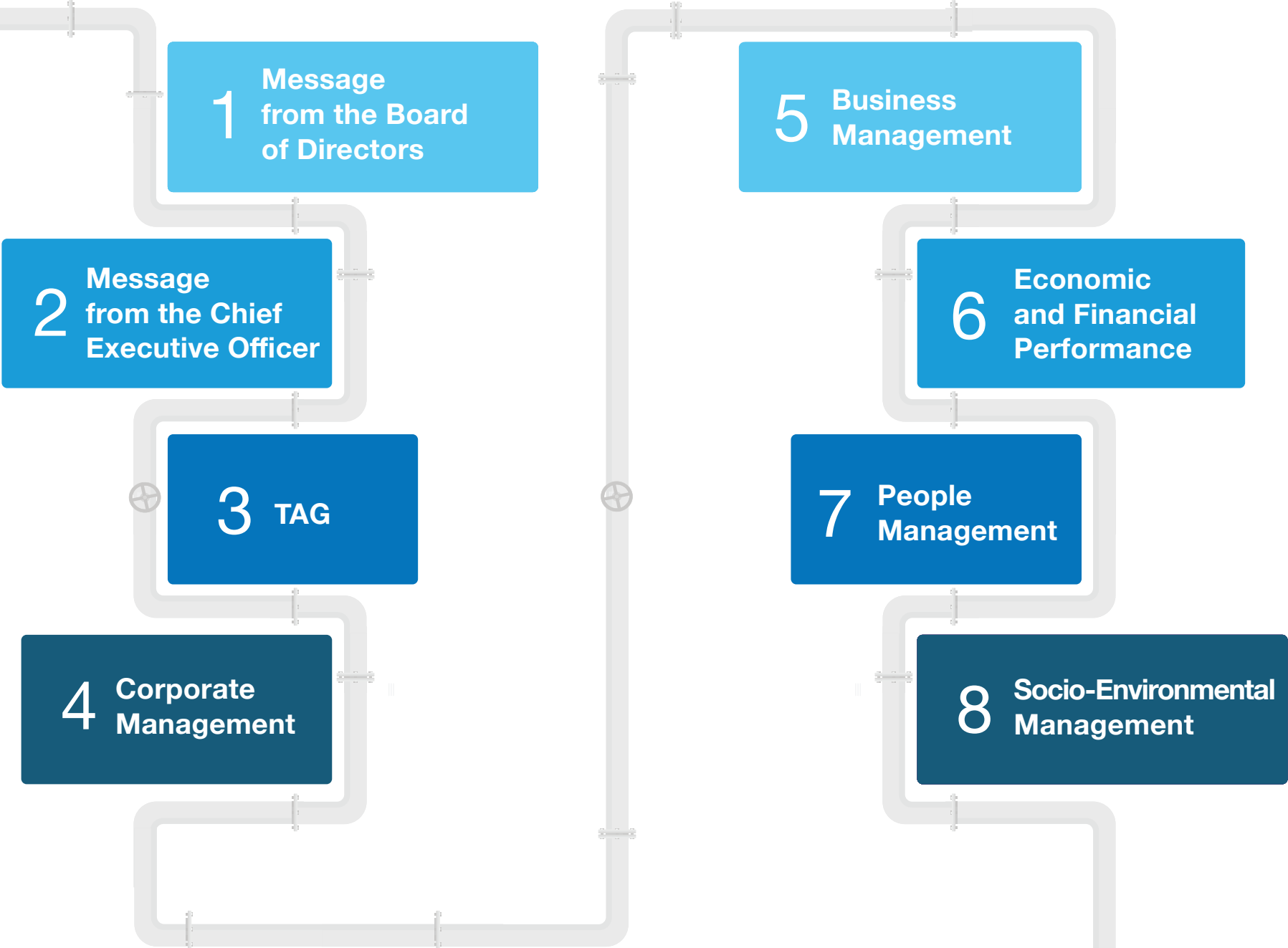




TAG

**Management
Report
2019**

Index



Message from the Board of Directors

2019 will become a landmark year for ENGIE and CDPQ. The acquisition of TAG was one of the largest foreign investments in Brazil and, because of it, the Brazilian natural gas sector now has the presence of two new strategic groups: ENGIE, a global benchmark for low-carbon energy and services that already operates 32 thousand kilometers of natural gas transportation lines in France and has been present in Brazil for more than 20 years; and global institutional investment fund Caisse de Dépôt et Placement du Québec (CDPQ), which maintains important investments in the international infrastructure market.

The transaction, in an amount close to USD8.6 billion, had the largest-ever non-recourse financing in Brazil, involving three of the largest domestic banks and another 12 international financial institutions. This bears witness to the new shareholders' confidence in and optimism about the country, even at a time of policy changes for the industry. The 2019 Transnational M&A Deal Award given by LatinFinance, a global intelligence platform devoted

to Latin-American and Caribbean financial markets and economies, is a testimony to this stance.

Investment in the natural gas segment in the form of the TAG acquisition gives shareholders the ability to diversify their Brazilian portfolios and generate predictable revenues based on long-lasting infrastructure assets.

With the admission of the new shareholders, TAG will contribute to the development of the Brazilian gas market, which is essential to the country's industrial growth. We believe in the future development of new natural-gas technologies and are certain that this will be an important step along the way of the energy transition to a low-carbon economy.

We are confident in the competence and commitment of the new Management and on TAG's entire team to run the Company towards a new level of growth, in addition to contributing to ongoing opening up of the Brazilian natural gas segment.



Maurício Stolle Bähr

Chairman of the
Board of Directors

Message from the Chief Executive Officer

In 2019, we began to write a new chapter in the history of TAG. After just seven months' operations, we have already achieved a lot: running the transition process without interrupting gas transportation services, reaching yearend with zero occupational accidents requiring leave, and beginning to carry out the shareholders' business plan.

After the acquisition, we launched into an in-depth survey of our operations, and already have an early outline for a future of major changes in the Company's management. Our first mission was to gain detailed knowledge of our assets, evaluate processes, and identify opportunities for improvement. We successfully conducted the integration process to define a new organizational structure and for the new team.

Based on early results and supported by the controlling shareholders' expertise, we developed an investment resumption plan that will involve funds of around BRL1 billion over the next five years to en-

sure the integrity of transportation assets, preserving the Company's value and preparing it to grow.

In this sense, one of the main challenges facing us is the prospect of the market opening up, to which we will be able to contribute actively in discussions surrounding regulatory advances, supporting the formation of an open and dynamic natural-gas market.

We reached yearend 2019 with a team of around 40 multidisciplinary, dedicated and skilled employees. We know that there is much left to do to create a culture and an identity of our own. My sincere thanks to all of our employees and service providers for their professionalism and engagement reaching our goals; to our shareholders and partners for their trust; and to the Petrobras team for their support during the transition phase.

The next pages briefly summarize our accomplishments this year, marking the early steps of a promising journey!



**Gustavo Henrique
Labanca Novo**

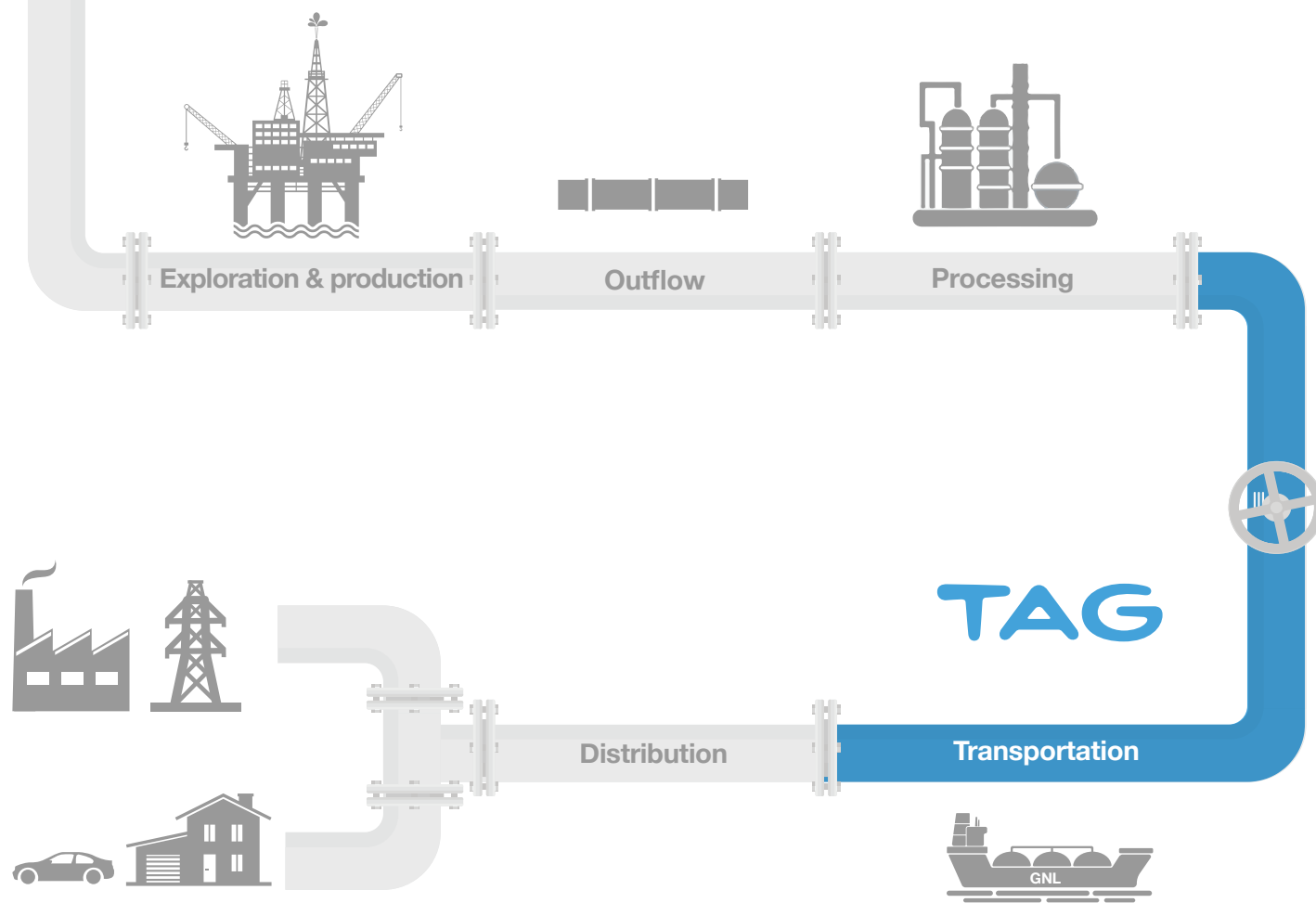
Chief Executive Officer

The image features a blue-tinted background of an industrial facility with numerous pipes and structural elements. Overlaid on this is a white, stylized pipe diagram. The diagram starts from the bottom left, moves right, then up, then right again, forming a U-shape. A blue rectangular box with rounded corners is positioned in the upper horizontal section of this white pipe. Inside the box, the word "TAG" is written in white, bold, uppercase letters. The white pipe continues from the right side of the box, goes down, then right, then up, and finally right again. Several small, grey, circular icons with a cross-like pattern are placed at various points along the white pipe, representing valves or connection points.

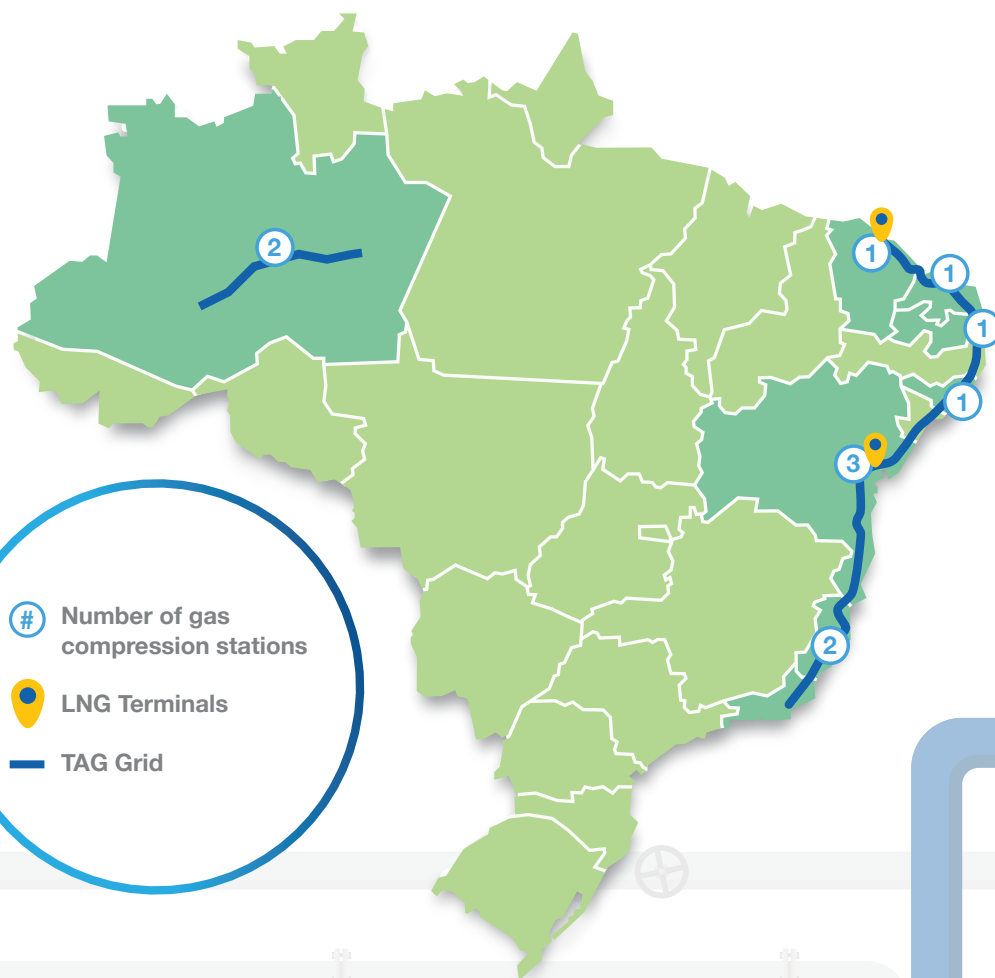
TAG

Transportadora Associada de Gás S.A. (TAG) holds the most extensive gas pipelines network in Brazil, at approximately **4,500 kilometers** and answering for **47% of the country's gas infrastructure**. This includes 3,700 kilometers along the Brazilian coastline, crossing almost **200 municipalities in nine states** – Ceará, Rio Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe, Bahia, Espírito Santo, and Rio de Janeiro – and another 800 km in the **Amazon, linking the Urucu oil-bearing region and Manaus**, in the state of Amazonas.

Natural Gas Chain



Activities Map



TAG's network also includes 11 gas compression stations (six own and five outsourced), connected to two LNG (liquefied natural gas) terminals, 14 gas inlets and 90 gas outlets, which enables reliable and safe supply to ten gas distribution companies, three refineries, eight thermal power plants, and two fertilizer plants. In 2019, the network served five contracts with Petrobras that, taken together, met the contracted transportation capacity of 74.67 million cubic meters/day of natural gas.

With this infrastructure and the sum-total of its agreements, TAG billed for an annual average volume equivalent to 44 million cubic meters/day of natural gas in 2019, peaking at 67.3 million cubic meters/day. This provided the Company with BRL5.2 billion in net operating revenues and EBITDA of BRL4.4 billion in the fiscal year, reflecting the new management's ability to maintain the pace of the system's operations and honor all standing agreements. Operations were carried out throughout FY 2019 with no accidents requiring leave, or events involving environmental damages.

2019 Financial Highlights



BRL5.195
million

Net operating revenue



BRL4.398
million

EBITDA



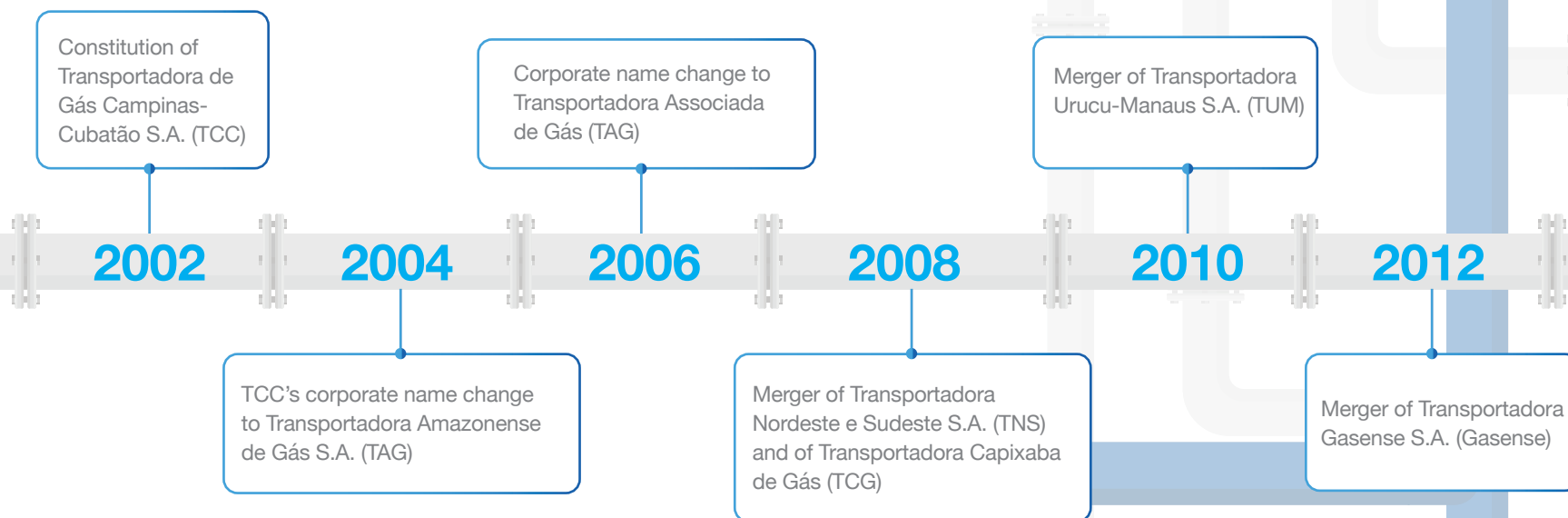
BRL2.111
million

Net income

Ownership Structure

Petrobras constituted TAG in 2002, under the corporate name Transportadora de Gás Campinas-Cubatão S.A. (TCC) with a mission to enable the growth of Petrobras's gas pipelines network in Brazil. Over the years, the expansion of the government-owned company's business led to several mergers and corporate name changes, as the timeline ahead illustrates, until its final restructuring in 2019.

Timeline



Full transfer of TAG shares held by Petrobras Gás S.A. (Gaspetro) to Petróleo Brasileiro S.A. (Petrobras)

TAG acquires the entirety of the stock of Nova Transportadora do Sudeste (NTS) and of Nova Transportadora do Nordeste (NTN)

2014**2016**

Corporate restructuring of TAG and Malhas Consortium, consolidating the transportation grid in Southeast Brasil at NTS, while TAG and NTN kept the North and Northeast grid, including the interregional connection system (Gasense)

Final corporate restructuring of TAG, with the NTN merger

2017**April**

ENGIE and the CDPQ Fund, through Aliança Transportadora de Gás Participações S.A. (Aliança), place the winning bid for the acquisition of TAG

June

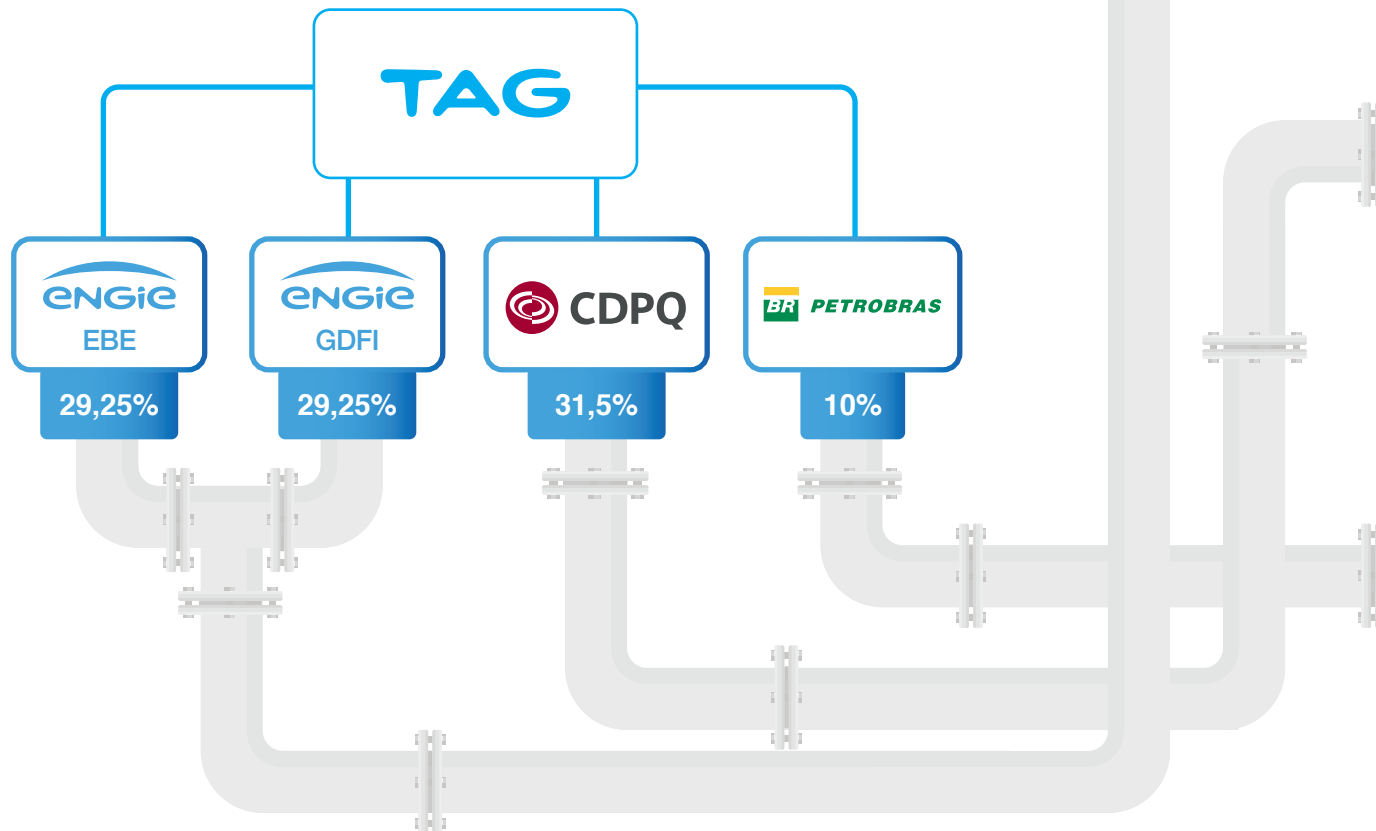
Acquisition of a 90% equity stake in TAG completed for USD8.6 billion

2019**September**

Reverse merger of Alianca by TAG

In April 2019, ENGIE – through GDF International and ENGIE Brasil Energia S.A. – and Canadian investment fund Caisse de Dépôt et Placement du Québec (CDPQ) formed Aliança Transportadora de Gás Participações S.A. (Aliança) to place a winning bid for the acquisition of a 90% equity stake

in TAG. The process was completed in June that same year. September saw the reverse merger of Aliança by TAG to unify assets and liabilities and meet the covenants of the relevant financing agreements. After the reorganization, the Company's ownership structure was as follows:



Shareholders

ENGIE – The ENGIE Group holds 58.5% of TAG's stock. Out of this share, 29.25% belong to Group subsidiary GDF International. ENGIE Brasil Energia – the country's largest private-sector electric energy producer – holds the other 29.25%. Almost 90% of the latter company's installed capacity comes from renewable sources with low Greenhouse Gas (GHG) emissions, like hydroelectric, wind, solar, and biomass plants.

CDPQ – A global institutional investor with around USD262 billion in assets (as at December 31, 2019), CDPQ has a 31.5% equity stake in TAG. The fund holds material investments in gas companies around the world, such as Fluxys, a Belgian natural gas transmission systems operator, Énergir, the largest natural gas distribution company in Québec (Canada), and Southern Star, the leading natural gas transportation company in the United States.

Petrobras – The Brazilian government-owned company retained a 10% equity stake in TAG.

The background of the image is a photograph of an industrial facility, likely a refinery or chemical plant. It features a complex network of large, light-colored pipes, valves, and machinery. The ground is covered in gravel. The sky is a pale, hazy blue. Overlaid on the right side of the image is a white, stylized graphic element resembling a pipe or a path. It starts from the bottom, goes up, then left, then up again, forming a sort of 'C' shape. In the center of this white shape is an orange rounded rectangle containing the text 'Corporate Management'. There are also small, light blue valve icons placed at various points along the white pipe graphic.

Corporate Management

Commercial and Regulatory Scenario

The Brazilian natural gas market is undergoing a series of change in the wake of the Petrobras divestment plan, the Consent Decree (“Termo de Compromisso de Cessação de Prática” – TCC) between Petrobras and antitrust authority Conselho Administrativo de Defesa Econômica (CADE), and the Federal Government’s launch of the New Gas Market program in 2019.

Aspects such as these have been changing the industry and enabling a more competitive and efficient view of the market. In this context, the TCC underscores Petrobras’s commitment to the sale of several assets and stakes in the natural-gas chain, and to negotiate non-discriminatory third-party access to the essential outflow and processing structures in place.

Natural gas will play an even more important role in the Brazilian energy mix, given the local discovery of material on- and offshore reserves of the input. The transportation industry has a strategic and key role to play enabling the integrated connection of these sources to the domestic market, adding to the system’s security.

The integrated admission of new players enables competitiveness in the supply of the gas molecule, the main element in the breakdown of the end price of natural gas supplied to the market. On the other hand, the more agents sharing the use of network infrastructure (the transportation grid connecting supply sources and the distribution grid connecting points of demand), the greater the transaction volume and the lower the unit cost for system usage.

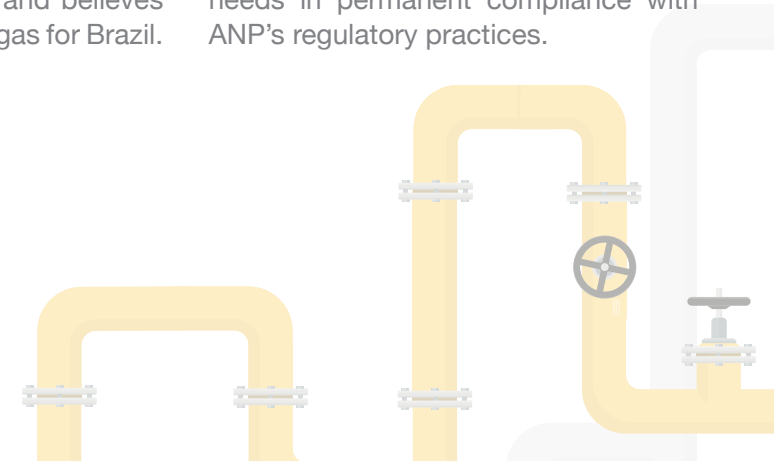
The market’s opening-up process is expected to attract material new investment in Brazil. System optimization and modernization will be key to the system’s maturity and to keeping the market supplied, guaranteeing long-term energy sustainability.

It is worth emphasizing that, in keeping with its divestment plan, Petrobras announced in December 2019 an interest in divesting its 10% equity stake in TAG. The current shareholders will have right to match in the process.

TAG’s new management has been keeping a close eye on the developments of these initiatives and believes in the relevance of natural gas for Brazil.

The Company supports the formation of an open, dynamic and competitive market for natural gas, and actively contributes to discussions on regulatory progress at the legislative (substitute Gas Bill) and regulatory (National Oil Agency – ANP regulatory agenda) levels.

One move in this sense is the Company’s participation in trade entities such as the Association of Pipeline Natural Gas Transportation (“Associação de Empresas de Transporte de Gás Natural por Gasoduto” – ATGás), as well as forums and conferences on the matter. TAG is ready to meet the market’s needs in permanent compliance with ANP’s regulatory practices.



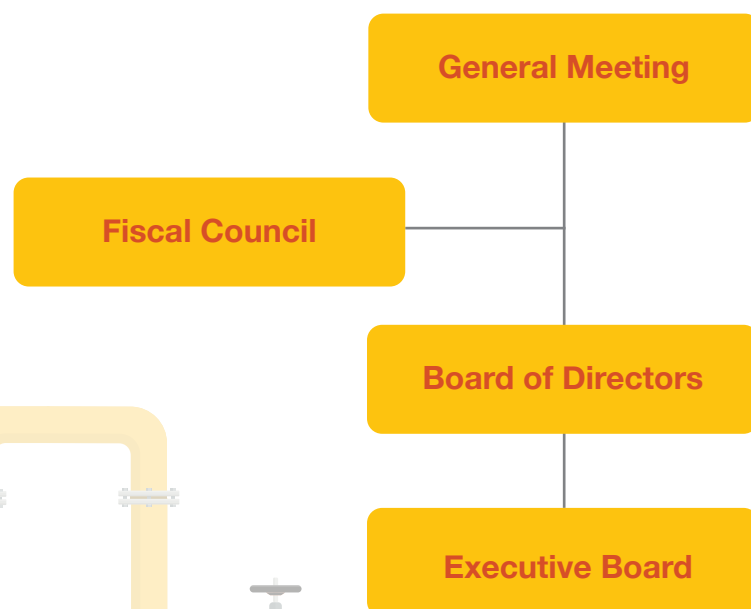


Corporate Governance

TAG carries out its business in line with world-class governance standards, and with the controlling shareholders' culture and principles so as to ensure the Company's longevity, value and growth while maintaining ethics, transparency and corporate responsibility. The structure is based on efficient management made up of experience

professionals committed to the Company's development.

Corporate management is made up of deliberative and executive bodies acting in concert, pursuant to the prerogatives and duties as provided in Law 6.404/76 (Corporations Law) and the Company's Bylaws.



Board of Directors

The Board of Directors is responsible for setting business policies, strategies and overall guidelines and for supervising the Executive Board's management. The Board of Directors is made up of seven members, one of which is independent. All seven are elected by the General Shareholders' Meeting for two-year terms, and may serve for a maximum three consecutive terms.

Effective Members	Manager
Chairman	Maurício Stolle Bähr
Director	Eduardo Antônio Gori Sattamini
Director	Raphael Vicent Philippe Barreau
Director	Martin Jahan de Lestang
Director	Alexandre Atallah
Director	Eduardo Edmond Farhat
Independent Director	Cynthia Santana Silveira



Fiscal Council

The Fiscal Council is a permanent and independent body made up of three members to be elected by the General Shareholders' Meeting for two-year terms, and may serve for a maximum two consecutive terms. The Fiscal Council is responsible for reviewing the Company's accounting statements, inspecting the Executive Board's actions, and reviewing the risk-management and internal controls systems.

Effective Members	Manager
Chair	Paulo Maurício Mantuano de Lima
Member	Alexandre Ribeiro Chequer
Member	Pedro Guedes Campelo
Alternate Members	Manager
Member	Manoel Eduardo Bouzan de Almeida
Member	Victor Braga Ferrão Galante
Member	Luciana Janaína Fagundes

Executive Board

The Executive Board manages TAG's business in line with the Company's Business Plan and the objectives, strategies and guidelines set by the Board of Directors. The statutory Executive Board comprises a Chief Executive Officer ("Diretor-Superintendente"), a Chief Financial Officer and a Chief Operations Officer to be elected by the Board of Directors for three-year terms, and may serve a maximum of three consec-

utive terms. The Executive Board shall also include the General Counsel and Ethics Officer ("Diretoria Jurídica e de Ética") and the Commercial and regulatory Officer ("Diretoria Comercial e Regulatória"). Despite being non-statutory, these two positions are key to the Company and to the implementation of long-term strategies in the face of the market's expected increase in dynamism and competitiveness.

Position	Manager
Chief Executive Officer	Gustavo Henrique Labanca Novo
Chief Financial Officer	Joaquim Jordão Saboia
Chief Operations Officer	Emmanuel Charles Delfosse
Head Counsel and Ethics Officer	Felipe de Queiroz Batista
Commercial and Regulatory Officer	Emmanuel Charles Delfosse*

* Filling the position pro-tem.



Ethics and integrity

TAG's values and organizational culture are laid out in codes and policies subject to formal endorsement of the Board of Directors. These documents provide the guidelines for business and relationships with the Company's various publics.

After the ownership change, the new Management approved policies and guidelines that reinforce the controlling shareholders' ethical principles.

The company has in place regular practices to prevent and review risky situations and inappropriate events. These include due diligence processes, awareness-building programs, contract clauses and internal-controls management of TAG's activities.

TAG has an Ethics Committee that strictly monitors every procedure and process associated with preventing corruption, bribery and any and all ethical breaches. The Committee is a priority channel covered by secrecy and anonymity, intended to accept and look into alleged cases of trespass against the Company's values and policies.

Relevant policies and guidelines

- Supplies Policy
- Supplies Guideline
- Whistleblower Channel Policy
- Conflicts of Interest Prevention Policy
- Code of Conduct for Supplier Relations
- Guidelines on the Acceptance and Offering of Gifts and Hospitality



Strategic Planning

TAG's corporate strategy and short- and long-term action plans will be run in line with the 2020-2024 Business Plan as approved by the Board of Directors in 2019. Among other items, the Plan provides guidelines for consolidating operational control and for strategic investments intended to ensure the Company's sustainable operation.

Strategic Guidelines

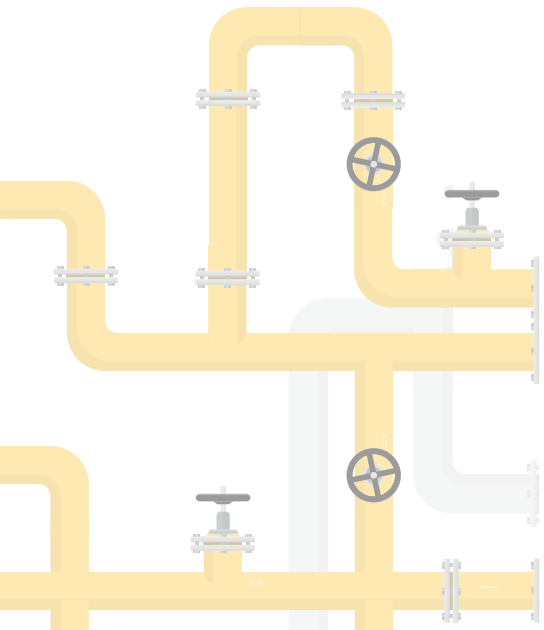
- Abide by the strictest ethics, health and safety standards and embrace excellence in services provided
- Care for the preservation of the environment, for compliance with environmental authorities' requirements and for sustainable practices
- Meet legal and regulatory requirements
- Meet project execution deadlines, on-budget and at high quality standards
- Generate shareholder value
- Ensure a healthy environment for employees

In the Information Technology Area, TAG implemented a new telecommunications network and IT infrastructure. These are integrated with ENGIE's and compliant with cybersecurity standards. Also in 2019, the Company commenced implementation of sophisticated information systems to guarantee added agility, control and security for operating areas' processes, such as: gas management system, ANP information submission system, environmental licenses management system. In 2020, implementation of the new Enterprise Resource Planning (ERP) system will begin, enabling increased integration across corporate processes.

Reflecting the controlling shareholders ethics and governance principles, a new Supplies Policy was established in 2019 that requires meticulous as-

essment of strategic suppliers and partners. At the same time, TAG drafted process and procedure models capable of expediting and simplifying internal operations and controls. Business Intelligence (BI) technology was deployed to tighten partnerships with suppliers and ensure transparent and fruitful relationships.

To guarantee integrated and efficient management of risks and opportunities, the Company embraced the Enterprise Risk Management (ERM) process in partnership with ENGIE and in line with international best practices. The program covers several dimensions and involves risks in the areas of ethics and compliance, IT and digital platforms, regulatory, socio-environmental, occupational health and safety, and business continuity.





**Business
Management**



The commercial relationship between a natural gas transportation company and its clients – the carriers – is governed by Natural Gas Transportation Service Agreements which are regulated by the National Oil, Natural Gas and Biofuels Agency (ANP). All of TAG's agreements in force in 2019 have Petrobras as the carrier.

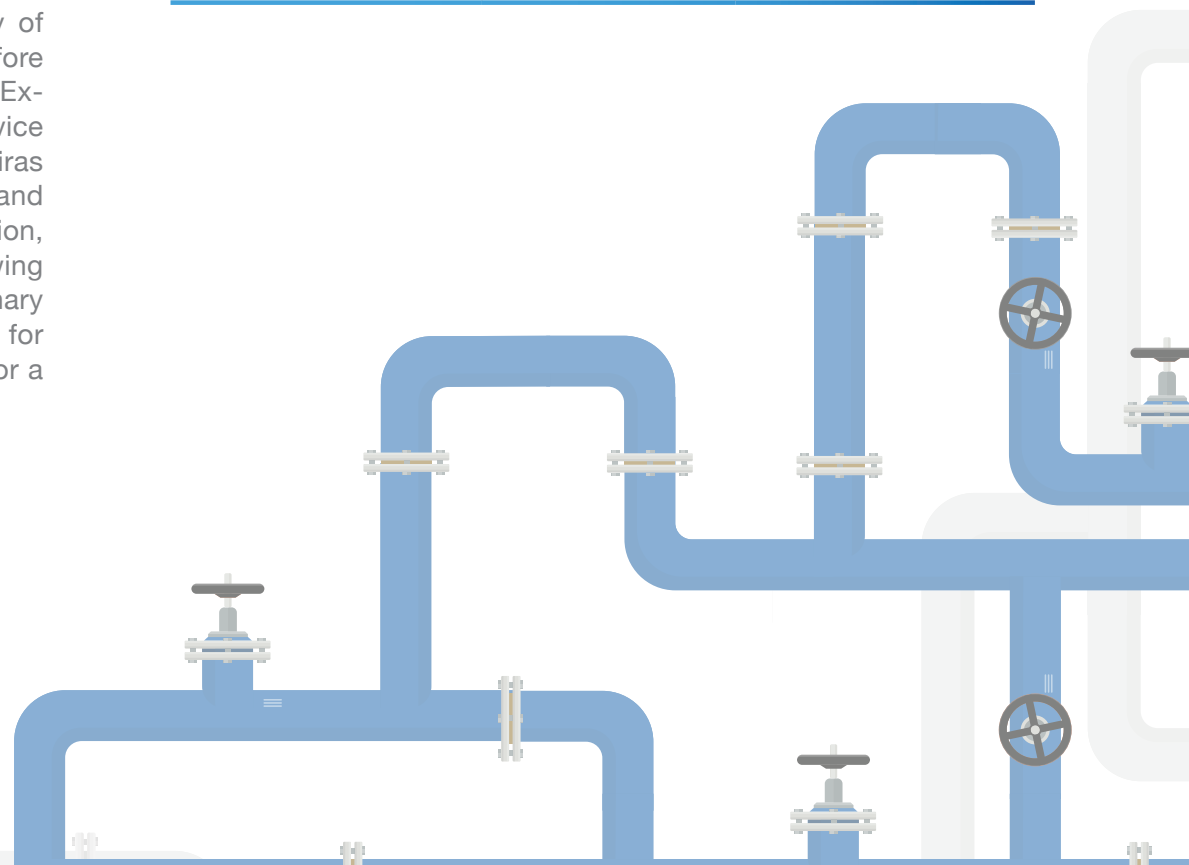
TAG therefore receives natural gas daily at the Inlets along its grid and delivers it to carrier Petrobras at the Delivery Points (city gates). In return, it collects transportation service revenues, which break down into amounts for effective molecule transportation and a charge on unused capacity (ship-or-pay clause).

As the holder of the most extensive gas transportation pipelines in Brazil, at approximately 4,500 kilometers, TAG is present in three Brazilian Regions and ten states: Amazonas, Ceará, Rio

Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe, Bahia, Espírito Santo, and Rio de Janeiro.

Over the course of Fiscal Year 2019, the Company operated five transportation agreements: Gasene (split into the South and North stretches), Northeast Grid, Pilar-Ipojuca, Urucu-Manaus System, and Atalaia-Laranjeiras. Altogether, the Daily Contracted Quantities ("Quantidades Diárias Contratadas" – QDC) under these five agreements amounts to 74.67 million cubic meters/day of natural gas. In March 2019, before the Company's divestment, the Extraordinary Transportation Service Agreement for the Atalaia-Laranjeiras pipeline, by and between TAG and Petrobras, was terminated. In addition, the ANP is in the process of reviewing and approving the draft Extraordinary Transportation Service Agreement for the Lagoa Parda-Vitória System, for a one-year period.

Agreement/Stretch	Extension (km)	Expiration
Gasene South	1,400	November 2033
Gasene North		
Northeast Grids	2,000	December 2025
Pilar – Ipojuca	200	November 2031
Urucu – Manaus	800	November 2030
Lagoa Parda – Vitória	100	To be executed in 2020





Transportation Agreements

Because this is a regulated activity in the Brazilian infrastructure sector – one that is capital-intensive and has natural monopoly and network industry characteristics – return on investments made in the construction, maintenance, upgrading or expansion of gas pipelines must be reviewed and validated in advance by the regulatory authority and guaranteed under contract, regardless of any changes in the demand for gas transportation.

To this end, transportation agreements feature an Unused Capacity Charge (ship-or-pay) clause. The method is in line with best international practices for the natural gas transportation sector, and is intended to foster a safe environment to attract long-term investments even as it enables tariff affordability mechanisms for the purposes of service to users in the market.

What is ship-or-pay?

It's a typical clause of the Gas Transport Service Agreements (GTAs) that guarantees a regulated revenue to the investor in the infrastructure. This revenue is required for the remuneration of their assets, through the prior commitment of the service contractor (shipper) to pay for the availability of the contracted capacity, even if it will not be used completely.



Tariff Restatement

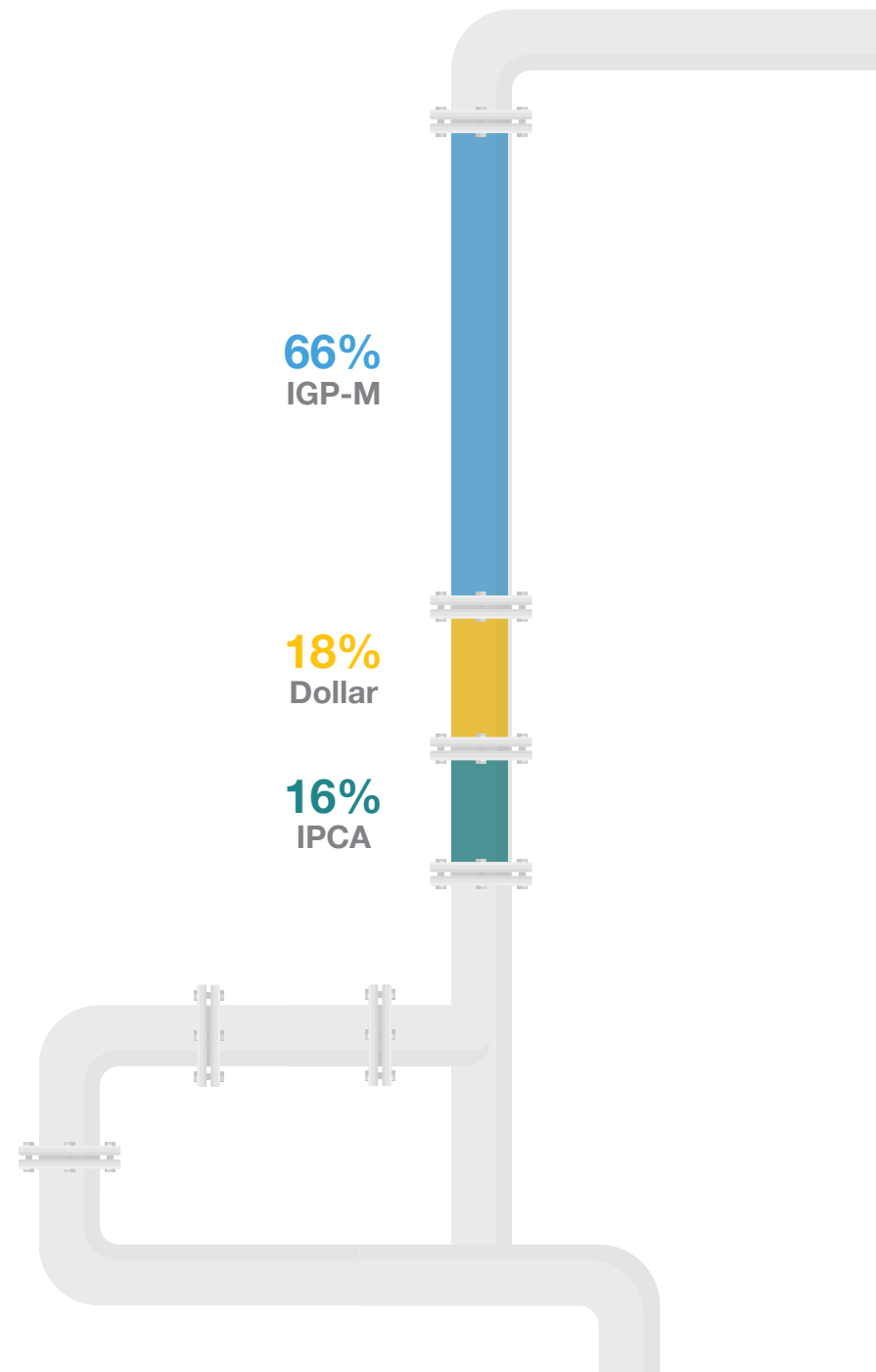
In 2019, approximately 66% of the revenues from TAG's agreements were subject to annual restatement at the General Market Prices Index (IGP-M), 16% were indexed to the Consumer Prices Index – Comprehensive (IPCA) and 18% were pegged to the US Dollar (USD).

Agreement/ Stretch	QDC (MMm ³ /day)	QDC (%)	Share of Revenue (%)	Average Handling (MMm ³ /day)	Peak Handling on record (MMm ³ /day)	Date of Observed Peak
Gasene South	20.00	26.80	19.70	6.16	13.98	Aug/22/2019
Gasene North	10.30	13.80	18.00	8.07	15.23	Aug/22/2019
Northeast Grids	21.58	28.90	23.90	19.33	24.24	Feb/15/2019
Pilar-Ipojuca	15.00	20.10	6.60	5.58	7.83	Dec/21/2019
Urucu- Manaus	6.29	8.40	31.70	4.80	5.71	Nov/13/2019
Atalaia- Laranjeiras	1.50	2.00	0.10	0.11	0.35	Jan/19/2019
Total	74.67	100.00	100.00	44.05	67.33	

66%
IGP-M

18%
Dollar

16%
IPCA

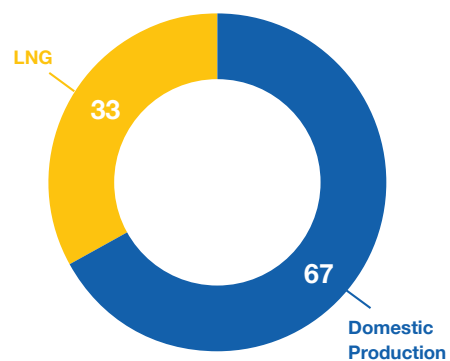




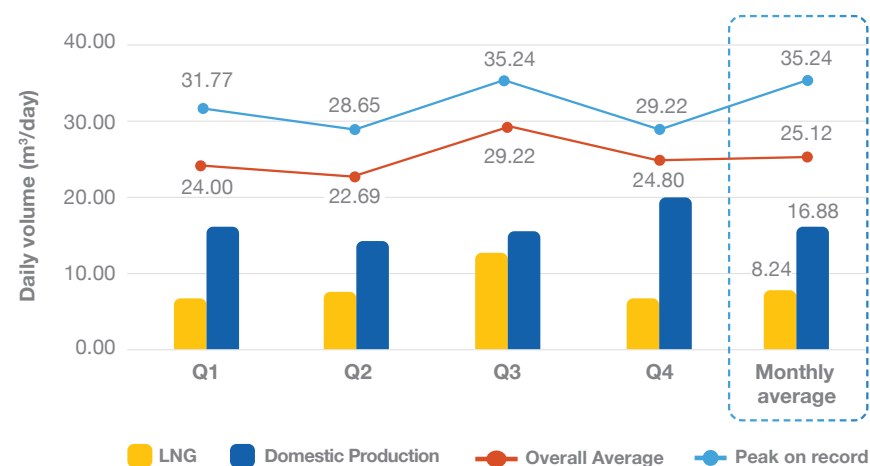
Gas Inletting

Out of the 14 gas inlets intended for the North, Northeast and Southeast Regions, 11 receive domestically produced and processed gas, answering for 67% of all the natural gas injected into TAG's grid in 2019. The other three points serve injections of imported gas into TAG's grid (33%) at the LNG (Liquefied Natural Gas) terminals in Pecém (state of Ceará), with one inlet, and in Bahia, with two.

Natural Gas Inletting into the TAG Grid by Source of Supply – 2019 (%)



Intake Volume by Source of Supply – 2019 Quarterly Average



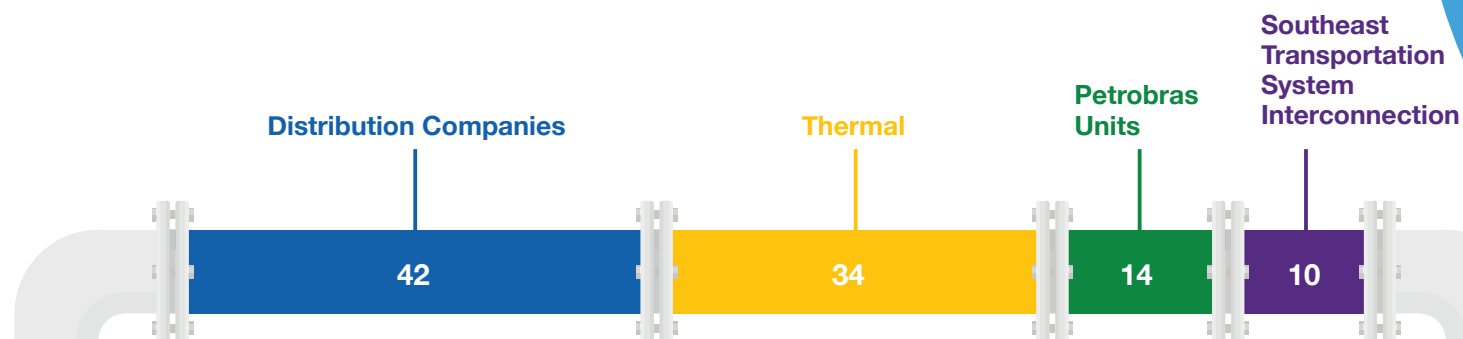


Market Deliveries

The gas transported by TAG in 2019 and made available at its city gates served the following segments: thermal, local piped gas distribution companies (industrial, commercial, residential, co-generation and vehicle sectors) and Petrobras industrial facilities (refineries, fertilizer plants, hydrogenated chemicals plants, and exploration and production units).

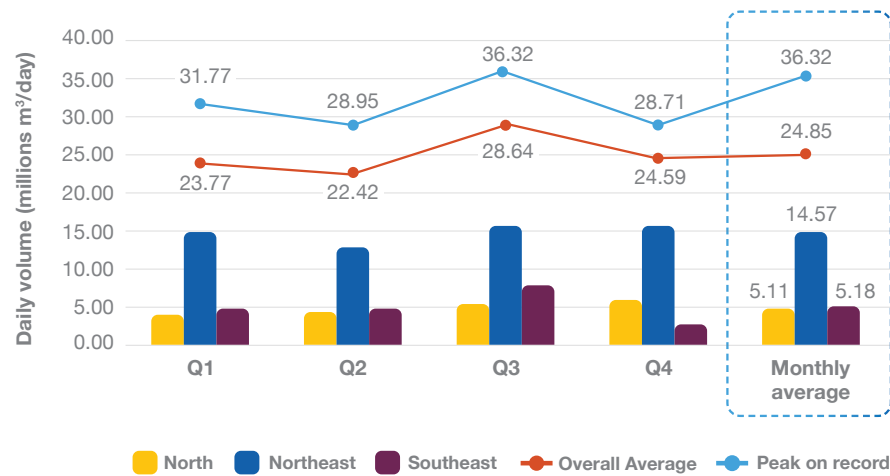
It is important to emphasize that carrier Petrobras made two-way use of the Gasene System in 2019 to transfer natural gas to the pipelines system of Nova Transportadora do Sudeste S.A. – NTS by means of the Cabiúnas (TECAB) terminal, with peak usage of 10.98 million cubic meters/day on August 22.

Natural Gas Deliveries Breakdown – 2019 Average (%)



The figure next shows average deliveries by region, in each quarter and for the year in aggregate, as well as the peak daily volumes seen in each period. In 2019, the monthly average was 24.85 million cubic meters/day, peaking at 36.32 million cubic meters/day.

Delivered Volume by Region – 2019 Quarterly Average



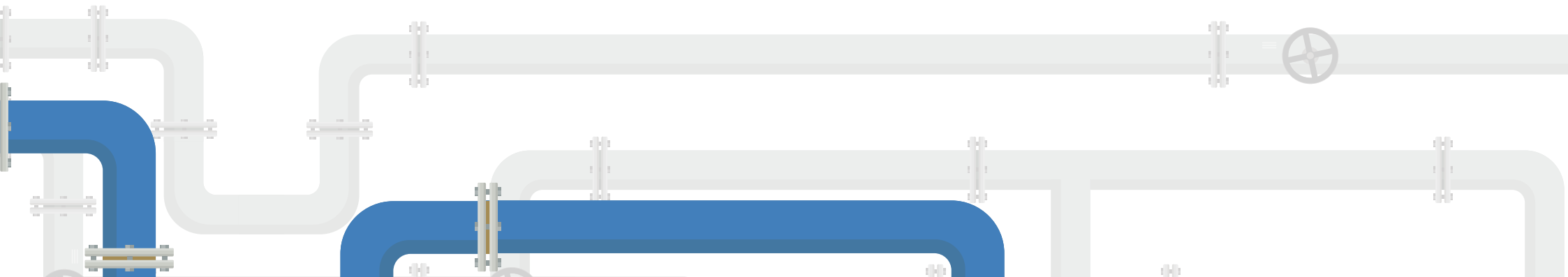
Maintenance and Integrity

To guarantee that the ownership transfer of TAG could take place without service interruption, on the date of the sale the new shareholders entered into a new technical support services agreement with Petrobras Transporte S.A. (Transpetro), a wholly-owned Petrobras subsidiary, to replace the agreement that had been in force until that time by and between the government-owned company's subsidiaries.

The services provided by Transpetro include natural gas transportation operations on TAG's grid and grid main-

tenance and inspection to ensure operational uptime, personal and facilities safety, and asset integrity. Transpetro is recognized for its operation and maintenance services in the natural gas transportation industry.

Taking advantage of its expertise and best international practices in the operation of gas transportation assets, TAG relies on operational and technical support from GRTgaz – an ENGIE Group company that operates over 32 thousand kilometers of gas transportation pipelines in France.





Project Development

Projects and investments that had been postponed because of TAG's divestment process resumed in the second half of 2019. To ensure grid uptime and reliability, BRL24 million were invested in Fiscal Year 2019: BRL10 million were allocated to adequacy and maintenance of the pipelines grid and city gates modernization (CAPEX), and BRL14 million to the resumption of suspended projects or commitments made before regulatory, environmental and Federal authorities (OPEX).

After the ownership change, Management redefined the scope of the projects, approving a new investment

program for approximately BRL1 billion in 2020–2024. In 2020 alone, the Company will allocate an amount equivalent to the investments made in the past five years, representing a highly significant increase from the previous period.

It is worth emphasizing that investments are reported in advance to the regulatory authority (ANP) for analysis and validation, thereby guaranteeing compliance with transparency and tariff affordability criteria. These investments must be in line with market needs and incorporated to TAG's regulatory assets base, one enabled.





Completed Projects

- Recovery of the Almada River Dam in the municipality of Itajuípe (state of Bahia);
- Crossing intervention on the SAN-CAM 18" Pipeline (Jacumirim River), in the state of Bahia.

Ongoing Projects

- Replacement of stretches of the Cacimbas-Vitória Pipeline (Gasene System) due to the lease-class change;
- Intervention for the replacement of river crossings on which the Gasalp and Nordeste Pipelines run;
- Mechanical protection for the Gasfor Pipeline in the Caucaia (state of Ceará) stretch;
- Resumption of the Overhaul program for Turbocharger Compressors and Gas-Fired Generators at the Compression Stations;
- Disassembly of the PE Goiana I city gate and execution of remaining complementary services at PE Goiana II.

2020–2024 Prospects

Within the context of the 2020 Business Plan, the following projects are worth emphasizing:

- Natural gas flow Metering and Monitoring System Improvement Programs along the transportation grid;
- Turbocharger Compressors Overhaul plan, aiming to maximize the compression system's uptime;
- Assessment of the resumption of stretches of the Gasfor II pipeline;
- Operating Data Oversight and Acquisition System (SCADA);
- Commercial Control and Dispatching System;
- Expansion and implementation of new City Gates and Inlets, among others.

Because of the Brazilian natural gas sector's opening-up process, prospects are good for stimulus for new infrastructure investments to enable grid capacity optimization and/or expansion

(adjustments and/or investments in new city gates, pipelines, compression stations, oversight and information systems), contributing to the access of new players.

Preliminary technical analyses have been conducted in response to inquiries from market players on adjustments to enable potential new connections to TAG's gas pipelines grid.

The new Management redefined the scope of the projects and approved an investment program of approximately BRL1 billion for the period of 2020–2024.

The background of the slide is a photograph of an industrial facility, likely a refinery or chemical plant. It features a complex network of pipes, valves, and structural steel beams. The lighting is warm and golden, suggesting a sunset or sunrise. In the foreground, a large valve with a handwheel is prominent. The overall scene is industrial and detailed.

Economic and Financial Performance



The reverse merger of Aliança Transportadora de Gás Participações S.A. (Aliança) by TAG and the transaction's developments had significant impacts on the Company's ownership and debt structures. Therefore, comparisons of 2018 and 2019 results must take these effects into account.

EBITDA and Net Income

Despite the changes, EBITDA was BRL4,398 million, down just 2% from FY 2018. Net Income was down 15% to BRL2,111 million YoY, which, in addition to the reverse merger, mainly, increased the level of indebtedness and the base of depreciable assets (*mais-valia*).

Cost of Services Rendered

Cost of services rendered in 2019 was BRL588 million, up 17% from the previous year, due mainly to the new Operation and Maintenance (O&M) agreement with Transpetro.

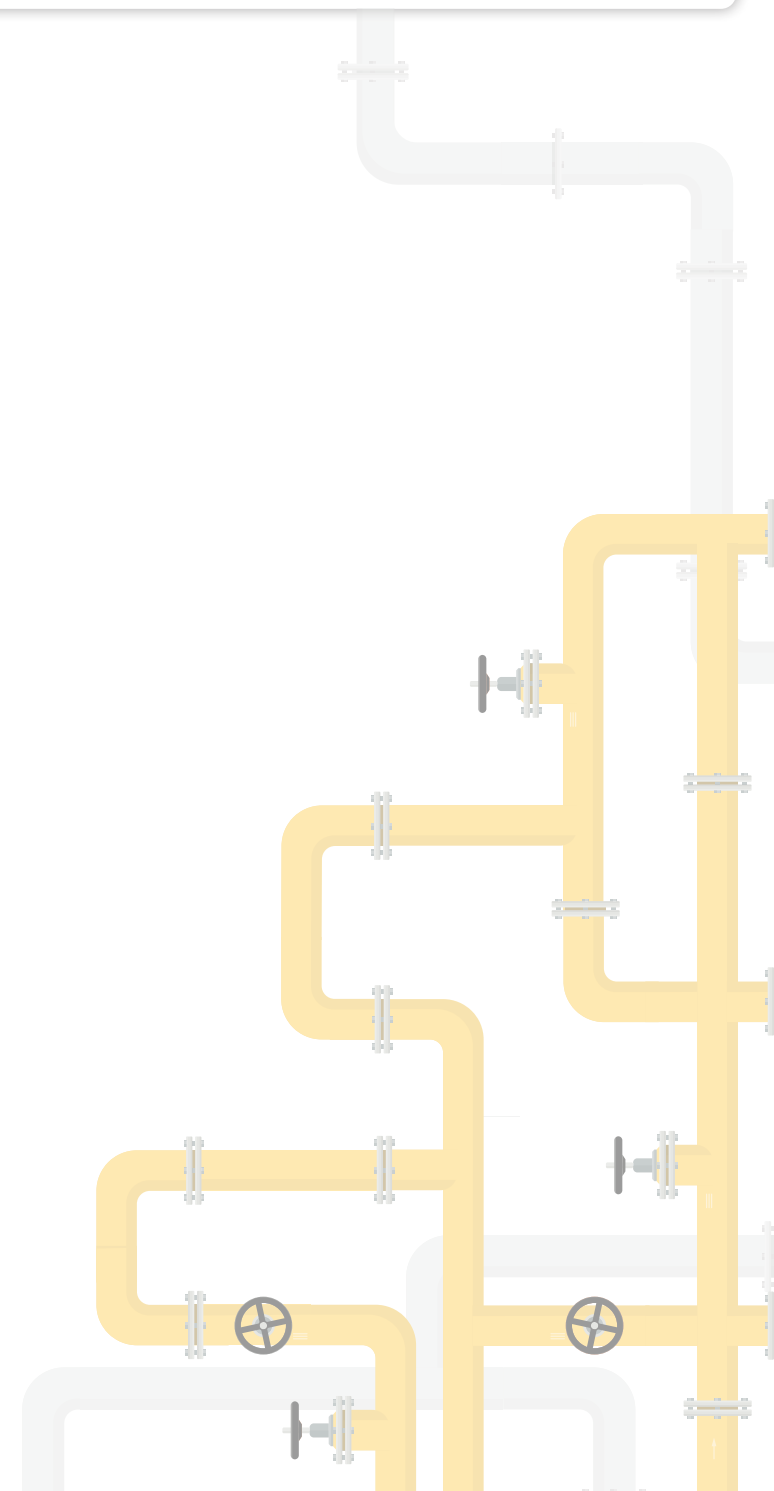
General and Administrative Expenses

General and administrative expenses were BRL75 million in 2019, up 34% YoY due mainly to the material increase in Petrobras cost-sharing expenses before the new managers took over, for the use of accounting, tax, financial execution, legal, and other services.

Financial Result

Because of the significant increase in TAG's indebtedness level due to the business combination, financial result was negative in BRL660 million, compared to a negative BRL242 million in 2018.

The Company entered into swap operations to fix the interest rate on US Dollar-denominated debt (Libor), thereby eliminating interest rate-risk. The derivative is booked "at fair value through other comprehensive results". It is worth emphasizing that TAG hedges its cash flow and its foreign currency-denominated debt is booked at "fair value through other comprehensive results".





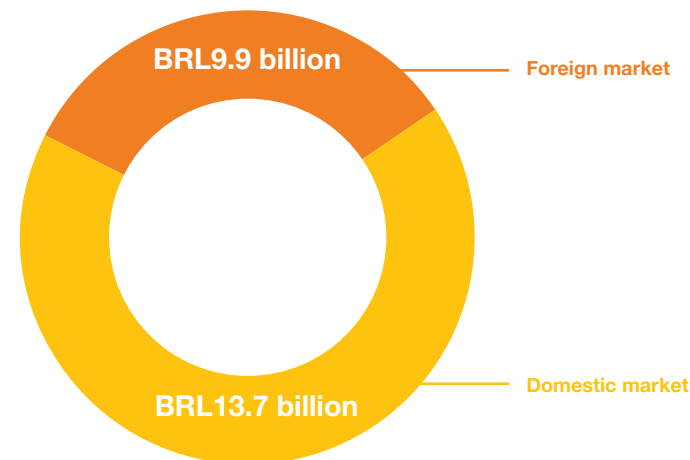
Income Tax and Social Contribution (IRPJ/CSLL)

Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) expenses due on 2019 income were BRL713 million, down 22% YoY, due mainly to the lower taxable base from fair value asset depreciation, Goodwill amortization, and financial results (increased indebtedness) arising from the business combination with Aliança.

Debt Breakdown

- **Domestic:** BRL14 billion financed by three local banks, at the Interbank Certificate of Deposit (CDI) rate plus 1.80% p.y., fully amortized semi-annually and maturing in June 2026. The balance as at Dec/31/2019 was BRL13.7 billion.
- **International:** USD2.45 billion, financed by a pool of 12 international banks at Libor plus an initial spread of 2.3% (ending at 3.6%), amortized semi-annually and maturing in June 2027. The balance as at Dec/31/2019 was BRL9.9 billion.

International funding was structured in such a manner that the effects of foreign-currency changes on debt will vary in line with the USD-denominated revenues from a tranche of the Gasene GTA, thereby making revenues and debt service symmetrical.





**People
Management**

Human Capital

A multidisciplinary team was formed in 2019 comprising 20 ENGIE employees with the expertise to run the various fronts of the TAG transition and integration project in areas like People & Culture (Human Resources); Legal; Governance & Compliance; Commercial & Regulatory; Financial, Environmental, Health and Safety; Operations Maintenance; and others.

Creation of the new organizational structure was one of the main focal points for the People & Culture Area. The parameters for the teambuilding process were recognition of the human capital already in the employment of TAG, diversity, and a search for professionals with the required know-how for operational continuity. At the end of the exercise, the TAG team was made up of

41 own employees and 50 service providers, with the prospect of reaching a headcount of 100 effective employees by June 2020.

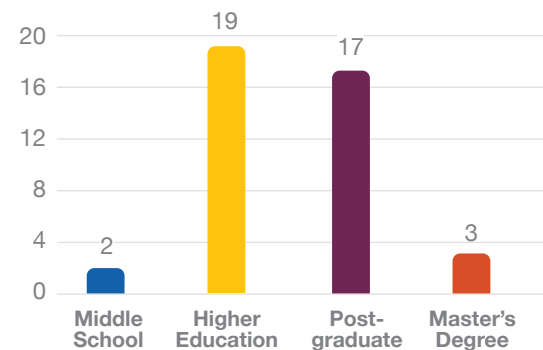
In line with ENGIE's best practices, the People Management process is being built with certain goals in mind for the next fiscal year, including consolidation of the jobs and people structure

according to the organization chart approved by the Board of Directors; adding depth to the purviews-and-skills descriptions of the various areas and positions; defining a training plan; and implementing a change-management program based on the Environment, Health & Safety (EHS), Ethics, Diversity, and Collaboration & Innovation pillars.

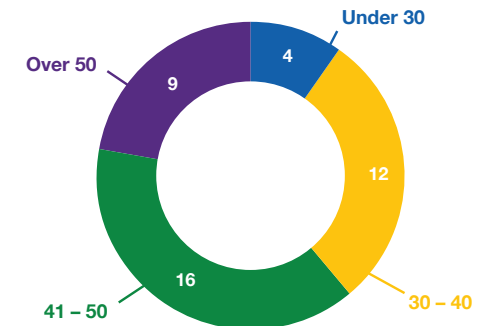
Profile by Gender



Education



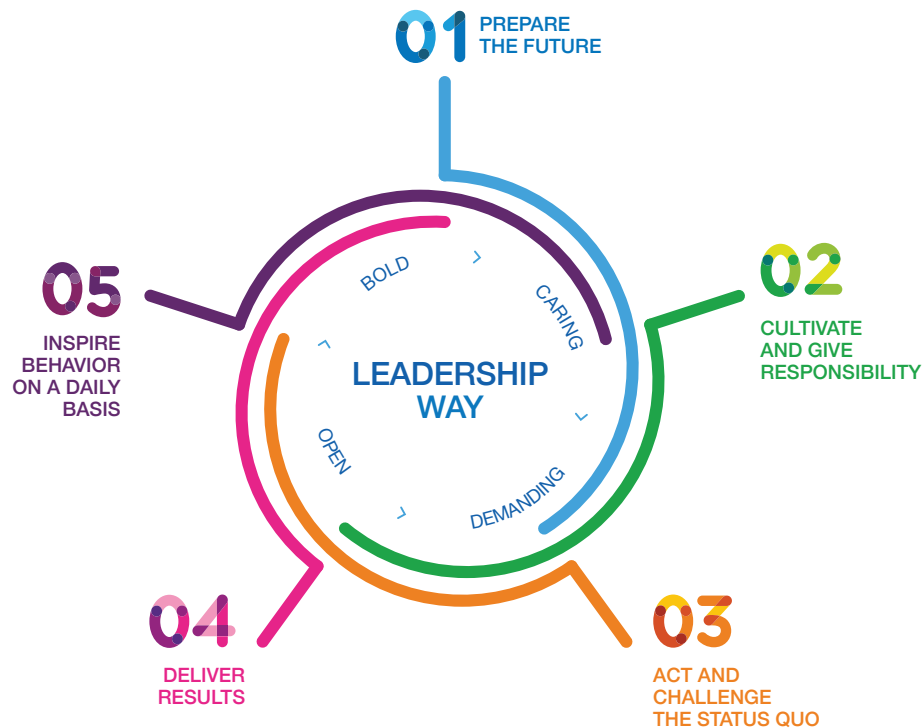
Profile by age group



Leadership Model

TAG understands that a culture is built based on shared attitudes, values and beliefs across leaders and employees, on how processes are organized, and on how people are recognized and valued.

To ensure business sustainability, the Company relies on the ENGIE Leadership Model, which provides guidelines for the attitudes and behaviors needed to achieve the best results. Commitment, integrity, respect and a humane attitude are key to shaping TAG's organizational environment.



Training

TAG believes in its talents and encourages its employees to the Company for opportunities to overcome new challenges, providing training programs intended to enable new skills and leadership abilities.

In 2019, the Company hosted training in IT, Ethics, Leadership and EHS, in addition to programs addressing the ENGIE culture. In just four months, assuming admission of the first TAG employees to be September 2019, 297 hours of training were provided to employees.



297
hours of training
over four months
(starting in
September 2019)



41%
—
123
Men



59%
—
174
Women



Global Skills

TAG shares the same commitments and challenges as the ENGIE Group on a global scale, and aims to hold corporate actions for its employees' development and integration. To this end, TAG participates in the ENGIE University, an ENGIE Group corporate university that makes several education and development programs available to employees.

A highlight among these actions is the U.Camp, an event held in some of the 70 countries where ENGIE does business. The U.Camp uses temporary physical facilities to integrate skills-building courses in various areas, fostering the exchange of experiences among participants, in addition to reinforcing the transmission of knowledge of the Group's position vis-à-vis the energy transition context. The latest edition of the event in Brazil was held in September 2019, and 36 TAG employees and service providers attended.

Recognition and Rewards

TAG provides an ethical and safe workplace that prioritizes balancing personal and professional lives and encourages its employees to develop. The parameters of the Company's recognition model include reinforcing employees' sense of belonging, ensuring equal treatment with respect, dignity and impartiality, and eliminating any inconsistencies and distortions capable of generating imbalance.

The Company has in place a fair and competitive rewards policy in line with market practices whose purpose is to attract and retain talents. It also has a benefits policy that can provide the appropriate conditions for employees

to carry out their tasks. The benefits program includes complementary retirement (with co-pay 100% covered by the Company), health insurance extensive to dependents, day-care support, gym allowance, food/meal assistance (including vacation periods), transport vouchers, wellness programs, a job-oriented languages policy, and a continued education program in line with skills and abilities deemed needed for each position.

Outsourced workers also have access to a permanent benefits program including meal vouchers and health insurance, whose amounts are included in the agreements with services providers.



Occupational Health and Safety

In 2019, the Company had no lost time accidents involving either own employees or subcontractors. This bears witness to the continued awareness and skills building and risk-control efforts in connection with TAG's processes and activities. The Company is committed to the health and safety of its employees, suppliers, visitors, clients and neighboring communities.

TAG maintains the preventive and mandatory Environmental Risks Prevention Program (PPRA) and the Occupational Medical Control and Health Program (PCMSO), as required by the Ministry of Labor. Furthermore, it develops the following programs: Hearing Preservation Plan, Respiratory Protection Plan, Emergency Response Plan, among others.

The Company systematically manages the risks of its activities and has been implementing national and international best practices to avoid accidents and/or ensure the minimization of their effects. This is clearly seen in the contracts for the supply of services and the contracts for the supply of goods. For each contract, the activity's risks are categorized and the appropriate EHS guidelines are defined for its purpose and circumstances. These requirements are included as part of the contract's annex and they must be strictly abide by the subcontractor.

The subcontractors perform annual field and communications emergency simulations at TAG's assets to promote training on emergency response procedures. These simulations involve local communities and public institutions such as Civil Defense and Fire Departments. Transpetro held more than 10 field simulations and 20 communication simulations in 2019. These are permanent challenges for the Company:



Integrity
OF PEOPLE AND ASSETS

It aims to anticipate and avoid risk situations that may endanger the lives of our employees.



Quality
OF LIFE AT WORK

It aims to promote continuous improvements of our work conditions and to prevent job-related health conditions.



Professionalism
PROFESSIONAL DEVELOPMENT

It aims to promote awareness and commitment of all employees in relation to the EHS actions through the leaders.

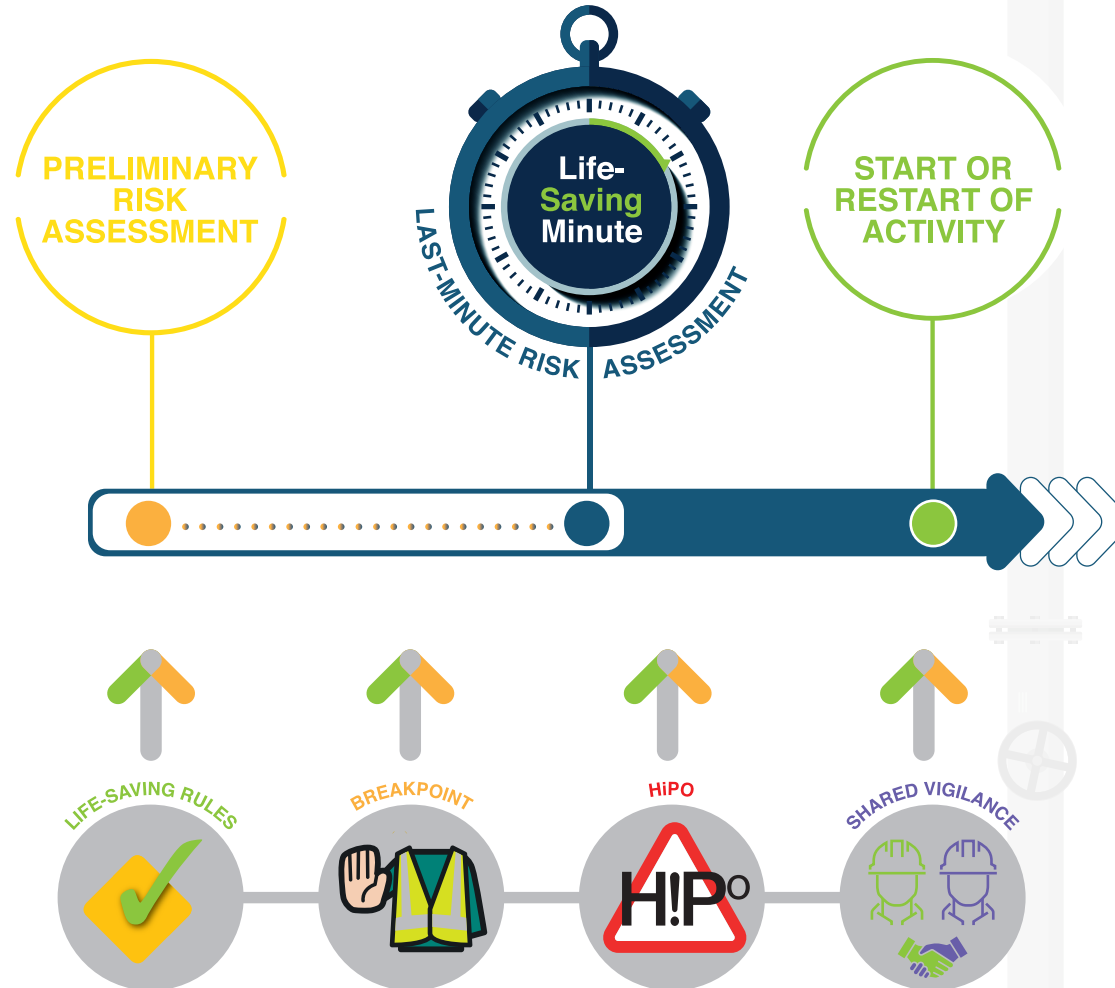


The Company is committed to the No Life at Risk policy, which is based on four pillars to prevent accidents:

- **Life-Saving Rules:** 11 fundamental rules to be respect by everyone, everywhere;
- **The Breakpoint – STOP:** raise the alert, stop the activity, and only resume it when safety conditions are restored;
- **HIPO:** events with very high potential severity that must be duly identified, communicated and managed;
- **Shared Vigilance:** being vigilant for your own and for everyone's safety.

In 2019, the Company launched the Life-Saving Minute campaign, which highlights the importance of taking a one-minute break before any activity to assess its risks.

No Life at Risk





Life-Saving Rules



Clip on your harness when working at height.



Only enter a trench if the appropriate wall supports are in place.



Do not walk or stand under a load.



Do not drive under the influence of alcohol or drugs.



Verify that there is no live energy (mechanical, chemical, electrical, fluids under pressure, etc.) before starting work.



The atmosphere must be tested safe before entering a confined space and monitored as you work.



Do not handle your phone or any other communication device when driving.



Signal, slow down and look in the rear-view mirrors before turning or backing up.



Stay out of the path of moving vehicles, plant and equipment.



Make sure that all safety steps have been taken before beginning any diving activities.



Do not perform hot work unless the fire or explosion risks have been eliminated.



In 2019, in order to contribute to the strengthening of the safety management tools, the Company launched the Safety “Mandala” campaign, with the phases **Plan**, **Do**, **Check** and **Act**. The campaign was performed to TAG’s employees and to the subcontractors in the civil works for the Almada River dam, in the municipality of Itajuípe, state of Bahia.



PLAN

We underscore the need to prepare activities by means of Procedures, Working Instructions and Preliminary Risk Assessments, in the light of the Life-Saving Rules, to avoid potential risks to employees.

DO

We reinforce the Last-Minute Risk Assessment and Breakpoint (STOP) campaigns to check for the presence of potential risks before beginning to carry out a task.

ACT

We emphasize the importance of reporting risky situations and high potential (HiPo) impact events and of sharing best practices in connection with health and safety.

CHECK

We demonstrate the importance of Shared Vigilance so that every employee is responsible for their own safety and their coworkers’ as well.



**Socio-
Environmental
Management**



The Environment

Respect for the environment is a matter of priority concern at TAG. The Company continuously promotes the identification of its operations' aspects and impacts, and carries out monitoring and control programs and actions to protect the environment. All activities are developed in compliance with the applicable laws and with the environmental permits conditionings, which are periodically renewed.

For every project or intervention in existing assets, the Company develops new studies and programs in the influence areas to identify and evaluate impacts on communities, fauna, flora, soil, water resources and air, and proposes measures to eliminate, minimize

or compensate any impacts. In 2019, in order to carry out preventive and corrective maintenance in the assets, the Company applied for several permits issued by the environmental authorities, including those for the replacement of three stretches of the Cacimbas-Vitória Pipeline, for a total length of approximately 2 kilometers.

The Company has also implemented the environmental programs in the areas around its assets, as established in the operational licenses. These include right-of-way management and erosion control, waste, water and wastewater management, noise and air emission monitoring and control, population growth control and monitoring, social

communication, environmental education, ecosystems conservation, and risk management. TAG also continued to maintain and monitor reforestation activities in an area of approximately 175 hectares.

In November and December 2019, a third-party company carried out Environmental Audits for Legal Compliance in some assets, as established in the environmental licenses issued by Ibama (federal environmental agency), to

assess the management system's requirements, legal compliance, and environmental controls.

Four audits were conducted on the grid with the participation of experts who generated compliance reports, identified opportunities for improvement, and indicated risk-management requirements. The presence of industry experts is also permanent at all grid infrastructure expansion, upgrade and improvement works.





Corporate Social Responsibility

Act with environmental and social responsibility is an essential requirement for TAG activities. It is a matter of principle for the Company to contribute to the social development of the communities in the areas around its assets, ensuring respect for human rights, citizenship and diversity, standing against all forms of discrimination, and embracing ethical and transparent behavior, in line with its Code of Ethics.

The Company constantly seeks to respect the property rights, promote dialogue and engagement with stakeholders, and establish systematic, objective, transparent and effective communication with different publics, such as communities, landowners, neighbors, suppliers, authorities and shareholders. The Company has robust communication and environ-

mental education programs for neighboring communities and for workers (own employees and subcontractors), which include trainings, simulations, meetings, lectures, folders, seminars and other activities.

In addition, the Company maintains the Population Growth Control and Monitoring Program to oversee the growth of the urban areas surrounding the pipeline right-of-way. This program, together with risk analyses, helps drive decisions.

In 2019, Transpetro – currently the operator of TAG’s pipelines and facilities, held presentations, meetings, house visits and other actions to disseminate information on the assets’ operations and on Environment, Health and Safety-related matters.

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