on the Investor Relations website
- Remain a signatory of the UN Global Compact committed to the 2030 Agenda (SDG)
- Issuance of 7 green bonds
- Certification for Great Place to Work Certification 2022-2023 – 1st place in the 2021 GPTW Energy - Generation, Distribution and Transmission Segment for the 4th consecutive year.
- Adherence to the Ethos Institute's Business Compact for Integrity and against Corruption.
- Adherence to 100% Transparency Movement of the United Nations Global Compact's Brasil network.
- Taesa's long-term strategic planning
- 100% Safety Program
- Listed on B3's ICO2 and IGPTW indices, demonstrating commitment to fighting climate change and seeking better conditions and practices in the work environment
- Creation of Taesa's Integrated Management System (SGIT)

In early 2021, the Diversity and Inclusion program was created, initially comprising a plan of 18 actions segregated around 100 activities with the objective of valuing, promoting, and adopting diversity and inclusion. The Program is divided into 5 pillars: Women Empowerment, 50+, LGBTQIAP+, Persons with Disability, and Race and Ethnicity.

In 2023, the Program continues with several highlighted actions below:

- Diversity Committee
- Affinity Groups
- Women Empowerment Forums
- Training courses for women electricians

- Lectures and training on diversity themes
- Preparatory course for the labor market for People with Disability
- Book on Diversity and Inclusion
- 50+ Mentorship Program
- Humanized Retirement Program
- LIBRAS sign language course for all employees

For more information, access the IR website and 2022 TAESA's Sustainability Report: <https://ri.taesa.com.br/en/sustainability/overview/#relatorio>

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

5. FINANCIAL STATEMENTS

5.1. Revenues under IFRS by Concession

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

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

R\$ MM	3Q23					
Concession	Remuneration of Contractual Asset	Monetary Restatement of Contractual Asset	Implementation of Infrastructure Revenues	O&M	Other Revenues	PV (Variable Portion)
NOVATRANS	53.9	(32.8)	16.9	48.4	6.3	(3.9)
TSN	18.9	(12.6)	1.1	91.7	6.1	(0.9)
MUNIRAH	1.5	(1.1)	0.1	6.1	0.4	(0.3)
GTESA	0.8	(0.7)	-	0.9	2.6	(0.0)
PATESA	2.3	(2.6)	-	2.5	0.3	-
ETEO	10.1	(9.0)	-	18.3	1.5	(7.6)
NTE	13.6	(8.4)	0.0	14.9	1.7	-
STE	8.0	(7.3)	0.0	5.9	0.9	(0.0)
ATE	13.7	(13.6)	-	11.4	1.6	(0.0)
ATE II	16.6	(18.3)	0.8	25.7	2.5	(0.0)
ATE III	7.4	6.7	0.0	12.6	1.4	(0.0)
ETAU	1.9	(3.3)	-	3.7	2.4	(0.0)
BRASNORTE	6.3	0.5	-	0.8	1.2	(0.0)
SÃO GOTARDO	1.0	0.2	-	0.3	0.0	-
SÃO JOÃO	10.1	1.6	-	2.4	0.8	(0.5)
SÃO PEDRO	10.3	1.5	0.0	1.9	2.8	(0.2)
LAGOA NOVA	3.2	2.9	-	0.5	0.1	(0.0)
MARIANA	3.7	0.6	-	0.5	0.3	-
MIRACEMA	15.6	3.7	-	5.2	1.7	(0.0)
JANAÚBA	54.1	5.7	-	6.4	3.2	(0.0)
SANT'ANA	16.1	5.8	7.0	1.8	(1.0)	(3.4)
ANANAÍ	-	-	167.8	-	-	-
PITIGUARI	-	-	9.3	-	-	-
SAÍRA	21.9	20.6	(1.4)	8.8	1.2	-
TANGARÁ	-	-	29.8	-	-	-
AIMORÉS	9.7	1.3	-	2.1	0.2	-
PARAGUAÇÚ	15.0	2.0	-	2.5	0.3	0.0
IVAÍ	37.9	6.3	-	4.3	(58.0)	-
EATE	15.7	(25.1)	-	8.2	1.6	(2.4)
EBTE	4.7	1.0	-	3.2	2.4	(0.3)
ECTE	1.2	(1.8)	-	0.6	0.1	(0.1)
EDTE	9.2	1.1	-	1.5	0.0	-
ENTE	8.7	(14.2)	-	4.2	(0.7)	(0.0)
ERTE	1.6	(2.9)	-	1.5	(6.6)	-
ESDE	1.2	0.2	-	0.4	0.6	-
ESTE	13.6	1.8	-	3.2	(0.2)	-
ETEP	3.2	(4.8)	-	2.6	0.5	-
ETSE	1.0	0.2	-	0.2	0.4	(0.0)
LUMITRANS	0.8	(1.4)	-	0.6	(0.1)	-
STC	0.9	0.2	-	0.9	3.9	-
TRANSIRAPE	1.9	(2.3)	-	0.9	6.3	(0.0)
TRANSLESTE	2.7	(2.6)	-	0.7	-	-
TRANSUDESTE	1.4	(1.8)	-	0.6	-	-
Total	421.3	(102.6)	231.2	309.0	(11.5)	(19.5)

5.2. Movement of Contractual Assets (IFRS)



Concession	Project Rate	Contractual Asset 2Q23	Remuneration of Contractual Asset	Contractual Asset - Monetary Restatement	Implementation of Infrastructure Revenues	O&M	Other Revenues	RAP	Contractual Asset 3Q23
NOVATRANS	10%	1,555.9	53.9	(32.8)	16.9	48.4	6.3	(134.1)	1,648.6
TSN	11%	767.2	18.9	(12.6)	1.1	91.7	6.1	(127.1)	872.3
MUNIRAH	12%	60.9	1.5	(1.1)	0.1	6.1	0.4	(8.3)	67.9
GTESA	11%	29.4	0.8	(0.7)	-	0.9	2.6	(4.7)	33.0
PATESA	8%	124.3	2.3	(2.6)	-	2.5	0.3	(6.9)	126.8
ETEO	10%	412.7	10.1	(9.0)	-	18.3	1.5	(39.7)	433.6
NTE	15%	392.6	13.6	(8.4)	0.0	14.9	1.7	(35.1)	414.4
STE	10%	327.1	8.0	(7.3)	0.0	5.9	0.9	(19.3)	334.7
ATE	10%	610.0	13.7	(13.6)	-	11.4	1.6	(33.9)	623.1
ATE II	9%	822.6	16.6	(18.3)	0.8	25.7	2.5	(53.0)	849.8
ATE III ¹³	7%	440.1	7.4	6.7	0.0	12.6	1.4	(25.2)	468.1
ETAU ²	18%	91.5	1.9	(3.3)	-	3.7	2.4	(10.7)	96.2
BRASNORTE ³	6%	233.9	6.3	0.5	-	0.8	1.2	(9.6)	242.7
SÃO GOTARDO ¹	5%	74.1	1.0	0.2	-	0.3	0.0	(1.8)	75.6
SÃO JOÃO ¹³	6%	671.7	10.1	1.6	-	2.4	0.8	(17.0)	686.6
SÃO PEDRO ¹³	6%	634.8	10.3	1.5	0.0	1.9	2.8	(18.1)	651.3
LAGOA NOVA ¹³	9%	143.2	3.2	2.9	-	0.5	0.1	(4.3)	149.9
MARIANA ¹²³	6%	262.2	3.7	0.6	-	0.5	0.3	(5.6)	267.3
MIRACEMA ¹²³	9%	699.2	15.6	3.7	-	5.2	1.7	(24.8)	725.5
JANAÚBA ¹²³	10%	2,321.5	54.1	5.7	-	6.4	3.2	(70.1)	2,390.9
SANT'ANA ¹²³	9%	733.5	16.1	5.8	7.0	1.8	(1.0)	(18.60)	763.1
ANANÁ ²	7%	241.5	-	-	167.8	-	-	-	409.2
PITIGUARI ²	5%	15.9	-	-	9.3	-	-	-	25.2
SAÍRA ²	9%	909.8	21.9	20.6	(1.4)	8.8	1.2	(30.8)	961.1
TANGARÁ ²	5%	4.8	-	-	29.8	-	-	-	34.6
AIMORÉS ¹²³⁴	8%	511.7	9.7	1.3	-	2.1	0.2	(13.9)	525.0
PARAGUAÇU ¹²³⁴	8%	806.3	15.0	2.0	-	2.5	0.3	(20.7)	826.1
IVAI ¹²³⁴	8%	2,088.7	37.9	6.3	-	4.3	(58.0)	(44.5)	2,034.7
EATE ³	7%	1,000.2	15.7	(25.1)	-	8.2	1.6	(48.8)	951.8
EBTE ¹	4%	432.5	4.7	1.0	-	3.2	2.4	(13.4)	430.5
ECTE	6%	82.3	1.2	(1.8)	-	0.6	0.1	(4.0)	78.5
EDTE ¹²³	9%	424.5	9.2	1.1	-	1.5	0.0	(12.0)	424.3
ENTE	6%	610.3	8.7	(14.2)	-	4.2	(0.7)	(25.1)	583.1
ERTE	5%	128.6	1.6	(2.9)	-	1.5	(6.6)	(3.5)	118.7
ESDE ¹	7%	73.4	1.2	0.2	-	0.4	0.6	(2.4)	73.4
ESTE ¹²³	8%	703.7	13.6	1.8	-	3.2	(0.2)	(19.5)	702.6
ETEP	6%	213.7	3.2	(4.8)	-	2.6	0.5	(11.0)	204.2
ETSE ¹	6%	65.4	1.0	0.2	-	0.2	0.4	(1.8)	65.4
LUMITRANS	5%	63.8	0.8	(1.4)	-	0.6	(0.1)	(2.4)	61.2
STC ¹	5%	71.3	0.9	0.2	-	0.9	3.9	(3.8)	73.4
TRANSIRAPÉ ⁵	8%	111.2	1.9	(2.3)	-	0.9	6.3	(6.2)	111.7
TRANSLESTE ⁵	10%	111.1	2.7	(2.6)	-	0.7	-	(4.9)	107.1
TRANSUDESTE ⁵	8%	75.8	1.4	(1.8)	-	0.6	-	(3.0)	73.1
Total		20,154.9	421.3	(102.6)	231.2	309.0	(11.5)	(939.6)	20,796.2

5.3. 3Q23 Income Statement

R\$ '000	IFRS			Regulatory		
	3Q23	3Q22	Chg. %	3Q23	3Q22	Chg. %
GROSS OPERATING REVENUES		-				
Service revenues	-	-	-	688,096	645,111	6.7%
Operation and Maintenance	267,069	265,980	0.4%	-	-	-
Remuneration of contractual assets	288,884	269,437	7.2%	-	-	-
Monetary restatement of contractual assets	(56,253)	(81,280)	-30.8%	-	-	-
Implementation of Infrastructure Revenues	231,217	51,540	348.6%	-	-	-
Other Revenues	35,681	7,341	386.0%	343	459	-25.2%
Variable Portion	(16,792)	(2,625)	539.7%	(16,792)	(2,625)	539.7%
TOTAL GROSS REVENUES	749,806	510,393	46.9%	671,648	642,945	4.5%
PIS/Cofins	(35,952)	(21,922)	64.0%	(37,756)	(34,401)	9.8%
Service Tax	(117)	(117)	0.0%	(117)	(117)	0.0%
ICMS	(116)	-	0.0%	(116)	-	0.0%
RGR, P&D, TFSEE, CDE and PROINFA	(27,155)	(24,561)	10.6%	(27,155)	(24,561)	10.6%
Other Deductions	-	-	-	-	-	-
Gross Revenue deductions	(63,340)	(46,601)	35.9%	(65,144)	(59,080)	10.3%
NET REVENUES	686,465	463,792	48.0%	606,503	583,866	3.9%
Personnel	(63,946)	(57,305)	11.6%	(63,946)	(57,305)	11.6%
Material	(199,814)	(97,423)	105.1%	(10,570)	(1,714)	516.8%
Third party services	(44,650)	(20,548)	117.3%	(44,650)	(20,548)	117.3%
Other operating expenses	21,325	(4,132)	-	14,372	(6,223)	-
Costs and Expenses	(287,084)	(179,408)	60.0%	(104,793)	(85,790)	22.2%
Depreciation and amortization	(3,769)	(5,768)	-34.7%	(95,318)	(72,818)	30.9%
Costs, Expenses and D&A	(290,854)	(185,176)	57.1%	(200,111)	(158,607)	26.2%
Gains (losses) on company acquisitions	-	-	-	-	-	-
GROSS PROFIT	395,612	278,617	42.0%	406,392	425,258	-4.4%
Equity method	24,669	118,182	-79.1%	102,573	81,189	26.3%
Revenues from financial investments	37,977	54,640	-30.5%	37,977	54,640	-30.5%
Financial Expenses	(220,522)	(140,399)	57.1%	(220,447)	(140,223)	57.2%
Borrowings and financing	(22,540)	(1,187)	1798.6%	(22,540)	(1,187)	1798.6%
- Interests Incurred	(6,539)	(4,279)	52.8%	(6,539)	(4,279)	52.8%
- Monetary Variation	-	-	-	-	-	-
- Exchange variation	(13,237)	(10,198)	29.8%	(13,237)	(10,198)	29.8%
- Fair value adjustment	(2,765)	13,290	-	(2,765)	13,290	-
Financial instrument	13,478	(11,361)	-	13,478	(11,361)	-
- Interests Incurred	1,173	2,913	-59.7%	1,173	2,913	-59.7%
- Exchange Variation	9,541	10,198	-6.4%	9,541	10,198	-6.4%
- Monetary Variation	-	-	-	-	-	-
- Fair value adjustment	2,765	(24,473)	-	2,765	(24,473)	-
Debentures	(201,566)	(117,140)	72.1%	(201,566)	(117,140)	72.1%
- Interests incurred	(199,055)	(163,831)	21.5%	(199,055)	(163,831)	21.5%
- Monetary Variation	(2,511)	46,692	-	(2,511)	46,692	-
- Mark to market	-	-	-	-	-	-
Leasing	(75)	(176)	-57.6%	-	-	-
Other financial expenses	(9,819)	(10,535)	-6.8%	(9,819)	(10,535)	-6.8%
Financial Revenues (Expenses)	(182,545)	(85,759)	112.9%	(182,470)	(85,582)	113.2%
NET INCOME BEFORE INCOME TAXES	237,736	311,040	-23.6%	326,496	420,865	-22.4%
Income taxes and social contribution	41,206	(8,586)	-	3,741	(47,182)	-
NET INCOME	278,942	302,454	-7.8%	330,236	373,682	-11.6%
EBITDA	399,381	284,384	40.4%	501,710	498,076	0.7%
EBITDA Margin	58.2%	61.3%	-3.1 pp	82.7%	85.3%	-2.6 pp

5.4. 9M23 Income Statement

R\$ '000	IFRS			Regulatory		
	9M23	9M22	Chg. %	9M23	9M22	Chg. %
GROSS OPERATING REVENUES						
Service revenues	-	-	-	2,024,780	1,865,156	8.6%
Operation and Maintenance	809,989	745,743	8.6%	-	-	-
Remuneration of contractual assets	845,036	787,516	7.3%	-	-	-
Monetary restatement of contractual assets	51,324	598,259	-91.4%	-	-	-
Implementation of Infrastructure Revenues	491,325	147,544	233.0%	-	-	-
Other Revenues	52,536	37,230	41.1%	941	849	10.8%
Variable Portion	661	(30,291)	-	661	(30,291)	-
TOTAL GROSS REVENUES	2,250,871	2,286,001	-1.5%	2,026,382	1,835,714	10.4%
PIS/Cofins	(116,591)	(115,136)	1.3%	(112,379)	(101,942)	10.2%
Service Tax	(349)	(326)	7.2%	(349)	(326)	7.2%
ICMS	(134)	(21)	531.5%	(134)	(21)	531.5%
RGR, P&D, TFSEE, CDE and PROINFA	(75,813)	(63,358)	19.7%	(75,813)	(63,358)	19.7%
Other Deductions	-	-	-	-	-	-
Gross Revenue deductions	(192,887)	(178,841)	7.9%	(188,674)	(165,647)	13.9%
NET REVENUES	2,057,984	2,107,160	-2.3%	1,837,708	1,670,067	10.0%
Personnel	(178,735)	(155,784)	14.7%	(178,735)	(155,784)	14.7%
Material	(446,454)	(185,012)	141.3%	(14,368)	(4,147)	246.5%
Third party services	(93,312)	(64,628)	44.4%	(93,312)	(64,628)	44.4%
Other operating expenses	502	(19,729)	-	7,222	(28,126)	-
Costs and Expenses	(717,999)	(425,152)	68.9%	(279,193)	(252,684)	10.5%
Depreciation and amortization	(12,794)	(19,705)	-35.1%	(262,143)	(216,254)	21.2%
Costs, Expenses and D&A	(730,793)	(444,857)	64.3%	(541,336)	(468,938)	15.4%
Gains (losses) on company acquisitions	-	-	-	-	-	-
GROSS PROFIT	1,327,191	1,662,302	-20.2%	1,296,372	1,201,129	7.9%
Equity method	293,531	554,919	-47.1%	297,680	144,876	105.5%
Revenues from financial investments	108,429	124,595	-13.0%	108,429	124,595	-13.0%
Financial Expenses	(815,944)	(699,109)	16.7%	(815,677)	(700,641)	16.4%
Borrowings and financing	(2,800)	38,286	-	(2,800)	38,286	-
- Interests Incurred	(20,146)	(11,368)	77.2%	(20,146)	(11,368)	77.2%
- Monetary Variation	-	-	0.0%	-	-	0.0%
- Exchange variation	11,914	30,915	-61.5%	11,914	30,915	-61.5%
- Fair value adjustment	5,431	18,739	-71.0%	5,431	18,739	-71.0%
Financial instrument	(14,715)	(74,965)	-80.4%	(14,715)	(74,965)	-80.4%
- Interests Incurred	6,327	(14,129)	-	6,327	(14,129)	-
- Exchange Variation	(15,610)	(30,915)	-49.5%	(15,610)	(30,915)	-49.5%
- Monetary Variation	-	-	-	-	-	-
- Fair value adjustment	(5,431)	(29,922)	-81.8%	(5,431)	(29,922)	-81.8%
Debentures	(768,003)	(636,351)	20.7%	(768,003)	(636,351)	20.7%
- Interests incurred	(564,923)	(448,458)	26.0%	(564,923)	(448,458)	26.0%
- Monetary Variation	(203,080)	(187,893)	8.1%	(203,080)	(187,893)	8.1%
- Mark to Market	-	-	-	-	-	-
Leasing	(268)	(801)	-66.6%	-	-	-
Other financial expenses	(30,159)	(25,278)	19.3%	(30,159)	(27,611)	9.2%
Financial Revenues (Expenses)	(707,515)	(574,514)	23.2%	(707,247)	(576,046)	22.8%
NET INCOME BEFORE INCOME TAXES	913,208	1,642,707	-44.4%	886,805	769,959	15.2%
Income taxes and social contribution	(27,068)	(216,308)	-87.5%	(94,761)	(108,358)	-12.5%
NET INCOME	886,140	1,426,399	-37.9%	792,044	661,601	19.7%
EBITDA	1,339,985	1,682,007	-20.3%	1,558,515	1,417,383	10.0%
EBITDA Margin	65.1%	79.8%	-14.7 pp	84.8%	84.9%	-0.1 pp

5.5. 3Q23 IFRS Income Statement (Subsidiaries)

IFRS Income Statement

R\$ '000	ETAU	TBE	Aimorés	Paraguaçu	Ivaí
GROSS OPERATING REVENUES					
Operation and Maintenance	3,692	29,348	2,112	2,466	4,310
Remuneration of the Contractual Asset	1,945	67,827	9,689	15,032	37,932
Monetary adjustment of the Contractual Asset	(3,335)	(50,638)	1,278	2,004	6,318
Implementation of Infrastructure Revenues	-	-	-	-	-
Other Revenues	2,389	5,967	206	308	(47,680)
Variable Portion	(1)	(2,753)	-	0	-
TOTAL GROSS REVENUES	4,689	49,751	13,285	19,811	881
PIS/Cofins	(204)	(3,954)	(1,219)	(1,735)	(4,492)
RGR, P&D, TFSEE, CDE and PROINFA	(506)	(5,386)	(179)	(309)	(579)
Gross Revenue deductions	(709)	(9,340)	(1,398)	(2,043)	(5,071)
NET REVENUES	3,979	40,411	11,887	17,768	(4,190)
COSTS AND OPERATING EXPENSES					
Personnel	(763)	(7,039)	(315)	(706)	(305)
Material	(854)	(568)	(4)	(667)	(6)
Third party services	(568)	(6,708)	(171)	(176)	(2,335)
Other operating expenses	(36)	(1,349)	(24)	(24)	(165)
Costs and Expenses	(2,221)	(15,665)	(515)	(1,573)	(2,810)
Depreciation and amortization	9	9	(5)	(4)	(22)
Costs, Expenses and D&A	(2,212)	(15,656)	(519)	(1,577)	(2,832)
GROSS PROFIT	1,768	24,755	11,368	16,190	(7,023)
Equity method	-	-	-	-	-
Revenues from financial investments	691	4,734	585	1,130	3,781
Financial Expenses	(28)	(31,784)	(42)	(67)	(19,097)
Net Financial Revenues (Expenses)	663	(27,050)	542	1,063	(15,316)
NET INCOME BEFORE INCOME TAXES	2,430	(2,295)	11,911	17,253	(22,338)
Income taxes and social contribution	(404)	16,936	(1,345)	(2,345)	4,863
NET INCOME	2,026	14,641	10,566	14,908	(17,476)
EBITDA	1,758	24,747	11,373	16,194	(7,001)
EBITDA Margin	44.2%	61.2%	95.7%	91.1%	167.1%

5.6. 9M23 IFRS Income Statement (Subsidiaries)

IFRS Income Statement

R\$ '000	ETAU	TBE	Aimorés	Paraguaçu	Ivaí
GROSS OPERATING REVENUES					
Operation and Maintenance	11,421	88,658	6,177	7,212	17,891
Remuneration of the Contractual Asset	6,068	207,967	28,802	44,688	111,077
Monetary adjustment of the Contractual Asset	(6,361)	(42,738)	18,610	29,175	36,111
Implementation of Infrastructure Revenues	-	3,153	-	-	250,774
Other Revenues	7,941	10,279	245	324	(47,680)
Variable Portion	(145)	(4,877)	-	(246)	-
TOTAL GROSS REVENUES	18,924	262,443	53,834	81,154	368,173
PIS/Cofins	(897)	(18,545)	(5,087)	(7,558)	(38,466)
RGR, P&D, TFSEE, CDE and PROINFA	(1,206)	(16,380)	(508)	(658)	(1,390)
Gross Revenue deductions	(2,103)	(34,926)	(5,595)	(8,216)	(39,856)
NET REVENUES	16,821	227,517	48,239	72,937	328,317
COSTS AND OPERATING EXPENSES					
Personnel	(2,321)	(21,409)	(942)	(1,935)	(1,445)
Material	(2,133)	(1,655)	(18)	(905)	(124,075)
Third party services	(1,295)	(15,658)	(469)	(572)	(5,528)
Other operating expenses	(81)	(3,871)	(112)	(142)	(537)
Costs and Expenses	(5,831)	(42,593)	(1,540)	(3,554)	(131,585)
Depreciation and amortization	(40)	(339)	(19)	(33)	(81)
Costs, Expenses and D&A	(5,870)	(42,931)	(1,560)	(3,587)	(131,666)
GROSS PROFIT	10,951	184,586	46,679	69,351	196,650
Equity method	-	-	-	-	-
Revenues from financial investments	1,486	13,298	1,993	2,833	9,872
Financial Expenses	(66)	(107,491)	(164)	(163)	(87,064)
Financial Revenues (Expenses)	1,420	(94,193)	1,829	2,669	(77,192)
NET INCOME BEFORE INCOME TAXES	12,371	90,392	48,508	72,020	119,458
Income taxes and social contribution	(1,112)	21,306	(11,349)	(15,938)	(42,125)
NET INCOME	11,259	111,698	37,159	56,083	77,333
EBITDA	10,991	184,925	46,698	69,384	196,732
EBITDA Margin	65.3%	81.3%	96.8%	95.1%	59.9%

5.7. 3Q23 Regulatory Income Statement (Subsidiaries)

The difference between the equity income in the Company and the sum of the income from ETAU, TBE, Aimorés, Paraguaçu and Ivaí 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\$ '000	ETAU	TBE	Aimorés	Paraguaçu	Ivaí
GROSS OPERATING REVENUES					
Service revenues	10,699	161,616	13,896	20,740	44,090
Other Revenues	-	-	-	-	-
Variable Portion	(1)	(2,753)	-	0	-
TOTAL GROSS REVENUES	10,698	158,863	13,896	20,740	44,090
PIS/Cofins	(429)	(8,393)	(1,281)	(1,837)	(5,000)
RGR, P&D, TFSEE, CDE and PROINFA	(506)	(5,386)	(179)	(309)	(393)
Gross Revenue deductions	(935)	(13,779)	(1,460)	(2,145)	(5,000)
NET REVENUES	9,763	145,084	12,436	18,595	39,090
COSTS AND OPERATING EXPENSES					
Personnel	(763)	(7,039)	(315)	(706)	(1,000)
Material	(39)	(287)	(4)	3	(48)
Third party services	(568)	(6,708)	(171)	(176)	(1,500)
Other operating expenses	(36)	(1,349)	(24)	(24)	(219)
Costs and Expenses	(1,407)	(15,384)	(515)	(903)	(2,767)
Depreciation and amortization	(875)	(14,196)	(1,353)	(2,292)	(10,212)
Costs, Expenses and D&A	(2,282)	(29,579)	(1,868)	(3,195)	(12,978)
GROSS PROFIT	7,481	115,505	10,568	15,400	26,112
Equity method	-	-	-	-	-
Revenues from financial investments	691	4,734	585	1,130	3,781
Financial Expenses	(28)	(31,784)	(42)	(67)	(19,003)
Net Financial Revenues (Expenses)	663	(27,050)	542	1,063	(15,222)
NET INCOME BEFORE INCOME TAXES	8,144	88,455	11,111	16,464	10,889
Income taxes and social contribution	(589)	(9,136)	(1,073)	(2,077)	(6,019)
NET INCOME	7,555	79,320	10,038	14,387	4,870
EBITDA	8,356	129,701	11,921	17,693	36,324
EBITDA Margin	85.6%	89.4%	95.9%	95.1%	92.9%

5.8. 9M23 Regulatory Income Statement (Subsidiaries)

Regulatory Income Statement

R\$ '000	ETAU	TBE	Aimorés	Paraguaçu	Ivaí
GROSS OPERATING REVENUES					
Service revenues	33,650	485,251	40,277	60,074	135,191
Other Revenues	-	-	-	-	-
Variable Portion	(145)	(4,978)	-	(246)	-
TOTAL GROSS REVENUES	33,505	480,273	40,277	59,829	135,191
PIS/Cofins	(1,269)	(25,054)	(3,849)	(5,632)	(13,399)
RGR, P&D, TFSEE, CDE and PROINFA	(1,206)	(16,380)	(508)	(658)	(788)
Gross Revenue deductions	(2,475)	(41,435)	(4,357)	(6,291)	(13,794)
NET REVENUES	31,030	438,838	35,920	53,538	121,397
COSTS AND OPERATING EXPENSES					
Personnel	(2,321)	(21,409)	(942)	(1,935)	(2,140)
Material	(59)	(902)	(18)	(24)	(95)
Third party services	(1,295)	(15,658)	(469)	(572)	(4,693)
Other operating expenses	(141)	(4,705)	(112)	(142)	(592)
Costs and Expenses	(3,817)	(42,674)	(1,540)	(2,673)	(7,520)
Depreciation and amortization	(2,626)	(43,515)	(4,065)	(6,897)	(10,271)
Costs, Expenses and D&A	(6,443)	(86,189)	(5,606)	(9,570)	(17,791)
GROSS PROFIT	24,587	352,650	30,314	43,968	103,607
Equity method	-	-	-	-	-
Revenues from financial investments	1,486	12,789	1,993	2,833	9,872
Financial Expenses	(65)	(107,491)	(164)	(163)	(86,989)
Net Financial Revenues (Expenses)	1,421	(94,702)	1,829	2,669	(77,117)
NET INCOME BEFORE INCOME TAXES	26,007	257,947	32,143	46,637	26,490
Income taxes and social contribution	(1,561)	(25,873)	(5,785)	(7,307)	(10,232)
NET INCOME	24,446	232,074	26,358	39,330	16,257
EBITDA	27,213	396,165	34,379	50,865	113,878
EBITDA Margin	87.7%	90.3%	95.7%	95.0%	93.8%

5.9. EBITDA Reconciliation

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

EBITDA Reconciliation IFRS

R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
Net Income	278.9	302.5	-7.8%	886.1	1,426.4	-37.9%
Income taxes and social contribution	(41.2)	8.6	-579.9%	27.1	216.3	-87.5%
Net Financial Expenses	182.5	85.8	112.9%	707.5	574.5	23.2%
Depreciation and amortization	3.8	5.8	-34.7%	12.8	19.7	-35.1%
Equity method	(24.7)	(118.2)	-79.1%	(293.5)	(554.9)	-47.1%
EBITDA	399.4	284.4	40.4%	1,340.0	1,682.0	-20.3%
EBITDA Margin	58.2%	61.3%	-3.1 pp	65.1%	79.8%	-14.7 pp

EBITDA Reconciliation Regulatory

R\$ mn	3Q23	3Q22	Chg.%	9M23	9M22	Chg.%
Net Income	330.2	373.7	-11.6%	792.0	661.6	19.7%
Income taxes and social contribution	(3.7)	47.2	-107.9%	94.8	108.4	-12.5%
Net Financial Expenses	182.5	85.6	113.2%	707.2	576.0	22.8%
Depreciation and amortization	95.3	72.8	30.9%	262.1	216.3	21.2%
Equity method	(102.6)	(81.2)	26.3%	(297.7)	(144.9)	105.5%
EBITDA	501.7	498.1	0.7%	1,558.5	1,417.4	10.0%
EBITDA Margin	82.7%	85.3%	-2.6 pp	84.8%	84.9%	-0.1 pp

EBITDA Reconciliation IFRS x Regulatory

	9M23
EBITDA IFRS	1,339,985
(-) Monetary restatement - IFRS 15 (CPC 47)	(51,324)
(-) Implementation revenues - IFRS 15 (CPC 47)	(491,325)
(-) Financial results - IFRS 15 (CPC 47)	(845,036)
(+) Amortization of the contractual asset	1,163,196
(+/-) Deferred PIS/COFINS	4,213
(+) Operational CAPEX	432,086
(+/-) Provision - Onerous contract	10,180
(+/-) Other IFRS effects	(3,460)
EBITDA Regulatory	1,558,515

5.10. Balance Sheet

R\$ '000	3Q23		3Q23
	IFRS	Adjustment	Regulatory
Assets			
Cash and cash equivalent	1,674,800	-	1,674,800
Financial Investments	-	-	-
Receivables	364,385	-	364,385
Contractual Asset	1,461,211	1,461,211	-
Recoverable taxes	285,154	-	285,154
Bonds and related deposits	11	-	11
Derivative financial instruments	-	-	-
Dividends and interest on equity to receive	230,348	-	230,348
Stocks	16,871	-	16,871
Other Current Assets	185,061	-	185,061
Total Current Assets	4,217,841	1,461,211	2,756,630
Financial Investments	11,211	-	11,211
Financial Asset	11,099,316	11,099,316	-
Deferred income tax	-	-	-
Deferred income tax and social contribution	11,143	(11,003)	22,146
Income tax and social contribution	-	-	-
Investment	3,514,893	2,235,118	1,279,775
Receivables	44,772	-	44,772
Escrow deposits	114,539	-	114,539
Financial instruments derivatives	-	-	-
Other receivables	30,547	-	30,547
Fixed Assets	224,751	(7,300,059)	7,524,810
Intangible Assets	151,271	(344,949)	496,220
Right of use	2,606	2,606	-
Total Non Current Assets	15,205,049	5,681,029	9,524,020
Total Assets	19,422,890	7,142,240	12,280,650
Liabilities			
Trade accounts payable	158,594	-	158,594
Taxes	55,374	-	55,374
Borrowings and financing	5,636	-	5,636
Debentures	1,158,854	-	1,158,854
Leasing liability	1,756	1,756	-
Financial instruments derivatives	1,298	-	1,298
Dividends to pay	71	-	71
Regulatory fees	58,025	-	58,025
Other payables	114,731	28,915	85,816
Total Current Liabilities	1,554,339	30,671	1,523,668
Borrowings and financing	400,439	-	400,439
Debentures	8,499,588	-	8,499,588
Leasing liability	1,467	1,467	-
Financial instruments derivatives	94,908	-	94,908
Deferred taxes and social contributions	1,362,407	1,210,331	152,076
Deferred Taxes	670,438	670,438	-
Provisions for contingencies	123,412	2,594	120,818
Provision for asset demobilization	33	33	-
Special obligations	-	(19,561)	19,561
Suppliers	4,071	-	4,071
Other payables	59,462	-	59,462
Total Non Current Liabilities	11,216,225	1,865,302	9,350,923
Shareholder's Equity			
Paid-in capital	3,067,535	-	3,067,535
Transaction costs with shareholders	(25,500)	-	(25,500)
Capital Reserve	598,736	4,229	594,507
Earnings reserve	2,459,295	-	2,459,295
Proposed additional dividends	-	-	-
Equity valuation adjustment	(20,440)	-	(20,440)
AFAC Reserve	-	-	-
Interim dividends and interest on equity	(313,440)	-	(313,440)
Accumulated profit (losses)	-	5,147,942	(5,147,942)
Current results	886,140	94,096	792,044
Attributing interest of controlling shareholders	6,652,326	5,246,267	1,406,059
Participation of non-controlling shareholders	-	-	-
Total Shareholder's Equity	6,652,326	5,246,267	1,406,059
Total Liabilities and Shareholder's Equity	19,422,890	7,142,240	12,280,650

5.11. IFRS Cash Flow

R\$ '000	9M23 IFRS
Cash Flow from operating activities	
Income for the period	886,140
Adjusts to:	
Equity Method (subsidiaries net income)	(293,532)
Depreciation and amortization	10,473
Amortization of right of use	2,321
Tax, social security, labor and civil provisions	3,005
Environmental compensation provisions	-
Revenues from financial investments	(933)
Implementation cost - provision suppliers	364,713
Interest, monetary variation and exchange gains / losses and fair value adjustment on borrowings and financing	2,801
Interest and inflation adjustment on debentures	768,003
Leasing liability interest	268
Derivative financial instruments	14,714
Income tax and social contribution	45,608
Income tax and social contribution deferred	(18,540)
Deferred taxes	4,213
Remuneration of Contractual Asset	(845,036)
Monetary Restatement of Contractual Asset	(51,324)
Implementation of Infrastructure Revenues	(491,325)
Gains (losses) on company acquisitions	-
Income from monetary restatement of judicial deposits	(10,188)
Monetary restatement of contingencies expense	16,586
Variable Portion Provision	(22,394)
	385,573
Changes in assets and liabilities:	-
(Increase) Reduction in customer balance	(151,215)
(Increase) Decrease in the Balance of Concession Contractual assets	279,121
(Increase) Decrease in the balance of income tax and social contribution assets	(1,316)
(Increase) Decrease in the balance of Income taxes and deferred social contribution	(10,530)
(Increase) Reduction in the balance of deferred taxes	-
(Increase) Decrease in the balance of other assets	(127,515)
(Increase) Decrease in balance of trade accounts payable	(353,039)
(Increase) Decrease in the balance of regulatory fees	(4,043)
(Increase) Decrease in the balance of other payables	52,759
Dividends earned from jointly controlled	-
Dividends and interest on equity earned from jointly controlled	287,681
	(28,097)
Cash from operating activities	357,476
Income tax and social contribution paid	(68,154)
Cash flow of investing activities	289,322
Additions in property, intangible assets	
(Increase) Decrease in the balance of DTVM and other investments	19
(Additions) Write-offs in fixed and intangible assets	(50,630)
Acquisition of subsidiaries, net of cash acquired	-
Acquisition of jointly controlled subsidiaries	-
Capital increase in the joint subsidiary	-
Capital increase in jointly-owned subsidiaries	-
Advance for future capital increase in subsidiaries	-
Cash Flow provided by financing activities	(50,611)
Payment of borrowings and financing (principal)	
Borrowing and financing	-
Payment of borrowing and financing - principal	(4,601)
Payment of borrowing and financing - interest	(24,384)
Debentures	1,792,513
Payment of debentures (principal)	(189,006)
Payment of debentures (interest)	(430,721)
Payment of derivative financial instruments (interest)	(28,683)
Receipt (payment) on settlement of financial instruments	18,345
Payment of lease liabilities	(3,461)
Subsidiary Acquisition	-
Payment of dividends and interest on equity	(787,617)
Advance for future capital increase	-
Capital increase	-
Others	10,530
Net Cash provided by financing activities	352,915
Increase (Decrease) in cash and cash equivalents	591,626
Opening balance of cash and cash equivalents	1,083,174
Closing balance of cash and cash equivalents	1,674,800
Increase (decrease) in cash and cash equivalents	591,626

5.12. Regulatory Cash Flow

R\$ '000	9M23 Regulatory
Cash Flow from operating activities	
Income for the period	792,044
Adjusts to:	
Equity Method (subsidiaries net income)	(297,681)
Depreciation and amortization	262,144
Amortization of right of use	-
Tax, social security, labor and civil provisions	3,005
Environmental compensation provisions	-
Revenues from financial investments	(933)
Implementation cost - provision suppliers	-
Interest, monetary variation and exchange gains / losses and fair value adjustment on borrowings and financing	2,801
Interest and inflation adjustment on debentures	768,003
Leasing liability interest	-
Derivative financial instruments	14,714
Income tax and social contribution	45,608
Income tax and social contribution deferred	49,153
Deferred taxes	-
Remuneration of Contractual Asset	-
Monetary Restatement of Contractual Asset	-
Implementation of Infrastructure Revenues	-
Gains (losses) on company acquisitions	-
Income from monetary restatement of judicial deposits	(10,188)
Monetary restatement of contingencies expense	16,586
Variable Portion Provision	(22,394)
	1,622,862
Changes in assets and liabilities:	-
(Increase) Reduction in customer balance	(151,215)
(Increase) Decrease in the Balance of Concession Contractual assets	-
(Increase) Decrease in the balance of income tax and social contribution assets	(1,316)
(Increase) Decrease in the balance of Income taxes and deferred social contribution	(10,530)
(Increase) Reduction in the balance of deferred taxes	-
(Increase) Decrease in the balance of other assets	(127,515)
(Increase) Decrease in balance of trade accounts payable	11,674
(Increase) Decrease in the balance of regulatory fees	(4,043)
(Increase) Decrease in the balance of other payables	29,129
Dividends earned from jointly controlled	-
Dividends and interest on equity earned from jointly controlled	287,681
	33,865
Cash from operating activities	1,656,727
Income tax and social contribution paid	(68,154)
Cash flow of investing activities	1,588,573
Additions in property, intangible assets	
(Increase) Decrease in the balance of DTVM and other investments	19
(Additions) Write-offs in fixed and intangible assets	(1,353,342)
Acquisition of subsidiaries, net of cash acquired	-
Acquisition of jointly controlled subsidiaries	-
Capital increase in the joint subsidiary	-
Capital increase in jointly-owned subsidiaries	-
Advance for future capital increase in subsidiaries	-
Cash Flow provided by financing activities	(1,353,323)
Payment of borrowings and financing (principal)	
Borrowing and financing	-
Payment of borrowing and financing - principal	(4,601)
Payment of borrowing and financing - interest	(24,384)
Debentures	1,792,513
Payment of debentures (principal)	(189,006)
Payment of debentures (interest)	(430,721)
Payment of derivative financial instruments (interest)	(28,683)
Receipt (payment) on settlement of financial instruments	18,345
Payment of lease liabilities	-
Subsidiary Acquisition	-
Payment of dividends and interest on equity	(787,617)
Advance for future capital increase	-
Capital increase	-
Others	10,530
Net Cash provided by financing activities	356,376
Increase (Decrease) in cash and cash equivalents	591,626
Opening balance of cash and cash equivalents	1,083,174
Closing balance of cash and cash equivalents	1,674,800
Increase (decrease) in cash and cash equivalents	591,626

Disclaimer

The individual and 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. Earnings will be presented in both formats, the IFRS and the Regulatory formats to allow comparisons with other fiscal years. It is worth mentioning that Regulatory earnings are not audited. Taesa's dividend declaration is based on audited results (IFRS).

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 and amortization. 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 the market uses EBITDA as an indicator of its operating performance.

Net debt:

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