

NOVA TRANSPORTADORA DO SUDESTE S.A. -  
NTS

MANAGEMENT REPORT Q2'21



## MANAGEMENT MESSAGE

Financial highlights delivered by NTS in Q2'21 include the interim distribution of dividends and interest on shareholders' equity of R\$718 million to shareholders, due to net income that grew 26% when compared to the profit recorded in Q2'20. The EBITDA margin reached approximately 90% and remains benefited mainly by macroeconomic effects, such as IGP-M on sales.

Investments in our operations, including compliance with environmental requirements, amounted to R\$29.5 million in the second quarter of 2021, accumulating R\$44.2 million in the semester, and incorporating the expenses related to the full transition of the Company's gas pipeline operation and maintenance activities.

In addition to financial results, the quarter held several major events for the NTS path. As previously mentioned, the approval of Law 14,134/21, or the "New Gas Law", in early April represents the beginning of a new phase for the whole gas sector. Following this, in June, the Decree 10.712/21 was published, which regulates and enlightens several provisions of the law.

At the end of April, we concluded the corporate restructuring, when Nova Infraestrutura Gasodutos Participações S.A. ("NISA"), a company wholly owned by the current controlling shareholders (Nova Infraestrutura Fundo de Investimento em Participações Multiestratégia ("FIP") and Itaúsa S.A.), acquired 10% of the Company's capital, sold by Petrobras. Thus, we reinforce the split and independence between the activities of NTS, as a gas carrier, and Petrobras, the natural gas supplier, which remains our customer.

Following the acquisition, NISA funds were obtained through the issuance of simple, non-convertible debentures, on single series, for public distribution with restricted efforts, in the amount of R\$1.5 billion, with a fiduciary guarantee granted by the Company, as a surety.

In May, we concluded the public consultation phase for mapping the demand for transport capacity on the NTS network. A total of 19 companies participated in the process, including producers, importers, traders, distributors, and industrial and thermal consumers of natural gas, and the requests included the construction of receiving and delivery points, as well as new pipelines. The demand mapping represents the initial stage of NTS's first public Incremental Call. The next steps include scoping these requests, running thermal-hydraulic simulations of the requested capacities, and drafting incremental capacity design proposals.

Finally, in June, the Brazilian National Agency of Petroleum, Natural Gas and Biofuels - ANP certified the technical qualification of NTS to act directly as the operator of its gas pipelines, enabling the operational transition to be conducted. At the end of July NTS then started to directly perform the operation and maintenance activities of its gas pipelines, which until then had been performed by Petrobras Transporte S.A. - Transpetro. The transition was very successful, as a result of a long period of management, structuring, and support from all NTS departments, which allowed such transition to occur safely, following good practices of the natural gas industry and in compliance with applicable legislation.

This project has required a significant amount of planning and preparation, hiring more than 150 new employees allocated mainly to the technical and operational areas (field operations, regional base coordinators, operational support, Operations Control Center - OCC, in addition to expanding the engineering, integrity, maintenance and HSE teams), investments

and execution of maintenance and safety works in the NTS gas pipeline network, focusing on asset integrity and risk mitigation, in addition to new facilities such as operational and support bases and control and backup centers. In addition, theoretical training and practical training of the teams were performed.

Due to the operational transition, the essential activities directly related to the operation have been performed on-site, following the necessary sanitary protocols. To monitor the transition, we also implemented the Incident Management Team - IMT aiming to provide greater security during the internalization of the operation. Other support activities are still being executed remotely. NTS continues to monitor the impacts of the COVID-19 pandemic and base decisions on recommendations from health and health authorities, always focusing on the pillars of health and safety of all and for all.

Although the national immunization campaign is progressing and the expectations for the resumption of the Brazilian economic growth are renewed, it is a fact that the Company is aware of its social role at this moment. We donated approximately R\$4.5 million this semester to fighting hunger, including food baskets and hygiene kits for people assisted by social projects sponsored by NTS and communities located near our pipelines, in addition to donations to the “Unidos Pela Vacina” initiative, led by the Women's Group of Brazil, aimed at speeding up the Brazilian population vaccination program by providing logistical and structural support to the municipal campaigns.

The quarter's significant achievements would not have been possible without the team spirit, devotion, and support of the members of the Board of Directors and the entire NTS team. We also thank the trust from our shareholders.

Wong Loon  
Chief Executive Officer, Operations and  
Investor Relations Officer

## ECONOMIC AND FINANCIAL PERFORMANCE

The Management's Report of Nova Transportadora do Sudeste S.A. - NTS ("NTS" or "Company") for the second quarter of 2021 ("Q2'21"), considering the period ended June 30<sup>th</sup>, 2021, compared to the second quarter of 2020 ("Q2'20") includes the following highlights:

<i>In thousands of reais</i>	<b>Q2'21</b>	<b>Q2'20</b>	<b>Var.</b>	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>Var.</b>
<b>Net Operating Revenue</b>	<b>1,425,958</b>	<b>1,146,524</b>	<b>24.4%</b>	<b>2,833,910</b>	<b>2,295,009</b>	<b>23.5%</b>
Cost of services	(235,845)	(198,540)	18.8%	(465,128)	(385,921)	20.5%
<b>Gross Profit</b>	<b>1,190,113</b>	<b>947,984</b>	<b>25.5%</b>	<b>2,368,782</b>	<b>1,909,088</b>	<b>24.1%</b>
Operating expenses, net	(17,716)	(17,241)	2.8%	(29,035)	(29,625)	-2.0%
<b>Operating Profit</b>	<b>1,172,397</b>	<b>930,743</b>	<b>26.0%</b>	<b>2,339,747</b>	<b>1,879,463</b>	<b>24.5%</b>
Net financial results	(38,369)	(34,844)	10.1%	(64,453)	(83,988)	-23.3%
<b>Income Before Taxes</b>	<b>1,134,028</b>	<b>895,899</b>	<b>26.6%</b>	<b>2,275,294</b>	<b>1,795,475</b>	<b>26.7%</b>
Total Income Tax and Social Contribution	(377,007)	(295,088)	27.8%	(760,677)	(592,727)	28.3%
<b>Net Income for the period</b>	<b>757,021</b>	<b>600,811</b>	<b>26.0%</b>	<b>1,514,617</b>	<b>1,202,748</b>	<b>25.9%</b>

### 1. NET OPERATING REVENUE

Net operating revenue reached R\$1,426.0 million in Q2'21, an increase of 24.4% compared to the same period in 2020, when net operating revenue totaled R\$1,146.5 million. The annual weighted indexation of the 5 transportation contracts (GTAs) by the IGP-M was approximately 24.1%, and such contracts are responsible for generating 100% of the Company's revenues.

In the first half of 2021 (H1'21), compared to the same period in 2020 (H1'20), net operating revenue totaled R\$2,833.9 million, 23.5% higher than in the comparative period, due to inflation applicable to the readjustment of contracts.

Variations in the average volume transported have no material impact on revenues, since the GTAs have a Ship-or-Pay clause, i.e., a contractual condition that guarantees the transporter predictability and stability of revenue, since the revenue is calculated based on contracted transport capacity, regardless of the volume actually handled. Therefore, the reduction in the average volume transported in Q2'20, during the most critical period of the pandemic, had an immaterial impact on billing.

<i>In thousands of reais</i>	<b>Q2'21</b>	<b>Q2'20</b>	<b>Var.</b>	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>Var.</b>
<b>Net Operating Revenue</b>	<b>1,425,958</b>	<b>1,146,524</b>	<b>24.4%</b>	<b>2,833,910</b>	<b>2,295,009</b>	<b>23.5%</b>

### 2. COST OF SERVICES

Costs of Services in Q2'21 totaled R\$235.8 million, corresponding to 16.5% of net revenues, compared to R\$198.5 million in Q2'20, when costs corresponded to 17.3% of net revenues, a 0.8 percentage points gain. Between the comparative quarters, the main changes observed in the costs of services provided were:

- (i) increase in personnel costs by R\$6.2 million in the quarter, in addition to training, whose increase was R\$3.3 million, justified by the expansion of the company's own staff and theoretical and practical training, mainly in the technical and operational areas, due to the operational transition;
- (ii) increase in depreciation expenses by 10%, or R\$9.3 million, due to the end of the compensation for retrospective PIS/COFINS credits on the fixed assets base in April 2020;
- (iii) increase in right-of-way costs by approximately R\$3.9 million, especially due to macroeconomic adjustments (correction by the IGP-M);
- (iv) higher ICMS costs for the gas used in the system (approximately R\$ 3.0 million) due to the increase in the volume transported between Q2'20 and Q2'21.

The increase in the Cost of Services was 20.5% in the semester ended on June 30, 2021, totaling R\$465.1 million compared to R\$385.9 million in the same period of the previous year. Compared to net revenues, Costs remained relatively stable in the comparable semesters, and represented 16.4 and 16.8% in H1'21 and H1'20, respectively, representing a 0.4 percentage points gain.

<i>In thousands of reais</i>	Q2'21	Q2'20	Var.	06/30/2021	06/30/2020	Var.
<b>Cost of services</b>	<b>(235,845)</b>	<b>(198,540)</b>	<b>18.8%</b>	<b>(465,128)</b>	<b>(385,921)</b>	<b>20.5%</b>
% on net revenues	-16.5	-17.3	0.8 pp	-16,4	-16,8	0.4 pp

### 3. GROSS PROFIT

Gross Profit in the second quarter of 2021 totaled R\$1,190.1 million, approximately 25.5% higher than in the second quarter of 2020. Gross margin increased by 0.8 percentage points, mainly due to the macroeconomic impacts on revenue in the period.

In H1'21, Gross Profit totaled R\$2,368.8 million compared to R\$1,909.1 million in H1'20, or 24.1% higher compared to H1'20 and in line with the variations in revenues and costs. Gross margin remained stable between the comparative periods, at approximately 83% in both semesters.

<i>In thousands of reais</i>	Q2'21	Q2'20	Var.	06/30/2021	06/30/2020	Var.
<b>Gross Profit</b>	<b>1,190,113</b>	<b>947,984</b>	<b>25.5%</b>	<b>2,368,782</b>	<b>1,909,088</b>	<b>24.1%</b>
Gross Margin %	83.5	82.7	0.8 pp	83.6	83.2	0.4 pp

### 4. OPERATING EXPENSES

In Q2'21, Operating Expenses totaled R\$17.7 million, with a marginal increase of 2.8% compared to Q2'20. Regarding net revenues, they represent 1.2% this quarter and a reduction of 0.3 pp compared to the comparative period of 2020.

Operating Expenses variation follows the variation of the General and Administrative Expenses, and between the comparative quarters there were reductions of approximately R\$0.8 million in expenses with sponsorships (through incentive laws), R\$0.5 million in consulting, and another R\$0.5 million referring to contracted services, rents, and fees. The

reductions were partially offset by higher personnel expenses of R\$1.4 million (including termination costs for NTS board positions this quarter), office expenses of R\$1.1 million, and donations to COVID-19, up by approximately R\$0.4 million.

In the six-month period ended June 30, 2021, compared to the same period in 2020, expenses are impacted by the same effects of donations and sponsorships listed above, with increased emphasis on sponsorship expenses, which were R\$2.8 million lower in the first semester of 2021, since the public notice for to select the projects supported through Incentive Laws in 2021 was concluded in the same year, and the funds were only disbursed in Q2'21, offset by higher office expenses in H1'21, by R\$1.8 million

<i>In thousands of reais</i>	<b>Q2'21</b>	<b>Q2'20</b>	<b>Var.</b>	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>Var.</b>
<b>Operating expenses,net</b>	<b>(17,716)</b>	<b>(17,241)</b>	<b>2.8%</b>	<b>(29,035)</b>	<b>(29,625)</b>	<b>-2.0%</b>
% on net revenues	-1.2	-1.5	0.3 pp	-1.0	-1.3	0.3 pp
<b>General and administrative expenses</b>	<b>(17,716)</b>	<b>(17,241)</b>	<b>2.8%</b>	<b>(29,035)</b>	<b>(29,625)</b>	<b>-2.0%</b>
% on net revenues	-1.2	-1.5	0.3 pp	-1.0	-1.3	0.3 pp

## 5. OPERATING PROFIT

Operating Profit totaled R\$1,172.4 million in the quarter, corresponding to a margin of 82.2% of net revenues, compared to a margin of 81.2% in the previous period. Operating Income for Q2'21 increased 26.0% compared to Q2'20 due to the improvement in gross profit, and the operating margin expanded by 1.0 percentage point.

The Operating Income reached R\$2,339.8 million as of 06/30/2021, representing 24.5% growth due to the improvement in gross profit, despite the increase in costs (20.5%) and partially compensated by operating expenses reduction (2.0%) in the period analyzed.

<i>In thousands of reais</i>	<b>Q2'21</b>	<b>Q2'20</b>	<b>Var.</b>	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>Var.</b>
<b>Operating Profit</b>	<b>1,172,397</b>	<b>930,743</b>	<b>26.0%</b>	<b>2,339,747</b>	<b>1,879,463</b>	<b>24.5%</b>
% on net revenue	82.2	81.2	1.0 pp	82.6	81.9	0.7 pp

## 6. NET FINANCIAL RESULT

The Net Financial Result was negative R\$38.4 million in the second quarter of this fiscal year, 10.1% below the result in the comparative quarter of 2020. The variation is mainly due to the increase in interest expenses on debentures, due to the recovery of the CDI rate in Q2'21, especially in the May-June period, considering that the amortization of interest is semiannual and occurs in April (average of 3.2%, compared to 3.1% in Q2'20, the cost of debentures being 109% of the CDI; average of 3.5% in the May-June 2021 period, compared to 2.8% in the same period of 2020).

Financial revenues were 14.0% higher in the comparative quarters, reflecting both the improvement in the CDI rate and the greater availability of remunerated cash at the close of the second quarter of 2021 (R\$1,027.8 million on June 30, 2021) when compared to the same period of the previous year (R\$867.0 million on June 30, 2020).

In H1'21, the Net Financial Result was negative by R\$64.4 million, against R\$84.0 million in H1'20, also reflecting the variation of the CDI rate, which in the semester benefited the expenses (average of 2.6% vs. 3.6% respectively). The net financial expense was reduced by R\$19.5 million in the period.

NTS does not have any relevant exposure to foreign currency.

<i>In thousands of reais</i>	<b>Q2'21</b>	<b>Q2'20</b>	<b>Var.</b>	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>Var.</b>
<b>Net Financial Result</b>	<b>(38,369)</b>	<b>(34,844)</b>	<b>10.1%</b>	<b>(64,453)</b>	<b>(83,988)</b>	<b>-23.3%</b>
Financial revenue	10,650	9,341	14.0%	16,091	20,868	-22.9%
Financial expenses	(49,019)	(44,185)	10.9%	(80,544)	(104,856)	-23.2%

## 7. INCOME BEFORE TAXES

Accumulated income before taxes totaled R\$1,134.0 million in Q2'21, due to the growth in operating profit combined with the reduction in financial expenses in the quarter, and increased by 26.6% in relation to the profit before taxes in Q2'20, reaching 79.5% of net revenues and growing by 1.4 p.p.

In the semester, the variation was similar, 26.7% growth in the income before taxes, improving by 2.1 p.p. when compared to net revenues, between periods.

<i>In thousands of reais</i>	<b>Q2'21</b>	<b>Q2'20</b>	<b>Var.</b>	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>Var.</b>
<b>Income before Taxes</b>	<b>1,134,028</b>	<b>895,899</b>	<b>26.6%</b>	<b>2,275,294</b>	<b>1,795,475</b>	<b>26.7%</b>
% on NOR	79.5	78.1	1.4 pp	80.3	78.2	2.1 pp

## 8. INCOME TAX (IRPJ) AND SOCIAL CONTRIBUTION (CSLL)

Current and deferred income tax and social contribution for the quarter totaled R\$377.0 million, compared to R\$295.1 million in the second quarter of 2020, following the growth in taxable income.

In H1'21, current and deferred income and social contribution taxes totaled R\$760.7 million. The effective tax rate increased by 0.4 percentage points, reaching 33.4% in the first half of 2021. The increase in the effective tax rate is due, especially, to the reduction of the Interest on Capital as consequence of the R\$653 million capital decrease back in Q4'20 and the decrease of the long-term interest rate between periods (average of 5.0% p.a. to 4.5% p.a.), besides the lower volume of sponsorships through incentive laws in 2021.

<i>In thousands of reais</i>	Q2'21	Q2'20	Var.	06/30/2021	06/30/2020	Var.
<b>Total income tax and social contribution</b>	<b>(377,007)</b>	<b>(295,088)</b>	<b>27.8%</b>	<b>(760,677)</b>	<b>(592,727)</b>	<b>28.3%</b>
% on income before taxes	-33,2	32,9	- 0.3 pp	-33.4	-33.0	- 0.4 pp
<b>Current income tax and social contribution</b>	<b>(272,346)</b>	<b>(191,139)</b>	<b>42.5%</b>	<b>(559,933)</b>	<b>(389,632)</b>	<b>43.7%</b>
% on income before taxes	-24.0	-21.3	- 2.7 pp	-24.6	-21.7	- 2.9 pp
<b>Deferred income tax and social contribution</b>	<b>(104,661)</b>	<b>(103,949)</b>	<b>0.7%</b>	<b>(200,744)</b>	<b>(203,095)</b>	<b>-1.2%</b>
% on income before taxes	-9.2	-11.6	2.4 pp	-8.8	-11.3	2.5 pp

## 9. NET INCOME

NTS reported Net Income of R\$757.0 million in Q2'21, compared to R\$600.8 million in Q2'20. The increase of 26.0% was due to the operating and financial results previously mentioned.

In the six-month period ended June 30, 2021, the Net Income presented a similar growth of 25.9%, reaching R\$ 1,514.6 million, with a net margin of 53.4%, equivalent to 1.0 percentage point growth in the period, when compared to the same period of the previous year. This increase is explained by the operational improvement and a 23.2% reduction in financial expenses, partially offset by the 43.7% increase in current income tax and social contribution.

<i>In thousands of reais</i>	Q2'21	Q2'20	Var.	06/30/2021	06/30/2020	Var.
<b>Net income for the period</b>	<b>757,021</b>	<b>600,811</b>	<b>26.0%</b>	<b>1,514,617</b>	<b>1,202,748</b>	<b>25.9%</b>
% on NOR	53.1	52.4	0.7 pp	53.4	52.4	1.0 pp

## 10. EBITDA

EBITDA totaled R\$1,276.5 million in Q2'21, higher than the R\$1,025.6 million in the same quarter of 2020. EBITDA Margin increased slightly, totaling 89.5% in Q2'21 versus 89.4% in Q2'20. As in the first quarter, increased profit and reduced financial expenses favored EBITDA results.

In the six-month period, as of June 30, 2021, the EBITDA increased by 23.6%, reaching R\$2,546.9 million and margin of 89.9%, with an expansion of 0.1 percentage point in relation to the comparative period of 2020.

<i>EBITDA Reconciliation</i>	Q2'21	Q2'20	Var.	06/30/2021	06/30/2020	Var.
<i>(In thousands of reais)</i>						
Net Income	757,021	600,811	26.0%	1,514,617	1,202,748	25.9%
Income Tax and Social Contribution	377,007	295,088	27.8%	760,677	592,727	28.3%
Net Financial Results	38,369	34,844	10.1%	64,453	83,988	-23.3%
Depreciation	104,099	94,818	9.8%	207,153	180,477	14.8%
<b>EBITDA</b>	<b>1,276,496</b>	<b>1,025,561</b>	<b>24.5%</b>	<b>2,546,900</b>	<b>2,059,940</b>	<b>23.6%</b>
EBITDA Margin %	89.5	89.4	0.1 pp	89.9	89.8	0.1 pp



## 11. BALANCE SHEET EVOLUTION

On June 30<sup>th</sup>, 2021, PP&E totaled R\$7.8 billion versus R\$8.0 billion on December 31<sup>st</sup>, 2020, a 2.3% reduction due to depreciation. The gross debt ended the quarter at R\$5.3 billion, in line with the balance on December 31<sup>st</sup>, 2020. Net debt totaled R\$4.3 billion on June 30<sup>th</sup>, 2021 in line with the amount calculated on December 31<sup>st</sup>, 2020.

In H1'21, NTS constituted a profit reserve on tax incentives, in the amount of R\$35.8 million, totaling R\$94.0 million as of June 30<sup>th</sup>, 2021, arising from an investment subsidy related to the appropriation of ICMS credit resulting from the option for the ICMS Agreement 106/96 that grants a 20% credit on the ICMS amount due to companies providing transport services. These credits are recorded in the income statement of the period and allocated monthly to the tax incentive reserve, being excluded from the dividend calculation base.

<i>Indebtedness</i> <i>(In thousands of reais)</i>	<i>06/30/2021</i>	<i>12/31/2020</i>	<i>Var.</i>
Gross Debt	5,292,186	5,275,680	0.3%
Cash	1,027,843	954,089	7.7%
<b>Net Debt</b>	<b>4,264,343</b>	<b>4,321,591</b>	<b>-1.3%</b>

## 12. DIVIDENDS AND INTEREST ON EQUITY

In Q2'21, the Company distributed and paid R\$717.5 million to shareholders, of which R\$697.1 million in interim dividends (R\$0.301 per share) and R\$20.4 million in interest on equity (R\$0.009 per share), after a favorable opinion issued by the Fiscal Council and approval by the Board of Directors.

Until June 30<sup>th</sup>, 2021, we distributed R\$1,156.2 million as interim dividends and R\$35.8 million as interest on equity. In H1'21, R\$1,544.1 million was paid to shareholders as dividends and interest on equity, including a dividend installment of R\$345.8 million proposed on the 2020 results and R\$6.4 million as interest on equity also referring to the 2020 fiscal year.

## 13. INDEPENDENT AUDITORS

The independent external auditors are hired exclusively to provide external audit services. No other services were requested from the auditors.

## 14. RATING

NTS has a "AAA(bra)" long-term national corporate rating and a "AAA(bra)" stable outlook on the Company's second issue of debentures, issued by Fitch Ratings.

In May 2021, the agency issued non-rating action commentary, reporting that the abovementioned ratings were not affected by the guarantee provided by the Company to the first NISA's debentures issuance, a shareholder of NTS.

The Fitch report is available at <https://ri.ntsbrasil.com>

## **15. SUBSEQUENT EVENTS AFTER JUNE 30<sup>TH</sup>, 2021**

On July 14<sup>th</sup>, 2021, the debt roll-over with Banco Santander was concluded, in the total amount of R\$60.0 million, extending its maturity to August 2023 and reducing the spread from 1.98% to 1.45%, remuneration interest corresponding to the CDI+spread variation, without intermediate amortizations and without debt renegotiation or automatic renewal clauses.

On July 28<sup>th</sup>, 2021, the effective operational transition was achieved through which NTS now directly performs the operation and maintenance activities of its gas transportation pipelines, previously performed by Petrobras Transporte S.A. - Transpetro based on the Gas Transportation Technical Support Services Contract. The operational transition has been a strategic process, carefully planned and conducted by NTS, including, among other initiatives: (a) management, structuring and support of all internal areas of NTS to execute the operational transition safely, in compliance with applicable legislation and the standards and good practices of the natural gas industry; (b) hiring more than 150 new employees; (c) execution of maintenance and safety works on the NTS gas pipeline network, including the creation of new facilities, including operational and support bases, and control and backup centers; (d) theoretical and practical training for the Company's workforce; and (e) development of electronic platforms to ensure efficiency in attending multiple loaders.

The operational transition was subject to the express approval of the Brazilian National Agency of Petroleum, Natural Gas and Biofuels - ANP, which certified the technical qualification of NTS to act as the direct operator of its gas pipelines. The operational transition will not represent any impact or change in the Gas Transportation contracts entered into between NTS and Petróleo Brasileiro S.A. - Petrobras currently in effect.

## **16. OTHER RELEVANT INFORMATION**

On April 30<sup>th</sup> the sale by Petrobras of its 10% share on Company's share capital to NISA was concluded, with funds raised by NISA through the issuance of simple debentures, non-convertible, on single series, for public distribution, with restricted efforts, whereby NTS granted corporate guarantee as a surety for the total debt amount represented by such debentures and other monetary obligations, as per the Indenture, as amended.

The debentures issued by NISA bear interest equivalent to the accumulated variation of the CDI rate plus spread of 1.99%, semi-annual interest payments in April and October maturing on April 27, 2028, with no intermediary amortization, debt renegotiation or automatic renewal clauses. On June 30<sup>th</sup>, 2021 NISA total debt is R\$ 1,552.5 million.

## **Interim Financial Information - ITR**

### **Nova Transportadora do Sudeste S.A. - NTS**

As of June 30, 2021

Including the Independent Auditors' Review Report

# **Nova Transportadora do Sudeste S.A. - NTS**

Interim Financial Information - ITR

June 30, 2021

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**A free translation from Portuguese into English of Independent auditor's review report on interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and in accordance with Accounting Pronouncement NBC TG 21 Interim Financial Reporting and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).**

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## **Independent auditor's review report on Interim Financial Information**

To

Management and Shareholders of

**Nova Transportadora do Sudeste S.A. - NTS**

Rio de Janeiro - RJ

### **Introduction**

We have reviewed the accompanying interim financial information, contained in the Quarterly Information Form (ITR) of Nova Transportadora do Sudeste S.A. ("Company") for the quarter ended June 30, 2021, comprising the statement of financial position as of June 30, 2021 and the related statements of profit or loss and of comprehensive income for the three and six months periods then ended, and of changes in equity and of cash flows for the six month period then ended, including the explanatory notes.

Management is responsible for preparation of the interim financial information in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of the review**

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively).

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

## **Other matters**

### **Statements of value added**

The abovementioned quarterly information include the statement of value added (SVA) for the six month period ended June 30, 2021, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall interim financial information.

Rio de Janeiro, August 11, 2021.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP015199/O-6

  
Diogo Afonso da Silva  
Accountant CRC-1RJ114783/O-8

## Nova Transportadora do Sudeste S.A - NTS

Statements of financial position  
June 30, 2021 and December 31, 2020  
(In thousands of reais)

<b>Assets</b>	<b>Note</b>	<b>06/30/2021</b>	<b>12/31/2020</b>
<b>Current</b>			
Cash and cash equivalents	5	<b>1,027,843</b>	954,089
Trade accounts receivable	6	<b>1,121,319</b>	961,240
Taxes recoverable	12.1	<b>195</b>	47,341
Other accounts receivable	13	<b>150,065</b>	120,262
Prepaid expenses		<b>5,511</b>	11,757
Advances		<b>3,412</b>	4,089
Other		<b>321</b>	155
		<b>2,308,666</b>	2,098,933
<b>Noncurrent</b>			
Restricted bank deposits	7	<b>15,470</b>	15,387
Judicial deposits	20.2	<b>17,070</b>	16,674
Inventory held by third parties		<b>-</b>	5,548
Taxes recoverable	12.1	<b>68,080</b>	66,730
Other		<b>345</b>	359
Property, plant & equipment	8	<b>7,822,097</b>	7,996,353
		<b>7,923,062</b>	8,101,051
<b>Total assets</b>		<b>10,231,728</b>	10,199,984

The notes are an integral part of the interim financial information.

## Nova Transportadora do Sudeste S.A - NTS

Statements of financial position  
June 30, 2021 and December 31, 2020  
(In thousands of reais)

<b>Liabilities</b>	Note:	<b>06/30/2021</b>	12/31/2020
<b>Current</b>			
Trade accounts payable	9	<b>320,273</b>	310,714
Taxes payable	12,1	<b>69,614</b>	67,731
Payroll and charges payable		<b>22,062</b>	24,422
Debentures and financing	10	<b>93,971</b>	78,438
Dividends and interest on equity	15,3	-	6,291
Income tax and social contribution payable	12,1	<b>402,763</b>	570,059
		<b>908,683</b>	1,057,655
<b>Noncurrent</b>			
Debentures and financing	10	<b>5,198,215</b>	5,197,242
Provisions for environmental compensation	14,1	<b>34,104</b>	32,636
Provision for environmental constraints	14,2	<b>42,452</b>	45,986
Provision for legal contingencies	20,1	<b>4,258</b>	4,258
Provision for intersection crossings		<b>19,640</b>	15,421
Deferred taxes	12,2	<b>1,903,091</b>	1,702,347
Other liabilities		<b>911</b>	869
		<b>7,202,671</b>	6,998,759
<b>Equity</b>			
Share capital	15,1	<b>508,712</b>	508,712
Capital reserve	15,2	<b>1,192,463</b>	1,192,463
Profit reserve	15,3	<b>132,331</b>	442,395
Retained earnings		<b>286,868</b>	-
		<b>2,120,374</b>	2,143,570
<b>Total liabilities and equity</b>		<b>10,231,728</b>	10,199,984

The notes are an integral part of the interim financial information.



## Nova Transportadora do Sudeste S.A - NTS

### Income statement

Six-month and three-month period ended June 30, 2021 and 2020  
(In thousands of reais, unless otherwise stated)

	Note	Three-month period ended		Six-month period ended	
		06/30/2021	06/30/2020	06/30/2021	06/30/2020
<b>Revenue</b>	<b>16</b>	<b>1,425,958</b>	1,146,524	<b>2,833,910</b>	2,295,009
<b>Cost of services</b>	<b>17</b>	<b>(235,845)</b>	(198,540)	<b>(465,128)</b>	(385,920)
General and administrative expenses	18	<b>(17,716)</b>	(17,241)	<b>(29,035)</b>	(29,626)
<b>Operating expenses</b>		<b>(17,716)</b>	(17,241)	<b>(29,035)</b>	(29,625)
<b>Operating profit</b>		<b>1,172,397</b>	930,743	<b>2,339,747</b>	1,879,463
Financial income	19	<b>10,650</b>	9,341	<b>16,091</b>	20,868
Financial expenses	19	<b>(49,019)</b>	(44,185)	<b>(80,544)</b>	(104,856)
<b>Net financial result</b>		<b>(38,369)</b>	(34,844)	<b>(64,453)</b>	(83,988)
<b>Profit before income and social contribution taxes</b>		<b>1,134,028</b>	895,899	<b>2,275,294</b>	1,795,475
Current income tax and social contribution	12.3	<b>(272,346)</b>	(191,139)	<b>(559,933)</b>	(389,632)
Deferred income tax and social contribution	12.2	<b>(104,661)</b>	(103,949)	<b>(200,744)</b>	(203,095)
<b>Net income for the period</b>		<b>757,021</b>	600,811	<b>1,514,617</b>	1,202,748
<b>Basic and diluted earnings per share (in R\$)</b>		<b>0.33</b>	0.26	<b>0.66</b>	0.52

The notes are an integral part of the interim financial information.

## Nova Transportadora do Sudeste S.A - NTS

Statements of comprehensive income

Six-month and three-month period ended June 30, 2021 and 2020

(In thousands of reais)

	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Net income for the period	757,021	600,811	1,514,617	1,202,748
Other comprehensive income				
<b>Comprehensive income for the period</b>	<b>757,021</b>	<b>600,811</b>	<b>1,514,617</b>	<b>1,202,748</b>

The notes are an integral part of the interim financial information.

## Nova Transportadora do Sudeste S.A - NTS

### Statements of changes in equity

Six-month period ended June 30, 2021 and 2020

(In thousands of reais)

	Capital reserve		Profit reserves				Total
	Share capital	Capital transaction	Legal	Tax Incentive Reserve	Proposed dividends	Retained earnings	
Balances on December 31, 2019	994,301	1,360,199	38,368	-	248,003	-	2,640,871
Net income for the period	-	-	-	-	-	1,202,748	1,202,748
Interest on equity	-	-	-	-	-	(51,377)	(51,377)
Approved dividends	-	-	-	-	(248,003)	(936,041)	(1,184,044)
Grants - Tax incentives	-	-	-	26,743	-	(26,743)	-
Balances on June 30, 2020	994,301	1,360,199	38,368	26,743	-	188,587	2,608,198

	Capital reserve		Profit reserves				Total
	Share capital	Capital transaction	Legal	Tax Incentive Reserve	Proposed dividends	Retained earnings	
Balances on December 31, 2020	508,712	1,192,463	38,368	58,212	345,815	-	2,143,570
Net income for the period	-	-	-	-	-	1,514,617	1,514,617
Interest on equity	-	-	-	-	-	(35,750)	(35,750)
Approved dividends	-	-	-	-	(345,815)	(1,156,248)	(1,502,063)
Grants - Tax incentives	-	-	-	35,751	-	(35,751)	-
Balance on June 30, 2021	508,712	1,192,463	38,368	93,963	-	286,868	2,120,374

The notes are an integral part of the interim financial information.

## Nova Transportadora do Sudeste S.A - NTS

### Statements of Cash Flow

Six-month period ended June 30, 2021 and 2020

(In thousands of reais)

	<u>06/30/2021</u>	<u>06/30/2020</u>
Operating activities		
Net income for the period	1,514,617	1,202,748
Adjustments to non-cash income and expenses		
Deferred income tax and social contribution	200,744	203,095
Interest expense on debentures/financing & raising debt costs amortization	74,168	101,258
Depreciation and amortization	225,464	218,160
Provisions for bonus, annual leave and 13° salary	10,996	8,078
Other	(480)	6,097
	<u>2,025,509</u>	<u>1,739,436</u>
Changes in assets and liabilities		
Trade accounts receivables	(160,079)	(120,279)
Taxes recoverable	45,796	(137)
Other accounts receivable	(29,803)	(14,157)
Other assets	12,319	(10,469)
Trade accounts payable and other accounts payable	9,559	(11,577)
Payments and charges payable	(13,356)	(10,148)
Taxes payable	561,816	476,912
Income tax and social contribution paid	(727,229)	(546,298)
Environmental provisions	(3,534)	(3,847)
Other liabilities	5,727	12,566
Net cash flow generated by operating activities	<u>1,716,725</u>	<u>1,512,002</u>
Investing activities		
Acquisition of PP&E	(51,207)	(74,870)
Cash flow used in investing activities	<u>(51,207)</u>	<u>(74,870)</u>
Financing activities		
Payment of interest on financing	(1,164)	-
Payment of interest on Debentures	(56,497)	(119,864)
Payment of dividends and interest on equity	(1,544,103)	(1,246,251)
Cash flow used in financing activities	<u>(1,601,764)</u>	<u>(1,366,115)</u>
Increase (decrease) in cash and cash equivalents	<u>73,754</u>	<u>71,017</u>
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	954,089	795,974
Cash and cash equivalents at the end of the period	<u>1,027,843</u>	<u>866,991</u>
	<u>73,754</u>	<u>71,017</u>

The notes are an integral part of the interim financial information.

## Nova Transportadora do Sudeste S.A - NTS

Statements of value added

Six-month period ended June 30, 2021 and 2020

(In thousands of reais)

	<u>06/30/2021</u>	<u>06/31/2020</u>
Value added to be distributed		
Revenues	<u>3,289,256</u>	<u>2,670,104</u>
Services and other revenues	<u>3,289,256</u>	<u>2,670,104</u>
Inputs acquired from third parties	<u>(214,529)</u>	<u>(189,567)</u>
Services rendered, electricity, third-party services and other	<u>(214,529)</u>	<u>(189,567)</u>
Gross added value	<u>3,074,727</u>	<u>2,480,537</u>
Depreciation and amortization	<u>(207,153)</u>	<u>(180,477)</u>
Net added value by the company	<u>2,867,574</u>	<u>2,300,060</u>
Value added received in transfer	<u>16,091</u>	<u>20,868</u>
Investment income - includes monetary and exchange variations	<u>16,091</u>	<u>20,868</u>
Total value added to be distributed	<u>2,883,665</u>	<u>2,320,928</u>
Distribution of value added		
Personnel	<u>43,913</u>	<u>22,362</u>
Direct compensation	<u>27,304</u>	<u>17,869</u>
Benefits	<u>14,770</u>	<u>3,367</u>
FGTS	<u>1,839</u>	<u>1,126</u>
Taxes, fees and contributions	<u>1,222,169</u>	<u>972,340</u>
Federal	<u>1,072,106</u>	<u>855,945</u>
State	<u>139,892</u>	<u>108,060</u>
Municipal	<u>10,171</u>	<u>8,335</u>
Remuneration on third-party capital	<u>102,966</u>	<u>123,478</u>
Interest, fines, monetary and exchange variations	<u>79,702</u>	<u>103,643</u>
Donations and sponsorships	<u>5,680</u>	<u>8,080</u>
Trade accounts payable – non-operational services	<u>21,745</u>	<u>14,590</u>
Other third-party capital remuneration	<u>(4,161)</u>	<u>(2,835)</u>
Remuneration on equity	<u>1,514,617</u>	<u>1,202,748</u>
Interest on loans and financing with related parties		
Interest on equity	<u>35,750</u>	<u>51,377</u>
Dividends paid	<u>1,156,248</u>	<u>936,041</u>
Retained profits for the period	<u>322,619</u>	<u>215,330</u>
Total distribution of value added	<u>2,883,665</u>	<u>2,320,928</u>

The notes are an integral part of the interim financial information.

## **Nova Transportadora do Sudeste S.A. - NTS**

Notes to the Interim Financial Information  
Six-month period ended June 30, 2021.  
(In thousands of reais, unless otherwise stated)

### **1. General Information**

Nova Transportadora do Sudeste S.A. (“NTS” or “Company”) was incorporated on January 15, 2002, and its business purpose is the construction, installation, operation and maintenance of gas pipelines in the southeast region of Brazil, including gas pipeline networks that interconnect the states of São Paulo, Minas Gerais and Rio de Janeiro.

The Company operates in a single segment (natural gas transportation), which is not subject to seasonality.

The transportation pipelines carry natural gas from processing, storage or other transportation pipeline facilities to the transportation pipelines, storage facilities or delivery points of natural gas distribution concessionaires.

The activities performed by the Company is classified as a Federal monopoly and the Company holds operating authorizations issued by the National Petroleum, Natural Gas and Bio-fuel Agency (“ANP”).

In September 2016, Petrobras announced to the market the sale of 90% of the shares it held in NTS to Nova Infraestrutura Fundo de Investimentos em Participações Multiestratégia (“FIP”), managed by Brookfield Brasil Asset Management Investimentos Ltda., a company affiliated to Brookfield Asset Management.

On April 4, 2017, the sale of 90% of NTS’s shares to FIP was concluded with the subsequent sale, by FIP, of 7.65% of NTS’s shares to ITAÚSA (Itaú Investimentos S.A.) on the same day.

On April 30, 2021, the purchase of all the shares held by Petrobras, corresponding to 10% of the Company's capital, by Nova Infraestrutura Gasodutos Participações S.A. (“NISA”), a company whose shareholders are FIP and ITAÚSA, the Company's current controlling shareholders, was concluded. Based on this transaction, the Company's shareholding structure as of June 30, 2021 is as follows: FIP holds 82.35% of the shares directly and 91.5% indirectly, NISA holds 10% of the shares and ITAÚSA holds 7.65% of the shares directly and 8.5% indirectly.

## **Nova Transportadora do Sudeste S.A. - NTS**

Notes to the Interim Financial Information  
Six-month period ended June 30, 2021.  
(In thousands of reais, unless otherwise stated)

### **1. General Information\_Continuation**

#### **1.2. Approval of the New Gas Law**

On April 8, 2021, the Brazilian President approved Law 14.134, the so-called “New Gas Law”. The Law introduces new provisions related to the activities performed by the NTS, among which: (i) establishment of an authorization regime for all natural gas transportation activities, without an expiration date; (ii) new regulations for operation and balancing in natural gas pipelines and transportation systems; and (iii) establishment of independence and autonomy regulations for natural gas transportation companies regarding agents performing competitive activities in the natural gas industry. It also includes provisions to ensure the rights of carriers in existing transportation service contracts, including those related to protecting the revenue currently received by carriers to comply with the new system of contracting capacity for entry and exit.

*The Company is evaluating changes to the new law, but does not expect significant impacts for the year ended December 31, 2021.*

#### **1.3. Impacts from COVID-19**

We spared no effort to adapt and remain focused on our objectives for this year, even in the uncertain scenario caused by the COVID-19 pandemic. Set up in March 2020, the Crisis Committee has continuously monitored the effects caused by the COVID-19 pandemic on operations. The transportation of natural gas is considered an essential service, and we maintained our operations without interruptions and material impacts. Our revenues were not impacted since all of our gas transportation contracts are conducted as ship-or-pay, i.e. there is a commitment to pay for the contracted transportation capacity, regardless of its used.

Since June 2020, some field operations were resumed following all necessary safety protocols. Corporate employees are working remotely, due to the worsening of the pandemic in the last few months. The Company, supported by the Crisis Committee, has guided its decisions in line with the recommendations of the sanitary and health authorities and always valuing the safety of its employees and collaborators.

### **2. Basis of presentation of the interim financial information**

The interim financial information has been prepared and is being presented in accordance with NBC TG 21 Interim Statements, which were approved by the Federal Accounting Council (CFC) and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB. The interim financial information was prepared based on historical cost.

This interim financial information is presented with the relevant changes that occurred in the period, without the repetition of certain previously disclosed notes, which, according to the management's

## **Nova Transportadora do Sudeste S.A. - NTS**

Notes to the Interim Financial Information  
Six-month period ended June 30, 2021.  
(In thousands of reais, unless otherwise stated)

### **2. Basis of presentation of the interim financial information\_Continuation**

opinion, provide a comprehensive view of the Company's equity and financial position and the performance of its operations. Therefore, the accounting information should be read jointly with the Company's annual financial statements for the year ended December 31, 2020.

Additionally, the Company considered the guidelines issued by OCPC 07 Technical Guidance when preparing this interim financial information. Therefore, relevant information specific to the interim financial information is being disclosed and correspond to that used by Management in carrying out its activities.

This interim financial information was approved by the Fiscal Council on August 06, 2021 and by the Board of Directors on August 11, 2021.

NTS's functional currency is the Brazilian real (R\$) as it is the currency of the economic environment in which the Company operates.

### **3. Summary of significant accounting policies**

The accounting policies and calculation methods used in the preparation of this quarterly information are the same as those used in the preparation of the Company's annual financial statements for the fiscal year ended December 31, 2020 disclosed on March 19, 2021.

### **4. Significant estimates and judgments**

The interim financial information herein presented was prepared under various measurement bases used in accounting estimates. The accounting estimates involved in the preparation of this interim financial information were based on objective and subjective factors, considering management's judgment for determining the adequate amounts to be recorded in the interim financial information. Significant items subject to these estimates and assumptions include selection of useful lives and recoverability of property, plant and equipment, measurement of financial assets and liabilities at fair value and present value adjustment, as well as analysis of other risks in determining other provisions, including provision for contingencies.

The settlement of transactions involving these estimates may result in amounts materially different from those recorded in the interim financial information due to the uncertainties inherent in the estimation process. The Company reviews its estimates periodically throughout the year.

For more information on relevant estimates, see note 5 to the financial statements of December 31, 2020.



## Nova Transportadora do Sudeste S.A. - NTS

Notes to the Interim Financial Information  
Six-month period ended June 30, 2021.  
(In thousands of reais, unless otherwise stated)

### 5. Cash and cash equivalents

	<u>06/30/2021</u>	<u>12/31/2020</u>
Cash and banks	362	732
Short-term investments	<u>1,027,481</u>	<u>953,357</u>
	<u>1,027,843</u>	<u>954,089</u>

Short-term investments are highly liquid and readily convertible into a known cash amount.

The current remuneration of Company's short-term investments is equivalent to approximately 100% of the CDI rate. The Company investments were allocated to Bank Deposit Certificates (CDBs) remunerated by reference to the Interbank Deposit Certificate (CDI).

### 6. Trade Accounts Receivable

	<u>06/30/2021</u>	<u>12/31/2020</u>
Petróleo Brasileiro S.A – Petrobras	<u>1,121,319</u>	961,240
	<u>1,121,319</u>	<u>961,240</u>

The Company's receivables arise from Gas Transportation Agreements (GTAs) entered into with Petrobras. There were no overdue amounts receivable on June 30, 2021 and December 31, 2020, and there are no expected losses associated with these receivables.

### 7. Restricted bank deposits

The balance of R\$15,470 on June 30, 2021 (R\$15,387 on December 31, 2020), refers to savings account held with Banco do Brasil to cover environmental compensations related to the construction of gas pipelines GASAN II, GASPAL II and ECOMP in Guararema, in the state of São Paulo, and will be used as required by environmental bodies. Such deposits should be linked to savings accounts and follow the provisions of Federal Law 9,985/2000, which constituted the National System of Units of Conservation – SNUC.

## Nova Transportadora do Sudeste S.A. - NTS

Notes to the Interim Financial Information  
Six-month period ended June 30, 2021.  
(In thousands of reais, unless otherwise stated)

### 8. Property, Plant and Equipment (PP&E)

Description	Balance as of December 31, 2020			Changes in 2021				Balance as of June 30, 2021		
	Cost	Accumulated depreciation	Balance	Additions	Write-offs	Transfers	Depreciation	Cost	Accumulated depreciation	Balance
Construction in progress	213,922	-	213,922	40,061	-	(10,448)	-	243,535	-	243,535
Improvement in third-party assets	5,153	(1,559)	3,594	-	-	-	(242)	5,153	(1,801)	3,352
Environmental constraints	148,839	(36,329)	112,510	-	-	-	(2,800)	148,839	(39,129)	109,710
Equipment and other assets	11,737,819	(4,071,492)	7,666,327	624	-	10,448	(222,421)	11,748,891	(4,293,913)	7,454,978
Fixed Assets in progress	-	-	-	10,522	-	-	-	10,522	-	10,522
	<b>12,105,733</b>	<b>(4,109,380)</b>	<b>7,996,353</b>	<b>51,207</b>	<b>-</b>	<b>-</b>	<b>(225,463)</b>	<b>12,156,940</b>	<b>(4,334,843)</b>	<b>7,822,097</b>

Description	Balance as of December 31, 2019			Changes in 2020				Balance as of December 31, 2020		
	Cost	Accumulated depreciation	Balance	Additions	Write-offs	Transfers	Depreciation	Cost	Accumulated depreciation	Balance
Construction in progress	111,035	-	111,035	124,936	-	(22,049)	-	213,922	-	213,922
Improvement in third-party assets	5,153	(1,073)	4,080	-	-	-	(486)	5,153	(1,559)	3,594
Environmental constraints	148,839	(30,729)	118,110	-	-	-	(5,600)	148,839	(36,329)	112,510
Equipment and other assets	11,667,332	(3,638,485)	8,028,847	48,463	(25)	22,049	(433,007)	11,737,819	(4,071,492)	7,666,327
	<b>11,932,359</b>	<b>(3,670,287)</b>	<b>8,262,072</b>	<b>173,399</b>	<b>(25)</b>	<b>-</b>	<b>(439,093)</b>	<b>12,105,733</b>	<b>(4,109,380)</b>	<b>7,996,353</b>

## **Nova Transportadora do Sudeste S.A. - NTS**

Notes to the Interim Financial Information  
Six-month period ended June 30, 2021.  
(In thousands of reais, unless otherwise stated)

### **8. Property, Plant and Equipment (PP&E)\_Continuation**

The balance of construction in progress comprises costs with construction, maintenance and repair of gas pipelines (provided these are related to the replacement of parts and equipment or to meeting regulatory requirements that increase the asset's useful life), compressor stations/services, points of delivery and Stress Corrosion Cracking (SCC) Integrity Management Plan for Gas Pipelines.

#### Capitalized borrowing costs

During the six-month period ended June 30, 2021 and the fiscal year ended December 31, 2020, there was no capitalization of interest on financing for construction projects in the Company's PP&E.

#### Useful life of assets

Depreciation is calculated on a straight-line basis over the estimated useful life of assets, as follows:

Buildings and improvements – from 16 to 30 years  
Improvement in third-party assets – 10 to 30 years  
Gas pipelines, equipment and other items – up to 30 years  
Environmental constraints – up to 30 years

The residual value, useful life of the assets and the depreciation methods used are reviewed at the end of each fiscal year and adjusted prospectively, when applicable.

NTS's gas pipelines network comprises the following extensions:

#### GASTAU

Gas Pipeline Caraguatatuba-Taubaté (GASTAU), which is 98 km long and 28 inches in diameter, interconnects the Monteiro Lobato Gas Processing Unit (UTGCA), in Caraguatatuba, on the north coast of São Paulo, to Taubaté, a city in the Middle Paraíba Region, to Campinas-Rio Gas Pipeline and the rest of the Southeast network.

#### GASDUC III

Cabiúnas-REDUC Gas Pipeline (GASDUC III), which is 180 km long and 38 inches in diameter, is the gas pipeline with the greatest diameter in South America and has the highest transportation capacity (40 million m<sup>3</sup>/day) among the Brazilian gas pipelines.

## **Nova Transportadora do Sudeste S.A. - NTS**

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### **8. Property, Plant and Equipment (PP&E)\_Continuation**

#### GASPAJ

Paulínia-Jacutinga Gas Pipeline (GASPAJ), which is 93 km long and 14 inches in diameter, has the purpose of meeting the natural gas demand of the South region of the state of Minas Gerais. The gas pipeline originates in the city of Paulínia/SP, where gas pipelines Paulínia-

Jacutinga, Campinas-Rio (GASCAR), REPLAN-Guararema of Gas Pipeline Bolívia Brasil (GASBOL) interconnect and where the Point of Delivery REPLAN is located.

#### SOUTHEAST NETWORK

The Southeast Network comprises five gas pipelines and two branches:

#### *GASAN*

RECAP-RPBC Gas Pipeline (GASAN), which is 41.6 km long and 12 inches in diameter interconnects the municipality of Capuava/SP to the municipality of Cubatão/SP.

#### *GASCAR*

Campinas-Rio Gas Pipeline (GASCAR), which is 453 km long and 28 inches in diameter, has the purpose of increasing the capacity of Bolivian gas flow to Rio de Janeiro. The gas pipeline starts in the Planalto Refinery (REPLAN), in the city of Paulínia/SP, and goes through the municipality of Japeri/RJ, where it interconnects the gas pipelines GASVOL and GASJAP, both in the state of Rio de Janeiro.

#### *GASPAL*

ESVOL-RECAP Gas Pipeline (GASPAL), which is 325.5 km long and 22 inches in diameter, starts in the municipality of Piraí/RJ and ends in the municipality of Mauá/SP.

#### *GASVOL*

REDUC-ESVOL Gas Pipeline (GASVOL), which is 95 km long and 18 inches in diameter, starts in the municipality of Duque de Caxias/RJ and ends in the municipality of Volta Redonda/RJ and also has a 5.5 km-long branch within the municipality of Volta Redonda/RJ.

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### **8. Property, Plant and Equipment (PP&E)\_Continuation**

#### *GASBEL I*

Rio de Janeiro-Belo Horizonte I Gas Pipeline (GASBEL I), which is 357 km long and 16 inches in diameter, starts in the municipality of Duque de Caxias/RJ and ends in Gabriel Passos Refinery, in the city of Betim/MG.

#### *Campos Elíseos Branch (16 inches)*

The Campos Elíseos Branch, which is 2.7 km long and 16 inches in diameter, is located in the municipality of Duque de Caxias/RJ.

#### SOUTHEAST NETWORK II

The Southeast Network II comprises the following gas pipelines:

#### *GASJAP*

JAPERI-REDUC Gas Pipeline (GASJAP), which is 45 km long and 28 inches in diameter, starts in the municipality of Japeri/RJ and ends in the municipality of Duque de Caxias/RJ, interconnecting the Caxias Hub to the Campinas-Rio Gas Pipeline (GASCAR). The Gas Pipeline has a Compressor Station in Campos Elíseos.

#### *GASAN II*

RECAP-RPBC Gas Pipeline (GASAN II), which is 39 km long and 22 inches in diameter, starts in the municipality of Mauá/SP and ends in the municipality of São Bernardo do Campo, and can extend, along with GASPAL II, the natural gas transportation capacity from the Guararema-RPBC system.

#### *GASPAL II*

Guararema-Mauá Gas Pipeline (GASPAL II), which is 54 km long and 22 inches in diameter, starts in the municipality of Guararema/SP and ends in the municipality of Mauá, and can extend, along with GASAN II, the natural gas transportation capacity from the Guararema-RPBC system.

#### *GASBEL II*

Rio de Janeiro-Belo Horizonte II Gas Pipeline (GASBEL II), which is 267 km long and 18 inches in diameter, starts in the municipality of Volta Redonda/RJ and ends in the municipality of Queluzito/MG,

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### 8. Property, Plant and Equipment (PP&E)\_Continuation

extended the natural gas offer to the state of Minas Gerais, especially in the metropolitan area of Belo Horizonte and Vale do Aço.

#### Impairment of assets

Management annually reviews events or changes in economic, operating, or technological circumstances of its assets to assess whether there are any preliminary indications of deterioration or impairment. No PP&E impairment indicators were identified for the six-month period ended June 30, 2021 and the fiscal year ended December 31, 2020.

### 9. Trade accounts payable

	<u>06/30/2021</u>	<u>12/31/2020</u>
Petróleo Brasileiro S.A - Petrobras	249,627	212,680
Petróleo Transportes S.A - Transpetro	29,433	47,157
Intech Engenharia Ltda.	6,610	685
Solar Turbines Internati	3,749	-
Custodio Soluções	2,782	-
SAP BRASIL LTDA	1,387	-
Icone Tecnologia e Automação LTDA	1,232	-
Rockwell Automation	1,143	-
Enerflex/Geogás	1,132	1,022
Worley Engenharia	712	1,231
TRANSP BRAS GAS BOLIVIA	460	-
Tokio Marine Seguradora	-	7,690
Chubb Seguros Brasil S.A	-	1,370
Schneider	-	1,648
Rosenbra Engenharia Brasil Ltda	-	5,179
Industec	-	3,225
Conaut Controles	-	1,522
Macaetec Instrumentos	-	1,001
Consultants and other contracted services	5,962	3,294
Other trade accounts	16,044	23,010
	<u>320,273</u>	<u>310,714</u>

## Nova Transportadora do Sudeste S.A. - NTS

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### 10. Debentures and financing

	Interest Rate	Maturity	06/30/2021	12/31/2020
<b>Current</b>				
Charges - 2 <sup>nd</sup> issue debentures	109% of CDI	2023	<b>34,862</b>	19,510
Charges – CCB	CDI + 1.98%	2021	<b>1,056</b>	875
Funding costs	-	-	<b>(1,947)</b>	(1,947)
Principal - CCB	CDI + 1.98%	2021	<b>60,000</b>	60,000
<b>Total current</b>			<b>93,971</b>	78,438
<b>Noncurrent</b>				
Principal - 2 <sup>nd</sup> issue debentures	109% of CDI	2023	<b>5,200,000</b>	5,200,000
Funding costs	-	-	<b>(1,785)</b>	(2,758)
<b>Total noncurrent</b>			<b>5,198,215</b>	5,197,242
<b>Total</b>			<b>5,292,186</b>	5,275,680

On July 27, 2020, the Board of Directors' Extraordinary Meeting approved the issuance, by the Company, of a bank credit note ("CCB"), in favor of Banco Santander (Brasil) S.A., in the total amount of sixty million reais (R\$60,000,000), with maturity in one (1) year, counted from the issue date, at a remuneration of 100% of the CDI Rate plus a spread of 1.98% p.a., paid semi-annually. The principal amount will be paid by the Company in a single installment on the maturity date;

On April 20, 2018, the Company's Extraordinary General Meeting approved the second issue of unprivileged unsecured non-convertible debentures in a single series, subject to a public distribution offering and restricted placement efforts, under the terms of CVM Instruction 476 and other legal and regulatory provisions, in the total amount of R\$5,200,000 at the nominal unit value of R\$10,000.00.

The Second Debentures Issue was subject to a firm guarantee Banco Itaú BBA S.A, BB – Banco de Investimento S.A and Banco Bradesco BBI S.A.

On April 25, 2018, debentures were issued in the amount approved at the Extraordinary Shareholders' Meeting held on April 20, 2018 and paid in on May 15, 2018. The debentures bear interest of 109.00% of the accumulated variation of the CDI Rate, with payment of interest every six months, in April and October, without interim amortizations, and mature on April 25, 2023, without debt rescheduling clauses or automatic renewal.

The debentures have covenants that require the Company to comply with the following financial ratios, calculated on a quarterly basis:

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### 10. Debentures and financing\_Continuation

- (a) Net Financial Debt x EBITDA ratio shall be equal or less than 3; or  
(b) EBITDA x Net Financial Expense ratio shall be equal or greater than 1.5.

At the reporting date of the interim financial information on June 31, 2021, the Company verified both indices and concluded that the covenants were complied with.

#### Payments and amortization schedule of funding costs

<u>Year</u>	<u>Principal</u>	<u>Funding Costs</u>
2021	60,000	973
2022	-	1,947
2023	5,200,000	812
	<u>5,260,000</u>	<u>3,732</u>

### 11. Transactions with related parties

- a) Operations between legal entities

	<u>Petrobrás</u>	<u>Transpetro</u>	<u>06/30/2021*</u>
<b>Result</b>			
Revenue from services	2,174,388	-	2,174,388
Cost with operation and maintenance of gas pipes	-	(135,634)	(135,634)
Other operating costs	(28,814)	-	(28,814)
	<u>2,145,574</u>	<u>(135,634)</u>	<u>2,009,940</u>

\*As described in note 1, on April 30, 2021, it was concluded the purchase of all the shares held by Petrobras, corresponding to 10% of the Company's capital, by Nova Infraestrutura Gasodutos Participações S.A. ("NISA"). Thus, any existing transactions between the Company and Petrobras and its subsidiaries are no longer considered related parties, and the transactions reported in this table correspond to the period between January 1 and April 30, 2021.

### 11. Transactions with related parties\_Continuation



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	<u>Petrobras</u>	<u>Transpetro</u>	<u>06/30/2020</u>
<b>Result</b>			
Gross revenue from services	2,670,104	-	2,670,104
Cost with operation and maintenance of gas pipes	-	(130,077)	(130,077)
Other operating costs/expenses	(35,428)	-	(35,428)
	<u>2,634,676</u>	<u>(130,077)</u>	<u>2,504,599</u>

	<u>Petrobrás</u>	<u>Transpetro</u>	<u>12/31/2020</u>
<b>Assets</b>			
Trade accounts receivable	961,240	-	961,240
Other accounts receivable	120,262	-	120,262
	<u>1,081,502</u>	<u>-</u>	<u>1,081,502</u>
<b>Liabilities</b>			
Trade accounts payable	(212,680)	(47,157)	(259,837)
	<u>(212,680)</u>	<u>(47,157)</u>	<u>(259,837)</u>

### b) Operations with key management personnel

The Company offers its managers the following benefits: health care, life insurance, private pension plans and meal allowance, presented in short-term benefits account. The benefits are partially paid for by their managers and are recorded as expenses when incurred.

The amounts related to the compensation and benefits of key management personnel, represented by its officers, are as follows:

	<u>06/30/2021</u>	<u>06/30/2020</u>
Management compensation	5,971	5,178
Short-term benefits	254	472
	<u>6,225</u>	<u>5,650</u>

## 11. Transactions with related parties\_Continuation

## Nova Transportadora do Sudeste S.A. - NTS

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### c) Guarantees with related parties

On April 30, Petrobras concluded the sale of its 10% stake in the Company's shares to NISA, with funds obtained by NISA through the issuance of simple, non-convertible debentures, in a single series, for public distribution with restricted distribution efforts, and NTS granted a fiduciary guarantee in the form of surety for the total amount of debt represented by said debentures and other pecuniary obligations, pursuant to the respective Indenture Deed, as amended.

The debentures issued by NISA bear interest corresponding to the accumulated variation of the CDI Rate, plus a spread of 1.99%, with payment of interest every six months, in April and October, without interim amortizations, and mature on April 27, 2028, without debt rescheduling clauses or automatic renewal.

On June 30, the total amount of NISA's debt was R\$1,552,462, of which R\$12,954 corresponds to interest and R\$1,539,508 to principal, both net of the funding costs linked to the transaction.

## 12. Taxes

### 12.1. Current taxes

	Current Assets		Noncurrent Assets		Current Liabilities	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Income tax	-	-	-	-	(290,011)	(402,568)
Social contribution	-	-	-	-	(112,752)	(167,491)
PIS/COFINS	195	47,335	8,764	8,727	(39,098)	(37,934)
Recoverable PIS/COFINS (a)	-	-	59,316	58,003	-	-
ICMS	-	-	-	-	(24,737)	(24,792)
Tax on service (ISS)	-	-	-	-	(2,373)	(1,104)
Withholding income tax (IRRF)	-	-	-	-	(1,102)	(1,508)
Other	-	6	-	-	(2,304)	(2,393)
	<b>195</b>	<b>47,341</b>	<b>68,080</b>	<b>66,730</b>	<b>(472,377)</b>	<b>(637,790)</b>

- a) In 2018, the Company filed a lawsuit challenging the constitutionality of including the Tax on Circulation of Merchandise\_ICMS in the PIS and COFINS calculation basis. In 2020, the lawsuit had a final favorable outcome for NTS, allowing the exclusion of ICMS from the PIS and COFINS calculation basis prospectively, as well as the retroactive recovery of the amounts collected in excess (limited to the last 5 years counted from the date the lawsuit was filed), restated based on

## 12. Taxes\_Continuation

### 12.1. Current taxes\_Continuation

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Selic interest rate. The Company recorded tax credits of R\$59,316, of which R\$48,618 corresponded to the principal amount and R\$10,698 related to SELIC interest.

### 12.2. Deferred taxes

#### Breakdown of deferred income tax and social contribution

	<b>Base date 06/30/2021</b>	<b>Deferred IR and CSLL Balance at 34%</b>	<b>Base date 12/31/2020</b>	<b>Deferred IR and CSLL Balance at 34%</b>
<b>Deferred income tax</b>				
Provision for PIS/COFINS loss	54,166	18,416	54,039	18,373
Provision for Illegal Derivations	19,100	6,494	17,600	5,984
Provision for insurances	1,053	358	1,053	358
Provision for contingencies and other	6,508	2,213	8,008	2,780
Provision - expenses with environmental compensation	34,104	11,595	32,635	11,096
Provision for bonus	11,620	3,950	16,941	5,760
	<b>126,551</b>	<b>43,026</b>	<b>130,276</b>	<b>44,351</b>
<b>Deferred tax liabilities</b>				
PP&E - Difference in corporate vs. tax depreciation	(5,730,388)	(1,946,117)	(5,143,858)	(1,746,698)
	(5,730,388)	(1,946,117)	(5,143,858)	(1,746,698)
<b>Deferred tax balance, net</b>	<b>(5,603,837)</b>	<b>(1,903,091)</b>	<b>(5,013,582)</b>	<b>(1,702,347)</b>

The amounts of deferred tax liabilities on PP&E refer to tax depreciation of the gas pipelines network and other Company facilities.

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Recoverability of deferred tax assets	-	-	43,026	43,026

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### 12.3. Reconciliation of income tax and social contribution

	<u>06/30/2021</u>	<u>06/30/2020</u>
Profit before income tax and social contribution	2,275,294	1,795,475
Income tax and social contribution - nominal rate (34%)	(773,600)	(610,462)
	<u>1,501,693</u>	<u>1,185,013</u>
Adjustments for calculating the effective rate:		
Permanent net exclusions	(33,332)	(38,477)
Temporary net exclusions	(590,255)	(596,628)
Additions	9,819	9,605
(+ ) Provision for bonus	6,775	5,180
(+ ) Provision for environment	1,468	1,449
(+ ) Other	1,576	2,976
Exclusions	(600,074)	(606,233)
(- ) Depreciation (tax x corporate)	(586,530)	(590,037)
(- ) Bonus	(12,095)	(12,038)
(- ) Provision for environment	(1,449)	(3,698)
(- ) Other	-	(460)
Basis for calculating adjusted income tax and social contribution	<u>1,651,706</u>	<u>1,160,371</u>
Income tax and social contribution	(561,303)	(385,629)
Sponsorships ( <i>Lei Rouanet</i> ) + Other	1,370	(4,003)
Current income tax and social contribution	(559,933)	(389,632)
Deferred income tax and social contribution	(200,744)	(203,095)
	<u>(760,677)</u>	<u>(592,727)</u>
Effective IR and CS rates	<b>33.43%</b>	<b>33.01%</b>

### 13. Other accounts receivable

The balance of R\$150,065 on June 30, 2021 referred to: i) expenses incurred by the Company within the scope of the Management and Remediation of Cracks by Corrosion Under Tension (SCC), in the amount of R\$135,097 (R\$111,140 on December 31, 2020); and ii) Rentals, in the amount of R\$14,968 (R\$9,122 on December 31, 2020). These amounts must be reimbursed by Petróleo Brasileiro S.A. – Petrobras over the next 12 months, as part of the remaining obligations agreed between buyer and seller for the sale of the Company. This balance is not being monetarily restated.

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### **14. Provision for environmental compensation and environmental constraints**

#### **14.1 Provision for environmental compensation**

Refers to provisions, in the amount of R\$34,104 (R\$32,636 on December 31, 2020), based on Federal Law 9,985/2000, which constituted the National System of Units of Conservation – SNUC, which aims to ensure the preservation of nature and sustainable development of natural resources and will be spent as established by the Environment Foundation - FATMA and the Public Ministry.

#### **14.2 Provision for environmental constraints**

The balance, in the amount of R\$42,452 (R\$45,986 on December 31, 2020), refers to environmental constraints required by environmental control, monitoring and inspection bodies, at the federal and state levels, due to the issuance of preliminary licenses for the installation and operation of ventures and construction of the Company's gas pipelines network, under the terms of Resolution 237/1997 of the National Environment Council – CONAMA.

The Company treats the events related to these constraints in accordance with the principles of ICPC 12 – Changes in Existing Decommissioning, Restoration and Similar Liabilities - and recognizes in the fixed asset the corresponding portion (initial measurement and future measurement). Expenses incurred to comply with the constraints are deducted from the accrued amount, and the corresponding fixed asset is being amortized under the straight-line method, due to the expiration of authorizations for the operation of gas pipelines linked to such constraints.

### **15. Equity**

#### **15.1 Share capital**

The Company's shareholders representing the entire share capital attended the Extraordinary Shareholders' Meeting held on August 31, 2020, and based on the favorable opinion of the Company's Fiscal Council on July 24, 2020, they unanimously approved, without reservations, the incorporation of part of the Company's capital reserve to its capital, in an amount equivalent to R\$167,736, resulting in an increase in the Company's share capital, from R\$994,301 to R\$1,162,037, by increasing the nominal value of the Company's shares and maintaining the number of shares and percentage of each shareholder's share in the capital unchanged. Immediately following, the shareholders approved the Company's capital reduction, in the amount of R\$653,325, pursuant to Article 173 of Law 6.404/76, as it was considered excessive in view of the activities performed by the Company. The reduction was carried out by means of capital restitution to shareholders, in national currency, proportionally to their respective holdings in the Company's share capital, and a reduction in the nominal value of the Company's share to twenty-two centavos (R\$0.22), without the cancellation of any shares representing the Company's share capital. After the deadline of 60 days without

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### **15. Equity\_Continuation**

#### **15.1 Share capital\_Continuation**

opposition from creditors, this reduction was executed, with the Company's share capital changing from R\$1,162,037 to R\$508,712, fully subscribed and paid in.

#### **15.2 Capital transactions**

Refers to the transactions with shareholders in their capacity as owners and the recognition of gains arising from unusual transactions regarding the termination of the finance lease between companies in the same economic group.

In October 2016, due to the corporate restructuring of companies Transportadora Associada de Gás (TAG), Nova Transportadora do Nordeste (NTN) and the Company's, as well as the termination of the Malhas Consortium, Petrobras Leasing with NTS was reversed on October 25, 2016, generating gains of R\$1,360,199, recorded as capital transaction in Equity.

In August 2020, part of the capital reserve, in the amount of R\$167,736, was incorporated into the Company's capital (as mentioned in item 15.1 above), reducing the amount recorded as a capital transaction in equity from R\$1,360,199 to R\$1,192,463.

#### **15.3 Profit reserves**

##### a) Legal Reserve

The legal reserve is set up considering the limit of 20% of share capital, through the allocation of 5% of net income for the year, pursuant to article 193 of Brazilian Corporate Law. This reserve can only be used to absorb losses or capital increases.

The Company may be exempt from setting up this reserve if it achieves the limit of 20% of share capital mentioned in the previous paragraph or the sum of its balance and the capital reserve exceeds 30% of the share capital.

##### b) Interim dividends

In the period ended June 30, 2021, NTS distributed a total of R\$1,156,248 as interim dividends, corresponding to the current year (R\$2,012,245 as of December 31, 2020) and a total of R\$42,213 as interest on equity (R\$105,251 on December 31, 2020). Both the payment of dividends and interest on equity were resolved on meetings of the Company's Fiscal Council and Board of Directors.

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### 15. Equity\_Continuation

#### 15.3 Income reserves\_Continuation

c) Dividends and interest on equity paid

On June 10, 2021, the Company's Management approved the total distribution of R\$ 717,526, of which R\$ 697,153 refers to interim dividends for the current year, and R\$20,373 refers to interest on equity, paid on June 11, 2021.

On March 10, 2021, the Company's Management approved the total distribution of R\$826,751, R\$345,815 of which from the available balance of the net income for 2020, R\$459,096 from interim dividends of the current year, and R\$21,840 from interest on equity, paid on March 11, 2021.

d) Tax incentive reserve

NTS created a profit reserve on tax incentives, in the amount of R\$35,751 in the six-month period ended June 30, 2021, totaling R\$93,963 (R\$58,212 on December 31, 2020), resulting from an investment subsidy related to the appropriation of ICMS credit arising from the option for the ICMS Agreement 106/96 that grants credit of 20% on ICMS amount due to companies providing transport services. These credits were recorded in the income statement of the period and allocated monthly to the tax incentive reserve, being excluded from the calculation of the dividend calculation base.

d) Earnings per share

The calculation of basic and diluted earnings per share for the six-month periods ended June 30, 2021 and 2020 was as follows:

	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Net income for the period (in thousands of Reais)	<b>757,021</b>	600,811	<b>1,514,617</b>	1,202,748
Total shares issued	<b>2,312,328,578</b>	2,312,328,578	<b>2,312,328,578</b>	2,312,328,578
<b>Basic and diluted earnings per share - in Reais</b>	<b>0.33</b>	0.26	<b>0.66</b>	0.52

## Nova Transportadora do Sudeste S.A. - NTS

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### 16.Net revenue

	Three-month period ended		Six-month period ended	
	<u>06/30/2021</u>	<u>06/30/2020</u>	<u>06/30/2021</u>	<u>06/30/2020</u>
Gross service revenue	<b>1,755,589</b>	1,396,706	<b>3,472,478</b>	2,796,751
Charges on services	<b>(236,567)</b>	(182,637)	<b>(455,345)</b>	(375,095)
Tariff adjustment	<b>(93,064)</b>	(67,545)	<b>(183,223)</b>	(126,647)
	<b><u>1,425,958</u></b>	<u>1,146,524</u>	<b><u>2,833,910</u></b>	<u>2,295,009</u>

### 17.Costs of services

	Three-month period ended		Six-month period ended	
	<u>06/30/2021</u>	<u>06/30/2020</u>	<u>06/30/2021</u>	<u>06/30/2020</u>
Depreciation and amortization	<b>(104,099)</b>	(94,818)	<b>(207,153)</b>	(180,477)
Contracted services, freight, rentals, and general charges	<b>(7,373)</b>	(5,560)	<b>(12,326)</b>	(10,997)
Operation and Maintenance	<b>(68,041)</b>	(64,243)	<b>(135,634)</b>	(130,019)
Right-of-way	<b>(18,948)</b>	(15,010)	<b>(37,695)</b>	(29,535)
Electricity	<b>(5,161)</b>	(4,620)	<b>(11,976)</b>	(8,986)
Insurance coverage	<b>(3,804)</b>	(3,438)	<b>(7,595)</b>	(6,951)
ICMS on gas used in the system	<b>(3,799)</b>	(828)	<b>(7,024)</b>	(2,555)
Environmental costs	<b>(1,421)</b>	(22)	<b>(1,836)</b>	(73)
Consulting services	<b>(2,419)</b>	(2,778)	<b>(4,491)</b>	(3,300)
Trainings and seminars	<b>(3,302)</b>	(9)	<b>(7,304)</b>	(48)
Personnel costs	<b>(12,328)</b>	(6,114)	<b>(23,505)</b>	(11,205)
Other costs	<b>(5,150)</b>	(1,100)	<b>(8,589)</b>	(1,774)
	<b><u>(235,845)</u></b>	<u>(198,540)</u>	<b><u>(465,128)</u></b>	<u>(385,920)</u>



## Nova Transportadora do Sudeste S.A. - NTS

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### 18. General and administrative expenses

	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Personnel expenses	(7,613)	(6,159)	(14,722)	(13,278)
Legal advisory	(531)	(566)	(776)	(849)
Audit	(186)	(181)	(186)	(178)
Accounting advisory services	(344)	(398)	(789)	(691)
Consulting services	(255)	(742)	(564)	(891)
Sponsorships	(1,230)	(2,000)	(1,230)	(4,000)
Donation	(4,450)	4,080	(4,450)	4,080
Costs with tax contingencies	-	-	(254)	-
License maintenance	(883)	(642)	(1,612)	(1,212)
Recruitment and hires	(414)	(1,245)	(913)	(1,726)
Rentals and charges	(207)	(339)	(550)	(900)
Contracted services	(140)	(541)	(404)	(1,025)
Office expenses and other	(1,463)	(348)	(2,585)	(795)
	<b>(17,716)</b>	<b>(17,241)</b>	<b>(29,035)</b>	<b>(29,625)</b>

### 19. Net financial result

	Three-month period ended		Six-month period ended	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Financial income	9,315	6,967	13,852	16,115
Monetary restatement	961	1,386	1,667	3,463
Other financial income	374	988	572	1,250
Total financial income	<b>10,650</b>	<b>9,341</b>	<b>16,091</b>	<b>20,868</b>
Interest on debentures (including debt service) & financings	(45,874)	(42,935)	(74,697)	(101,783)
Taxes on financial result	(519)	(37)	(843)	(90)
Fines and interest charges	(59)	(621)	(132)	(1,213)
Other financial expenses	(2,567)	(592)	(4,872)	(1,770)
Total financial expenses	<b>(49,019)</b>	<b>(44,185)</b>	<b>(80,544)</b>	<b>(104,856)</b>
Net financial income (loss)	<b>(38,369)</b>	<b>(34,844)</b>	<b>(64,453)</b>	<b>(83,988)</b>

## Nova Transportadora do Sudeste S.A. - NTS

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### 20. Legal proceedings and contingencies

#### 20.1 Accrued legal proceedings

The Company recorded provisions in amounts deemed sufficient to cover any losses considered probable for which a reliable estimate can be made.

The amounts accrued are as follows:

	<u>Labor</u>	<u>Tax</u>	
	<u>Legal</u>	<u>Legal</u>	<u>Total</u>
Balances on December 31, 2020	(3,215)	(1,043)	(4,258)
Write-offs	-	-	-
<b>Balance on June 30, 2021</b>	<b>(3,215)</b>	<b>(1,043)</b>	<b>(4,258)</b>

#### 20.2 Judicial Deposits

	<u>06/30/2021</u>	<u>12/31/2020</u>
Noncurrent assets		
Labor	8	8
Tax	17,043	16,647
Other	19	19
	<u>17,070</u>	<u>16,674</u>

#### 20.3 Non-accrued legal proceedings

Legal proceedings that constitute present obligations whose outflow of resources is not probable or whose amounts cannot be reliably estimated are not recognized, however, they are disclosed. Cases classified as remote are not the subject of any disclosures in this interim financial information.

Contingent liabilities estimated for legal proceedings on June 30, 2021 and December 31, 2020, in which the probability of loss is considered possible, are presented below:

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### 20. Legal proceedings and contingencies\_Continuation

	Civil	Labor	Tax		Environmental	Total
	Legal	Legal	Administrative	Legal	Administrative	
<b>Balances on December 31, 2020</b>	<b>(1,149)</b>	<b>-</b>	<b>(104,160)</b>	<b>(13,411)</b>	<b>(54,035)</b>	<b>(172,755)</b>
New lawsuits	-	(249)	(173,941)	-	-	(174,190)
Monetary restatement	(51)	-	(2,278)	(424)	(2,357)	(5,110)
Write-offs	-	-	1,060	-	-	1,060
Change in prognostic	-	-	71	-	-	71
<b>Balance on June 30, 2021</b>	<b>(1,200)</b>	<b>(249)</b>	<b>(279,248)</b>	<b>(13,835)</b>	<b>(56,392)</b>	<b>(350,924)</b>

The main administrative tax lawsuits refer to several administrative proceedings initiated by the Brazilian Federal Revenue (RFB) and are related to tax credits used by NTS and not approved by the tax authority, and related to the order that partially reversed the credits of tax-loss carryforwards referring to 2015. These main causes totaled R\$265,216 (R\$90,370 on December 31, 2020).

Environmental causes refer to environmental compensation processes under discussion between Environmental Agencies and NTS on the following topics: (i) the maximum percentage that can be applied for the calculation of the environmental compensation under the licensing related to GASCAR; (ii) the index applicable for the purpose of monetary correction of the environmental compensation due under the licensing related to GASCAR, GASTAU, GASPAJ and GASBEL II; and (iii) the base date for the application of the monetary correction in the case of environmental compensation under the licensing related to GASTAU.

### 21. Financial instruments

The Company is engaged in transactions involving financial instruments. These instruments are managed through operational strategies and internal controls to ensure liquidity, profitability and safety. Control policy consists of permanent monitoring of contracted conditions versus current market conditions.

On June 30, 2021, the Company did not have any derivative financial instruments to mitigate risks associated to its financial instruments and, during the periods, did not make speculative investments. The results are consistent with the policies and strategies defined by the Company's management.

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### 21. Financial instruments\_Continuation

#### a) Liquidity risk

The Company uses its funds to cover operating liabilities and to pay creditors. The sources of funds plus the Company's financial position as of June 30, 2021 are sufficient for the settlement of its short-term liabilities. Liquidity risk is managed by the Company by investing its cash in CDBs with daily liquidity and renegotiating (when necessary) the maturity date of its debts.

	2021	2022	2023	Total
<b>Financial debt</b>	179,980	235,457	5,334,475	5,749,912
<b>Trade accounts payable</b>	320,273	-	-	297,545

#### b) Currency risk

Currency risk arises from the possibility of fluctuations in foreign exchange rates used by the Company for acquiring equipment or services and entering into financial instruments. On June 30, 2021, the Company did not have any financial assets or liabilities denominated in foreign currency or exposed to other currencies.

The Company adopts the policy of eliminating market risks, thus avoiding exposure to market value fluctuations, and operate only with instruments that enable risk control. On June 30, 2021, the Company did not have any outstanding derivative financial instruments.

#### c) Credit risk

As part of the Share Purchase and Sale Agreement entered into with the Company shareholders, Petrobras and NTS signed a Restricted Accounts Management Agreement with Banco Bradesco S.A., aiming to diversify NTS's credit risk in relation to the Gas Transportation Agreements (GTAs) with Petrobras and so that the Company does not depend exclusively on its only customer to obtain its revenues.

Receivables pledged as collateral refer to deposits made in the restricted account, arising from the Natural Gas Purchase and Sale Agreement (GSAs) in which Petrobras acts as

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### 21. Financial instruments\_Continuation

seller. Deposits made in this account are intended to guarantee coverage of at least 120% of the Company's expected monthly invoices, due by Petrobras under the GTAs, in addition to any taxes and charges that may be deducted by Banco Bradesco every month.

#### d) Sensitivity analysis

On June 30, 2021, the Company's Management carried out a sensitivity analysis for financial instruments subject to interest rate risk, considering that the exposure is the value of the loans and financing, as described in Note 10, and financial investments exposed to the CDI variation. The possible and remote scenarios consider a 25% and 50% variation in the expected interest rates on loan balances, net of financial investments, respectively, in relation to this same date.

Instruments	Exposure	Risk	Probable (*)	Possible (25% Variation)	Remote (50% Variation)
<b><u>Financial liabilities</u></b>					
Debentures (**)	5,292,186	Increase in CDI	(236,279)	(294,258)	(351,909)
<b><u>Financial assets</u></b>					
Cash and cash equivalents	1,027,843	Decrease in CDI	42,655	31,992	21,238

(\*) 12-month scenario

(\*\*) Debenture amount and interest to be incurred/ projected financial charges do not include funding expenses.

The "Probable" scenario was calculated considering a CDI rate of 4.15%, applicable to the floating interest rate portion of the debentures, net of cash and cash equivalents as of June 30, 2021. The "Possible" and "Remote" scenarios consider increases of 25% and 50% of the CDI rate, respectively.

#### e) Estimate at fair value:

The table below sets forth the book values and fair values of the Company's financial instruments and other assets and liabilities, as well as its measurement level. On June 30, 2021 and December 31, 2020.

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### 21. Financial instruments\_Continuation

Financial assets (current and noncurrent)		Level	06/30/2021		12/31/2020	
			Book Value	Fair Value	Book Value	Fair Value
			<b>2,314,697</b>	<b>2,314,697</b>	2,050,978	2,050,978
Cash and cash equivalents	Fair value through profit or loss	2	<b>1,027,843</b>	<b>1,027,843</b>	954,089	954,089
Trade accounts receivable	Amortized cost		<b>1,121,319</b>	<b>1,121,319</b>	961,240	961,240
Other accounts receivable	Amortized cost		<b>150,065</b>	<b>150,065</b>	120,262	120,262
Restricted bank deposits	Amortized cost		<b>15,470</b>	<b>15,470</b>	15,387	15,387
<b>Financial liabilities (current and noncurrent)</b>			<b>5,612,459</b>	<b>5,612,459</b>	5,586,394	5,586,394
Trade accounts payable	Amortized cost		<b>320,273</b>	<b>320,273</b>	310,714	310,714
Debentures and financing	Amortized cost		<b>5,292,186</b>	<b>5,292,186</b>	5,275,680	5,275,680

The measurement level of each financial instrument corresponds to the following fair value hierarchy:

- Level 1 - unadjusted prices in active markets for instruments identical to those held by the Company.
- Level 2 - observable information on assets or liabilities, whether directly or indirectly, except for prices included in the previous level.
- Level 3 – for non-observable data for the instrument in question.

The Company understands that the fair value of trade accounts receivable is already reflected in their book value, since most of them mature in the short term.

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### 21. Financial instruments\_Continuation

For financing classified and measured at amortized cost, the Company understands that, since these are bilateral transactions and do not have an active market, or other similar source with conditions comparable to those already presented that may be used as a benchmark to determine their fair values, its book values reflect the fair value of the transaction.

#### f) Changes in the cash flow liabilities of financing activities

As required by CPC 03, the Company states below the changes in the cash flow liabilities of financing activities, as recorded in its Cash Flow Statements:

Debentures and Financing	Balance as of December 31, 2020	Cash Changes			Non-Cash Changes			Balance on June 30, 2021
		Financing activities received (paid)	Interest payment	Funding costs	Approved dividends and interest on equity	Interest expenses	Amortized funding costs	
Debentures – 2 <sup>nd</sup> Issue	5,214,804		(56,497)			71,850	973	<b>5,231,130</b>
CCB	60,876		(1,164)			1,344		<b>61,056</b>
Dividends and Interest on Equity	6,291	(1,544,103)			1,537,812			-
	<b>5,281,971</b>	<b>(1,544,103)</b>	<b>(57,661)</b>		<b>1,537,812</b>	<b>73,194</b>	<b>973</b>	<b>5,292,186</b>

## Nova Transportadora do Sudeste S.A. - NTS

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### 22. Commitments

#### a) Contractual obligations

The following table sets forth the annual minimum required, and non-cancelable future payments related to the contractual obligations assumed by the Company as of June 30, 2021:

Type of Contract	2021	2022	2023	2024	2025	Total
Office rental	1,559	2,580	1,596	1,621	1,174	8,530
Telecom and printers	67	139	84	-	-	290
Compression services	8,461	17,616	14,508	13,713	-	54,298
Operation and maintenance	147,254	306,584	318,234	329,372	340,900	1,442,344
Use and sharing of gas pipelines	36,177	75,320	78,182	80,919	83,751	354,349
<b>Total</b>	<b>193,518</b>	<b>402,239</b>	<b>412,604</b>	<b>425,625</b>	<b>425,825</b>	<b>1,859,811</b>

#### b) Guarantees

As of June 30, 2021, the Company had eight rental guarantee insurance policies to cover the guarantees required in its lease agreements, which totaled R\$4,430 in coverage limit, distributed as follows:

Location	Coverage Limit
Praia do Flamengo, 19º andar, Flamengo, Rio de Janeiro, RJ	902
Praia do Flamengo, 22º andar, Flamengo, Rio de Janeiro, RJ	1,696
Praia do Flamengo, 23º andar, Flamengo, Rio de Janeiro, RJ	1,591
Rod. Washington Luiz, 2500, Bl. B Salas 703 a 707, Duque de Caxias, RJ	60
Rua Adelelmo Piva, 36, Jardim Vista Alegre, Paulínia, SP	50
Est. Hélio Rosa dos Santos, 1000, salas 105 e 205, Imboassica, Macaé, RJ	39
Rua Messia Assú, nº 293, Itararé, São Vicente, SP	58
Rodovia BR 040, KM 800, salas nº 20, 21 e 22, Matias Barbosa, MG	34



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### 23. Insurance coverage

The Company has a policy of taking out insurance coverage for the assets subject to risks in amounts considered sufficient to cover possible losses, considering the nature of their activities.

The company has several insurance policies, including Operational Risks and Loss of Profit, General Civil Liability, Environmental Risks, D&O Civil Liability, Professional Civil Liability E&O, Property, among others.

The table below summarizes the insurance coverage types and their effective terms as contracted by the Company:

Type of Insurance	Start of Coverage Period	End of Coverage Period	Coverage Amount
Operational risks and business interruption	October 3, 2020	October 3, 2021	1,500,000
General civil liability	October 3, 2020	October 3, 2021	400,000
Environmental risks	October 3, 2020	October 3, 2021	300,000
D&O civil liability	October 3, 2020	October 3, 2021	300,000
Professional civil liability (E&O)	October 3, 2020	October 3, 2021	10,000
Data protection and cyber responsibility	October 3, 2020	October 3, 2021	15,000
Corporate fraud (crime)	October 3, 2020	October 3, 2021	5,000
Property (office)	November 27, 2020	November 27, 2021	11,000
<b>Total</b>			<b>2,541,000</b>

Insurance premiums paid related to the insurance policies are recorded under assets as prepaid expenses and are recorded proportionally to P&L as a result of the policies' effective terms

The table below summarizes the amounts recorded on June 30, 2021 as prepaid expenses:

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### 23. Insurance coverage-- Continuation

Description	06/30/2021	12/31/2020
Operating risks and business interruption	2,563	7,690
General civil liability	490	1,470
Environmental risks	323	968
D&O civil liability	216	647
Corporate insurance	188	563
<b>Total</b>	<b>3,780</b>	<b>11,338</b>
Other prepaid expenses	1,731	419
<b>Total</b>	<b>5,511</b>	<b>11,757</b>

### 24. Subsequent event

a) Debt renewal

At the Executive Committee Meeting held on July 6, 2021, the renewal of the current debt instrument with Banco Santander was approved, with a principal amount of R\$ 60,000 and effective as of July 14, 2021, under the following characteristics: bank loan with remuneration interest corresponding to the accumulated variation of the CDI Rate plus a spread of 1.45% without intermediate amortizations, due in August 14, 2023 and without debt rescheduling or automatic renewal clauses.

b) Internalization of Operational and Maintenance activities of the Company's assets

On July 28, 2021, the effective operational transition was achieved through which NTS now directly performs the operation and maintenance activities of its gas transportation pipelines, previously performed by Petrobras Transporte S.A. - Transpetro based on the Gas Transportation Technical Support Services Contract. The operational transition has been a strategic process, carefully planned and conducted by NTS, including, among other initiatives: (a) management, structuring and support of all internal areas of NTS to execute the operational migration safely, in compliance with applicable legislation and the standards and good practices of the natural gas industry; (b) hiring more than one hundred and fifty (150) new employees; (c) execution of maintenance and safety works on the NTS gas pipeline network, including the creation of new facilities, including operational and support bases, and control and backup centers; (d) theoretical and practical training for the Company's workforce; and (e) development of electronic platforms to ensure efficiency in attending multiple loaders.

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### **24. Subsequent event--Continuation**

The operational transition was subject to the express approval of the National Agency of Petroleum, Natural Gas and Biofuels - ANP, which certified the technical qualification of NTS to act as the direct operator of its gas pipelines. The operational transition will not represent any impact or change in the Gas Transportation contracts entered into between NTS and Petróleo Brasileiro S.A. - Petrobras currently in effect.