

NOVA TRANSPORTADORA DO SUDESTE S.A. - NTS

MANAGEMENT REPORT – Q1'23



## MESSAGE FROM MANAGEMENT

Results in the first quarter of 2023 emphasize the financial strength and NTS robust business model, bringing important achievements in the change to the multi-client model and expansion of the current gas transport network.

As part of its increasing focus and committed to develop the market with new contracts and infrastructure to enable additional gas transport capacity, NTS concluded in Jan'23 the entire construction and assembly stage of the GASIG (11km gas pipeline that will enable the flow of natural gas from pre-salt route 3). The new gas pipeline adds to the existing network the capacity to transport 18 MM m<sup>3</sup>/day, having obtained from National Agency of Petroleum, Natural Gas and Biofuels – ANP, the authorization to pre-operate it and carried out the gasification in March.

At the same time, the Company concluded, through the Capacity Offer Portal – without the need for a public hearing – its first firm and extraordinary contracts with other shippers besides Petrobras. Initially, 9 contracts were signed valid for the next 12 months. The Company also made available the daily contracting capacity, signing 5 new contracts in this category.

In March, reaffirming its commitment to the operational excellence, the Company achieved the triple certification ISO 9001, 14001 and 45001, certifying the standardization and assertiveness of its internal processes for conducting its administrative activities, environmental management and occupational health and safety.

Within the financial area, EBITDA for the first quarter totaled R\$ 1.640 million, up by 5.2% when compared to the R\$ 1.559 million recorded in the first quarter of 2022, mainly due the inflationary adjustments applicable to gas transportation contracts (GTAs).

NTS' net revenue grew 7% in relation to the same period of 2022, reaching R\$ 1.8 billion, while net income for the period totaled R\$ 742 million, representing a decrease of 17% when compared to Q1'22, in which it recorded R\$ 895 million, reflecting increases in financial expenses driven by the increase in total gross debt and interest rate (CDI) for the period.

In January 2023, Fitch Credit Rating reaffirmed the long-term national rating stated in 2022, maintaining the “AAA(bra)” with a stable outlook

We are grateful for the trust of our shareholders, the dedication and support of the Executive Officers, our managers and all our professionals for the work carried out in the quarter.

Erick Portela Pettendorfer  
Chief Executive Officer

Alex Monteiro  
Chief Financial 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 first quarter of 2023 ("Q1'23"), considering the period ended March 31, 2023, compared to the first quarter of 2022 ("Q1'22") includes the following highlights:

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
<b>Net Operating Income</b>	<b>1,778,716</b>	<b>1,662,967</b>	<b>7.0%</b>
Cost of services	(229,323)	(198,585)	15.5%
<b>Gross Profit</b>	<b>1,549,393</b>	<b>1,464,382</b>	<b>5.8%</b>
Operating income (expenses), net	(18,698)	(10,704)	74.7%
<b>Operating Income</b>	<b>1,530,695</b>	<b>1,453,678</b>	<b>5.3%</b>
Net Financial Result	(411,611)	(102,106)	303.1%
<b>Income before Taxes</b>	<b>1,119,084</b>	<b>1,351,572</b>	<b>-17.2%</b>
Total income tax and social contribution	(376,608)	(456,174)	-17.4%
<b>Net income for the period</b>	<b>742,476</b>	<b>895,398</b>	<b>-17.1%</b>

### 1. NET OPERATING REVENUE

NTS recorded a Net Operating Revenue of R\$ 1,779 million in the quarter, up by 7.0% from Q1'22. The variation between the periods is explained by macroeconomic facts, given the annual weighted indexation (IGPM index) of the 5 *Gas Transportation Agreements (GTAs)* was approximately 6%, responsible for generating 100% of revenue. The remaining part of the increase in revenue is explained by the reimbursement of operating expenses arising from gas contracts that allow the purchase and sale of molecules for exclusive use in system balancing, and therefore without significant impact on the Company's operating result.

In addition, variations in the average volume transported have no material impact on revenues, since the GTAs have a Ship-or-Pay clause, that is, a contractual condition that guarantees the TSO (transmission system operator) predictability and stability of its revenue, since the revenue is calculated based on contracted transport capacity, regardless of the volume transported.

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
<b>Net Operating Income</b>	<b>1,778,716</b>	<b>1,662,967</b>	<b>7.0%</b>
<i>Net Operating Income</i>	1,748,129	1,662,967	
<i>Gas Balance</i>	30,587	--	

## 2. COST OF SERVICES

Cost of Services totaled R\$ 229,3 million in Q1'23, corresponding to 12.9% on net revenue, compared to R\$ 198.6 million and 11.9% on net revenue in Q1'22. The variation of R\$ 30.7 million is mainly explained by the expense with gas balance contracts, as mentioned in the previous topic. In the first quarter of the year, when compared with Q1'22, there was an increase of R\$ 24.0 million referring to this service which is fully passed on to the system.

The other components of the cost did not represent relevant impacts, however it is possible to highlight an increase in depreciation and personnel costs, mainly due to:

- (i) Commissioning of new investments made by the Company.
- (ii) Hiring of specialized and technical labor to compose the company's staff throughout 2022, also reflecting the conclusion of the insourcing of operational activities.

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
<b>Cost of Services</b>	<b>(229,323)</b>	<b>(198,585)</b>	<b>-15.5%</b>
% on net revenue	-12.9	-11.9	-1.0 pp

## 3. GROSS PROFIT

Gross Profit totaled R\$ 1,549 million in Q1'23, representing an increase of 5.8% compared to Q1'22, aligned with the macroeconomic impacts observed in the Company's Operating Revenue, partially offset by an increase in the Cost of Services.

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
<b>Gross Profit</b>	<b>1,549,393</b>	<b>1,464,382</b>	<b>5.8%</b>
Gross Margin %	87.1	88.1	-1.0 pp

## 4. OPERATING EXPENSES/INCOME

Operating Expenses totaled R\$ 18,7 million in the first quarter of 2023, increasing 30.1% over Q1'22, representing 1.1% on net revenue and 0.2 percentage point higher than the comparative period.

Despite the increase in personnel expenses by about R\$ 2,1 million, and with legal and consultancy services totaling R\$ 1,0 million, office expenses decreased by R\$ 1.3 million. The total variation of R\$ 4.3 million in the comparative period is also explained by contingency provisions accrued in the period in the amount of R\$ 2.6 million.

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
<b>Operating Income/(Expenses)</b>	<b>(18,698)</b>	<b>(10,705)</b>	<b>74.7%</b>
% on net revenue	-1.1	-0.6	- 0.4 pp
<b>Operating Income</b>	<b>--</b>	<b>3.668</b>	<b>n.a.</b>
% on net revenue	--	0,2	n.a.
<b>General and Administrative Expenses</b>	<b>(18,698)</b>	<b>(14,373)</b>	<b>30.1%</b>
% on net revenue	-1.1	-0.9	- 0.2 pp

## 5. OPERATING INCOME

Operating Income totaled R\$ 1,530 million in the quarter, corresponding to an operating margin of 86.1%, slightly lower than the margin of 87.4% in the same quarter of previous year, reflecting a marginal increase in Cost of Services incurred.

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
<b>Operating Income</b>	<b>1,530,695</b>	<b>1,453,678</b>	<b>5.3%</b>
% on net revenue	86.1	87.4	-1.4 pp

## 6. NET FINANCIAL RESULT

Net Financial Result determined in the period was negative by R\$ 411.6 million, compared to the negative R\$ 102.1 million from Q1'22. The variation is explained by two main factors:

- (i) Gross debt rises by about R\$ 5 billion in Q2'22, because of funds raised to enable the reverse merger of Nova Infraestrutura Gasodutos Participações S.A. ("NISA") and fulfilling the debt instruments hired by NISA in 2021.
- (ii) Interest rates (CDI) increasing, given 100% of Company's loans are indexed to the CDI rate.

Financial Revenues totaled R\$ 74.1 million in the period, an increase of R\$ 13.9 million over Q1'22, mainly due to the interest rate (CDI) increase in the period.

Both debentures and commercial papers have their remuneration based on the CDI, while the final cost of loans in foreign currency via derivatives is indexed to the CDI.

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
<b>Net Financial Result</b>	<b>(411,611)</b>	<b>(102,106)</b>	<b>303.1%</b>
Finance Income	74,122	60,246	23.0%
Finance Expenses	(485,733)	(162,352)	199.2%

## 7. INCOME BEFORE TAXES

Income before taxes totaled R\$ 1,119 billion in the first quarter of 2023, a lower result than the one recorded in the comparative quarter due to the variation in the Financial Expenses.

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
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<b>Income Before Taxes</b>	<b>1,119,084</b>	<b>1,351,572</b>	<b>-17.2%</b>
% on net revenue	62.9	81.3	-18.4 pp

## 8. INCOME TAX E SOCIAL CONTRIBUTION

The amount of Current and Deferred IRPJ/CSLL taxes totaled R\$ 376,6 million in Q1'23, compared to the total of R\$ 456,2 million in Q1'22, the rate decreased by 0.1 pp, reaching 33.7% in the first quarter of 2023, remaining nearly unchanged between the years analyzed.

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
<b>Total income tax and social contribution</b>	<b>(376,608)</b>	<b>(456,174)</b>	<b>-17.4%</b>
% on income before taxes	-33.7	-33.8	0.1 pp
<b>Current income tax and social contribution</b>	<b>(417,702)</b>	<b>(473,188)</b>	<b>-11.7%</b>
% on income before taxes	-37.3	-35.0	-2.3 pp
<b>Deferred income tax and social contribution</b>	<b>41,094</b>	<b>17,014</b>	<b>141.5%</b>
% on income before taxes	3.7	1.3	2.4 pp

## 9. NET INCOME

Net Income was R\$ 742.5 million in Q1'23 compared to R\$ 895.4 recorded in Q1'22. The negative variation of 17.1% was due to the financial results previously mentioned.

<i>In thousands of reais</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
<b>Net Income</b>	<b>742,476</b>	<b>895,398</b>	<b>-17.1%</b>
% on net revenue	41.7	53.8	-12.1pp

## 10. EBITDA

In Q1'23, the Company achieved an EBITDA of R\$ 1,640 million, against the amount million, against the amount R\$ 1,559 million from the comparative period in 2022. The margin decreased by 1.5 percentage points, 92.2% instead of 93.7% in Q1'23.

<b>EBITDA Reconciliation</b> <i>(In thousands of reais)</i>	<b>Q1'23</b>	<b>Q1'22</b>	<b>Var.</b>
Net Income	742,476	895,398	-17.1%
Income Tax and Social Contribution	376,608	456,174	-17.4%
Financial Result	411,611	102,106	303.1%
Depreciation and Amortization	109,332	105,166	4.0%
<b>EBITDA</b>	<b>1,640,027</b>	<b>1,558,844</b>	<b>5.2%</b>
%EBITDA margin	92.2	93.7	-1.5 pp

## 11. EQUITY PERFORMANCE

On March 31, 2023, PP&E, net of depreciation, totaled R\$ 7.7 billion, compared to the R\$ 7.7 billion reported on December 31, 2022.

NTS closed the first quarter with a Gross Debt of R\$ 12.0 billion, lower than the figure reported at the end of 2022 by about R\$ 203 million. However, the Net Debt increased to R\$ 11.0 billion due to lower cash position at the end of the quarter, mainly as result of dividends distributed in the period.

At the Extraordinary Shareholder's Meeting held on January 12<sup>nd</sup>, the Company approved the reduction of the capital stock in the amount of R\$ 300.6 million, not yet reflect in this financial statement. The above capital stock reduction mentioned will only be effective after authorization by the National Agency of Petroleum, Natural Gas and Biofuels – ANP.

<b>Indebtedness</b> <i>(In thousands of reais)</i>	<b>31/03/2023</b>	<b>31/12/2022</b>	<b>Var.</b>
Gross Debt	12,014,712	12,217,500	-1.7%
Derivative financial instruments, net	297,763	167,100	78.2
Cash	1,305,037	2,294,317	-43.1%
<b>Net Debt</b>	<b>11,007,438</b>	<b>10,090,283</b>	<b>9.1%</b>

## 12. DIVIDENDS AND INTEREST ON EQUITY

In March, the Company distributed R\$ 830.1 million in dividends and R\$ 21.3 million in monetary adjustment over dividends declared.

## 13. INDEPENDENT AUDITORS

Independent external auditors are hired exclusively for external auditing whose Engagement was approved by the Company's Board of Directors.

## 14. RATING

NTS has a long-term national corporate rating and a rating for the Company's second debenture issuance of "AAA(bra)", with a stable outlook, issued by Fitch Ratings. In January 2023, the rating was reaffirmed by Fitch Ratings. The Fitch report is available at <https://ri.ntsbrasil.com>

## 15. SUBSEQUENT EVENTS – MARCH 31<sup>ST</sup> 2023



(Convenience Translation into English from the Original  
Previously Issued in Portuguese)

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

Interim financial information for the  
three-month period ended March 31, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of  
Nova Transportadora do Sudeste S.A.

### **Introduction**

We have reviewed the accompanying interim financial information of Nova Transportadora do Sudeste S.A. ("Company"), included in the Interim Financial Information Form (ITR), for the quarter ended March 31, 2023, which comprises the balance sheet as at March 31, 2023 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with the Brazilian and International Standards on Review of Interim Financial Information (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 the standards on auditing 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 on the interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by the CVM.

## Other matters

### *Statements of value added*

The interim financial information referred to above includes the statement of value added (DVA) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company's Management and presented as supplemental information for the international standard IAS 34 purposes. These statement was subject to review procedures performed together with the review of ITR to reach a conclusion on whether it was reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth by technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that it was not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the interim financial information taken as a whole.


### *Audit and review of the corresponding figures*


The balance sheet as at December 31, 2022, presented for comparison purposes, was audited by other independent auditors, who issued an unmodified audit report dated March 16, 2023. The Company's interim financial information for the three-month period ended March 31, 2022, presented for comparison purposes, were reviewed by other independent auditors, who issued an unmodified review report dated May 13, 2022.

### *Convenience translation*

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, May 12, 2023

  
DELOITTE TOUCHE TOHMATSU  
Audidores Independentes Ltda.

  
Marcelo de Figueiredo Seixas  
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

NOVA TRANSPORTADORA DO SUDESTE S.A - NTS

BALANCE SHEET

AS OF MARCH 31, 2023 AND DECEMBER 31, 2022

(In thousands of Brazilian reais R\$)

Assets	Note	03/31/2023	12/31/2022	Liabilities	Note	03/31/2023	12/31/2022
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash and cash equivalents	5	1,305,037	2,294,317	Suppliers	10	589,336	613,179
Trade receivables	6	1,346,038	1,322,706	Taxes payable	13.1	78,070	73,225
Recoverable taxes	13.1	848	6,259	Payroll and charges payable		30,263	23,888
Other accounts receivable	7	-	165,233	Debentures and financing	11	167,457	302,456
Prepaid expenses	23	16,346	18,503	Derivative financial instruments	21 (b)	304,861	376,490
Advances		1,650	1,625	Income tax and social contribution payable	13.1	328,765	1,140,754
Gas Inventory	1.3	30,200	30,200	Other liabilities		436	74
Others		514	713	Total current liabilities		1,499,188	2,530,066
Total current assets		2,700,633	3,839,556				
<b>NONCURRENT ASSETS</b>				<b>NONCURRENT LIABILITIES</b>			
Other accounts receivable	7	168,029	-	Debentures and financing	11	11,847,255	11,915,044
Derivative financial instruments	21 (b)	7,098	209,390	Provision for contractual transfer	14.1	82,488	80,372
Restricted bank deposits	8	13,311	16,570	Provisions for environmental compensation	14.2	39,634	38,617
Court deposits	20.2	16,442	17,034	Provision with environmental constraints	14.3	28,564	30,267
Recoverable taxes	13.1	4,480	5,069	Provision for legal contingencies	20.1	29,157	27,437
Consumables inventories		11,406	7,639	Provision for intersection crossing		21,678	19,858
Other		242	244	Deferred taxes	13.2	1,283,112	1,333,248
		221,008	255,946	Other liabilities		2,923	2,923
				Total noncurrent liabilities		13,334,811	13,447,766
Property, plant & equipment	9	7,665,565	7,740,725	<b>EQUITY</b>			
Total noncurrent assets		7,886,573	7,996,671	Share capital	15.1	508,712	508,712
				Capital reserve	15.2	708,824	708,824
				Profit reserve	15.3	286,231	1,098,145
				Profit for the period		724,279	-
				Other comprehensive income	15.5	(207,741)	(190,188)
				Equity valuation adjustment	15.4	(6,267,098)	(6,267,098)
				Total equity		(4,246,793)	(4,141,605)
<b>TOTAL ASSETS</b>		<u>10,587,206</u>	<u>11,836,227</u>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>10,587,206</u>	<u>11,836,227</u>

The accompanying notes are an integral part of these interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

NOVA TRANSPORTADORA DO SUDESTE S.A - NTS

STATEMENT OF INCOME  
FOR THE PERIODS ENDING MARCH 31, 2023 AND 2022  
(In thousands of Brazilian reais R\$)

		3-month period ending in	
	Note	03/31/2023	03/31/2022
NET REVENUE	16	1,778,716	1,662,967
Cost of services provided	17	(229,323)	(198,585)
GROSS PROFIT		1,549,393	1,464,382
OPERATING INCOME (EXPENSES)			
General and administrative expenses	18	(18,698)	(10,704)
OPERATING PROFIT		1,530,695	1,453,678
Financial revenues	19	74,122	60,246
Financial expenses	19	(485,733)	(162,352)
NET FINANCIAL RESULT		(411,611)	(102,106)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		1,119,084	1,351,572
Current income tax and social contribution	13.3	(417,702)	(473,188)
Deferred income tax and social contribution	13.2	41,094	17,014
PROFIT FOR THE PERIOD		742,476	895,398
BASIC AND DILUTED EARNINGS PER SHARE (IN R\$)	15	0.32	0.39

The accompanying notes are an integral part of these interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

NOVA TRANSPORTADORA DO SUDESTE S.A - NTS

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIODS ENDING MARCH 31, 2023 AND 2022  
(In thousands of Brazilian reais R\$)

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	3-month period ending in	
	<u>03/31/2023</u>	<u>03/31/2022</u>
NET INCOME FOR THE PERIOD	742,476	895,398
Other comprehensive results, net of taxes:	(17,553)	-
Results from cash flow hedge	(26,595)	-
Deferred Taxes on cash flow hedge	<u>9,042</u>	<u>-</u>
COMPREHENSIVE RESULT FOR THE PERIOD	<u><u>724,923</u></u>	<u><u>895,398</u></u>

The accompanying notes are an integral part of these interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

NOVA TRANSPORTADORA DO SUDESTE S.A - NTS

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIODS ENDING MARCH 31, 2023 AND 2022  
(In thousands of Brazilian reais R\$)

	Capital Reserve			Profit reserves			Total
	Share capital	Capital transaction	Legal	Tax Incentive Reserve	Proposed dividends	Retained earnings	
BALANCES AS OF DECEMBER 31, 2021	508,712	1,192,463	38,368	131,366	594,274	-	2,465,183
Net income for the period	-	-	-	-	-	895,398	895,398
Subsidies - Tax incentives	-	-	-	20,536	-	(20,536)	-
BALANCES AS OF MARCH 31, 2022	508,712	1,192,463	38,368	151,902	594,274	874,862	3,360,581

	Capital Reserve			Profit reserves			Equity Valuation Adjust	Other comprehensive results	Total
	Share capital	Capital transaction	Legal	Tax Incentive Reserve	Dividends	Accumulated profits (losses)	Transaction with partners	Cash flow hedge reserve	
BALANCES AS OF DECEMBER 31, 2022	508,712	708,824	53,981	214,054	830,110	-	(6,267,098)	(190,188)	(4,141,605)
Net income for the period	-	-	-	-	-	742,476	-	-	742,476
Subsidies - Tax incentives	-	-	-	18,197	-	(18,197)	-	-	-
Dividends paid	-	-	-	-	(830,110)	-	-	-	(830,110)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-
Results from Cash Flow Hedge	-	-	-	-	-	-	-	(26,595)	(26,595)
Deferred Taxes on cash flow hedge	-	-	-	-	-	-	-	9,042	9,042
BALANCES AS OF MARCH 31, 2023	508,712	708,824	53,981	232,251	-	724,279	(6,267,098)	(207,741)	(4,246,792)

The accompanying notes are an integral part of these interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

NOVA TRANSPORTADORA DO SUDESTE S.A - NTS

STATEMENT OF CASH FLOWS  
FOR THE PERIODS ENDING MARCH 31, 2023 AND 2022  
(In thousands of Brazilian reais R\$)

	<u>03/31/2023</u>	<u>03/31/2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	742,476	895,398
<b>ADJUSTMENTS OF EXPENSES AND REVENUES WITHOUT CASH EFFECT:</b>		
Deferred income tax and social contribution	(41,094)	(17,014)
Interest expense on debentures, financing and swaps (including charges, taxes and effects of exchange variation protection s/ debts in foreign currency)	441,904	141,310
Depreciation and amortization	118,474	114,289
Provision for bonuses, holidays and 13°	7,812	6,286
Other	23,366	(402)
	<u>1,292,938</u>	<u>1,139,867</u>
<b>CHANGES IN ASSETS AND LIABILITIES</b>		
Accounts receivable from customers	(23,332)	(95,623)
Taxes Recoverable – CP + LP	6,000	(1,989)
Other accounts receivable	(2,796)	(9,392)
Court deposits	592	-
Other assets	1,823	(8,139)
Suppliers and other accounts payable	(23,843)	(5,550)
Taxes payable	422,547	476,342
Earnings and charges payable	(1,437)	(1,696)
Income tax and social contribution paid	(1,229,691)	(996,958)
Provision for environmental constraints	(1,703)	(847)
Other liabilities	5,525	7,823
	<u>446,623</u>	<u>503,838</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property Plant & Equipment	(43,314)	(42,031)
	<u>(43,314)</u>	<u>(42,031)</u>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of financing	-	(60,000)
Payment of interest on financing	-	(3,239)
Payment of interest on Debentures and Commercial Notes	(444,864)	-
Payment of Bank Loans (interest)	(24,608)	-
Withholding Taxes on foreign Bank Loan interests Payment	(4,154)	-
Swap Payment	(67,191)	-
Funding Cost (payment)	(20)	-
Dividend payment	(851,752)	-
	<u>(1,392,589)</u>	<u>(63,239)</u>
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>		
Increase (Reduction) in cash and cash equivalents	(989,280)	398,568
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of the period	2,294,317	2,235,391
Cash and cash equivalents at the end of the period	<u>1,305,037</u>	<u>2,633,959</u>
	<u>(989,280)</u>	<u>398,568</u>

The accompanying notes are an integral part of these interim financial information.



(Convenience Translation into English from the Original Previously Issued in Portuguese)

NOVA TRANSPORTADORA DO SUDESTE S.A - NTS

STATEMENT OF VALUE ADDED  
FOR THE PERIODS ENDING MARCH 31, 2023 AND 2022  
(In thousands of Brazilian reais R\$)

	<u>03/31/2023</u>	<u>03/31/2022</u>
ADDED VALUE TO BE DISTRIBUTED		
REVENUES	<u>2,034,916</u>	<u>1,931,429</u>
Services and other revenue	2,034,916	1,931,429
Inputs acquired from third parties	<u>(102,570)</u>	<u>(72,888)</u>
Materials, energy, third-party services and others	(102,570)	(72,888)
GROSS VALUE ADDED	<u>1,932,346</u>	<u>1,858,541</u>
Depreciation and amortization	(109,332)	(105,166)
Net value added by the entity	<u>1,823,014</u>	<u>1,753,375</u>
ADDED VALUE RECEIVED IN TRANSFER	<u>74,123</u>	<u>63,914</u>
Revenue from investments – includes currency and exchange rate variations	74,122	60,246
Other revenue	1	3,668
TOTAL VALUE ADDED FOR DISTRIBUTION	<u><u>1,897,137</u></u>	<u><u>1,817,289</u></u>
DISTRIBUTION OF VALUE ADDED		
Staff	<u>24,356</u>	<u>20,705</u>
Direct remuneration	16,405	14,673
Benefits	6,754	5,109
FGTS	1,197	923
TAXES, FEES AND CONTRIBUTIONS	<u>638,455</u>	<u>730,547</u>
Federal	564,940	643,227
State	73,514	85,079
Municipal	1	2,241
REMUNERATION OF CAPITAL OF THIRD PARTIES	<u>491,850</u>	<u>170,639</u>
Interest, fines, monetary and exchange rate variations	483,946	159,502
Donations and sponsorships	-	(135)
Suppliers – Other	5,705	12,197
Other remuneration of third-party capital	2,199	(925)
REMUNERATION OF OWN CAPITAL	<u>742,476</u>	<u>895,398</u>
Interest on own capital	(1)	-
Retained period earnings	742,477	895,398
VALUE ADDED DISTRIBUTED	<u><u>1,897,137</u></u>	<u><u>1,817,289</u></u>

The accompanying notes are an integral part of these interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

NOVA TRANSPORTADORA DO SUDESTE S.A. - NTS

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDING MARCH 31, 2023  
(In thousands of Brazilian reais R\$, unless otherwise noted)

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1. THE COMPANY AND ITS OPERATIONS

Nova Transportadora do Sudeste S.A. - NTS ("NTS" or "Company") was incorporated on January 15, 2002, with the objective of building, installing, operating and maintaining gas pipelines in the southeast region of Brazil, including a network of gas pipelines that extend between the states of São Paulo, Minas Gerais and Rio de Janeiro.

Currently, the Company's main activity is the transportation of natural gas, not subject to seasonality.

The transportation pipelines correspond to pipelines, whether or not they are part of a natural gas transportation system, intended for the movement of natural gas or the connection of sources of supply, according to the criteria established in the New Gas Law mentioned below, and may include complements and components, under the terms of the ANP regulation.

The main activity carried out by the Company is the object of a monopoly of the Federal Government, and the Company holds operating authorizations issued by the National Agency of Petroleum, Natural Gas and Biofuels ("ANP").

In September 2016, Petrobras announced to the market the sale of 90% of the shares it holds in NTS to the Nova Infraestrutura Fundo de Investimentos em Participações Multiestratégia ("FIP"), managed by Brookfield Brasil Asset Management Investimentos Ltda., an entity affiliated with Brookfield Asset Management.

On April 4, 2017, the sale of NTS was concluded with the acquisition by FIP of 90% of NTS shares and the subsequent sale by FIP, on the same date, of 7.65% of its shares in NTS to Itaúsa S.A ("ITAUSA")

On April 30, 2021, the purchase of all the shares held by Petrobras, corresponding to 10% of the Company's share capital, by Nova Infraestrutura Gasodutos Participações S.A. ("NISA"), a company whose shareholders were the Company's controlling shareholders, FIP and ITAÚSA, was concluded. On December 16, 2021, the shareholders FIP and ITAUSA contributed of net assets to NISA via the transfer of 741,916,697 (seven hundred and forty-one million, nine hundred and sixteen thousand and six hundred and ninety-seven) shares, corresponding to 32.09% of the Company's total shares.

1.1. On April 12, 2022, the Company's merger of NISA ("Incorporation") was approved. The Merger was preceded by the preparation of an appraisal report on the value of NISA's accounting shareholders' equity, prepared by an independent expert based on the accounting balances as of March 31, 2022, and allowed the rationalization of the corporate structure, and, consequently, consolidation and reduction of expenses. In addition, the Merger was an obligation of NISA, assumed in the deeds of the 1st and 2nd issuance of simple debentures, not convertible into shares, of the chirograph type, in a single series, for public distribution, with restricted distribution efforts, guaranteed by the Company through bail. With the effective date of the Incorporation, the Company succeeded NISA, universally and without a solution of continuity, in all assets, rights, claims, powers, immunities, quotas, exceptions, duties, obligations, subjections, encumbrances and liabilities owned by NISA, whether patrimonial or non-patrimonial, and NISA was automatically extinguished, so that all the shares issued by the Company and owned by NISA were canceled and reissued, in equal numbers, to the shareholders FIP and Itaúsa, in proportion to their interests in the Company's capital stock. All of the Company's shares are now held directly by Itaúsa and FIP, in the proportion of 8.5% and 91.5% of the shares representing the Company's capital stock, respectively.

1.2. Approval of the New Gas Law

On April 8, 2021, Law 14,134, the so-called "New Gas Law", was sanctioned by the President of the Republic. The law brings innovations related to the activities performed by NTS, among which: (i) establishment of an authorization regime for all natural gas transportation activities, with no term of validity; (ii) new rules for operation and balancing in gas pipelines and natural gas transportation systems; and (iii) determination of rules of independence and autonomy of natural gas carriers in relation to agents that carry out competitive activities of the natural gas industry. It also provides for the rights of carriers in current transportation service contracts, including those related to the protection of revenue currently earned by carriers to adapt to the new regime of contracting capacity by entry and exit.

1.3. Acquisition of gas volume for transmission network inventory ("Linepack")

On March 17, 2022, the Company's Board of Directors approved the acquisition process of 40,000 m<sup>3</sup> (forty million) of gas volume for the formation of the reference stock of the Company's transportation network ("Linepack"), necessary to enable the operation of transportation with multiple chargers. This approval was supported by the decision given by the National Agency of Petroleum, Natural Gas and Biofuels – ANP, which, through Letter No. 17/2022/SIM/ANP-RJ of February 25, 2022, approved the acquisition of said volume as well as the inclusion of this investment in the Company's gas transportation tariffs, after technical and economic analysis of the data presented.

The acquisition of the 40,000 m<sup>3</sup> (forty million) of volume was carried out between April and June 2022 for the equivalent of R\$ 134,853, and of which, approximately 9,200 m<sup>3</sup> (nine million and two hundred thousand) or R\$ 30,200 were classified as gas inventory and the remainder as part of the Company's Property Plant & Equipment.

#### 1.4. Signing of the Flexibility of Use Reduction Agreement by Petrobras and addendum to the Transportation Service Contracts

According to the commitments assumed by Petrobras with the Administrative Council for Economic Defense (CADE), under the Term of Commitment of Cessation of Practice (TCC), signed on July 8, 2019, the Company and Petrobras signed on September 30, 2022, the Agreement for the Reduction of Flexibility and additives to the 5 existing Transportation Service Contracts, with the objective of, among other aspects, formalizing the limitation of Petrobras' flexibility in such contracts, in order to thus, under the terms assumed under the TCC, enable the offer by NTS of firm capacity to the market, in the regime of entry and exit, under the supervision of the ANP. This instrument allows other agents access to NTS's transportation system in an isonomic manner with Petrobras, thus reinforcing the Company's readiness to operate in a multi-client environment and making part of the firm capacity of its network available to new shippers. In this mechanism, there is no impact on the Company's operating profit, since all revenue generated is transferred to Petrobras, which holds the capacity originally contracted.

Due to the signing of the Agreement, the Transportation Service Contracts were added to incorporate their effects in addition to other updates, the main ones of which are detailed below: a) formalize a mechanism for the tariff calculation corresponding to the transfer of the amounts invested by the Company in the acquisition of the gas stock, necessary for the operation of its transportation infrastructures in the entry and exit regime; b) Allow the Company to have the option to acquire the Gas for System Use (GUS) from Petrobras or third parties, the associated costs being recharged to the shippers by the Company through a specific charge; c) add new balancing rules and correction of imbalances, so that the transportation contracts between the Company and Petrobras can coexist with the new transportation contracts in the entry and exit regime resulting from the Flexibility Reduction Agreement, d) Inclusion of a device disciplining a mechanism for the deduction of amounts to be paid by Petrobras to the Company, due to the revenue earned and derived from new transport service contracts in the entry and exit regime that may be concluded with other shippers as a result of the Agreement.

## 2. BASIS FOR PRESENTATION OF INTERIM FINANCIAL STATEMENTS

The interim financial statements has been prepared and is being presented in accordance with the NBC TG 21 Interim Statement, which have been approved by the Federal Accounting Council (CFC) and in accordance with the international standard IAS 34 – *Interim Financial Reporting*, issued by *International Accounting Standards Board - IASB*. interim financial statements was prepared based on historical cost, except for derivative financial instruments measured at fair value.

This interim financial statements are presented with the material changes that occurred in the period, without the repetition of certain previously disclosed explanatory notes, which in the understanding of the Administration provide a comprehensive view of the Company's equity and financial position and the performance of its operations. Therefore, such accounting information should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2022.

In addition, the Company considered the guidance issued by OCPC 07 Technical Guidance in the preparation of its quarterly information. In this way, the relevant information proper to the interim financial statements are being evidenced, and corresponds to those used by the Administration in its management.

This interim financial statements were approved by the Fiscal Council and the Boarder of Directors on May 10, 2023.

The functional currency of the NTS is the Real, as it is the currency of its economic environment of operation.

### 3. SUMMARY OF THE MAIN ACCOUNTING POLICIES

The accounting policies and calculation methods used in the preparation of this interim financial statements are the same as those adopted in the preparation of the Company's annual financial statements for the year ended December 31, 2022 issued on March 16, 2023

### 4. RELEVANT ESTIMATES AND JUDGMENT

The interim financial statements presented was prepared with the support of several valuation bases used in the accounting estimates. The accounting estimates involved in the preparation of the interim financial statements were supported by objective and subjective factors, based on the judgment of Management to determine the appropriate amount to be recorded in the quarterly information. Significant items subject to these estimates and assumptions include the selection of useful lives of Property Plant & Equipment and their recoverability in operations, valuation of assets, financial liabilities, financial instruments derivatives at fair value and the present value adjustment method, as well as the analysis of other risks to determine other provisions, including for contingencies.

With regard to uncertain tax treatments provided for in IFRIC 23 / ICPC 22 regarding income tax and social contribution, the Administration assesses the likelihood of acceptance and decisions of higher courts of last resort. The Administration evaluated the main tax treatments adopted in the open periods subject to questioning by the tax authorities and concluded that there is no significant impact to be recorded in the quarterly information.

The settlement of transactions involving these estimates may result in amounts significantly divergent from those recorded in the interim financial statements due to the probabilistic treatment inherent in the estimation process. The Company revises its estimates periodically throughout the year.

For more information on relevant estimates, see Note 5 to the financial statements as of December 31, 2022.

### 5. CASH AND CASH EQUIVALENTS

	<u>03/31/2023</u>	<u>12/31/2022</u>
Cash and banks	47	225
Short-term financial investments (a)	<u>1,304,990</u>	<u>2,294,092</u>
	<u>1,305,037</u>	<u>2,294,317</u>

Financial investments are made in fixed income investment funds, with daily liquidity, have remuneration associated with the CDI and are readily convertible into a known amount of cash. Cash management has been able to obtain remuneration higher than the CDI.

- a) Among the investments made, the Company has a position in an exclusive investment fund, whose composition is summarized below.

	<u>2023</u>	<u>2022</u>
Shares of other fixed income investment funds	151,605	440,691
CBD	58,585	118,473
Financial Letter	185,675	102,235
Other	4,735	78
Total	<u>400,600</u>	<u>661,478</u>

According to the Fund's bylaws/mandate, the funds are redeemable with daily liquidity considering the quota of the redemption date.

## 6. TRADE RECEIVABLES

	<u>03/31/2023</u>	<u>03/31/2022</u>
Petróleo Brasileiro S.A – Petrobras	1,335,777	1,317,955
GALP Energia Brasil S.A.	10,245	4,744
Shell	16	5
Gerdau	-	2
	<u>1,346,038</u>	<u>1,322,706</u>

The Company's receivables derive from Gas Transportation Agreements (GTAs) signed with Petrobras and interruptible Gas Transportation Contracts signed with GALP and Shell, effective until December 31, 2023. For the close of the quarter ended March 31, 2023, the Company recognized a provision for loss of R\$ 19,930 corresponding to the portion of revenues of December 2022 and which is still under discussion with Petrobras.

## 7. OTHER ACCOUNTS RECEIVABLE

The balance of R\$ 168,029 as of March 31, 2023 (R\$ 165,233 as of December 31, 2022) refers to: i) expenses incurred by the Company in the scope of the activities Management and Remediation of Cracks by Stress Corrosion (SCC) in the amount of R\$ 157,915 (R\$ 153,973 as of December 31, 2022); and ii) Rental Class in the amount of R\$ 10,114 (R\$ 11,260 as of December 31, 2022). Such amounts must be reimbursed by Petróleo Brasileiro S.A. – Petrobras as part of the remaining obligations agreed between buyer and seller for the sale of the Company. The said balance is not being updated monetarily.

As described in Note 20.3 C, the Company filed a response to the arbitration request received and filed a counterclaim for the inclusion of SCC costs in the scope of the arbitration and for this reason, chose to reclassify the balance to Noncurrent.

## 8. RESTRICTED BANK DEPOSITS

The balance of R\$ 13,311 as of March 31, 2023 (R\$ 16,570 as of December 31, 2022), refers to the savings accounts maintained with Banco do Brasil to meet environmental compensation related to the construction of the GASAN II, GASPAL II and ECOMP pipelines of Guararema in the State of São Paulo, and which will be used as requested by environmental agencies. Such deposits must remain linked in savings accounts and follow the provisions of Federal Law No. 9,985/2000, which constituted the National System of Conservation Units - SNUC.

In accordance with the provisions of Letter CCA/SE No. 097/2022, issued by the Secretariat of Infrastructure and Environment of the State of São Paulo, the Company transferred on January 6, 2023 R\$ 3,471 to the Special Expenditure Fund for the Preservation of Biodiversity and Natural Resources – FPBRN, for the payment of certain Environmental Compensation obligations due to CETESB, provided for in the 1st Addendum and Withdrawal to the Environmental Compensation Commitment Term, signed on November 25, 2022.

## 9. PROPERTY PLANT & EQUIPMENT

Description	Balance as of December 31, 2022			Movement in the period				Balance As of March 31, 2023		
	Cost	Depreciation Accumulated	Balance	Additions	Low	Transfer.*	Deprec.	Cost	Depreciation Accumulated	Balance
Construction in progress	542,369	503	542,872	37,530				580,402	-	580,402
Improvement in third-party assets	10,238	(2,684)	7,554				(169)	10,238	(2,853)	7,385
Environmental constraints	145,409	(47,145)	98,264				(1,373)	145,409	(48,518)	96,891
Equipment and other goods	12,020,747	(4,972,403)	7,048,344				(116,933)	12,020,747	(5,089,336)	6,931,411
Spare materials and equipment	43,691		43,691	5,785				49,476	-	49,476
	<u>12,762,454</u>	<u>(5,021,729)</u>	<u>7,740,725</u>	<u>43,315</u>		<u>-</u>	<u>(118,475)</u>	<u>12,806,272</u>	<u>(5,140,707)</u>	<u>7,665,565</u>

Description	Balance as of December 31, 2021			Movement in 2022				Balance as of December 31, 2022		
	Cost	Accumulated depreciation	Balance	Additions	Low	Transfer.	Deprec.	Cost	Accumulated depreciation	Balance
Construction in progress	362,518	-	362,518	410,435		(230,584)	503	542,369	503	542,872
Improvement in third-party assets	5,153	(2,043)	3,110	-		5,085	(641)	10,238	(2,684)	7,554
Environmental constraints	145,409	(41,653)	103,756	-		-	(5,492)	145,409	(47,145)	98,264
Equipment and other goods	11,794,644	(4,516,594)	7,278,050	604		225,499	(455,809)	12,020,747	(4,972,403)	7,048,344
Spare materials and equipment	24,051	-	24,051	19,640		-	-	43,691	-	43,691
	<u>12,331,775</u>	<u>(4,560,290)</u>	<u>7,771,485</u>	<u>430,679</u>		<u>-</u>	<u>(461,439)</u>	<u>12,762,454</u>	<u>(5,021,729)</u>	<u>7,740,725</u>

The balance of works in progress is formed by costs with construction, maintenance and repair of the pipelines (provided that they are related to the replacement of parts and equipment or in compliance with regulatory requirements that increase the useful life of the asset), compression stations/services, delivery points and with the Management Plan of Correction of Stress by Corrosion or Crack of Pipelines (SCC).

The Company began in 2022 the construction and assembly of the Itaboraí-Guapimirim natural gas transportation pipeline (GASIG), which will be approximately 11 KM long, 24 inches in diameter and have a capacity of 18.2 MM m<sup>3</sup>/day, and whose construction authorization was granted by the ANP in favor of the Company, through SIM-ANP Authorization No. 150.

#### Capitalized borrowing costs

During the three months ended March 31, 2023 and the year ended December 31, 2022, there was no capitalization of interest on financing for construction projects in the Company's Property Plant & Equipment.

#### Useful life assigned to assets

Depreciation is calculated based on the straight-line method over the estimated useful lives of the assets, as follows:

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

The residual value, useful life of the assets and depreciation methods are reviewed at the close of each fiscal year, and adjusted prospectively, where appropriate.

The NTS pipeline network consists of the following sections:

#### GASTAU

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

#### GASDUC III

The Cabiúnas-REDUC (GASDUC III) Gas Pipeline, 180 km long and 38 inches in diameter, is the largest diameter in South America and has the largest transport capacity (40 million m<sup>3</sup>/day) between Brazilian gas pipelines.

#### GASPAJ

The Paulínia-Jacutinga Gas Pipeline (GASPAJ), 93 km long and 14 inches in diameter, aims to meet the demand for natural gas in the southern region of the state of Minas Gerais. The pipeline originates in the city of Paulínia/SP, where the Paulínia-Jacutinga, Campinas-Rio (GASCAR), REPLAN-Guararema gas pipelines from the Bolivia Brazil Gas Pipeline (GASBOL) are interconnected, as well as the REPLAN Delivery Point.



## MALHAS SUDESTE

The Southeast Grid is composed of five gas pipelines and two branches:

### *GASAN*

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

### *GASCAR*

The Campinas-Rio Gas Pipeline (GASCAR), 453 km long and 28 inches in diameter, aims to increase the capacity of Bolivian gas flow to Rio de Janeiro. The pipeline begins at the Planalto Refinery (REPLAN), in the city of Paulínia/SP, extending to the municipality of Japeri/RJ, where it interconnects to the GASVOL and GASJAP gas pipelines, both in the state of Rio de Janeiro.

### *GASPAL*

The ESVOL-RECAP (GASPAL) Gas Pipeline, 325.5 km long and 22 inches in diameter, begins in the municipality of Pirai/RJ and ends in the municipality of Mauá/SP.

### *GASVOL*

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

### *GASBEL I*

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

### *Champs-Élysées Branch 16"*

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

## MALHAS SUDESTE II

The Southeast II Grid is composed of the following gas pipelines:

### *GASJAP*

The JAPERI-REDUC (GASJAP) Gas Pipeline, 45 km long and 28 inches in diameter, begins in the municipality of Japeri/RJ and ends in the municipality of Duque de Caxias/RJ, connecting the Caxias Hub to the Campinas-RIO Gas Pipeline (GASCAR). The pipeline has a Compression Station in Champs-Élysées.

*GASAN II*

The RECAP-RPBC (GASAN II) Gas Pipeline, 39 km long and 22 inches in diameter, begins in the municipality of Mauá/SP and ends in the municipality of São Bernardo do Campo, allowing the expansion, together with GASPAL II, of the natural gas transportation capacity of the Guararema-RPBC system.

*GASPAL II*

The Guararema-Mauá Gas Pipeline (GASPAL II), with 54 km long and 22 inches in diameter, begins in the municipality of Guararema/SP and ends in the municipality of Mauá, allowing the expansion, together with GASAN II, of the natural gas transportation capacity of the Guararema-RPBC system.

*GASBEL II*

The Rio de Janeiro-Belo Horizonte II (GASBEL II) Gas Pipeline, with 267 km long and 18 inches in diameter, begins in the municipality of Volta Redonda/RJ and ends in the municipality of Queluzito/MG, expanded the supply of natural gas to the state of Minas Gerais, mainly in the metropolitan region of Belo Horizonte and Vale do Aço.

Reduction to recoverable value of assets

The Administration annually reviews events or changes in the economic, operational or technological circumstances of its assets to assess whether there are prior indications of deterioration or loss of recoverable value. No indications of *impairment* of Property Plant & Equipment were identified during the three-month period ended March 31, 2023 and the year ended December 31, 2022.

## 10. SUPPLIERS

Supplier	31/03/2023	31/03/2022
Petróleo Brasileiro S.A – Petrobrás	475,195	441,502
Petróleo Transportes S.A – Transpetro	32,384	27,999
Solar Turbines	7,928	9,351
Elecnor of Brazil	6,689	12,476
Worley Engineering	2,555	2,441
Industec Trade and Assemblies	2,503	14,123
SAP Brazil	2,081	-
Rosenbra Engineering	1,251	5,880
Alvaro Aguiar	1,155	3,090
Intech	784	2,305
Chubb Insurance	-	12,959
Other Suppliers	56,811	81,053
	589,336	613,179

## 11. DEBENTURES AND FINANCING

Operation/Instrument	Indexer	Coin	Amount captured	Beginning	Salary	Primary	Interest	Cost of capture	31/03/2023	31/12/2022
Commercial Notes	CDI +1.90%	R\$	(1,500,000)	Mar-22	Mar-32	1,500,000	4,375	(13,089)	1,491,286	1,545,338
Debêntures_1 NISA issue	CDI +1.99%	R\$	(1,547,187)	Apr-21	Apr-28	1,547,187	100,108	(6,692)	1,640,603	1,580,574
Debêntures_2 NISA issue	CDI +1.90%	R\$	(1,500,000)	Mar-22	Mar-32	1,500,000	4,375	(13,089)	1,491,286	1,545,338
Debêntures_5 issue - 1st series	CDI + 1.30%	R\$	(1,000,000)	Sep-22	Sep-27	1,000,000	7,857	(450)	1,007,407	1,032,479
Debêntures_5 issue - 2nd series	CDI + 1.60%	R\$	(1,500,000)	Sep-22	Sep-29	1,500,000	12,033	(669)	1,511,364	1,549,791
Debêntures_5 issue - 3rd series	CDI + 1.85%	R\$	(1,000,000)	Sep-22	Sep-32	1,000,000	8,160	(10,294)	997,866	1,023,698
Scotia Bank Loan (a)	USD/BRL + 2.08%	US\$	(300,000)	Apr-22	Apr-27	1,537,620	15,889	-	1,553,509	1,573,353
Scotia Bank Loan(2) (a)	USD/BRL + 3.63%	US\$	(170,000)	Aug-22	Aug-25	871,318	2,723	-	874,041	897,919
MUFG loan (a) / (b)	USD/BRL + 2.89%	US\$	(59,000)	Apr-22	Apr-27	302,399	4,342	-	306,741	310,042
CITI loan (a)	USD/BRL + 2.3%	US\$	(90,000)	Apr-22	Apr-27	461,286	2,564	-	463,850	472,263
SMBC loan (a)	USD +4.34%	US\$	(50,000)	Sep-22	Sep-25	256,270	710	-	256,980	264,470
BNP loan (a)	USD + 4.89%	US\$	(80,000)	Oct-22	Sep-25	410,032	9,747	-	419,779	422,235
						<u>11,886,112</u>	<u>172,883</u>	<u>(44,283)</u>	<u>12,014,712</u>	<u>12,217,500</u>
Current									167,457	302,456
Non-current									<u>11,847,255</u>	<u>11,915,044</u>
Total									<u>12,014,712</u>	<u>12,217,500</u>

(a) Derivative financial instruments (swaps) were contracted with the financial institutions in conjunction with the loans (debt in foreign currency + swap for reais in CDI). The terms and conditions of the loans and derivatives are configured as a married operation, with the economic result of an interest-bearing debt based on CDI and reais on the Company's balance sheet. The contracting of derivatives is consistent with the Company's financial risk management strategy, whose objective is to substantially eliminate the volatility of cash flow attributable to the exposure of the exchange variation of debts denominated in foreign currency. For this reason, the Company has adopted cash flow hedging accounting in accordance with Notes 15.5 and 21(b). The balances of these loans are presented without considering the protection effects of the corresponding swaps.

(b) The charges on the loan signed with MUFG are 2.89% p.a. until March 31, 2023 and 2.98% p.a., from 04/01/2023 until maturity.

### 11.1. Debentures

1<sup>st</sup> issuance of debentures by NISA, incorporated by NTS in April 2022 (3rd issue of NTS debentures)

On April 27, 2021, NISA entered into the Private Deed Instrument of the 3rd Issue of Debentures in the total amount of R\$ 1,547,187, with maturity in 07 (seven) years, that is, April 27, 2028. The debentures have remunerative interest of 100% of the accumulated variation of the CDI Rate, plus *spread* Equivalent to 1.99% per year, semiannual interest payments in April and October, do not have intermediate amortizations and debt renegotiation clauses or automatic renewal.

According to the terms of the deed of the 3rd Issue of Debentures, there was an obligation constituted by NISA to be reversed by the Company within a maximum period of 13 months from the date of completion of the sale transaction (May 2022), under penalty of early maturity in case of default. The reverse merger was completed on April 12, 2022, when thereafter the Company became the universal successor to NISA with respect to the terms and conditions of these debentures, and the second amendment to the deed of 3rd Debenture Issue was entered into on May 10, 2022, to formally reflect the necessary changes in the deed and the loss of validity of the surety granted by NTS, so that the debentures no longer have any collateral.

The debentures have restrictive clauses that require the Company to comply with the following financial ratios:

- (a) Financial ratio resulting from the quotient of the division of Net Financial Debt by EBITDA, should be equal to or less than 4.5 times, at the time of raising new funds through the issuance of debt instruments; and
- (b) Financial ratio resulting from the quotient of dividing EBITDA by Net Financial Expenses, which shall be equal to or greater than:
  - a. 1.0 time, at the time of distribution of proceeds to shareholders (dividends, interest on equity or any other profit distributions); and
  - b. 1.1 time, at the time of raising new funds through the issuance of debt instruments.

At the close of the interim financial statements ended March 31, 2023, the Company calculated the ratios and concluded that the restrictive clauses were being complied with.

Second Issuance of Single, Non-Convertible Shares, Warranted, Single Series Single-Series Non-Convertible Debentures for Public Distribution, with NISA's Restricted Distribution Efforts as amended to Fourth Issue of Single-Series, Non-Convertible into Shares, Single-Series Debentures for Public Distribution, with NTS's Restricted Distribution Efforts, on May 10, 2022, by virtue of the Merger ("4th Debenture Issue")

On March 15, 2022, the Board of Directors of NISA approved the execution of the Private Deed Instrument of the 4th issuance of debentures in the amount of R\$ 1,500,000, due March 2032. The debentures have remunerative interest of 100% of the accumulated variation of the CDI Rate, plus a spread equivalent to 1.90% per year, semiannual interest payments in March and September, with intermediate amortizations in 3 (three) annual installments, in the 8th, 9th and 10th years, without debt renegotiation clauses or automatic renewal.

The debentures were paid in on March 24, 2022 and with the completion of the reverse merger of NISA by the Company on April 12, 2022, the Company became the universal successor of NISA with respect to the terms and conditions of the debentures, with the first amendment to the deed of the 4th Debenture Issue having been entered into on May 10, 2022, to formally reflect the necessary changes in the deed and the loss of validity of the surety granted by NTS, so that the 4th Issue Debentures no longer have any guarantee.

The debentures have a restrictive clause that imposes on the Company the fulfillment of the financial index resulting from the quotient of the division of Net Financial Debt by EBITDA, which should be equal to or less than 4.0 times.

At the close of the interim financial statements ended March 31, 2023, the Company assessed the index and concluded that the restrictive clause was being complied with.

First Issuance of Book-Entry Commercial Notes, with Trust Guarantee, in Single Series, for Public Distribution, with Restricted Distribution Efforts of NISA, as amended to First Issuance of Book-Entry Commercial Notes, in Single Series, for Public Distribution, with Restricted Distribution Efforts of NTS, on May 10, 2022, pursuant to the Merger ("1st Issuance of Commercial Notes")

On March 15, 2022, NISA's Board of Directors approved the 1st issuance of Book-Entry Commercial Notes, totaling \$1,500,000 ("Commercial Notes"), due March 2032.

The Commercial Notes have remunerative interest of 100% of the accumulated variation of the CDI Rate, plus *spread* equivalent to 1.90% per year, semiannual interest payments in March and September, with intermediate amortizations in 3 (three) annual installments, in the 8th, 9th and 10th years, without debt renegotiation clauses or automatic renewal.

The Commercial Notes were paid on March 24, 2022 and with the completion of the Merger on April 12, 2022, the Company became the universal successor to NISA with respect to the terms and conditions of the Promissory Notes, and the first amendment to the term of issue of the 1st Issue of Commercial Notes was entered into on May 10, 2022, to formally reflect the necessary changes in the term of issue and the loss of validity of the surety granted by NTS, so that the commercial notes no longer have any security

The Commercial Notes have a restrictive clause that imposes on the Company the fulfillment of the financial index resulting from the quotient of the division of Net Financial Debt by EBITDA, which shall be equal to or less than 4.0 times.

At the close of the interim financial statements ended March 31, 2023, the Company assessed the index and concluded that the restrictive clause was being complied with.

Fifth Issuance of Simple Debentures, Non-Convertible into Shares, of the Kind Chirograph, in 3 (Three) Series, for Public Distribution, with Restricted Efforts of Distribution, NTS ("5th Debenture Issue")

At the Extraordinary Meeting of the Company's Board of Directors held on September 9, 2022, the Company approved the issuance by the Company of simple debentures, not convertible into shares, of the chirograph type, in three (3) series, for public distribution, with restricted distribution efforts, in the total amount of R\$ 3.5 billion due September 13, 2027 (1st series), on September 13, 2029 (2nd series), and on September 13, 2032 (3rd series). The debentures have remunerative interest of 100% of the accumulated variation of the CDI Rate, plus a spread equivalent to 1.30% per year, 1.60% per year and 1.85% per year, respectively. The debentures are issued on September 13, 2022 and were paid on October 6, 2022.

The debentures have a restrictive clause that imposes on the Company the fulfillment of the financial index resulting from the quotient of the division of Net Financial Debt by EBITDA, which should be equal to or less than 4.0 times.

At the close of the interim financial statements ended March 31, 2023, the Company assessed the index and concluded that the restrictive clause was being complied with.

#### 11.2. Foreign currency loans under Law 4.131/1962, obtained by NISA, subsequently incorporated by NTS in April 2022

On April 1, 2022, NISA concluded the raising of US\$ 449 million, through loan agreements in foreign currency, pursuant to Law No. 4,131/62, as approved at NISA's Extraordinary General Meeting, held on December 16, 2021, being

- a) US\$ 300 million, signed with the Bank of Nova Scotia, with remunerative interest of 2.0783% p.a., paid semi-annually;
- b) US\$ 90 million, signed with Citibank, N.A., with remunerative interest of 2.2999% p.a., paid quarterly; and
- c) US\$ 59 million, signed with MUFG Bank. Ltd, with remunerative interest for the period from April 1, 2022 to March 31, 2023 equivalent to 2.8875% p.a., and 2.9750% p.a. from April 1, 2023 until maturity, both paid semi-annually.

To protect against foreign exchange exposure, NISA has contracted derivative operations (Foreign Exchange Swap), whose principal and interest values replicate the amount of principal and interest on the loans. All loan agreements have amortizations with equal annual installments in the 4th and 5th years, without debt renegotiation clauses or automatic renewal.

With the completion of the Merger on April 12, 2022, the Company became NISA's universal successor with respect to the terms and conditions of these loans.

These loans have a restrictive clause that imposes on the Company the fulfillment of the financial index resulting from the quotient of the division of Net Financial Debt by EBITDA, which shall be equal to or less than 4.0 times.

At the close of the interim financial statements ended March 31, 2023, the Company assessed the index and concluded that the restrictive clause was being complied with.

### 11.3. Loans in foreign currency under Law 4.131/1962, obtained by NTS in 2022.

At an Extraordinary Meeting of the Company's Board of Directors held on August 16, 2022, the Company approved the raising of financing through the contracting of loan(s) in foreign currency, which could total the amount of up to US\$ 300 million, pursuant to Law No. 4,131/62, having been contracted:

- a) \$170 million, through a loan agreement signed with Bank of Nova Scotia on August 19, 2022, with interest of 3.63% p.a., paid semi-annually; and
- b) US\$ 50 million, through a loan agreement signed with Sumitomo Mitsui Banking Corporation (SMBC), with remunerative interest of 4.34% p.a., paid semi-annually.
- c) US\$ 80 million, through a loan agreement signed with BNP Paribas (BNP), with remunerative interest of 4.89% p.a., paid annually.

To protect against foreign exchange exposure, the Company has contracted derivative operations (Foreign Exchange Swap), whose principal and interest values replicate the amount of principal and interest on the loans. All loan agreements have repayments at maturity, with no debt renegotiation or automatic renewal clauses.

These loans have a restrictive clause that imposes on the Company the fulfillment of the financial index resulting from the quotient of the division of Net Financial Debt by EBITDA, which shall be equal to or less than 4.0 times.

At the close of the interim financial statements ended March 31, 2023, the Company calculated the index and concluded that all restrictive clauses, set forth in the aforementioned contracts, were being complied with.

#### Scale of payments and amortization of funding costs

Year	Primary	Cost of funding
2023	--	4,547
2024	--	5,457
2025	1,537,620	5,457
2026	1,650,652	5,457
2027	1,650,652	5,432
After 2028	7,047,187	17,933

## 12. RELATED PARTY TRANSACTIONS

### a) Operations with key management personnel

The Company provides its managers with health care, life insurance, private pension and food assistance benefits, presented in the short-term benefits line below. Benefits are partially funded by its administrators and are recorded as expenses when incurred.

The amounts related to the compensation and benefits of key management personnel, represented by its directors, are presented below:

	<u>31/03/2023</u>	<u>31/03/2022</u>
Administration fees	1,420	1,463
Short-term benefits	<u>289</u>	<u>184</u>
	<u>1,709</u>	<u>1,647</u>

### 13. TAXES

#### 13.1. Current taxes

	Current Assets		Non-Current Assets		Current liabilities	
	<u>31/03/2023</u>	<u>31/12/2022</u>	<u>31/03/2023</u>	<u>31/12/2022</u>	<u>31/03/2023</u>	<u>31/12/2022</u>
Income tax	84	-	3,586	3,936	(238,482)	(814,038)
Social contribution	70	-	588	828	(90,282)	(326,716)
PIS/COFINS	686	6,053	0	-	(48,336)	(48,278)
ICMS	-	-	-	-	(22,674)	(21,986)
ISS	-	-	306	305	(769)	(201)
IRRF	8	206	-	-	(1,194)	(255)
Other	-	-	-	-	(5,098)	(2,505)
	<u>848</u>	<u>6,259</u>	<u>4,480</u>	<u>5,069</u>	<u>(406,835)</u>	<u>(1,213,979)</u>

#### 13.2. Deferred taxes

##### a) Composition of income tax and social contribution

	Based on <u>31/03/2023</u>	Deferred IR and CSLL balance to 34%	Based on <u>12/31/2022</u>	Deferred IR and CSLL balance to 34%
Deferred tax asset				
Provision for loss PIS/COFINS	58,921	20,033	56,807	19,314
Clandestine Derivation Provision	1,559	530	1,559	530
Insurance provision	-	-	-	-
Provision for contingencies and others	169,294	57,560	42,358	14,402
Track Sharing Provision	15,056	5,119	14,664	4,986
Provision – expenses with environmental compensation	39,635	13,476	38,617	13,130
Provision for bonuses	21,553	7,328	17,132	5,825
Tax benefit arising from the incorporation recognized in the Patrimony (a)	1,243,785	422,887	1,262,535	429,262
Results from Cash Flow Hedge (allocated to ORA)	314,759	107,018	288,164	97,976
Effects of the Foreign Exchange Swap arising from the incorporation of NISA	<u>3,279</u>	<u>1,114</u>	<u>70,472</u>	<u>23,960</u>
	<u>1,867,841</u>	<u>635,065</u>	<u>1,792,308</u>	<u>609,385</u>
Deferred tax liability				
Property Plant & Equipment - Difference in corporate depreciation rate x tax (b)	(5,604,906)	(1,905,668)	(5,676,836)	(1,930,124)
Law of Good - technological development and innovation	(50,036)	(12,509)	(50,036)	(12,509)
	<u>(5,654,942)</u>	<u>(1,918,177)</u>	<u>(5,726,872)</u>	<u>(1,942,633)</u>
Net deferred tax balance	<u>(3,787,101)</u>	<u>(1,283,112)</u>	<u>(3,934,564)</u>	<u>(1,333,248)</u>

(a) Details of the transaction, the initial recognition of which was made directly against equity, is described in Note 15.2(b). The amortization of goodwill and capital gain for tax purposes began in June 2022.

(b) The amounts of deferred taxes liabilities on Property Plant & Equipment refer to the difference between the tax and corporate depreciation of the gas pipeline network and other facilities of the Company.



b) Movement of deferred income tax and social contribution assets and liabilities for the period ended March 31, 2023:

	Deferred IR and CSLL balance 31/12/2022	Other comprehen sive income	Result	Deferred IR and CSLL balance 31/03/2023	
Deferred tax asset					
Provision for loss PIS/COFINS	19,314	-	719	20,033	
Clandestine Derivation Provision	530	-	-	530	
Insurance provision	-	-	-	-	
Provision for contingencies and others	14,402	-	43,158	57,560	
Lane crossing provision	4,986	-	133	5,119	
Provision – expenses with environmental compensation	13,130	-	346	13,476	
Provision for bonuses	5,825	-	1,503	7,328	
Tax benefit arising from the incorporation recognized in the Patrimony (a)	429,262	-	(6,375)	422,887	
Results from Cash Flow Hedge (Other comprehensive income)	97,976	9,042	-	107,018	
Deferred Tax Exists - NISA Incorporation	-	-	-	-	
Effects of the Foreign Exchange Swap arising from the incorporation of NISA	23,960	-	(22,846)	1,114	
	<u>609,385</u>	<u>9,042</u>	<u>16,638</u>	<u>635,065</u>	
Deferred tax liability					
Property Plant & Equipment – Difference in corporate depreciation rate x tax	(1,930,124)	-	24,456	(1,905,668)	
Law of Good - technological development and innovation	(12,509)	-	-	(12,509)	
	<u>(1,942,633)</u>	<u>-</u>	<u>24,456</u>	<u>(1,918,177)</u>	
Net deferred tax balance	<u>(1,333,248)</u>	<u>9,042</u>	<u>41,094</u>	<u>(1,283,112)</u>	
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 +</u>	<u>Total</u>
Recoverability of deferred tax asset	33,945	25,502	25,502	550,116	635,065

13.3. Reconciliation of income tax and social contribution

	31/03/2023	31/03/2022
Profit before income tax and social contribution	1,119,031	1,351,571
Adjustments for calculation of the effective rate:		
(Exclusions)/Net permanent additions	(838)	2,143
(Exclusions)/ Net temporary additions	120,865	50,041
Temporary additions	<u>139,895</u>	<u>54,406</u>
(+) Tax vs. corporate depreciation	71,930	39,152
(+) Provision for contingency	-	-
(+) Exchange Rate Variation	-	-
(+) Provision for bonuses	4,420	3,979
(+) Environmental provision	-	1,029
(+) Provision loss PIS/COFINS	2,115	8,339
(+) Provision for contractual transfer	697	-
(+) Environmental constraint	390	697
(+) Lane crossing	25,621	797
(+) Swap Effects	34,722	-
(+) Other	-	413

	<u>31/03/2023</u>	<u>31/03/2022</u>
Temporary (Exclusions)	(19,030)	(4,365)
(-) Environmental constraint	-	(697)
(-) Provision for transfer of PIS/COFINS	-	(3,668)
(-) Amortization of tax benefit arising from incorporation	(18,751)	-
(-) Other	(279)	-
 Basis for calculation of income tax and adjusted social contribution	 <u>1,239,058</u>	 <u>1,403,757</u>
 Income tax and social contribution	 (421,280)	 (477,271)
Discount of sponsorships made (Rouanet Law)	-	4,083
Other	3,576	-
Current income tax and social contribution	(417,702)	(473,188)
Deferred income tax and social contribution	41,094	17,014
	<u>(376,608)</u>	<u>(456,174)</u>
 Effective rate of IR and CS	 33.65%	 33.75%

#### 14. PROVISION FOR CONTRACTUAL TRANSFER, ENVIRONMENTAL COMPENSATION AND ENVIRONMENTAL CONSTRAINTS

##### 14.1. Provision for contractual transfer

The Company recognized a provision of R\$ 82,488 (R\$ 80,372 as of December 31, 2022) to transfer to its majority shipper tax credits recovered and arising from a lawsuit that became final in favor of the Company. For the registration of the provision, the Management considered the interpretation and legal analysis of the terms and conditions provided for in the existing gas transportation contracts, having concluded that the event was registered in the non-current as a result of the ongoing negotiations with the shipper for the transfer to be at an early stage.

Management will evaluate the developments and future reclassification for the current entity, considering the emergence of future facts that justify such measure, as well as the eventual settlement terms agreed between the parties.

##### 14.2. Provision for environmental compensation

Refers to provisioned amounts, in the amount of R\$ 39,634 (R\$ 38,617 as of December 31) of 2022), based on Federal Law No. 9,985/2000, which constituted the National System of Conservation Units - SNUC, which aims to ensure the preservation of nature and sustainable development from natural resources and that will be spent according to the resolution of the Environmental Foundation - FATMA and the Public Prosecutor's Office.

#### 14.3. Provision with environmental constraints

The balance recorded, in the amount of R\$ 28,564 (R\$ 30,267 as of December 31, 2022), refers to environmental constraints required by the environmental control, monitoring and inspection agencies, at the federal and state levels, as a result of the issuance of prior licenses for the installation and operation of the projects and construction of the Company's gas pipeline network, pursuant to Resolution 237/1997 of the National Council of the Environment – CONAMA.

The Company treats the events related to these conditions in accordance with the principles of ICPC12 – Change in Liabilities for Deactivation, Restoration and Other Similar Liabilities – and recognizes in fixed assets the corresponding portion (initial measurement and future remeasurement). The expenses executed in compliance with the conditions are deducted from the value of the provision and the corresponding Property Plant & Equipment are being amortized, by the linear method, according to the remaining useful life of the gas pipelines to which the conditions are linked.

### 15. EQUITY

#### 15.1. Share capital

The Company's capital stock is R\$ 508,712, fully subscribed and paid-in, consisting of 2,312,328,578 shares (two billion, three hundred and twelve million, three hundred and twenty-eight thousand, five hundred and seventy-eight).

#### 15.2. Capital Reserve

##### a) Capital transactions

It refers to transactions with shareholders, in their capacity as owners, and the recognition of gain in an unusual operation of undoing the *Leasing* financial between companies of the same economic group.

In October 2016, due to the corporate restructuring of the companies Transportadora Associada de Gás (TAG), Nova Transportadora do Nordeste (NTN) and the Company and the closure of the Malhas Consortium, Petrobras' *lease* with NTS was reversed on the base date October 25, 2016, generating a gain of R\$1,360,199, recorded as a capital transaction in shareholders' equity.

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

In April 2022, as part of the process of reverse incorporation of NISA by the Company described in Note 1, a negative impact corresponding to the elimination of R\$ 930,556 was recognized, equivalent to the write-off of the 42.09% interest held by NISA in the Company at book value, which was partially offset by the positive impact of R\$ 2,652 corresponding to the Capital Stock subscribed and paid into NISA. These events resulted in a net reduction impact of R\$ 927,904 in this account, reducing its balance from R\$ 1,192,463 to R\$ 264,559.

b) Tax Benefit arising from the incorporation of NISA

As part of the reverse merger process of NISA, the Company recognized deferred Income Tax and Social Contribution on the difference between the amount paid and the equity value calculated in the transaction of purchase of 10% of its capital stock by NISA from Petrobras, on April 30, 2021, and corresponding to the overprice in relation to the book value of the acquired interest, as described in Explanatory Notes 1 and 15.4(a).

The recognition of the tax benefit was preceded by the preparation of the Valuation Report of the Allocation of the Fair Value of Assets and Liabilities Assumed on the Price Paid, prepared by an independent expert and usually known as the PPA Report ("Purchase Price Allocation"), whose result indicated that of the R\$ 1,306,661 of overprice paid in relation to the book value of the interest acquired by NISA in the Company, R\$ 1,298,183 was equivalent to capital gain and R\$ 8,478 to goodwill, both calculated for tax amortization purposes, with consequent tax benefit.

In compliance with the requirements set forth in § 3 of article 20 of Decree-Law No. 1,598, of December 26, 1977, the summary of the Report was filed in the Registry Office of Securities and Documents, on April 11, 2022, to comply with the deadline to do so within 13 months after completion of the transaction, as provided for in this same legislation.

The amount of the tax benefit of R\$ 444,265 corresponds to the application of the combined corporate rate of income tax and social contribution of 34%, applied on the goodwill and capital gains for tax purposes of R\$ 1,306,661.

The Company evaluated the transaction in the light of ICPC 22 - Uncertainty on the Treatment of Taxes on Profit - having concluded by making the accounting record of the tax benefit calculated on goodwill and capital gain presented in the PPA Report, since it considers it likely that the tax authority will accept the treatment given to this operation, or otherwise understands that success in any administrative and/or legal dispute involving the issue is likely.

15.3. Profit reserves

a) Legal Reserve

Constituted up to the limit of 20% of the share capital, through appropriation of 5% of the net income of the year, in accordance with Article 193 of the Brazilian Corporation Law. This reserve may only be used for the absorption of losses or an increase in share capital.

The Company may exempt itself from the constitution of this reserve provided that it reaches the limit of 20% of the capital stock, mentioned in the previous paragraph, or the sum of its balance and that of the capital reserve exceeds 30% of the capital stock.

The Company recognized R\$ 15,613 corresponding to the balance of the Legal Reserve that was recorded in NISA's books, as part of its reverse merger process by the Company described in Note 1.

b) Dividends and JCP Paid

On April 19, 2022, the Company's management approved the total distribution of R\$594,274 of interim dividends for the fourth quarter of 2021.

In addition, on June 3, 2022, the Company's Management approved the payment of R\$ 18,113 corresponding to the monetary update on the dividends of the fourth quarter of 2021, at the SELIC rate applied in the period between December 31, 2021 and the date of the effective payment of the dividends in April, having recognized this effect within the financial result of the current period.

On July 26, 2022, the Company's management approved the distribution of dividends and interest on equity in the total amount of R\$ 1,529,938, of which R\$ 1,488,498 was interim dividends for the first half of 2022 and R\$ 41,440 was interest on equity for the period from January 1, 2022 to April 11, 2022.

On September 20, 2022, the Company's Management approved the distribution of interim dividends in the total amount of R\$ 542,707, paid on September 21, 2022.

c) Reserve of tax incentives

NTS constituted a profit reserve on tax incentives in the amount of R\$ 18,197 in the 3-month period ended March 31, 2023, accumulating a total of R\$ 232,251 (R\$ 214,054 as of December 31, 2022) resulting from an investment grant related to the appropriation of ICMS credit arising from the option for the ICMS Agreement 106/96 that grants credit of 20% of the value of ICMS due to the provision of transportation service. These credits were accounted for in the result of the year and monthly allocated to the tax incentive reserve, being excluded from the calculation of the dividend calculation basis.

d) Earnings for the period per share

The calculation of basic and diluted earnings per share for the three-months period ended March 31, 2023 and 2022, as shown below:

	<u>3-month period ending in</u>	
	<u>31/03/2023</u>	<u>31/03/2022</u>
Net income for the period (in thousands of Reais)	742,476	895,398
Total shares issued	<u>2,312,328,578</u>	<u>2,312,328,578</u>
Basic and diluted earnings per share in Brazilian Reais	0,32	0,39

15.4. Valuation Adjustment

a) Transaction with partner

On April 30, 2021, NISA recognized under this heading the effect of the transaction between the shareholders, in the amount of R\$1,306,661, related to the acquisition of ten percent (10%) of the Company's shares, which was calculated by the difference between the amount paid in the acquisition and the Company's equity value.

On December 16, 2021, NISA shareholders made the capital increase through a contribution of positive net assets including the participation of 32.09%, equivalent to the amount of R\$ 5,658,204. This transaction generated a goodwill in a transaction between the shareholders in the amount of R\$ 4,960,437, calculated by the difference between the value of the shares paid up by the shareholders and the equity value evaluated by the equity method.

Because NISA and the Company belong to the same economic group, under common control, the above transactions were characterized as capital transactions between NISA and its shareholders, as provided for in the technical interpretation ICPC 09 (R1), being recorded as an equity valuation adjustment. This amount was absorbed into the Company's Shareholders' Equity due to the incorporation of NISA, described in Note 1.

#### 15.5. Other comprehensive results

##### a) Cash Flow Hedge Reserve

The amount of R\$ 207,741 (R\$ 190,188 as of December 31, 2022) refers to the effective portion of the net change in the fair value of cash flow hedging financial instruments, as per note 21(b).

	<u>31/03/2023</u>	<u>31/12/2022</u>
Starting balance		-
Swap income before adjustment at fair value	17,508	121,362
(-) Fair value swap result ( NE 21 (b))	(297,251)	(166,801)
(=) Cash flow hedging result	(314,759)	(288,164)
(+) Deferred Taxes on cash flow hedge results	<u>107,018</u>	<u>97,976</u>
Cash flow hedging result, net of taxes	<u>(207,741)</u>	<u>(190,188)</u>

#### 16. NET REVENUE

	<u>3-month period ending in</u>	
	<u>31/03/2023</u>	<u>31/03/2022</u>
Gross revenue from services	2,014,794	2,029,527
Charges for services	(256,201)	(268,462)
Balancing Gas	30,587	-
Rate adjustment	<u>(10,464)</u>	<u>(98,098)</u>
	<u>1,778,716</u>	<u>1,662,967</u>

#### 17. COST OF SERVICES PROVIDED

	<u>3-month period ending in</u>	
	<u>31/03/2023</u>	<u>31/03/2022</u>
Depreciation and Amortization	(109,332)	(105,166)
Contracted services, freight, rents and general charges	(6,235)	(5,962)
Operation and Maintenance	(10,475)	(13,123)
Right of way	(35,105)	(34,700)
Electrical energy	(3,228)	(6,889)

	3-month period ending in	
	<u>31/03/2023</u>	<u>31/03/2022</u>
Insurance	(5,673)	(5,048)
ICMS of the gas used in the system	(2,994)	(2,624)
Environmental costs	(1,226)	(155)
Consulting Services	(3,290)	(4,926)
Training and seminars	(442)	(226)
Personnel costs	(16,315)	(13,514)
Balancing gas	(24,073)	-
Other Costs	(10,935)	(6,252)
	<u>(229,323)</u>	<u>(198,585)</u>

## 18. GENERAL AND ADMINISTRATIVE EXPENSES

	3-month period ending in	
	<u>31/03/2023</u>	<u>31/03/2022</u>
Staff costs	(10,389)	(8,263)
Legal advice	(721)	(648)
Audit	(142)	(181)
Accounting advice	(440)	(530)
Consultancy	(749)	(279)
Sponsorships	-	135
(Provision) / Contingency reversal	(2,551)	-
License maintenance	(772)	(420)
Recruitment and selection	(307)	(372)
Rentals and fees	(387)	(230)
Contracted services	(21)	(110)
Office and other expenses	(2,219)	194
	<u>(18,698)</u>	<u>(10,704)</u>

## 19. NET FINANCIAL RESULT

	Period of 3 fine months in	
	<u>31/03/2023</u>	<u>31/03/2022</u>
Financial revenues		
Revenue on financial investments	73,351	57,649
Monetary Update	596	2,402
Other financial income	175	195
Total financial revenues	<u>74,122</u>	<u>60,246</u>

	Period of 3 fine months in	
	<u>31/03/2023</u>	<u>31/03/2022</u>
Financial expenses		
Interest on debentures (including debt service) + financing, net of swap protections. (a)	(442,444)	(141,593)
Taxes on financial result	(1,787)	(2,850)
Fines and interest	(40)	(51)
Monetary update	(40,843)	(18,052)
Other financial expenses	(619)	194
Total financial expenses	<u>(485,733)</u>	<u>(162,352)</u>
Net financial result	<u>(411,611)</u>	<u>(102,106)</u>

- (a) The Company has contracted derivative financial instruments (swaps) for the purpose of protecting foreign exchange risk and converting charges to Reais in CDI in relation to foreign currency debts incurred. For this reason, the financial charges of the Company's debts and financing are presented in this explanatory note net of the effects of the protections contracted in the swaps. Further details on these derivative instruments are described in notes 11, 15.5 and 21(b) and (f).

## 20. LEGAL PROCEEDINGS AND CONTINGENCIES

### 20.1. Provisioned legal proceedings

The Company constitutes provisions in an amount sufficient to cover losses considered probable and for which a reliable estimate can be made.

The provisioned values are as follows:

	<u>Labor (a)</u>	<u>Fiscal</u>	<u>Civil</u>	<u>Total</u>
Balances as of December 31, 2022	<u>(22,714)</u>	<u>(4,688)</u>	<u>(35)</u>	<u>(27,437)</u>
Additions	-	(1,634)	-	(1,634)
Low	-	-	-	-
Monetary update	-	(86)	-	(86)
Balances as of March 31, 2023	<u>(22,714)</u>	<u>(6,408)</u>	<u>(35)</u>	<u>(29,157)</u>

- (a) Provision regarding the incidence of labor and social security charges on past events, the outcome of which may result in future cash disbursement.

### 20.2. Court deposits

	<u>31/03/2023</u>	<u>31/12/2022</u>
Non-current assets		
Labor	9	9
Tax	16,414	17,007
Several	19	18
	<u>16,442</u>	<u>17,034</u>



## 20.3. Lawsuits not provisioned

Lawsuits that constitute present obligations whose outflow of resources is not likely or that a sufficiently reliable estimate of their values cannot be made are not recognized, however they are disclosed. Causes with remote classification are not the subject of any disclosure of this quarterly information.

The estimated contingent liabilities for court proceedings on March 31, 2023 and December 31, 2022 for which the probability of loss is considered possible are presented below:

	Civil Judicial	Labor Judicial	Tax Administrative	Judicial	Environmental Administrative	Total
Balances as of December 31, 2022	(75,784)	(399)	(314,705)	(15,413)	(63,526)	(469,827)
New causes	-	-	-	-	-	-
Monetary update	(143)	(7)	(8,985)	(781)	(1,170)	(11,086)
Low	35,939	-	772	6,490	-	43,201
Balances as of March 31, 2023	(39,988)	(406)	(322,918)	(9,704)	(64,696)	(437,712)

## (a) Tax Causes

The main administrative tax causes refer to several administrative proceedings filed by the RFB and are related to the contestation of tax credits used by NTS and not approved by the tax authority, as well as tax assessments. The main causes total R\$ 316,142 (R\$ 307,700 as of December 31, 2022).

## (b) Environmental Causes

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

## (c) Civil Causes

In November 2022, arbitration was requested against the majority shareholder of the Company and against the Company, whose information is protected by confidentiality, regarding the sharing of infrastructures resulting from the sale of control of the Company in April 2017. A counterclaim was filed requesting the reimbursement of expenses incurred by the Company in the remediation of assets owned by it, also resulting from the sale of control operation. There is a contractual provision with the applicant to the effect that, upon the commencement of the arbitration, the Company has the right to enforce a guarantee for reimbursement of the disputed portion before the court's decision and may exercise it if and when it deems it convenient. The Company awaits the assessment of the response and request for counterclaim, as well as other developments of the arbitration procedure to, together with its legal advisors, evaluate the impacts on the recognized balances.

## 21. FINANCIAL INSTRUMENTS

The Company maintains operations with financial instruments. The management of these instruments is carried out through operational strategies and internal controls in order to ensure liquidity, profitability and safety. The control policy consists of permanent monitoring of the contracted conditions versus prevailing conditions in the market.

As of March 31, 2023, the Company had 5 derivative financial instruments to mitigate foreign exchange risk and exposure to pre-fixed interest rates associated with debt borrowed in foreign currency. The results are consistent with the policies and strategies defined by the Company's management. In addition, during the fiscal years, the Company did not make speculative investments.

### a) Liquidity risk

The Company uses its resources to meet its operational obligations and to pay creditors. The sources of funds added to the Company's financial position as of March 31, 2023 are sufficient to settle its short-term obligations. The liquidity risk is managed by the Company, investing its cash in Fixed Income, with liquidity not exceeding 90 days and renegotiating (when necessary) the maturity of its debts.

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026+</u>	<u>Total</u>
Financial Debts (a)	172,884	-	1,537,620	10,348,492	12,058,996
Derivative financial instruments (b)	304,860	291,914	72,602	(371,613)	297,763
Suppliers	589,336	-	-	-	589,336
Total	<u>1,067,080</u>	<u>291,914</u>	<u>1,610,222</u>	<u>9,976,879</u>	<u>12,946,095</u>

(a) The debt projections consider the probable scenario of NE 21(d), disregarding the effect of the respective borrowing costs

(b) Derivative financial instruments correspond to the net between the balances recorded in the assets and liabilities, as detailed in section b) of this Explanatory Memorandum.

### b) Exchange rate risk

It arises from the possibility of fluctuations in the exchange rates of foreign currencies involving certain loans and financing of the Company and used for debt refinancing and acquisition of equipment or services and the contracting of financial instruments.

The Company's policy is to eliminate market risks, avoiding taking positions exposed to fluctuations in market values and operating only instruments that allow risk control. As of March 31, 2023, as described in Note 1 and as a result of the reverse merger of NISA, the Company holds debts denominated in U.S. Dollars, the amounts raised in the amount of US\$ 749,000, and for which derivatives operations (Foreign Exchange Swap) have been contracted, whose term of validity, principal amounts and interest replicate the principal and interest amounts of the loans.

The fair value of derivative financial instruments is determined by the future flow, calculated by the application of contractual interest rates and future dollar or foreign exchange coupon up to the date of and payment of interest and principal, discounted at present value on the date of quarterly financial information at prevailing market rates.

Institution	Description	Operation/Rate	Salary	Reference value		31/03/2023	31/12/2022
				(notional)			
	Swap (foreign exchange)						
Scotia Bank	Active position	USD/BRL + 2,45%	April/2027	US\$	300.000	1,427,841	1,463,258
	Passive position	CDI + 1.35%	April/2027	R\$	1.421.250	(1,571,810)	(1,534,453)
					MTM Swap	(143,969)	(71,195)
Scotia Bank (2)	Active position	USD/BRL + 4.27%	August/2025	US\$	170.000	850,427	893,426
	Passive position	CDI + 1.13%	August/2025	R\$	880.090	(912,605)	(941,996)
					MTM Swap	(62,178)	(48,570)
MUFG (a)	Active position	USD/BRL + 3.30%	April/2027	US\$	59.000	291,264	293,345
	Passive position	CDI + 1.35%	April/2027	R\$	279.512	(309,121)	(301,776)
					MTM Swap	(17,857)	(8,431)
CITI	Active position	USD/BRL + 2.71%	April/2027	US\$	90.000	429,822	442,312
	Passive position	112.7% of the CDI	April/2027	R\$	426.375	(460,075)	(462,796)
					MTM Swap	(30,253)	(20,484)
SMBC	Active position	USD/BRL + 4.96%	September/2025	US\$	50.000	254,015	266,709
	Passive position	CDI + 1.13%	September/2025	R\$	260.000	(266,593)	(277,654)
					MTM Swap	(12,578)	(10,945)
BNP	Active position	UDS + 5.75%	September/2025	US\$	80.000	423,405	433,584
	Passive position	CDI + 1.13%	September/2025	R\$	416.440	(453,821)	(440,760)
					MTM Swap	(30,416)	(7,176)
						(297,251)	(166,801)

(a) The charges for the passive end of the swap with MUFG are 3.30% p.a. until March 31, 2023 and 3.40% p.a. from 04/01/2023 until maturity.

	Assets		Liabilities		Net Position	
	31/03/2023	31/12/2022	31/03/2023	31/12/2022	31/03/2023	31/12/2022
Current (*)		-	304,861	376,490	(304,861)	(376,490)
Non-Current	7,098	209,390	-	-	7,098	209,390
Total	<u>7,098</u>	<u>209,390</u>	<u>304,861</u>	<u>376,490</u>	<u>(297,763)</u>	<u>(167,100)</u>

(\*) Balance incorporates, in addition to the derivatives associated with the debts presented in the previous table, a derivative instrument for exchange protection in contracts with suppliers.

## c) Credit risk

As part of the Share Purchase and Sale Agreement signed between the Company's shareholders, Petrobras has signed a Linked Account Management Agreement with Banco Bradesco S.A. aimed at diversifying NTS's credit risk in relation to the Gas Transportation Agreements (GTAs) it holds with Petrobras and so that the Company does not depend exclusively on its main client to obtain its revenues.

The receivables given as collateral refer to the deposits made in the linked account, arising from the Natural Gas Purchase and Sale Agreements (GSAs) in which Petrobras acts as a seller. The deposits made in this account are intended to ensure coverage of at least 120% of the expected value of the Company's monthly billings, due by Petrobras under the GTAs, in addition to any fees and taxes that may be deducted by Banco Bradesco each month.

In addition, in March 2022, Petrobras submitted 5 (five) bank guarantee letters, valid for 2 years, counted from 03/30/2022, in the form agreed in each of the GTAs, corresponding to the period of 150 days multiplied by the sum of capacity, entry and exit rates, up to the limit of R\$ 2,885,931.

## d) Sensitivity Analysis

On March 31, 2023, Management conducted a sensitivity analysis for financial instruments with interest rate risk, considering that the exposure is the value of debentures and financing, described in note 11, and financial investments, exposed to the variation of the CDI.

<u>Instruments</u>	<u>Exposure</u>	<u>Risk</u>	<u>Probable (*)</u>
<u>Financial asset</u>			
Cash and cash equivalents	1,305,037	Fall of the CDI	178,137
<u>Financial Liabilities</u>			
<i>Debentures and loans (a)</i>	<u>12,047,665</u>	High CDI	<u>(1,716,516)</u>

(\*) Scenarios designed for 12 months

- (a) The value of debentures and loans and the interest to be incurred/projected financial charges disregard the borrowing costs of the debt
- (b) The balances of these debts consider the protection effects of the corresponding Swaps, which aim at eliminating the risk of foreign exchange exposure, as well as the conversion of the risk of exposure to pre-fixed rates in foreign currency to the CDI. For this reason, Management understands that the risk of exposure to foreign currency is not relevant to the Company's equity and financial position.

The "Likely" scenario was calculated considering a CDI rate of 13.65%, applicable to the floating portion of the interest rate on debts and the balance of cash and cash equivalents as of March 31, 2023.

## e) Fair value estimate:

The following table presents the book and fair values of the Company's financial instruments and other assets and liabilities, as well as their level of measurement. On March 31, 2023 and December 31, 2022.

Financial assets (current and non-current)		Level	31/03/2023		31/12/2022	
			Book value	Fair value	Book value	Fair value
			2.839.513	2.839.513	4.008.216	4.008.216
Cash and cash equivalents	Fair value through profit or loss	2	1,305,037	1,305,037	2,294,317	2,294,317
Accounts receivable	Amortized cost	-	1,346,038	1,346,038	1,322,706	1,322,706
Other accounts receivable	Amortized cost	-	168,029	168,029	165,233	165,233
Linked deposits	Amortized cost	-	13,311	13,311	16,570	16,570
Derivative Financial Instruments	Fair value through other comprehensive income (a)	2	7,098	7,098	209,390	209,390
Financial liabilities (current and non-current)		Level	31/03/2023		31/12/2022	
			Value Accounting	Fair value	Value Accounting	Fair value
			12,908,909	10,010,481	13,207,169	14,063,320
Suppliers	Amortized cost	-	589,336	589,336	613,179	613,179
Debentures and financing	Amortized cost	-	12,014,712	9,116,284	12,217,500	13,073,651
Derivative Financial Instruments	Fair value through other comprehensive income (a)	2	304,861	304,861	376,490	376,490

- (a) The Company has adopted cash flow hedging accounting for derivative operations as described in section (b) of this explanatory note and has therefore recorded the effect of the fair value adjustment on Other Comprehensive Income.

The measurement level of each financial instrument shall respect the following fair value hierarchy:

- Level 1 – for prices quoted without adjustments in active markets for instruments identical to those of the Company
- Level 2 – for information observable to the asset or liability, directly or indirectly, except quoted prices included in the previous level
- Level 3 – for unobservable data for the instrument in question

The Company understands that the fair value of accounts receivable and suppliers, because it has most of the maturities in the short term, is already reflected in its book value.

For financing classified and measured at amortized cost, the Company understands that, because they are bilateral operations and do not have an active market or other similar source with conditions comparable to those already presented and that may be a parameter for the determination of their fair values, the accounting values reflect the fair value of the operation.

f) Movement of cash flow liabilities from financing activities

As required by CPC 03, the Company demonstrates below the movement of cash flow liabilities from financing activities, from its Statement of Cash Flows:

Financing, Derivatives and Dividends	Balance as of December 31, 2022	Cash Changes			Non-cash changes					Balance as of March 31, 2023
		Dividends Paid	Interest	Other	Approved Dividends	Interest	Exchange Rate Variation	Funding Cost	Adjustmen t to Fair Value	
Comercial notes _NISA	(1,545,338)	-	112,342	-	-	(57,933)	-	(357)	-	(1,491,286)
Debentures_1 emission _NISA	(1,580,574)	-	-	-	-	(59,700)	-	(329)	-	(1,640,603)
Debentures_2 emission _NISA	(1,545,338)	-	112,342	-	-	(57,933)	-	(357)	-	(1,491,286)
Debentures_5 th issue (1st series)	(1,032,479)	-	61,639	-	-	(36,542)	-	(25)	-	(1,007,407)
Debentures_5 issue (2nd series)	(1,549,791)	-	94,459	-	-	(56,006)	-	(26)	-	(1,511,364)
Debentures_5 issue (3rd series)	(1,023,698)	-	64,082	20	-	(38,000)	-	(270)	-	(997,866)
Loan_Scotia Bank	(1,573,353)	-	-	-	-	(7,846)	27,690	-	-	(1,553,509)
Loan_Scotia Bank (2)	(897,919)	-	16,119	-	-	(7,932)	15,691	-	-	(874,041)
Loan _MUFG	(310,042)	-	-	-	-	(2,145)	5,446	-	-	(306,741)
Loan _CITI	(472,263)	-	2,827	-	-	(2,721)	8,307	-	-	(463,850)
Loan _SMBC	(264,470)	-	5,663	-	-	(2,788)	4,615	-	-	(256,980)
Loan _BNC	(422,235)	-	-	-	-	(4,928)	7,384	-	-	(419,779)
Net Derivative Financial Instrument (1)	(166,801)	-	67,191	-	-	(101,913)	(69,133)	-	(26,595)	(297,251)
IR exchange	-	-	4,154	-	-	(4,154)	-	-	-	-
Dividends and JSCP	-	851,752	-	-	(851,752)	-	-	-	-	-
	<u>(12,384,301)</u>	<u>851,752</u>	<u>540,818</u>	<u>20</u>	<u>(851,752)</u>	<u>(440,541)</u>	<u>-</u>	<u>(1,364)</u>	<u>(26,595)</u>	<u>(12,311,963)</u>

(1) It corresponds to the net position of the Derivative Financial Instruments described in Note 21. b) and excludes the position of derivatives contracted for purposes other than debt effects. As of March 31, 2023, the balance of these derivatives totals R\$512 (R\$299 as of December 31, 2022).

## 22. COMMITMENTS

## a) Contractual commitments

The following table presents the minimum annual future payments related to the contractual commitments assumed by the Company for the date of March 31, 2023:

Class of Contracts	2023	2024	2025	2026	2027	Total
Office Rental	2,289	2,282	1,822	798	474	7,665
Telecom & Printers	229	-	-	-	-	229
Rental of vehicles and machines	309	-	-	-	-	309
Compression services	18,289	18,458	18,421	18,405	18,405	91,978
Use and sharing of pipeline lanes	89,066	89,887	89,705	89,628	89,628	447,914
Total	<u>110,182</u>	<u>110,627</u>	<u>109,948</u>	<u>108,831</u>	<u>108,507</u>	<u>548,095</u>

## b) Guarantees

As of March 31, 2023, the Company had eight lease guarantee insurance policies to meet the guarantees required in its lease agreements totaling R\$3.624 in indemnifiable limit, distributed as follows:

Local	Indemnifiable Limit
Flamengo Beach, 22nd floor, Flamengo, Rio de Janeiro, RJ	1,696
Flamengo Beach, 23rd floor, Flamengo, Rio de Janeiro, RJ	1,687
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, rooms 105 and 205, Imboassica, Macaé, RJ	39
Rua Messia Assú, nº 293, Itararé, São Vicente, SP	58
Rodovia BR 040, KM 800, rooms nº 20, 21 and 22, Matias Barbosa, MG	34

## 23. INSURANCE

The Company adopts the policy of contracting insurance coverage for assets subject to risks for amounts considered sufficient to cover any claims, considering the nature of its activity.

The Company has several insurance policies, among them, Operating Risks and Loss of Profits, General Civil Liability, Environmental Risks, D&O Civil Liability, Professional Civil Liability E&O, Patrimonial, among others.

The following table summarizes the coverage and duration of the insurance contracted by the Company:

Type of insurance	Start of Duration	End of Duration	Cover
Operating risks and loss of profits	03/10/2022	03/10/2023	1,500,000
General civil liability	03/10/2022	03/10/2023	400,000
Environmental risks	03/10/2022	03/10/2023	300,000
Liability D&O	03/10/2022	03/10/2023	300,000
Professional liability (E&O)	03/10/2022	03/10/2023	15,000
Data protection and resp. Cyber	03/10/2022	03/10/2023	35,000
Corporate Fraud (Crime)	03/10/2022	03/10/2023	5,000
Comprehensive Business (Office)	27/11/2022	27/11/2023	19,000
Risks Engineering Works GASIG	12/05/2022	31/07/2024	130,829
Civil Liability GASIG Works	12/05/2022	31/07/2023	50,000
Total			2,754,829

Insurance premiums paid in relation to insurance policies are recorded in assets as anticipated expenses and are appropriated in proportion to the result depending on the duration of the policies.

The following table summarizes the amounts recorded as of the base date March 31, 2023 as anticipated expenses:

Description	31/03/2023	31/12/2022
Operating Risks and Loss of Profits	7,956	11,933
General Liability	1,522	2,284
Environmental Risks	684	1,025
D&O Civil Liability	431	647
Civil Liability Works	11	43
Engineering Risks	117	206
Corporate Insurance	675	1,013
Others – insurance	941	1,352
Total insurance	12,337	18,503
Other anticipated expenses	4,009	-
Total	16,346	18,503