



# Earnings Release

2nd quarter of 2024

**COMPASS**



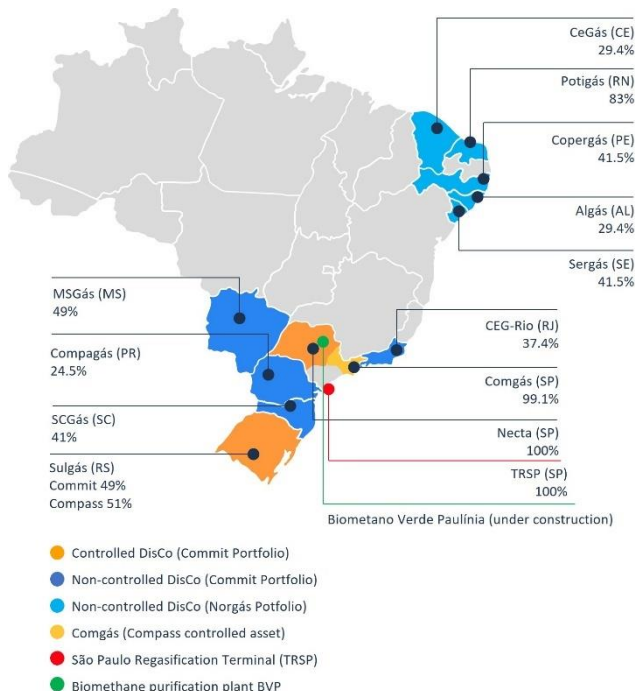
**We are Compass, a company created to expand and diversify the gas market in Brazil, promoting greater safety and competitiveness across the energy grid.**

**We do this anchored on our values: transparency, connection and audacity.**

Our story began in 2012 with the acquisition of **Comgás** by **Cosan**. Since then, we have created a winning business model that enabled us to increase the number of clients and expand the gas pipeline network.

Based on all the knowledge and experience in managing **Comgás**, we created **Compass** in March 2020 to offer options for an increasingly free gas and energy market in Brazil. In four years of history, we have already invested over R\$9 billion in Brazil's natural gas market.

Our operations are currently grouped into two segments: **Distribution and Marketing & Services**.



## Distribution

We operate through two vehicles. In addition to **Comgás**, Brazil's largest natural gas distributor located in São Paulo, we hold equity interest in 11 other gas distributors managed by **Commit**, Compass' subsidiary in which Mitsui is a partner. Commit's assets are organized in the clusters Northeast (Norgás), which is in the process of disposal, and Center-South, where it has **Sulgás**, whose controlling interest was acquired from the State of Rio Grande do Sul in early 2022, as well as **Necta**, a direct subsidiary of Commit. In the other distributors, Commit has been working on synergy and alignment with its local partners, exchanging experiences and implementing the best management practices.

## Marketing & Services:

Through Edge, we aim to offer natural gas supply alternatives that ensure safety and flexibility, while decarbonization for our clients, whether they are connected to the natural gas distribution grid or are off-grid, by replacing other energy products (LNG B2B).

Managed by Edge, its business model relies on strategic assets such as the São Paulo Regasification Terminal (**TRSP**), located in Santos; **Biometane** assets and contracts, **LNG B2B** and gas trading.

## SÃO PAULO, AUGUST 08, 2024

COMPASS GÁS E ENERGIA S.A. announces today its results for the second quarter of 2024 (2Q24). The results are presented on a consolidated basis, in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS). Except where otherwise stated, all comparisons in this report are of 2Q24 with 2Q23 and of 6M24 with 6M23.

### 1.0 | QUARTER HIGHLIGHTS



### 2Q24 EARNINGS CONFERENCE CALL

Portuguese  
(with simultaneous translation into English)

**Date: August 9, 2024**

**Time: 10:00 a.m. BRT / 09:00 a.m. NY**

The webcast will be exclusively via Zoom. To access the earnings conference call and participate in the Q&A session, [click here](#).

## 2.0 | EXECUTIVE SUMMARY

R\$ '000	2Q24	2Q23	Var.	6M24	6M23	Var.
Net revenue	4,402,310	4,625,078	-5%	8,537,477	9,146,909	-7%
Gross profit	891,629	943,879	-6%	1,668,030	1,825,021	-9%
EBITDA	1,375,311	952,278	44%	2,268,581	1,909,968	19%
Net income	599,302	346,295	73%	917,407	(444,954)	n/a
Net income (recurring) <sup>1</sup>	591,340	456,699	29%	905,509	806,996	12%
Investments	474,141	560,272	-15%	919,465	1,044,615	-12%

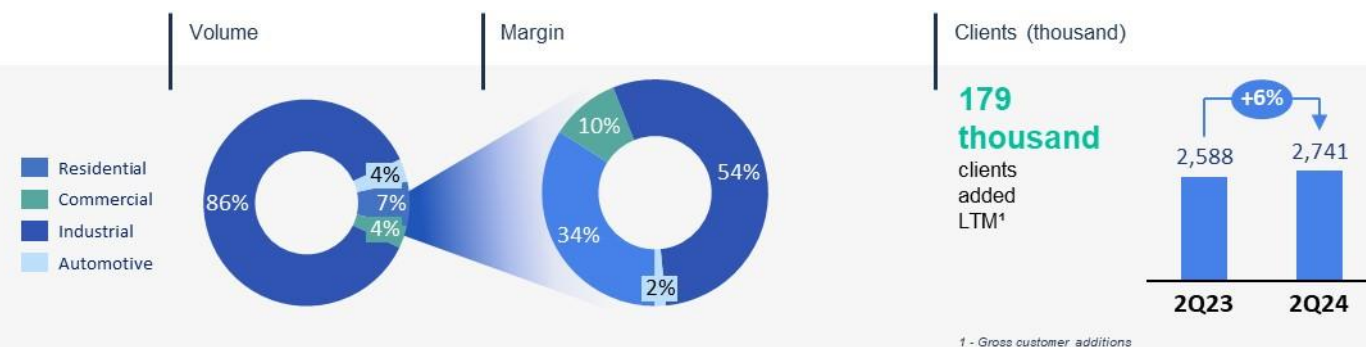
<sup>1</sup> Result adjusted by non-recurring events. More information in the item 4.2.

- EBITDA of R\$1,375.3 million in 2Q24, up 44% from 2Q23, mainly reflecting the start of Edge's operations (Marketing & Services), as well as non-recurring effects of the quarter. Excluding the non-recurring effects, the increase was 16%. In the year to date (6M24), EBITDA came to R\$2,268.6 million, increasing 19% from 6M23, due to the same factors that affected the quarter.
- Recurring net income was R\$591.3 million in 2Q24, a 29% increase compared to 2Q23, and R\$905.5 million in 6M23, up 12% from 6M23. In both periods, the increase was driven by the factors that affected EBITDA.
- Investments of R\$474.1 million in the quarter, mainly in the expansion of natural gas distribution operations and Edge projects.

### 3.0 | RESULTS BY SEGMENT

#### >> 3.1 | GAS DISTRIBUTION

This segment comprises the results of the subsidiaries Comgás, Sulgás and Necta.



	2Q24	2Q23	Var.	6M24	6M23	Var.
<b>Volume<sup>1</sup> ('000 cbm)</b>						
Residential	86,599	89,969	-4%	154,842	162,285	-5%
Commercial	43,732	42,183	4%	83,203	80,042	4%
Industrial <sup>2</sup>	1,064,467	1,072,838	-1%	2,098,592	2,094,888	0%
Automotive	44,328	55,005	-19%	89,487	108,469	-17%
<b>Total</b>	<b>1,239,126</b>	<b>1,259,995</b>	<b>-2%</b>	<b>2,426,124</b>	<b>2,445,684</b>	<b>-1%</b>
<b>mln cbm/day</b>	<b>13.8</b>	<b>14.0</b>	<b>-1%</b>	<b>13.5</b>	<b>13.6</b>	<b>-1%</b>
<b>Clients (units)<sup>3</sup></b>	<b>2,741,270</b>	<b>2,587,536</b>	<b>6%</b>	<b>2,741,270</b>	<b>2,587,536</b>	<b>6%</b>
<b>Network extension (km)</b>	<b>25,330</b>	<b>24,195</b>	<b>5%</b>	<b>25,330</b>	<b>24,195</b>	<b>5%</b>
Net revenue (BRL mln)	893,466	943,879	-5%	1,671,253	1,825,021	-8%
<b>EBITDA (BRL mln)</b>	<b>1,250,731</b>	<b>997,463</b>	<b>25%</b>	<b>2,131,906</b>	<b>1,999,679</b>	<b>7%</b>
Investments (BRL mln)	404,082	426,204	-5%	742,399	756,970	-2%

<sup>1</sup> Distributors whose Company holds control (Comgás, Sulgás and Necta) on June 30th, 2024.

<sup>2</sup> Includes the volumes of the Industrial and Cogeneration segments.

<sup>3</sup> We demonstrate the net value of customer additions, that is, which considers disconnections, cuts or suspensions of existing customers.

In 2T24, natural gas distribution totaled 13.8 million m<sup>3</sup>/day, a 1% reduction compared to 2Q23, mainly due to lower volumes distributed in the following segments: (i) automotive: volumes were lower than in the comparison periods of 2023 due to the competitiveness of natural gas compared to other fuels; (ii) residential: reflecting the higher temperatures recorded in the period; and (iii) industrial: despite the reduction in the quarter, this segment has been showing significant recovery in 2024, especially in the petrochemical and ceramic sectors. The reduction in distribution volumes in these markets was partially offset by the commercial segment performance, driven by the gastronomy sector.

In 6M24, Compass distributed 13.5 million m<sup>3</sup>/day, down 1% from 6M23, driven by the residential and automotive segments, offset by the commercial volume.

EBITDA amounted to R\$1,250.7 million in 2Q24, an increase of 25% vs. 2Q23, and R\$2,131.9 million in 6M24, 7% higher than in 6M23. The result was mainly affected by non-recurring effects of reversal of provisions at Comgás.

On a comparable basis, the Distribution segment ended 2Q24 with EBITDA of R\$1,013.7 million, increasing 2% from 2Q23.

## » 3.2 | MARKETING & SERVICES

This segment comprises the results of the subsidiary Edge, which concentrates the TRSP, Trading, LNG B2B and Biomethane projects.

(R\$ '000)	2Q24	2Q23	Var.	6M24	6M23	Var.
EBITDA	162,425	(9,408)	n/a	209,958	(16,622)	n/a

2Q24 was marked by the start of operations at Edge's São Paulo Regasification Terminal (TRSP). From April to June, the TRSP delivered approximately 125 million m<sup>3</sup> of natural gas, which, combined with the diversified portfolio of volumes contracted from Bolivia and the pre-salt, totaled 177 million m<sup>3</sup> of natural gas delivered in 2Q24 and 182 million m<sup>3</sup> in 6M24.

As a result, Edge's EBITDA came to R\$162.4 million in 2Q24 and R\$210.0 million in 6M24. In addition to the impact of the start of TRSP operations and LNG cargo negotiations, the quarter was positively affected by a non-recurring effect. Excluding this effect, Edge ended 2Q24 with EBITDA of R\$125 million.

## ▲ 4.0 | CONSOLIDATED RESULTS

### » 4.1 | FINANCIAL RESULT

R\$ '000	2Q24	2Q23	Var.	6M24	6M23	Var.
<b>Cost of gross debt</b>	<b>(371,307)</b>	<b>(270,207)</b>	<b>37%</b>	<b>(662,287)</b>	<b>(547,371)</b>	<b>21%</b>
Income from financial investments	160,789	151,961	6%	294,592	283,246	4%
<b>(=) Interest on net debt</b>	<b>(210,518)</b>	<b>(118,246)</b>	<b>78%</b>	<b>(367,695)</b>	<b>(264,125)</b>	<b>39%</b>
Other charges and monetary variation	7,514	14,556	-48%	4,894	(34,044)	n/a
Banking expenses and others	7,099	(776)	n/a	4,861	(4,689)	n/a
Lease liabilities (IFRS 16)	(38,685)	(1,411)	>100%	(75,047)	(2,978)	>100%
Non-recurring effects <sup>1</sup> - Net financial result	(16,860)	(129,071)	-87%	(22,482)	(394,600)	-94%
<b>Net financial result</b>	<b>(251,450)</b>	<b>(234,948)</b>	<b>7%</b>	<b>(455,469)</b>	<b>(700,436)</b>	<b>-35%</b>

<sup>1</sup> Effects related to the provision mentioned in item 4.3 below.

In 2Q24, the financial result totaled an expense of R\$251.4 million, 7% higher than in 2Q23, mainly explained by the increase in the Company's gross debt, partially offset by the lower cost of debt and non-recurring effects of the subsidy provision, which was realized in 1Q23, with reversal of 80% of the interest and fine amounts in 4Q23, as detailed in item 4.3 Income Tax and Social Contribution.

In the year to date, the financial result expense decreased 35%, to R\$455.5 million, reflecting the non-recurring effect of the subsidy provision.

## » 4.2 | NET INCOME

R\$ '000	2Q24	2Q23	Var.	6M24	6M23	Var.
<b>Net income</b>	<b>599,302</b>	<b>346,295</b>	<b>73%</b>	<b>917,407</b>	<b>(444,954)</b>	<b>n/a</b>
Non-recurring effects - benefit from the federative pact (taxes on profits, fines and interest) <sup>1/2</sup>	(24,822)	(18,667)	33%	(34,380)	857,350	n/a
Non-recurring effects - Financial result (fine and interest - previous years) <sup>1</sup>	16,860	129,071	-87%	22,482	394,600	-94%
<b>Net incoming (recurring)</b>	<b>591,340</b>	<b>456,699</b>	<b>29%</b>	<b>905,509</b>	<b>806,996</b>	<b>12%</b>

<sup>1</sup> Effects related to the provision mentioned in item 4.3.

<sup>2</sup> The values presented comparatively for 2023 are increased by the effects related to Law 14,789/2023 of December 29, 2023.

Excluding the effect of the subsidy, recurring net income was R\$591.3 million in 2Q24, 29% higher than in 2Q23, and R\$905.5 million in 6M24, up 12% from 6M23, due to the same factors that affected EBITDA.

## » 4.3 | INCOME TAX AND SOCIAL CONTRIBUTION

R\$ '000	2Q24	2Q23	Var.	6M24	6M23	Var.
<b>Operating profit before taxes</b>	<b>869,030</b>	<b>504,630</b>	<b>72%</b>	<b>1,307,861</b>	<b>789,975</b>	<b>66%</b>
Nominal tax rate (%)	34.0%	34.0%		34.0%	34.0%	
<b>Theoretical expense with IT/SC</b>	<b>(295,470)</b>	<b>(171,574)</b>	<b>72%</b>	<b>(444,673)</b>	<b>(268,592)</b>	<b>66%</b>
Adjustments for effective rate calculation	6,654	22,548	-70%	27,483	9,269	>100%
Non-recurring effects - benefit of the federative pact	19,090	(25,217)	n/a	26,736	(991,514)	n/a
<b>Effective expense with IT/SC</b>	<b>(269,726)</b>	<b>(174,243)</b>	<b>55%</b>	<b>(390,454)</b>	<b>(1,250,837)</b>	<b>-69%</b>
Effective tax rate (%)	-31.04%	-34.53%		-29.85%	-158.34%	
<b>Current</b>	<b>(228,487)</b>	<b>(317,338)</b>	<b>-28%</b>	<b>(405,228)</b>	<b>(1,365,130)</b>	<b>-70%</b>
<b>Deferred</b>	<b>(41,239)</b>	<b>143,095</b>	<b>n/a</b>	<b>14,774</b>	<b>114,293</b>	<b>-87%</b>

In 2Q24, income tax and social contribution totaled R\$269.7 million, a 55% increase compared to 2Q23, explained by the higher income in the period. We ended the quarter with an effective rate of 31.0%.

In the year to date, income tax and social contribution was R\$390.4 million, equivalent to effective rate of 29.9%. The variation is explained mainly by the reversal of 80% of the charges related to the non-realization of the benefit of the pact with the federal government.

In the first quarter of 2021, the Company, through its subsidiary Comgás, started assessing and using current and out-of-period credits resulting from the absence of income tax (IRPJ) and social contribution (CSLL) on the benefit of reduction in the ICMS tax calculation base in the State of São Paulo, whose effective rate is reduced from 18% to a range from 12% to 15.6%, under article 8 of Annex II to the ICMS Regulations, approved by State Decree 45,490 (RICMS/SP) and amended by State Decrees 62,399/2016

and 67,383/2022. Law 14,789/2023, published on December 29, 2023, granted 80% discount on the payment of all related dues, whether or not assessed by the Brazilian Federal Revenue (RFB), since the case law was not in favor of the Company. Hence, based in Normative Instruction - IN/RFB 2,184, published on April 3, 2024, and on the notice of transaction published on May 16, 2024, the Company began to settle the liability which, considering the discount granted, amounts to R\$299,075 (principal: R\$183,924; fine: R\$56,252; and interest: R\$58,899) amounts updated until June 2024. As of June 30, 2024, four installments have been paid, totaling R\$ 61,145, with a total amount payable of R\$ 237,931 recorded in current liabilities as 'Current Income Tax and Social Contribution,' to be settled by May 2025.

## >> 4.4 | INVESTMENTS

R\$ '000	2Q24	2Q23	Var.	6M24	6M23	Var.
<b>Consolidated</b>	<b>474,141</b>	<b>560,272</b>	<b>-15%</b>	<b>919,465</b>	<b>1,044,615</b>	<b>-12%</b>
Gas Distribution	404,082	426,204	-5%	742,399	756,970	-2%
Marketing & Services	70,059	134,068	-48%	177,066	287,645	-38%

Investments amounted to R\$474.1 million in 2Q24 and R\$919.5 million in 6M23, driven by investments in natural gas distribution subsidiaries, as planned in the regulatory tariff cycles, in addition to Edge projects.

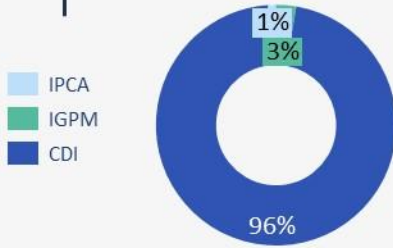
## >> 4.5 | DEBT

R\$ '000	2Q24	1Q24	Var.
Loans and financing	5,248,338	5,098,065	3%
Debentures	8,115,899	8,082,793	0%
Derivatives	(6,674)	106,059	n/a
<b>Gross debt</b>	<b>13,357,563</b>	<b>13,286,917</b>	<b>1%</b>
<b>(-) Cash, cash equivalents and marketable securities</b>	<b>(6,479,485)</b>	<b>(7,427,656)</b>	<b>-13%</b>
<b>Net debt (ex-IFRS 16)</b>	<b>6,878,078</b>	<b>5,859,261</b>	<b>17%</b>
LTM EBITDA (ex-IFRS 16)	4,434,399	4,054,024	9%
Current debt/total debt	0.24	0.23	4%
<b>Financial leverage</b>	<b>1.55x</b>	<b>1.45x</b>	<b>7%</b>



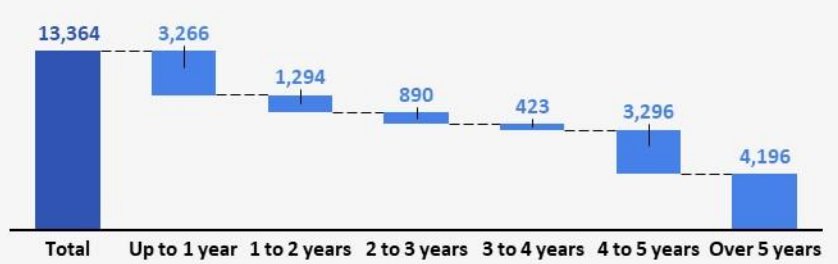
We ended the quarter with leverage of 1.55x, and 76% of our loans maturing in the long term. Note that the majority of debt indexed to inflation and USD are hedged to the CDI.

Breakdown by Index<sup>1</sup> (%)



<sup>1</sup>Includes swap contracts

Debt Amortization Schedule<sup>2</sup> (R\$ MM)



<sup>2</sup>Does not include derivatives.

**5.0 | ESG**

In October 2023, we carried out the 2nd issue of debentures of Compass, in the amount of R\$1.7 billion, linked to sustainability metrics. The selected key performance indicators are linked to the Company's environmental and social agenda.

The environmental KPI refers to the distribution of biomethane and supports the reduction of Scope 3 emissions. The social KPI assesses diversity\* in leadership positions, seeking to increase the representativeness of minoritized groups. Both metrics are aligned with the Sustainability-linked Bond Principles (SLBP) of the International Capital Market Association (ICMA).

Below is the evolution of the indicators:



\*The diversity groups are: people of female and male genders; people self-declared black (black or brown); persons with disabilities; representatives of the LGBTQIAPN+ community; and age diversity considering the generation aged 60 and above.

## 6.0 | IMPORTANT ISSUES AND EVENTS AFTER THE REPORTING PERIOD

### **>> ACQUISITION OF SHARES OF COMPANHIA PARANAENSE DE GÁS - COMPAGAS**

As disclosed to the market via Material Fact notice on July 10, 2024, the Company, through its subsidiary Compass Dois Ltda. ("Compass Dois"), entered into a Share Purchase Agreement for the acquisition of a 51% controlling interest in Companhia Paranaense de Gás ("Compagas").

Compagas is the distributor of piped natural gas of the state of Paraná and operates with exclusivity through a concession agreement effective until June 2054. Its distribution network totals approximately 880 km of pipelines and serves over 54,000 customers in 16 municipalities, with natural gas distribution of 821,000 m<sup>3</sup>/day.

The acquisition amount was R\$906 million, which will be paid until 2026. On July 11, 2024, Compass Dois paid R\$47 million as an advance for this transaction.

The conclusion of the transaction is subject to the fulfillment of certain conditions that include, but are not limited to, compliance with the deadline for other Compagas shareholders to exercise their preemptive right and approval by the competent authorities.

Compass will keep the market timely informed of any developments in this Transaction, pursuant to the legislation in force.

### **>> EXTRAORDINARY SHAREHOLDERS MEETING – CAPITAL REDUCTION AT COMPASS GÁS E ENERGIA S.A.**

Approval of the Management Proposal to be submitted for consideration of the Company's Extraordinary Shareholders Meeting to be held on August 30, 2024, which will resolve on: (a) reduction of the Company's capital stock by one billion, five hundred million reais (R\$1,500,000,000.00), which will be reimbursed to the Company's shareholders in cash, to be paid by December 31, 2025, since such capital stock is excessive, pursuant to article 173 of the Brazilian Corporations Law. Therefore, the Company's capital stock will decrease from the current two billion, two hundred seventy-two million, four hundred ninety-nine thousand, five hundred and eight reais and fifty-three centavos (R\$2,272,499,508.53) to seven hundred seventy-two million, four hundred ninety-nine thousand, five hundred and eight reais and fifty-three centavos (R\$772,499,508.53), and no shares representing the Company's capital stock will be cancelled, i.e. the number of shares and the percentage of interest of each shareholder in the Company's capital stock will remain unchanged ("Capital Reduction").

## 7.0 | EXHIBITS

### >> 7.1 | INCOME STATEMENT

R\$ '000	2Q24	2Q23	Var.	6M24	6M23	Var.
<b>Net revenue</b>	<b>4,402,310</b>	<b>4,625,078</b>	<b>-5%</b>	<b>8,537,477</b>	<b>9,146,909</b>	<b>-7%</b>
<b>Cost of goods sold and services provided</b>	<b>(3,510,681)</b>	<b>(3,681,199)</b>	<b>-5%</b>	<b>(6,869,447)</b>	<b>(7,321,888)</b>	<b>-6%</b>
<b>Gross profit</b>	<b>891,629</b>	<b>943,879</b>	<b>-6%</b>	<b>1,668,030</b>	<b>1,825,021</b>	<b>-9%</b>
<i>Gross margin (%)</i>	<i>20%</i>	<i>20%</i>		<i>20%</i>	<i>20%</i>	
Selling expenses	(43,065)	(41,379)	4%	(86,391)	(80,285)	8%
General and administrative expenses	(185,423)	(157,292)	18%	(359,255)	(295,122)	22%
Other operating results	428,946	(51,325)	n/a	483,472	(57,033)	n/a
Equity pick-up	28,391	45,695	-38%	57,474	97,830	-41%
Depreciation and amortization	254,833	212,700	20%	505,251	419,557	20%
<b>EBITDA</b>	<b>1,375,311</b>	<b>952,278</b>	<b>44%</b>	<b>2,268,581</b>	<b>1,909,968</b>	<b>19%</b>
<i>EBITDA margin (%)</i>	<i>31%</i>	<i>21%</i>		<i>27%</i>	<i>21%</i>	
Financial result	(251,450)	(234,948)	7%	(455,469)	(700,436)	-35%
Income and social contribution taxes	(269,726)	(174,243)	55%	(390,454)	(1,250,837)	-69%
Result of discontinued operations	-	15,908	-100%	-	15,908	-100%
Depreciation and amortization	(254,833)	(212,700)	20%	(505,251)	(419,557)	20%
<b>Net income</b>	<b>599,302</b>	<b>346,295</b>	<b>73%</b>	<b>917,407</b>	<b>(444,954)</b>	<b>n/a</b>

### >> 7.2 | CASH FLOW STATEMENT

R\$ '000	2Q24	6M24
<b>EBITDA</b>	<b>1,375,311</b>	<b>2,268,581</b>
Noncash impacts on EBITDA	43,718	159,717
Changes in assets and liabilities	(161,946)	(752,565)
<b>Operating cash flow</b>	<b>1,257,083</b>	<b>1,675,733</b>
CAPEX	(437,611)	(968,965)
Marketable securities	551	(97,471)
Others	631	514
<b>Cash flow from investing</b>	<b>(436,429)</b>	<b>(1,065,922)</b>
Funding	(905)	3,486,239
Loans amortization (Principal + interest)	(245,435)	(734,981)
Other	(85,669)	(297,655)
<b>Cash flow from financing</b>	<b>(332,009)</b>	<b>2,453,603</b>
Dividends received	40,811	43,586
<b>Free cash flow to equity (FCFE)</b>	<b>529,456</b>	<b>3,107,000</b>
Dividends paid	(1,513,204)	(1,513,261)
Impact of exchange rate variation on cash and cash equivalent balances	12,832	12,832
<b>Net cash flow generated in the period</b>	<b>(970,916)</b>	<b>1,606,571</b>

## » 7.3 | BALANCE SHEET

R\$ '000	2Q24	1Q24
Cash and cash equivalents	5,538,103	6,509,018
Marketable securities	941,382	918,638
Trade account receivables - ST	1,939,739	1,749,478
Derivative financial instruments	197,214	159,862
Inventories	374,911	284,506
Current assets held for sale	911,500	911,500
Other current assets	986,579	826,562
Investments	1,563,947	1,654,565
Property, plants and equipment	1,393,111	1,360,558
Intangible assets	13,544,892	13,434,104
Other non-current assets	4,314,056	4,274,813
<b>Total assets</b>	<b>31,705,434</b>	<b>32,083,604</b>
Loans, financing, and debentures	13,364,237	13,180,858
Derivative financial instruments	176,536	247,463
Trade accounts payable	1,583,675	1,370,962
Payroll	260,589	223,655
Liabilities related to assets held for sale	152,255	152,255
Other current liabilities	1,353,470	2,815,935
Other non-current liabilities	6,234,243	6,002,222
<b>Total liabilities</b>	<b>23,125,005</b>	<b>23,993,350</b>
<b>Shareholder's equity</b>	<b>8,580,429</b>	<b>8,090,254</b>
<b>Total shareholder's equity and liabilities</b>	<b>31,705,434</b>	<b>32,083,604</b>