



Hidroviás do Brasil

2Q22 & 1H22

RESULTS

São Paulo, August 11, 2022 – Hidroviás do Brasil (B3: HBSA3), an integrated logistics solutions company focusing on waterway transport, listed on B3's Novo Mercado corporate governance segment, announces today its results for the second quarter and first six months of 2022 (2Q22 and 1H22). The results presented in this report comply with Brazilian accounting standards and with International Financial Reporting Standards (IFRS), with comparisons of 2Q22 vs. 2Q21 and 1H22 vs. 1H21, except where stated otherwise.

Hidroviás do Brasil ends the first half of 2022 with record results in the first and second quarters, presenting robust volume growth in all its logistic corridors, consolidated Adjusted EBITDA 17.2% higher than in 1H21 and net income of R\$55.3 million.

2Q22 AND 1H22 HIGHLIGHTS

- **Total volume** in 2Q22 was record-high **4.6 million tons** (+23.0% vs. 2Q21), with all established operations delivering, once again, double-digit growth. In 1H22, **total volume** was **8.1 million tons** (+25.2% vs. 1H21), demonstrating the gradual recovering of the South Corridor, very positive scenario for grain operations in the North Corridor and for bauxite in Coastal Navigation.
- **Net Operating Revenue** (ex-OTM and hedge accounting) was **R\$503.0 million** in 2Q22 (+22.2% vs. 2Q21), driven by the strong performance of the main logistic corridors in which the Company operates, reflecting mainly the higher throughput volume in the period, which more than offset the effect from the weaker Brazilian real on the translation of results of corridors with dollar-denominated revenue; In 1H22, **Net Operating Revenue** (ex-OTM and hedge accounting) amounted to **R\$863.3 million** (+26.2% vs. 1H21).
- **Adjusted Consolidated EBITDA, including the results of the JVs**, was **R\$267.8 million** in 2Q22 (+19.6% vs. 2Q21), setting a new record for the Company, and which does not represent its full potential, given the scenario of operational restrictions in the South Corridor and the lack of a positive contribution from the Santos operation, which is the final phase of its modernization and renovation process. In 1H22, **Adjusted Consolidated EBITDA** came to **R\$424.6 million** (+17.2% vs. 1H21).
- **Consolidated CAPEX** came to **R\$89.5 million** in 2Q22, down sharply by 85.3% from 2Q21, reflecting the investments in maintenance, which remain structurally low, and in expansion, which focus on projects that will generate results already in the short and medium terms. In 1H22, **Consolidated CAPEX** was **R\$156.2 million** (-78.8% vs. in 1H21).
- **The Company's Net Debt/Adjusted EBITDA ratio** stood at **5.7x** in 2Q22 (vs. 5.5x in 1Q22), reflecting the effects from the mark-to-market adjustment of dollar-denominated debt, since there were no material maturities in the short term.

| Consolidated | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|---|--------------|--------------|---------------|--------------|--------------|---------------|
| Consolidated Volume (kt) | 4,630 | 3,765 | 23.0% | 8,139 | 6,501 | 25.2% |
| Total volume (North Corridor) | 2,179 | 1,833 | 18.9% | 3,818 | 3,220 | 18.6% |
| Total volume (Coastal Navigation) | 745 | 594 | 25.4% | 1,564 | 999 | 56.6% |
| Total volume (South Corridor) | 1,706 | 1,275 | 33.8% | 2,757 | 1,950 | 41.4% |
| Total volume (Santos) | - | 63 | - | - | 332 | - |
| Net Operating Revenue (R\$ million)¹ | 503.0 | 411.8 | 22.2% | 863.3 | 683.9 | 26.2% |
| Net Operating Revenue (North Corridor) | 200.4 | 176.4 | 13.6% | 376.2 | 299.1 | 25.8% |
| Net Operating Revenue (Coastal Navigation) | 58.1 | 63.1 | -8.0% | 117.4 | 110.5 | 6.2% |
| Net Operating Revenue (South Corridor) | 244.7 | 167.0 | 46.5% | 369.9 | 251.0 | 47.4% |
| Net Operating Revenue (Santos) | (0.1) | 5.2 | - | (0.1) | 23.3 | - |
| Adjusted Consolidated EBITDA (R\$ million)² | 267.8 | 223.9 | 19.6% | 424.6 | 362.4 | 17.2% |
| Adjusted EBITDA (North Corridor) | 133.6 | 116.9 | 14.3% | 241.9 | 202.6 | 19.4% |
| Adjusted EBITDA (Coastal Navigation) | 36.0 | 30.5 | 18.1% | 69.5 | 63.1 | 10.1% |
| Adjusted EBITDA (South Corridor including JVs) | 126.4 | 96.1 | 31.5% | 161.4 | 127.6 | 26.5% |
| Adjusted EBITDA (Santos) | (1.9) | (0.4) | - | (2.4) | 6.3 | - |
| Adjusted EBITDA (Holding) | (26.3) | (19.1) | 37.2% | (45.7) | (37.2) | 23.0% |
| Consolidated CAPEX | 89.5 | 609.8 | -85.3% | 156.2 | 737.9 | -78.8% |

¹ Net Operating Revenue excludes intercompany effects between the Company's subsidiaries;

² Consolidated EBITDA is adjusted by hedge accounting, equity income (loss) and non-recurring or non-cash items and includes the result from the Company's interest in the JVs Limday, TGM and Baden.

MESSAGE FROM MANAGEMENT

*“We ended the second quarter of 2022 with the **highest Adjusted EBITDA** ever in the history of Hidroviás do Brasil (**R\$267.8 million**), despite the operational challenge that persists in the South Corridor, with better navigation conditions in 2Q22 vs. 2Q21, but with draft still below the historical average, and without the contribution from the Santos operation due to its modernization and renovation process during the entire first half of this year, with operations scheduled to restart in August.*

The result, combined with the resilience of long-term agreements, once again demonstrates the Company’s commitment and efforts to find alternatives and solutions to enable continuous operational improvements while increasingly mitigating external and non-manageable impacts such as those observed in 2021.

*The North Corridor delivered **significant growth in grain volume** in the period, despite the later than usual start of soybean trading in the first half of the year, which was offset by the foresight and successful strategy of our sales team, which was able to use the system’s capacity to capture corn volumes from the prior crop year destined for export markets.*

*In the South Corridor, despite the scenario of gradual recovery and below historical-average draft, we were able to **handle high volumes of iron ore** through our differentiated assets, with Hidroviás do Brasil the only company conducting navigating operations in the first two months of 2022. As you can see, we are anticipating and preparing our operations to face the scenario of lower water levels typical in the second half of the year to deliver the best possible result during the recovery period of this Corridor.*

*In the Coastal navigation operation, the **recovery this year in bauxite volumes to historical levels continued**, supporting very solid results. Lastly, as mentioned before, we are in the **final phase of the modernization and renovation of our Santos terminal**, which will contribute positive results already in 2022, further diversifying the Company’s operations and consolidating our strategic position in the main port of entry for fertilizers and salt to supply Brazil’s Southeast and Midwest.*

We remain focused and diligent on the investments made, which remain concentrated in projects with short-term, seeking alternatives and capturing market opportunities to optimize our capital structure, which included converting part of our dollar-denominated debt to Brazilian real, aiming to reduce volatility and better match our cash flow generation.

The year 2022 still poses atypical challenges related to low precipitation in one of our main logistic corridors, but we remain confident in the solidity of our operations and are working on structuring our operations to capture efficiency gains and follow the natural path of capturing opportunities in the innumerable growth avenues open to the Company.

Fábio Schettino – CEO, Hidroviás do Brasil

PERFORMANCE BY CORRIDOR

North Corridor

North Corridor: Integrated logistics services for the transportation of solid bulk cargo by waterway shipping. This corridor's capacity is represented by: a) Cargo Transshipment Station (ETC) of Miritituba (PA) (7.2 million tons of grain); b) Private Use Terminal (TUP) of Barcarena (PA) (7.2 million tons of grain); and c) the Company's fleet of pushers and barges used to transport products.

Volume:

| Volume (kt) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|----------------------------|--------------|--------------|--------|--------------|--------------|--------|
| North Corridor | 2,179 | 1,833 | 18.9% | 3,818 | 3,220 | 18.6% |
| Grains | 1,529 | 1,277 | 19.7% | 2,787 | 2,363 | 17.9% |
| Fertilizers | 45 | 109 | -58.7% | 104 | 176 | -40.9% |
| "Direct Road" ¹ | 605 | 447 | 35.3% | 927 | 681 | 36.1% |

¹ "Direct Road" refers to the grain volume transported by road directly to the Barcarena TUP, which is presented separately, since it is not part of the Company's integrated system.

We ended 2Q22 with **record volume of 2.2 million tons** in the North Corridor (+18.9% vs. 2Q21), driven by the sharp growth in grain volume received directly at the Barcarena TUP and handled via the Miritituba integrated system. This volume reflects the Company's successful commercial and operational strategy which, anticipating the strategy of Brazilian producers (which, given the crop shortfall in the Southeast, delayed soybean sales to obtain better negotiations in the first half), captured additional corn volumes from the previous crop year to make use of capacity in the quarter.

Fertilizer volume amounted to 45 thousand tons in the period, reflecting the decision to increase asset turnover to prioritize the execution of grain volume in the year, since grain crops confirmed the expectations of very strong harvest in 2022, without any structural changes in the handling of this cargo in the system.

The North Ports maintained their leading position, accounting for 50.2% of soybean and corn exports originating from Mato Grosso in 2Q22, while **Hidroviás do Brasil** remained the **most relevant independent and integrated player in the region**, responsible for 42.2% of all volume handled in Barcarena.

In 1H22, **total volume** in the North Corridor was **3.8 million tons** (+18.6% vs. 1H21). Given the robust harvest and plans to expand planted area for the 2022/23 crop year, which will require higher fertilizer imports, we are confident that a considerable volume of the grain produced in Brazil, especially in Mato Grosso, will be exported in 2H22, amid a scenario of limited shipping capacity in the country's various logistic corridors.

The Company accounted for approximately 12.0% of the volume exported from Mato Grosso in 1H22, considering only the volume handled by Hidroviás in Miritituba, where we have our integrated system (vs. 10.7% in 1H21), with market share of 39% in the region (vs. 38% in 1H21).

The performance of the Company and of the ports in the North confirm that this is the **most competitive corridor for distributing crops from Mato Grosso**, especially given the **strong volume growth despite the more aggressive competitive dynamics** of players operating in other corridors, combined with the effects from temporarily higher road freight in the North (affected by higher fuel prices and temporary deterioration in the conditions of Highway BR-163 until the start of work on the new concessionaire). Note that this scenario of higher highway freight prices in 2Q22 reflects the peak of the combination of the aforementioned factors, with freight prices expected to be adjusted in 2H22 as fuel prices normalize, work on Highway BR-163 advances (optimizing road conditions) and the availability of trucks increases on the Sorriso-Miritituba stretch as harvest

operations wind down. This normalization already can be observed in data for early 3Q22, which registered a reduction of around 10% compared to end-2Q22.

Result:

| North Corridor (R\$ million) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|--|---------------|---------------|--------------|----------------|----------------|--------------|
| Net Revenue¹ | 200.4 | 176.4 | 13.6% | 376.2 | 300.4 | 25.2% |
| Operating Net Revenue | 200.4 | 176.4 | 13.6% | 376.2 | 299.1 | 25.8% |
| Operating Net Revenue "Road Transportation" (OTM) ² | - | - | - | - | 1.4 | - |
| Operating Costs | (64.6) | (57.9) | 11.5% | (126.9) | (107.6) | 17.9% |
| Operating Costs | (64.5) | (57.9) | 11.4% | (126.9) | (106.5) | 19.2% |
| Operating Costs "Road Transportation" (OTM) ² | (0.0) | - | - | (0.1) | (1.2) | -95.6% |
| Operating Expenses (Revenue) | (7.8) | (3.3) | 133.0% | (16.0) | (10.8) | 48.4% |
| AFRMM, Tax Credits and Other ³ | 0.2 | 1.7 | -91.2% | 0.2 | 20.6 | - |
| Equity Accounting | 0.2 | 0.1 | 156.7% | 0.2 | 0.2 | 7.0% |
| EBITDA | 128.4 | 116.9 | 9.8% | 233.6 | 202.8 | 15.2% |
| Margin % | 64.1% | 66.3% | -2.2 p.p. | 62.1% | 67.8% | -5.7 p.p. |
| Equity Accounting | (0.2) | (0.1) | 156.7% | (0.2) | (0.2) | 7.0% |
| Non-recurring ⁴ | 5.5 | 0.0 | - | 8.5 | 0.0 | - |
| Adjusted EBITDA | 133.6 | 116.9 | 14.3% | 241.9 | 202.6 | 19.4% |
| Margin % | 66.7% | 66.3% | 0.4 p.p. | 64.3% | 67.7% | -3.4 p.p. |

¹ Net Revenue of the North Corridor excludes the Intercompany effect for a better understanding of the results.

² "Road Transportation" (OTM) consists of Net Revenue and Operating Costs related to the subcontracting of road transportation to clients, aiming to provide integrated logistics solution ("from MT to ship's hold") – this operation was discontinued in 2021.

³ AFRMM, Tax Credits and Other in 2Q22 and 1H22 includes PIS/Cofins tax credits (R\$0.1 million) and banking services related to payroll (R\$0.1 million).

⁴ Non-Recurring includes the apportionment of corporate expenses for comparison purposes (R\$5.5 million in 2Q22 and R\$8.5 million in 1H22), with no effect on the consolidated result.

We ended 2Q22 with the highest **Net Operating Revenue ex-OTM** ever obtained by the Company in this logistic corridor, of **R\$200.4 million** (+13.6% vs. 2Q21), reflecting our effective commercial strategy and the growth in grain volumes. Note that this revenue also reflects the effect from the services mix compared to 2Q21, since 2022 was marked by a higher share of volumes received directly at Barcarena, which includes only port loading services in the composition of the tariff and is important for ensuring the full occupancy of our port terminal to optimize capacity utilization and create value for the operation.

In 1H22, **Net Operating Revenue ex-OTM** came to **R\$376.2 million** (+25.8% vs. 1H21), reflecting the higher grain volume transported and the positive effect from the non-monetary consideration received in 1Q22.

The increase in **Operating costs ex-OTM** lagged revenue growth in 2Q22 (+11.4% vs. 2Q21), to **R\$64.5 million**, demonstrating the positive effects from cost dilution obtained from the higher volume handled in the period, which partially offset inflation adjustments and agreements with trade unions. Variable costs remained stable, despite the higher fuel prices in the period, demonstrating once again the benefit of contracts that provide for the pass-through of this variable to the tariffs practiced.

In 1H22, **Operating Costs ex-OTM** amounted to **R\$126.9 million** (+19.2% vs. 1H21), explained mainly by anticipation of the operational maintenance required to 1Q22 so that the Company could operate at full capacity over the entire year to meet the strong demand in grain volume projected for this year.

Operating Expenses amounted to **R\$7.8 million** in 2Q22, affected by the apportionment of corporate expenses that started to be done in 3Q21, for which reason is not comparable with 2Q21. Excluding this effect, **Operating Expenses** came to **R\$2.3 million** (-30.3% vs. 2Q21), demonstrating the Company's ongoing efforts to optimize and control expenses.

In 1H22, **Operating Expenses** amounted to **R\$16.0 million** (+48.4% vs. 1H21), also affected by the apportionment of corporate expenses in 2022. Excluding this effect, operating expenses decreased 30.3% in 1H22 vs. 1H21.

Adjusted EBITDA in 2Q22 was **R\$133.6 million** (+14.3% vs. 2Q21), the highest ever for this logistic corridor since the start of the Company's operations, with strong Adjusted EBITDA margin of 66.7% (+40 bps vs. 2Q21).

In 1H22, **Adjusted EBITDA** came to **R\$241.9 million** (+19.4% vs. 1H21), with Adjusted EBITDA margin of 64.3% (vs. 67.7% no 1H21), since in 1Q21 there was no non-monetary consideration, as explained in the 1Q22 earnings release, which affects the comparison of operating margins in the period, since it increases the Revenue base for this year.

Therefore, despite the more aggressive competitive scenario observed in early 2022, the North Corridor remains the **most competitive alternative** for exporting grains originating from Mato Grosso, with Hidroviás do Brasil remaining well positioned as the **leader in the corridor**, with ability to capture volumes near its installed capacity, while constantly optimizing its operational structure and maintaining high levels of profitability.

Coastal Navigation (Cabotage)

Coastal Navigation: transport of mostly bauxite from the Trombetas Port (PA) to the Barcarena Public Terminal (PA).

Volume:

| Volume (kt) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|--------------------------------------|------------|------------|-------|--------------|------------|-------|
| Coastal Navigation (Cabotage) | 745 | 594 | 25.4% | 1,564 | 999 | 56.6% |
| Bauxite | 745 | 594 | 25.4% | 1,564 | 999 | 56.6% |

Total bauxite volume transported in 2Q22 amounted to **745,000 tons** (+25.4% vs. 2Q21), returning to historical levels after the resolution of one-off challenges at the unloading pier of this operation's main client.

In 1H22, **total bauxite** volume transported was **1.5 million tons** (+55.6% vs. 1H21), remembering that this operation is very highly consistent and resilient, with 100% take-or-pay agreements.

Result:

| Coastal Navigation (R\$ million) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|---|-------------|-------------|-----------|--------------|-------------|----------|
| Net Revenue | 53.7 | 58.1 | -7.5% | 108.2 | 99.4 | 8.8% |
| Operating Net Revenue | 58.1 | 63.1 | -8.0% | 117.4 | 110.5 | 6.2% |
| Hedge Accounting ¹ | (4.4) | (5.1) | -13.2% | (9.1) | (11.1) | -17.8% |
| Operating Costs | (25.2) | (34.9) | -27.7% | (54.8) | (51.1) | 7.2% |
| Operating Costs | (25.2) | (34.9) | -27.7% | (54.8) | (51.1) | 7.2% |
| Operating Expenses (Revenue) | (1.5) | - | - | (2.3) | (0.3) | - |
| AFRMM, Tax Credits and Other ² | 3.0 | 2.2 | 37.1% | 6.7 | 3.9 | 70.1% |
| EBITDA | 30.0 | 25.4 | 18.2% | 57.8 | 52.0 | 11.2% |
| Margin % | 51.6% | 40.2% | 11.4 p.p. | 49.2% | 47.0% | 2.2 p.p. |
| Hedge Accounting ¹ | 4.4 | 5.1 | -13.2% | 9.1 | 11.1 | -17.8% |
| Non-recurring ³ | 1.6 | - | - | 2.6 | - | - |
| Adjusted EBITDA | 36.0 | 30.5 | 18.1% | 69.5 | 63.1 | 10.1% |
| Margin % | 61.9% | 48.2% | 13.7 p.p. | 59.2% | 57.1% | 2.1 p.p. |

¹Hedge Accounting: the Company's functional currency is the Brazilian real. However, Coastal Navigation agreements are denominated in U.S. dollar. Therefore, hedge accounting was used to mitigate foreign exchange exposure, with existing dollar-denominated debt hedging part of long-term agreements in foreign currency. This procedure is non-cash.

²AFRMM, Tax Credits and Other in Coastal Navigation includes the positive effect from Additional Freight for Renovation of the Merchant Marine.

³Non-recurring items include apportionment of corporate expenses for comparison purposes (R\$1.6 million in 2Q22 and R\$2.6 million in 1H22), with no effect on the consolidated result.

We ended 2Q22 with **Net Operating Revenue** ex-hedge accounting of **R\$58.1 million** (-8.0% vs. 2Q21), reflecting actual bauxite throughput, with lower need to account for take-or-pay agreements in 2Q22 vs. 2Q21. Note that this corridor's agreement is dollar-denominated, which means that the strong result was impacted by effects from currency translation, since the average USD rate in 2Q22 was 7% lower than in 2Q21. Net Revenue from this operation in U.S. dollar was US\$11.7 million in 2Q22 (-4.6% vs. 2Q21). We booked (R\$4.4) million for hedge accounting in the quarter.

In 1H22, **Net Operating Revenue** ex-hedge accounting amounted to **R\$117.4 million** (+6.2% vs. 1H21), reflecting the same effects already mentioned above. Net Revenue from this operation was US\$23.2 million in 1H22 (+11.1% vs. 1H21). We booked (R\$9.1) million for hedge accounting in the half-year period, which is non-cash.

Operating Costs amounted to **R\$25.2 million** in 2Q22 (-27.7% vs. 2Q21), with the dilution of fixed costs due to the higher throughput in the period and lower cost in relation to the previous year, since 2022 was not affected by ship docking (which takes place every 2.5 years on average, alternating between the two vessels).

In 1H22, **Operating Costs** amounted to **R\$54.8 million** (+7.2% vs. 1H21), explained mainly by the higher average piloting costs and adjustment to trade union agreements mainly in 1Q22.

Operating Expenses amounted to **R\$1.5 million** in 2Q22, reflecting the apportionment of corporate expenses that started to be done in 3Q21, which therefore is not comparable to the same period last year. Excluding this effect, Operating Expenses were stable in 2Q22 compared to 2Q21.

In 1H22, **Operating Expenses** amounted to **R\$2.3 million**, also affected by the apportionment of corporate expenses, as mentioned above. Excluding this effect, Operating Expenses were stable in 1H22 compared to 1H21.

Adjusted EBITDA totaled **R\$36.0 million** in 2Q22 (+18.1% vs. 2Q21), which represents significant growth despite the effect from currency translation of the results to BRL, reflecting the dilution of fixed costs and positive effect from the AFRMM tax, whose rate was reduced to 8% in the quarter, but total amount was higher than in 2Q21 given the volume growth in the period. Adjusted EBITDA in USD was 18.8% higher than in 2Q21, demonstrating the constant growth of this operation, with Adjusted EBITDA margin of 61.9% (vs. 48.2% in 2Q21).

Adjusted EBITDA of 1H22 was **R\$69.5 million** (+10.1% vs. 1H21), with Adjusted EBITDA margin of 59.2% (vs. 57.1% in 1H21), demonstrating the operation's return to more normalized levels in 2022. Excluding the FX impact, adjusted EBITDA would have grown by 16%.

The Coastal Navigation segment remains very **solid and resilient**, despite the FX impact on the translation of the results to BRL, attesting to the operational excellence of this business unit.

South Corridor

South Corridor: *fluvial transportation of grains, fertilizers, iron ore, and other bulk items via the Paraná- Paraguay waterway and of pulp via the Uruguay River through a joint venture (Limday). It also includes the results of two joint ventures operating in port terminals: one for the port operation of grains in Montevideo (TGM), the only terminal in the region that can load a Panamax vessel, and the second for the port operation of solid bulk cargo in the region of Concepción, in Paraguay (Baden).*

Volume:

| Volume (kt) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| South Corridor | 1,706 | 1,275 | 33.8% | 2,757 | 1,950 | 41.4% |
| Iron Ore | 1,087 | 663 | 64.0% | 1,731 | 1,048 | 65.2% |
| Grains | 200 | 289 | -30.8% | 345 | 396 | -12.9% |
| Fertilizers | 11 | 18 | -38.9% | 18 | 27 | -33.3% |
| Other | 15 | - | - | 15 | - | - |
| Total before JVs | 1,313 | 970 | 35.4% | 2,109 | 1,471 | 43.4% |
| JVs ¹ | 393 | 305 | 28.9% | 648 | 479 | 35.3% |

¹ JVs: Volume proportional to the Company's interest in TGM, Limday and Baden.

Total volume in the South Corridor in 2Q22 was **1.7 million tons** (+33.8% vs. 2Q21), the highest volume ever handled by the Company, despite the restrictions and atypical draft scenario in the region. The result was driven by the growth of 64.0% in iron ore volume, explained by the gradual improvement in draft in 2Q22 vs. 2Q21, as well as the volume contracted through Imperial Logistics, which virtually did not occur in 2021 due to extremely restrictive navigation conditions.

Grain throughput, whose share is lower in this corridor, came to 200,000 tons in 2Q22 (vs. 289,000 tons in 1Q21), affected by the shortfall in the soybean crop in Paraguay, with the Company maintaining its market share for this operation at approximately 25%. On the other hand, the volume handled by the JVs increased significantly in the quarter, to 393,000 tons, driven by significant operational improvement at Limday and by the higher grain production in Uruguay, which supported higher cargo volumes by TGM.

In 1H22, throughput totaled **2.7 million tons** in this logistic corridor, driven by the higher iron ore volume, thanks to the Company's cutting-edge assets, which function better than those of other players during such atypical periods, with Hidroviás do Brasil the only player conducting shipping operations during the first two months of 2022.

The latest public projections available on the portal of the Geological Service of Brazil (CPRM) continue to indicate a more positive scenario for Ladário, where we load iron ore and, as such, is one of the most critical points in our South operation. However, in line with the trend and the typical seasonality of the rivers in this basin, draft level is expected to decrease as from August, with the beginning of the dry period and scenario of lower water levels.

We continue to monitor the projections available for this region, which indicate that Ladário should continue to present better draft levels in 2022 than in 2021, following a recovery trend, but still below the historical average. As a result, the iron ore operation remains below normal and its full potential.

LADÁRIO (Report disclosed on Aug. 06, 2021) vs. LADÁRIO (Report disclosed Aug. 05, 2022)

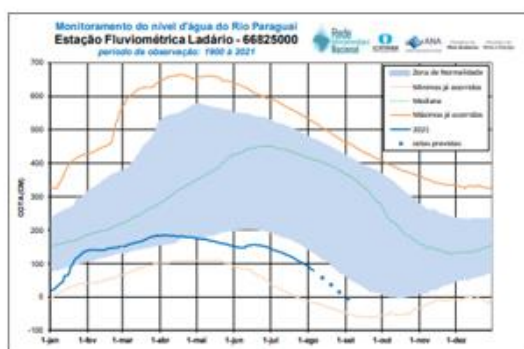


Figura 7: Prognóstico dos níveis para LADÁRIO (66825000), no rio PARAGUAI.

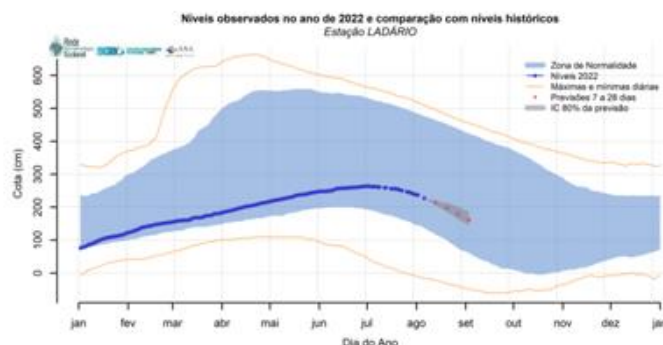
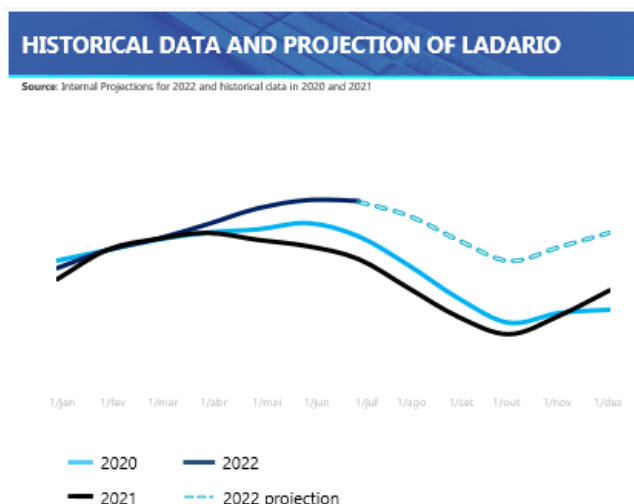


Figura 6: Prognóstico dos níveis para LADÁRIO (66825000), no rio PARAGUAI.

As disclosed in 1Q22, in addition to public data provided by the Geological Service of Brazil, the Company uses historical data, own measurements and the projections available, such as for precipitation in future periods, to estimate draft conditions and consequently develop operational action plans for this region. The Company's estimates of draft conditions during the second quarter of 2022 for Ladário were very close to the actual conditions in the region. Therefore, for greater transparency of draft expectations, the chart below provides the draft levels expected for the remainder of the year, as well as the curves in 2020 and 2021 for comparability.



Source: Internal projections.

In the operation for grains originating from Paraguay, which accounts for a lower share in this logistic corridor, in July we observed an earlier than usual start to low water conditions in the Asunción (PY) region, with lower draft than that projected for 2H22, which could lead to a reduction in cargo throughput in 2H22.

We maintain our commitment to transparency for a better understanding of the atypical water situation in the South Corridor and will continue to release monthly Notices to the Market on loading and navigation conditions in this region.

Result:

| South Corridor (R\$ million) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|-------------------------------------|----------------|---------------|--------------|----------------|----------------|--------------|
| Net Revenue¹ | 158.4 | 227.2 | -30.3% | 384.7 | 243.4 | 58.1% |
| Operating Net Revenue | 244.7 | 167.0 | 46.5% | 369.9 | 251.0 | 47.4% |
| Hedge Accounting ² | (86.3) | 60.2 | - | 14.8 | (7.7) | - |
| Operating Costs | (124.7) | (80.4) | 55.0% | (212.8) | (132.6) | 60.5% |
| Operating Costs | (124.7) | (80.4) | 55.0% | (212.8) | (132.6) | 60.5% |
| Operating Expenses (Revenue) | (11.0) | (7.3) | 50.8% | (19.4) | (9.5) | 103.7% |
| AFRMM, Tax Credits and Other | 0.8 | 0.4 | - | 1.1 | 0.4 | - |
| Equity Accounting | 13.1 | 4.8 | - | 14.9 | 2.0 | - |
| EBITDA | 36.7 | 144.7 | -74.7% | 168.6 | 103.6 | 62.7% |
| <i>Margin %</i> | 15.0% | 86.6% | -72.2 p.p. | 45.6% | 41.3% | 3.9 p.p. |
| Hedge Accounting² | 86.3 | (60.2) | - | (14.8) | 7.7 | - |
| Equity Accounting | (13.1) | (4.8) | - | (14.9) | (2.0) | - |
| Non-recurring ³ | - | 6.9 | - | - | 6.9 | - |
| Adjusted EBITDA | 109.9 | 86.6 | 26.8% | 138.9 | 116.3 | 19.5% |
| <i>Margin %</i> | 44.9% | 51.9% | -7.0 p.p. | 37.5% | 46.3% | -8.8 p.p. |
| JVs results ⁴ | 16.5 | 9.5 | 73.5% | 22.4 | 11.3 | 98.1% |
| EBITDA including JVs | 126.4 | 96.1 | 31.5% | 161.4 | 127.6 | 26.5% |
| <i>Margin %</i> | 51.6% | 57.6% | -6.0 p.p. | 43.6% | 50.8% | -7.2 p.p. |

¹ The South Corridor's Net Revenue excludes the Intercompany effect for a better understanding of the result.

² Hedge Accounting: the Company's functional currency is the Brazilian real; however, contracts for the South Corridor are denominated in U.S. dollar. Therefore, hedge accounting was used to mitigate foreign exchange exposure, with existing dollar-denominated debt hedging part of long-term agreements in foreign currency. This procedure is non-cash.

³ For 2Q21 and 1H21, Non-recurring includes R\$6.9 million related to the business combination, which was allocated from the managerial perspective to the South Corridor.

⁴ Result obtained from the Company's interests in TGM, Limday and Baden.

Net Operating Revenue ex-hedge accounting totaled **R\$244.7 million** in 2Q22 (+46.5% vs. 2Q21), the highest ever for this corridor, mainly reflecting the strong iron ore throughput in the period (the main client of this cargo began to request the full contractual volume since early 2021). Note that, despite the growth observed, the full potential of this contract has not been used yet due to the operational limitations caused by the lack of rain in the region. The contracts in this Corridor are denominated in US dollars and, if it were not for the effect of the exchange rate conversion to the Company's functional currency (Real), the Net Operating Revenue would have grown 57.9% in the period. We recorded (R\$86.3 million) for hedge accounting in 2Q22, which is non-cash.

In 1H22, **Net Operating Revenue** ex-hedge accounting amounted to **R\$369.9 million** (+47.4% vs. 1H21), explained mainly by the higher throughput in the period, thanks to better navigation conditions in relation to 1H21. Excluding the FX impact of converting the result to the Company's functional currency, the Net Operating Revenue in the South would have grown 58.7% in 1H22. We recorded R\$14.8 million for hedge accounting in 1H22.

Operating Costs amounted to **R\$124.7 million** in 2Q22 (+55.0% vs. 2Q21), affected by the higher number of assets in the fleet during part of 2Q22, since the acquisition of Imperial Logistics took place in mid-april last year, combined with the lower operating efficiency, a non-recurring event, due to the longer wait times at loading and unloading terminals operated by third-parties, which adversely affected the cycles.

Operating Costs amounted to **R\$212.8 million** in 1H22 (+60.5% vs. 1H21), reflecting the aforementioned factors, as well as the anticipation of maintenance activities in 1Q22 to support the scenario of low water in 2H22.

Operating Expenses amounted to **R\$11.0 million** in 2Q22 (+50.8% vs. 2Q21), explained by the administrative restructuring after acquisition of Imperial Logistics and by the withholding of taxes (IVA). Note that this logistic corridor is not part of the apportionment of corporate expenses.

In 1H22, **Operating Expenses** amounted to **R\$19.4 million** (vs. R\$9.5 million in 1H21), explained by the aforementioned factors.

Adjusted EBITDA from JVs in the quarter was a record high, of **R\$126.4 million** (+31.5% vs. 2Q21), despite the effect of translation of the results to BRL and draft still below the historical average, with Adjusted EBITDA margin of 51.6%, which is a healthy level given the challenges faced by the Company in this Corridor. Note also that the operation's **Adjusted EBITDA including JVs** in USD would be US\$25.7 million (+41.4% vs. 2Q21).

In 1H22, **Adjusted EBITDA from JVs** amounted to **R\$161.4 million** (+26.5% vs. 1H21), with Adjusted EBITDA margin of 43.6%.

Given that the Company is still operating with an atypical draft scenario in this corridor and the effect from currency depreciation on currency translation in the quarter, **the South Corridor result points to a gradual recovery in this operation already in 2022**, which could benefit increasingly as navigation restrictions subside.

Santos | Salt

In recent years, we developed two new projects, which are being implemented: operations at the Santos Terminal and the Salt logistics operation.

Santos: 25-year lease of a terminal for handling and storing solid bulk cargo in South America's largest port, in Santos. The operation was partially launched in 2020, at the same time that the terminal's renovation and adjustments provided for in the bid notice began. Renovation works accelerated in 2021; therefore, the terminal has not been operational since 2H21, with activities expected to restart in mid-2022.

Salt: salt transshipment and transportation agreement in Brazil's Northeast region. The Company has been dealing with regulatory procedures for the start of this operation and has requested the necessary authorizations via legal motion, which is pending. As

usual, the Company invested in modernizing an efficient asset, which could potentially increase its competitiveness in the region's salt market. Since this asset functions as a "floating port," the Company can also redirect it to another region and optimize its investment, if current regulatory restrictions are maintained.

Volume:

| Volume (kt) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|--------------------|-------------|-------------|--------------|-------------|-------------|--------------|
| Santos | - | 63 | - | - | 332 | - |
| Total | - | 63 | - | - | 332 | - |

The Santos terminal is currently in the final phase of modernizing its infrastructure and renovating one of its warehouses, in line with the Company's business plan and the obligations in lease bid notice STS20.

In this scenario, **no volume was handled** in 2Q22 and 1H22, and this operation should be restarted in August 2022, with volumes already scheduled to be received at the terminal.

Result:

| Santos | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|---|--------------|--------------|--------------|--------------|---------------|--------------|
| Net Revenue | (0.1) | 5.2 | - | (0.1) | 23.3 | - |
| Operating Net Revenue | (0.1) | 5.2 | - | (0.1) | 23.3 | - |
| Operating Costs | (0.8) | (5.2) | - | (0.9) | (16.3) | - |
| Operating Costs | (0.8) | (5.2) | - | (0.9) | (16.3) | - |
| Operating Expenses (Revenue) | (1.7) | (0.6) | - | (2.1) | (0.8) | - |
| AFRMM, Tax Credits and Other ¹ | 0.6 | - | - | 0.6 | - | - |
| Other | - | - | - | - | - | - |
| EBITDA | (2.0) | (0.6) | - | (2.5) | 6.1 | - |
| Margin % | - | - | - | - | 26.2% | - |
| Non-recurring ¹ | 0.1 | 0.2 | - | 0.1 | 0.2 | - |
| Adjusted EBITDA | (1.9) | (0.4) | - | (2.4) | 6.3 | - |
| Margin % | - | - | - | - | 26.9% | - |

¹Non-Recurring includes apportionment of corporate expenses for comparison purposes ((R\$0.1) million in 2Q22 and 1H22), without any effect on the consolidated result, and COVID-19-related donations ((R\$0.2) million in 2Q21 and 1H21).

Since there were no operations at the Santos terminal during 2Q22 and 1H22, the results in the table above demonstrate only the pre-operating costs and expenses of the non-operating terminal that were classified mostly as CAPEX, following the guidelines of CPC 27 (Property, plant and equipment).

Note that the Company's operation in Santos reinforces its **strategic positioning in Latin America's largest organized port, further diversifying its businesses and consolidating its position as an important logistic player for fertilizers and salt** in Brazil's Southeast.

Holding Company's Results

| Holding (R\$ million) | 2Q22 | 2Q21 | Var. % | 1H22 | 1H21 | Var. % |
|---|---------------|---------------|--------------|---------------|---------------|--------------|
| Operating Expenses (Revenue) | (20.4) | (19.9) | 2.3% | (37.4) | (38.0) | -1.7% |
| AFRMM, Tax Credits and Other ¹ | 0.0 | 6.9 | - | (0.1) | 6.9 | - |
| Equity Accounting | (1.1) | (0.4) | - | (1.6) | (0.6) | - |
| EBITDA | (21.4) | (13.4) | 60.1% | (39.1) | (31.7) | 23.4% |
| Equity Accounting | 1.1 | 0.4 | - | 1.6 | 0.6 | - |
| Non-recurring ² | (6.0) | (6.2) | -3.8% | (8.2) | (6.1) | 35.8% |
| Adjusted EBITDA | (26.3) | (19.1) | 37.2% | (45.8) | (37.2) | 23.0% |

¹AFRMM, Tax Credits and Other in the Holding Company's results includes the impact of other credits and non-core revenues of the Company.

²Non-recurring in 2Q21 includes apportionment of corporate expenses that were "returned" to the Holding Company for comparison purposes ((R\$7.1 million) and expenses with the stock option plan (R\$1.1 million), without any cash effect. In 2Q21, it includes reversal of extemporaneous credits ((R\$0.1 million) and expenses with consulting services related to the IPO (R\$0.1 million).

Adjusted Expenses of the Holding Company amounted to **R\$26.3 million** in 2Q22 (+37.2% vs. 2Q21), mainly reflecting the impact of inflation on contracted expenses and adjustments of trade union agreements compared to the same period last year, as well as the corporate restructuring of the Company after the acquisition of Imperial Logistics. In addition, business travel and accommodation expenses aimed at the purpose and promotion of the business increased, registering a gradual recovery from the period affected by the COVID-19 pandemic.

In 1H22, **Adjusted Expenses of the Holding Company** amounted to **R\$45.8 million** (+23.1% vs. 1H21), due to the same factors mentioned above.

CONSOLIDATED RESULT

Consolidated CAPEX in 2Q22 was **R\$89.5 million**, with only R\$12.7 million allocated to maintenance activities, despite the significantly larger asset base compared to 2Q21, given that the acquisition of Imperial Logistics, which practically doubled the number of barges and pushers available for the South Corridor operation, took place only in mid-April 2021.

Expansion CAPEX amounted to R\$76.8 million in 2Q22, which was mostly allocated to the acquisition of electric pushers, which will be available for use as from 2023, as well as to the completion of modernization works at the Santos terminal (which will contribute positive results already in 2022) and the Company's Technological Plan for better navigation monitoring and optimization in the various corridors where it operates.

In 1H22, **consolidated CAPEX** amounted to **R\$156.2 million** (-78.8% vs. 1H21), including R\$20.1 million for the onerous concession of Santos.

The **significant CAPEX reduction** in both comparison periods **demonstrates the Company's efforts to free up cash in 2022**, without compromising its strategic projects to expand capacity and capture operating efficiency gains.

The table below shows our managerial CAPEX:

| Consolidated CAPEX | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|--------------------|-------------|--------------|----------------|--------------|--------------|----------------|
| Maintenance | 12.7 | 26.1 | (51.5%) | 18.6 | 35.2 | (47.0%) |
| Expansion | 76.8 | 120.0 | (36.0%) | 117.5 | 221.0 | (46.9%) |
| STS20 Grant | - | - | - | 20.1 | 18.1 | 10.8% |
| M&A | - | 463.6 | - | - | 463.6 | - |
| Total CAPEX | 89.5 | 609.8 | (85.3%) | 156.2 | 737.9 | (78.8%) |

Note: In 2Q22 the R\$2.4 million and in the 1H22, the R\$20.4 million difference between the CAPEX shown in the table above and cash flow from investments is explained by the divergence between the activation and disbursement of cash for payment of suppliers, as described in Note 31.

Consolidated P&L

| Consolidated (R\$ million) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|--|--------------|--------------|------------|--------------|---------------|-----------|
| Net Revenue | 412.3 | 466.9 | -11.7% | 869.0 | 666.5 | 30.4% |
| Net Operating Revenue ¹ | 503.0 | 411.8 | 22.2% | 863.3 | 683.9 | 26.2% |
| Net Operating Revenue "Road Transportation (OTM)" ² | - | - | - | - | 1.4 | - |
| Hedge Accounting ³ | (90.7) | 55.1 | - | 5.6 | (18.8) | - |
| Operating Costs | (215.3) | (178.5) | 20.6% | (395.4) | (307.7) | 28.5% |
| Operating Costs | (215.2) | (178.5) | 20.6% | (395.4) | (306.5) | 29.0% |
| Operating Costs "Road Transportation (OTM)" ² | (0.0) | - | - | (0.1) | (1.2) | -95.6% |
| Operating Expenses (Revenues) | (42.3) | (31.1) | 35.9% | (77.3) | (59.5) | 29.9% |
| AFRMM, Tax Credits and Other ⁴ | 4.6 | 11.2 | -58.8% | 8.5 | 31.9 | -73.3% |
| Equity Accounting | 12.3 | 4.5 | 175.4% | 13.6 | 1.6 | - |
| EBITDA | 171.6 | 273.1 | -37.1% | 418.4 | 332.8 | 25.7% |
| Margin % | 34.1% | 66.3% | -32.2 p.p. | 48.5% | 48.7% | -0.2 p.p. |
| Depreciation & Amortization | (81.5) | (96.4) | -15.4% | (167.7) | (172.0) | -2.5% |
| EBIT | 90.2 | 176.7 | -49.0% | 250.7 | 160.8 | 55.9% |
| Financial Result | (71.6) | (65.3) | 9.6% | (157.5) | (223.2) | -29.4% |
| Net Income/Loss before tax | 18.5 | 111.3 | -83.4% | 93.2 | (62.4) | - |
| Income Tax | 3.5 | (13.6) | - | (38.0) | (22.8) | 66.6% |
| Net Income/Loss | 22.0 | 97.8 | -77.5% | 55.3 | (85.2) | - |

¹Net Operating Revenue refers to the net revenue from shipping, transshipment and loading of products at the terminals where the Company operates.

²Net Operating Revenue and Operating Costs - Road Transportation (OTM) pertain to the subcontracting of road transportation to clients, providing an integrated logistic solution ("from MT to ship's hold") - this operation was discontinued in 2021.

³Hedge Accounting: the Company's functional currency is the Brazilian real; however, contracts of the South Corridor and Coastal Navigation are denominated in U.S. dollar. Therefore, hedge accounting was used to mitigate foreign exchange exposure, with the existing debt in U.S. dollar hedging part of long-term agreements in foreign currency. This procedure has no cash impact.

⁴AFRMM, Tax Credits and Other includes the positive effect from the Additional Freight for Renovation of the Merchant Marine, as well as other credits and non-core revenues, as indicated for each corridor.

Financial Result

| Consolidated (R\$ million) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|--|---------------|---------------|---------|----------------|----------------|---------|
| Financial Income | 26.2 | 1.2 | - | 27.7 | 30.5 | (9.2%) |
| Financial Expense | (70.8) | (102.8) | (31.1%) | (203.4) | (253.1) | (19.7%) |
| Recurring Financial Expense | (70.8) | (102.8) | (31.1%) | (203.4) | (157.7) | (29.0%) |
| Non-recurring Financial Expense (debt restructuring) | - | - | - | - | (95.4) | - |
| Derivative Financial Instruments | (4.0) | - | - | (4.0) | - | - |
| Fx variation | (23.1) | 36.3 | - | 22.1 | (0.6) | - |
| Financial Result | (71.6) | (65.3) | 9.6% | (157.5) | (223.2) | (29.4%) |

Consolidated **Financial Result** registered expense of **R\$71.6 million** in 2Q22, R\$6.3 million higher than in 2Q21, mainly due to:

- Financial Income:** Increase of R\$25.0 million in the period, due to the higher returns on cash thanks to the BRL depreciation by 10.6%, since approximately 90% of investments are in USD or associated with foreign exchange funds;
- Financial Expenses:** Increase of R\$32.0 million in 2Q22, given that investment losses in 2Q21 were higher than in 2Q22, related to currency translation, mostly non-cash;
- FX Variation:** Decrease of R\$59.4 million, reflecting the effect from BRL depreciation, which was partially offset by the strong financial revenue generated in the period.

In 1H22, consolidated **Financial Result** was an expense of **R\$157.5 million** (vs. expense of R\$223.2 million in 1H21 or expense of R\$127.8 million, adjusted by the non-recurring expense related to debt restructuring in 1Q21).

Net Income (Loss)

The Company ended 2Q22 with **net income** of **R\$22.0 million** (vs. net income of R\$97.8 million in 2Q21). Note that this result was achieved even with the adverse effect from hedge accounting and currency translation (both non-cash).

The Company ended 1H22 with **net income** of **R\$55.3 million** (vs. net loss of R\$85.2 million in 1H21), explained by the strong performance of all logistic corridors in both 2Q22 and 1H22.

Cash Generation

| Cash Flow (R\$ million) | 2Q22 | 2Q21 | Ch. % | 1H22 | 1H21 | Ch. % |
|--|---------------|----------------|---------------|----------------|----------------|---------------|
| Cash beginning of period | 550.7 | 1,166.6 | -52.8% | 672.3 | 1,045.8 | -35.7% |
| (+) EBITDA | 171.6 | 273.1 | -37.1% | 418.4 | 332.8 | 25.7% |
| (+/-) Change in working capital and other | (142.4) | 7.1 | - | (161.0) | (148.5) | 8.0% |
| (+/-) Hedge Accounting | 90.7 | (55.1) | - | (5.6) | 18.8 | - |
| = Operating Cash Flow (OCF) | 120.0 | 225.1 | -47.6% | 251.7 | 203.0 | 23.0% |
| (-) CAPEX | (87.1) | (136.6) | -36.2% | (115.7) | (232.3) | -50.2% |
| <i>Recurring</i> | (12.7) | (26.1) | -51.5% | (18.6) | (35.2) | -47.0% |
| <i>Expansion</i> | (74.4) | (110.4) | -32.6% | (97.1) | (197.2) | -50.8% |
| (-) Grant | - | - | - | (20.1) | (18.1) | 10.5% |
| (-) M&A | - | (468.2) | - | - | (468.2) | - |
| = Investing Cash Flow (ICF) | (87.1) | (604.8) | -85.6% | (135.8) | (718.7) | -81.1% |
| (+/-) Debt Issuance/Amortization | 6.0 | (14.6) | - | (8.4) | 394.8 | - |
| (-) Interest Payments | (14.6) | (6.4) | - | (111.5) | (123.1) | -9.4% |
| (-) Lease Payments | (14.2) | (39.7) | -64.4% | (27.5) | (45.6) | -39.7% |
| (+/-) Funding costs/Bond repurchase | (0.3) | (113.4) | - | (0.3) | (113.4) | - |
| = Financing Cash Flow (FCF) | (23.1) | (174.2) | -86.7% | (147.7) | 112.6 | - |
| Impact of exchange rate variation on cash balances | 47.5 | (65.3) | - | (32.6) | (95.5) | -66.0% |
| = Cash Generation | 57.3 | (619.2) | - | (64.4) | (498.5) | -87.1% |
| = Cash end of period | 608.0 | 547.4 | 11.1% | 608.0 | 547.4 | 11.1% |

Operating cash generation came to **R\$118.0 million** in 2Q22 (vs. R\$225.1 million in 2Q21), reflecting on the one hand the consistent recovery in the Company's operations and on the other the increase in accounts receivable, explained by the mismatch between the invoicing and receipt periods, in line with the growth in operations.

In 1H22, operating cash generation came to **R\$249.8 million** (vs. R\$203.0 million in 1H21), reflecting mainly the recovery in the Company's results to levels more consistent with its potential.

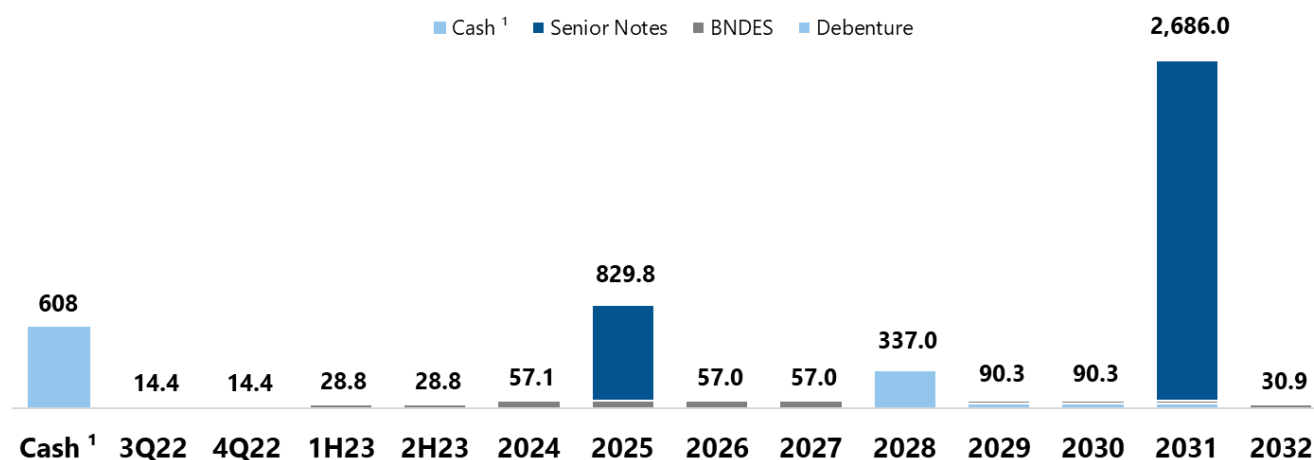
Including investments in maintenance (which remain low) and expansion (in projects to generate results in the short and medium term), as well as financial cash flow, cash generation amounted to **R\$57.3 million** in 2Q22 (vs. consumption of R\$619.2 million or consumption of R\$151.0 million excluding the effect from acquisition of Imperial Logistics South America).

In 1H22, cash consumption came to **R\$64.4 million** (vs. R\$498.5 million in 1H21, or cash consumption of R\$30.3 million when excluding the effect from acquisition of Imperial Logistics South America).

Therefore, we ended 2Q22 with **R\$608.0 million** in cash (vs. cash consumption of R\$547.4 million in 2Q21), **a level adequate and compatible with the Company's future obligations.**

Debt

The Company's current debt amortization schedule is as follows (R\$ million):



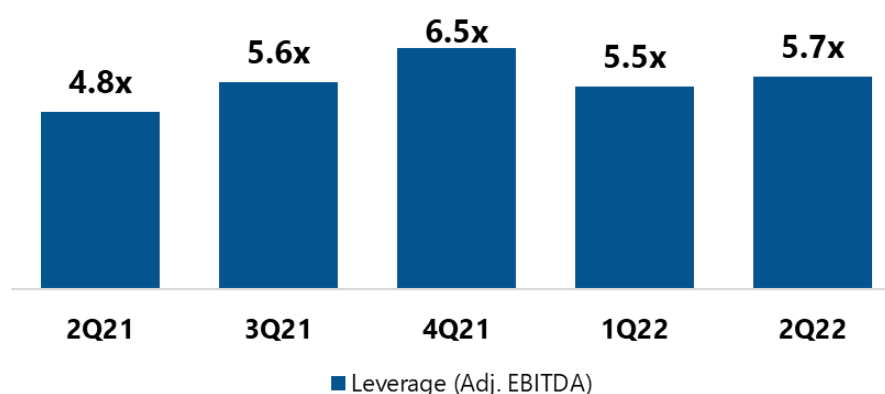
¹Cash includes cash and cash equivalents.

The Company's **leverage ratio**, considering Adjusted EBITDA, was **5.7x** in 2Q22 (vs. 5.5x in 1Q22), reflecting the BRL depreciation of 10.6% in 2Q22, which directly affects the mark-to-market adjustment of the principal, without any cash effects, which was offset by Adjusted EBITDA in 2Q22, which was the highest in the history of Hidrovias do Brasil.

Net debt increased in 2Q22 vs. 2Q21, also reflecting the effect from the mark-to-market adjustment of the principal, mentioned above, as well as higher gross debt due to the issue of incentivized debentures in 4Q21, which proceeds were fully used in the Santos project, which will contribute to the results of 2H22.

The scenario described above explains why the Company ended 2Q22 with a leverage ratio above that stipulated in its covenants. However, note that it does not entail any prepayment of the Company's debts and **there are no material short-term maturities**, with less than 20% of its debt coming due in 2025 and more than 60% only in 2031.

See below the historical data of the Company's Net Debt/Adjusted EBITDA:



Note: Considers Adjusted EBITDA for the last 12 months, excluding the impact of hedge accounting, equity pickup, and non-recurring items in the period. Due to the Company's debt restructuring, the covenant is analyzed on a consolidated basis; therefore, the calculation of leverage ratio changed, now considering Net Debt not adjusted for exchange variations.

We maintain our strategy of optimizing our capital structure and balancing cash generation and debt (BRL and USD). In this context, in 2Q22 we executed derivative instruments for foreign exchange hedge, in the amount US\$50.0 million principal + interest of 2031 Bonds, with such exposure pegged to the CDI rate. The average USD rate of this transaction was US\$5.2152, with an average cost of CDI + 1.64% p.a.

Still on the Company's debt profile, as events after the reporting period (2Q22), on July 20, 2022 we announced a new debentures issue, in the amount of R\$500.0 million, whose proceeds will be used to prepay part of the Bonds outstanding.

Until the disclosure date of this document, the Company has repaid US\$27.6 million of the principal of its dollar-denominated debt, with these operations to date generating net gains of US\$6.6 million, since the securities were acquired at a discount in the secondary market.

SUSTAINABILITY

Moving on with our commitment to ESG, in 2Q22, we launched Hidroviás do Brasil's sustainability commitments that include short-term (by 2022), medium-term (by 2024), and long-term (2025-2030) goals, all of which are aligned to the UN's Sustainable Development Goals (SDGs).

These goals focus on six positive impact commitments: Climate Change, Ethics and Transparency, Value Chain, Environmental Impacts, Local and Human Development, and Employee's Health, Safety and Development, which were collaboratively and transparently designed by listening to various stakeholders and placing people at the center of all decisions.

We have great objectives for 2030 and we want to go further, generating joint development and advancing toward a better future for the entire society. All of the Company's sustainable goals and initiatives can be found in its sustainability portal, available on <https://sustentabilidade.hbsa.com.br/>

The goals for each Commitment are as follows:

Climate Change

Support the decarbonization of the Brazilian logistics system by offering innovative and reliable waterway and maritime solutions with zero greenhouse gas emissions:

- ✓ Achieve 50% of NET ZERO 30 reduction targets by 2025;
- ✓ Achieve a carbon neutral operation by 2030.

Ethics and Transparency

Continue relentlessly and uncompromisingly promoting ethical and transparent behavior in the relationship with all stakeholders:

- ✓ Annually publish the Company's Integrated Reporting considering the highest levels of compliance required by Brazilian and international entities, fully publicizing its content;
- ✓ Be a reference in the private sector in terms of transparency in institutional relations.

Value Chain

Influence all our customers regarding the adoption of sustainable practices and adopt internal ESG criteria for the selection, training, and development of suppliers:

- ✓ Ensure that 100% of grain customers in the north system are signatories to and formally join the soybean moratorium;
- ✓ Ensure that 100% of strategic suppliers are approved by ESG criteria.

Environmental Impacts

Support the regeneration of the ecosystems where we operate and efficiently manage our environmental risks and impacts:

- ✓ Ensure the effectiveness of 100% of our environmental control systems;
- ✓ Ensure sustainable disposal for 100% of the waste generated in our operations

Local and Human Development

Genuinely contribute to the development of surrounding communities with social transformation and shared value initiatives:

- ✓Be recognized by society for contributions to development in the territories where we operate, achieving at least 80% of favorability in reputational surveys conducted with stakeholders;
- ✓Implement 100% of the prioritized plans to manage risks and critical social and environmental impacts.

Employee's Health, Safety, and Development

Promote a safe environment and a diverse and inclusive culture with continuous development:

- ✓Be recognized as a company that promotes employees' health, safety, and well-being, achieving at least 80% of favorability among stakeholders through independent reputational surveys.

DISCLAIMER

This report contains forward-looking statements and prospects based on strategies and beliefs related to growth opportunities of Hidroviás do Brasil S.A. and its subsidiaries ("Hidroviás" or "Company"), based on the Management's analyses. This means that statements included herein, based on in-depth study of public information made available to the market in general, although deemed reasonable by the Company, may not materialize and/or may contain miscalculations and/or inaccuracies. This disclaimer on the information provided herein indicates the existence of adverse situations that may impact the expected results so that our expectations might not materialize within the reporting period, as such factors are beyond Hidroviás' control. Therefore, the Company does not guarantee the performance provided in this document and, therefore, this document does not represent an offer for purchase and/or subscription of its securities.

Hidroviias do Brasil S.A.

**Interim financial information for the six-
month period ended June 30, 2022**

Contents

| | |
|--|----------|
| Independent auditor's report on the interim financial information | 2 |
| Balance sheets | 3 |
| Statements of income | 4 |
| Statements of comprehensive income | 5 |
| Statements of changes in shareholders' equity | 6 |
| Statements of cash flows | 7 |
| Statements of value added | 8 |
| Notes to the interim financial information | 9 |



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Independent Auditors’ Report on Review of Individual and Consolidated Interim Financial Statements

To the Shareholders, Directors and Management of
Hidrovias do Brasil S.A.
São Paulo, SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Hidrovias do Brasil S.A. (“Company”), contained in the Quarterly Information – ITR Form for the quarter ended June 30, 2022, comprising the balance sheet as of June 30, 2022 and related statements of income and of comprehensive income, for the three and six-month period then ended, the statements of changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with Technical Pronouncement CPC 21(R1) Interim Financial Information and the consolidated interim financial statements in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), such as for the presentation of these information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly 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 Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements 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 International 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 individual interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial information included in the Quarterly Financial Information (ITR) referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the Quarterly Financial Information (ITR) referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters - Statements of value added

The individual and consolidated statements of value added for the six-month period ended June 30, 2022, prepared under the responsibility of Company's management and presented as supplementary information for IAS 34, were subjected to review procedures performed in connection with the review of the individual and consolidated interim financial statements of the Company. To form our conclusion, we evaluated whether these statements reconciled with the interim financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the these individual and consolidated statements of value added, were not prepared, in all material respects, consistently with the individual and consolidated interim financial statements taken as a whole.

São Paulo, August 11, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/0-6

Original report in Portuguese signed by

Wagner Petelin
Contador CRC 1SP142133/O-7

HIDROVIAS DO BRASIL S.A.
BALANCE SHEETS AT JUNE 30, 2022 AND DECEMBER 31, 2021
(In thousands of reais – R\$)

| ASSETS | Note | Parent company | | Consolidated | | LIABILITIES AND SHAREHOLDERS' EQUITY | Note | Parent company | | Consolidated | |
|------------------------------------|------|------------------|------------------|------------------|------------------|---|------|------------------|------------------|------------------|------------------|
| | | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 | | | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Current assets | | | | | | Current liabilities | | | | | |
| Cash and cash equivalents | 4 | 4,236 | 937 | 123,929 | 76,454 | Suppliers | 14 | 7,738 | 5,451 | 154,681 | 146,142 |
| Securities | 5.1 | 69,247 | 103,381 | 470,142 | 582,562 | Loans, financing and debentures | 15 | 29,635 | 6,182 | 188,889 | 180,889 |
| Trade accounts receivable | 6.1 | - | - | 349,940 | 244,620 | Social and labor charges | 16 | 13,601 | 13,986 | 41,957 | 33,756 |
| Inventories | | - | - | 128,890 | 94,347 | Lawsuits | 17 | 6,392 | 5,479 | 26,330 | 22,334 |
| Recoverable taxes | 7 | 1,420 | 1,395 | 29,313 | 30,414 | Taxes payable | | 5,235 | 4,967 | 28,488 | 35,381 |
| Income tax and social contribution | 7.1 | 7,914 | 7,914 | 68,004 | 62,734 | Income tax and social contribution | | - | - | 54,404 | 63,078 |
| Advances to suppliers | 9 | 51 | 857 | 30,043 | 50,264 | Accounts payable with related parties | 18 | 2,346 | 1,724 | - | - |
| Prepayments | | 2,651 | 3,042 | 31,180 | 26,288 | Advances from clients | | - | - | 9,416 | 3,650 |
| Related party credits | 18 | 17,522 | 21,518 | - | - | Lease liabilities | 12 | 625 | 1,227 | 69,682 | 69,942 |
| Dividends receivable | 18 | 934 | 934 | 250 | - | Obligation with concession - grant | 13 | - | - | 21,383 | 24,046 |
| Other receivables | | 3,657 | 215 | 49,970 | 58,698 | Other accounts payable | | 11,305 | 10,358 | 56,532 | 23,070 |
| Total current assets | | 107,632 | 140,193 | 1,281,661 | 1,226,381 | Total current liabilities | | 76,877 | 49,374 | 651,762 | 602,288 |
| Non-current assets | | | | | | Non-current liabilities | | | | | |
| Linked securities | 5.2 | - | - | 13,883 | 13,295 | Loans, financing and debentures | 15 | 390,375 | 370,251 | 4,209,602 | 4,458,517 |
| Related party credits | 18 | 5,238 | 5,580 | 5,390 | 5,778 | Accounts payable with related parties | 18 | 20,329 | 21,590 | - | - |
| Trade accounts receivable | 6.1 | - | - | 5,600 | 6,400 | Derivative financial instruments | 27 | 3,958 | - | 3,958 | - |
| Judicial deposits | 17 | 32,383 | 32,383 | 46,728 | 45,944 | Lease liabilities | 12 | - | - | 151,344 | 161,636 |
| Guarantees and pledge deposits | 8 | 2,224 | 2,179 | 2,255 | 2,210 | Obligation with concession - grant | 13 | - | - | 24,060 | 42,227 |
| Deferred tax assets | 26 | 39,235 | 13,832 | 167,478 | 177,885 | Other accounts payable | | - | - | 4,888 | 5208 |
| Recoverable taxes | 7 | - | - | 44,669 | 52,826 | Total non-current liabilities | | 414,662 | 391,841 | 4,393,852 | 4,667,588 |
| Income tax and social contribution | 7.1 | - | - | 38,703 | 38,770 | | | | | | |
| Prepayments | | 206 | 3,697 | 30,525 | 35,030 | | | | | | |
| Investments | | | | | | SHAREHOLDERS' EQUITY | | | | | |
| Property, plant and equipment | 11 | 1,605,426 | 1,445,340 | 111,187 | 103,705 | Capital | 19 | 1,334,584 | 1,334,584 | 1,334,584 | 1,334,584 |
| Right-of-use asset | 12 | 5,312 | 6,253 | 4,119,085 | 4,254,285 | Capital reserves | | 36,768 | 34,871 | 36,768 | 34,871 |
| Intangible assets | 13 | 46,962 | 38,230 | 350,447 | 347,441 | Accumulated loss | | (280,820) | (336,096) | (280,820) | (336,096) |
| Total non-current assets | | 1,737,577 | 1,548,676 | 5,117,623 | 5,291,149 | Equity valuation adjustment | | 263,138 | 214,295 | 263,138 | 214,295 |
| | | | | | | Total shareholders' equity | | 1,353,670 | 1,247,654 | 1,353,670 | 1,247,654 |
| Total assets | | 1,845,209 | 1,688,869 | 6,399,284 | 6,517,530 | Total liabilities and shareholders' equity | | 1,845,209 | 1,688,869 | 6,399,284 | 6,517,530 |

See the accompanying notes to the financial statements

HIDROVIAS DO BRASIL S.A.
STATEMENTS OF INCOME
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of reais - R\$, except earnings/loss per share)

| | Note | Parent company | | | | Consolidated | | | |
|--|------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 |
| Net operating revenue | 23 | - | - | - | - | 412,288 | 868,977 | 466,902 | 666,480 |
| Cost of services rendered | 24,1 | - | - | - | - | (277,229) | (520,786) | (233,304) | (413,024) |
| Gross income | | - | - | - | - | 135,059 | 348,191 | 233,598 | 253,456 |
| OPERATING EXPENSES | | | | | | | | | |
| General and administrative expenses | 24,1 | (23,571) | (44,197) | (21,481) | (40,505) | (61,809) | (119,530) | (71,660) | (125,617) |
| Provision for expected credit losses | | | | - | - | - | - | (942) | (494) |
| Equity in net income of subsidiaries | 10 | 46,179 | 113,768 | 107,920 | (66,924) | 12,267 | 13,571 | 4,454 | 1,622 |
| Other operating revenues (expenses) | 24,2 | 39 | (112) | 6,364 | 6,364 | 4,634 | 8,510 | 11,249 | 31,850 |
| Operating income (loss) before income (loss) financial income (loss) and taxes | | 22,647 | 69,459 | 92,803 | (101,065) | 90,151 | 250,742 | 176,699 | 160,817 |
| Financial revenues | 25 | 7,759 | 115 | 655 | 8,632 | 26,221 | 23,959 | 1,202 | 31,396 |
| Financial expenses | 25 | (23,595) | (39,700) | (2,795) | (2,841) | (97,868) | (181,474) | (66,540) | (254,636) |
| Financial income (loss) | | (15,836) | (39,585) | (2,140) | 5,791 | (71,647) | (157,515) | (65,338) | (223,240) |
| Operating income (loss) before income tax and social contribution | | 6,811 | 29,874 | 90,663 | (95,274) | 18,504 | 93,227 | 111,361 | (62,423) |
| Income tax and social contribution | | | | | | | | | |
| Current | 26 | - | - | - | - | (23,902) | (54,679) | (13,522) | (31,626) |
| Deferred | 26 | 15,228 | 25,402 | 7,142 | 10,074 | 27,437 | 16,728 | (34) | 8,849 |
| Net income (loss) for the period | | 22,039 | 55,276 | 97,805 | (85,200) | 22,039 | 55,276 | 97,805 | (85,200) |
| Basic earnings per share - R\$ | 20 | | | | | 0,0290 | 0,0727 | 0,1286 | (0,1120) |
| Diluted earnings per share – R\$ | 20 | | | | | 0,0290 | 0,0727 | 0,1286 | (0,1120) |

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
 (In thousands of reais – R\$)

| | Parent company | | | | Consolidated | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 |
| Net income (loss) for the period | 22,039 | 55,276 | 97,805 | (85,200) | 22,039 | 55,276 | 97,805 | (85,200) |
| Other comprehensive income: | | | | | | | | |
| Items that may be reclassified in the statement of income: | | | | | | | | |
| Foreign exchange difference in the translation of foreign operations in subsidiaries | 64,671 | (41,548) | (111,289) | (26,139) | 55,146 | (36,225) | (111,289) | (26,139) |
| Foreign exchange difference in the translation of foreign operations in investees | - | - | - | - | 9,525 | (5,323) | - | - |
| Hedge accounting of non-derivative financial instruments | (85,917) | 117,848 | 198,303 | 88,416 | (85,917) | 117,848 | 198,303 | 88,416 |
| Deferred income tax and social contribution | 22,523 | (27,135) | (55,962) | (18,475) | 22,523 | (27,135) | (55,962) | (18,475) |
| Total | 1,277 | 49,165 | 31,052 | 43,802 | 1,277 | 49,165 | 31,052 | 43,802 |
| Comprehensive income for the period | 23,316 | 104,441 | 128,857 | (41,398) | 23,316 | 104,441 | 128,857 | (41,398) |

See the accompanying notes to the interim financial information

HIDROVIAS DO BRASIL S.A.
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
 (In thousands of reais – R\$)

| | Capital | Cost for the issue of shares | Capital reserves | | | Equity valuation adjustment | | | Total |
|-------------------------------------|------------------|------------------------------|---------------------------------|-----------------|------------------|-------------------------------------|--------------------------------------|--|------------------|
| | | | Goodwill in the issue of shares | Options granted | Accumulated loss | Accumulated translation adjustments | Gain/loss on investment in the group | Adjustment of non-derivative financial instruments | |
| BALANCES AT JANUARY 1, 2021 | 1,359,469 | (24,885) | 4,401 | 29,775 | (21,046) | 508,246 | - | (330,133) | 1,525,827 |
| Loss for the period | - | - | - | - | (85,200) | - | - | - | (85,200) |
| Other comprehensive income | - | - | - | - | - | (26,139) | - | 69,941 | 43,802 |
| BALANCES AT JUNE 30, 2021 | 1,359,469 | (24,885) | 4,401 | 29,775 | (106,246) | 482,107 | - | (260,192) | 1,484,429 |
| BALANCES AT JANUARY 1, 2022 | 1,359,469 | (24,885) | 4,401 | 30,470 | (336,096) | 569,272 | - | (354,977) | 1,247,654 |
| Loss of relative ownership interest | - | - | - | - | - | - | (322) | - | (322) |
| Long-term incentive plan | - | - | - | 1,897 | - | - | - | - | 1,897 |
| Net revenue for the period | - | - | - | - | 55,276 | - | - | - | 55,276 |
| Other comprehensive income | - | - | - | - | - | (41,548) | - | 90,713 | 49,165 |
| BALANCES AT JUNE 30, 2022 | <u>1,359,469</u> | <u>(24,885)</u> | <u>4,401</u> | <u>32,367</u> | <u>(280,820)</u> | <u>527,724</u> | <u>(322)</u> | <u>(264,264)</u> | <u>1,353,670</u> |

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of reais – R\$)

| | Parent company | | Consolidated | |
|--|-----------------|-----------------|-----------------|------------------|
| | 06/30/2022 | 06/30/2021 | 06/30/2022 | 06/30/2021 |
| Cash flow from operating activities | | | | |
| Net income (loss) for the period | 55,276 | (85,200) | 55,276 | (85,200) |
| net cash generated by (invested in) in operating activities: | | | | |
| Provision for bonus | 9,425 | 5,063 | 11,197 | 8,876 |
| Current and deferred income tax and social contribution | (25,402) | (10,074) | 37,951 | 22,777 |
| Adjustment to present value of lease and concession | - | - | 5,189 | 7,065 |
| Derivative financial instruments | 3,958 | - | 3,958 | - |
| Reversal of provision for estimated losses | - | - | - | 494 |
| (Formation) Reversal of provision for lawsuits | 913 | - | 4,018 | 3,023 |
| Interest incurred on loans | 33,381 | - | 131,994 | 108,200 |
| Reversal of loan funding costs | 551 | - | 6,638 | 26,408 |
| Inflation adjustments and exchange-rate changes on debt | - | - | (19,826) | 27,963 |
| Bargain purchase income (loss) | - | (7,293) | - | (7,293) |
| Accrued interest – lease | 38 | 82 | 2,447 | 2,367 |
| Long-term incentive plan with restricted shares | 2,935 | - | 2,935 | - |
| Yield from interest earning bank deposits | 89 | (4,258) | 23,967 | (5,672) |
| Depreciation and amortization | 6,076 | 1,963 | 133,234 | 110,880 |
| Amortization from right-of-use asset | 533 | 591 | 34,453 | 47,182 |
| Equity in net income of subsidiaries | (113,768) | 66,924 | (13,571) | (1,622) |
| Revenue realized from hedge | - | - | (5,640) | 18,771 |
| Write-off of lease | - | - | (898) | - |
| (Increase) decrease in operating assets: | | | | |
| Accounts receivable | - | - | (105,134) | (29,673) |
| Inventories | - | - | (35,827) | (16,670) |
| Recoverable taxes | 33 | (8,629) | 3,637 | (12,662) |
| Advances to suppliers | 806 | 999 | 9,516 | (9,246) |
| Prepayments | 3,882 | (4,176) | (1,672) | (36,291) |
| Judicial deposits | - | - | (855) | (1,053) |
| Guarantees and pledge deposits | (45) | 850 | - | 1,214 |
| Other receivables | (3,444) | (52) | 7,952 | (1,319) |
| Increase (decrease) in operating liabilities: | | | | |
| Suppliers | (66) | (4,519) | (10,486) | (2,007) |
| Social and labor charges | (9,825) | (8,255) | (2,838) | (12,695) |
| Taxes payable | 268 | (228) | (6,705) | (5,736) |
| Advances from clients | - | - | 15,456 | (3,366) |
| Other accounts payable | (77) | 152 | 33,329 | 23,623 |
| Payment of interest on loans and financing | (9,905) | - | (111,514) | (123,081) |
| Income taxes and social contribution paid | - | (18,856) | (60,435) | (67,438) |
| Net cash generated (invested in) operating activities | (44,368) | (74,916) | 147,746 | (12,181) |
| Cash flows from investment activities | | | | |
| Acquisition of fixed assets | (289) | (1,121) | (103,372) | (222,232) |
| Acquisition of intangible assets | (8,339) | (8,416) | (12,339) | (10,102) |
| Acquisition of subsidiaries | - | (19,981) | - | (468,201) |
| Investments of securities | (130,500) | (26,509) | (1,193,587) | (1,192,784) |
| Redemptions of securities | 164,545 | 111,158 | 1,285,893 | 1,711,250 |
| Dividends received | - | 25,983 | - | - |
| Loan granted between related parties | 4,338 | 8,635 | - | (3,011) |
| Capital increase (decrease) in subsidiaries | (360) | - | - | - |
| Net cash generated by (invested in) investment activities | 29,395 | 89,749 | (23,405) | (185,080) |
| Cash flows from financing activities | | | | |
| Borrowings | 19,801 | - | 19,801 | 2,848,650 |
| Funding cost | (251) | - | (251) | (113,441) |
| Concession lease | - | - | (20,054) | (18,141) |
| Lease paid | (639) | (929) | (27,510) | (45,614) |
| Amortization of principal - loans | - | - | (28,242) | (2,453,894) |
| Loan granted between related parties | (1,261) | 18,418 | - | - |
| Other accounts payable with related parties | 622 | (32,912) | 388 | - |
| Net cash generated by (invested in) financing activities | 18,272 | (15,423) | (55,868) | 217,560 |
| Effect of changes in exchange rate on balance of cash and cash equivalents in foreign currency | - | - | (20,998) | (5,997) |
| (Decrease)/increase in cash and cash equivalents | 3,299 | (590) | 47,475 | 14,302 |
| Cash and cash equivalents at the beginning of the period | 937 | 1,441 | 76,454 | 214,848 |
| Cash and cash equivalents at the end of the period | 4,236 | 851 | 123,929 | 229,150 |
| (Decrease)/increase in cash and cash equivalents | 3,299 | (590) | 47,475 | 14,302 |

See the accompanying notes to the interim financial information

HIDROVIAS DO BRASIL S.A.
STATEMENTS OF ADDED VALUE
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of reais – R\$)

| | Parent company | | Consolidated | |
|---|-----------------|-----------------|----------------|-----------------|
| | 06/30/2022 | 06/30/2021 | 06/30/2022 | 06/30/2021 |
| REVENUES | | | | |
| Revenue from services | - | - | 902,282 | 700,163 |
| Revenues from construction of own assets | 3,699 | 9,537 | 46,326 | 252,096 |
| Other revenues | - | 6,366 | 8,502 | 31,686 |
| Inputs acquired from third parties: | | | | |
| Cost of services rendered | - | - | (294,668) | (220,856) |
| Material, electric power, outsourced services and other | (8,938) | (6,762) | (34,220) | (25,216) |
| Construction of own assets | (3,699) | (9,537) | (46,326) | (252,096) |
| Gross added value (consumed) | <u>(8,938)</u> | <u>(396)</u> | <u>581,896</u> | <u>485,777</u> |
| Depreciation and amortization | (6,609) | (3,131) | (167,687) | (172,179) |
| Net added value (consumed) generated by the Company | <u>(15,547)</u> | <u>(3,527)</u> | <u>414,209</u> | <u>313,598</u> |
| Added value (consumed) received as transfer: | | | | |
| Equity in net income of subsidiaries | 113,768 | (66,926) | 13,571 | 2,025 |
| Financial revenues | 115 | 8,632 | 23,959 | 31,396 |
| Total added value payable (consumed) | <u>98,336</u> | <u>(61,821)</u> | <u>451,739</u> | <u>347,019</u> |
| Distribution - Added value (consumed) | 98,336 | (61,821) | 451,739 | 347,019 |
| Personnel: | <u>28,762</u> | <u>10,464</u> | <u>143,733</u> | <u>121,123</u> |
| Direct remuneration | 20,259 | 3,734 | 133,589 | 112,783 |
| Benefits | 2,780 | 2,133 | 3,548 | 2,769 |
| FGTS | 5,723 | 4,577 | 6,596 | 5,550 |
| Other | - | 20 | - | 21 |
| Taxes | <u>(25,402)</u> | <u>10,074</u> | <u>71,256</u> | <u>56,460</u> |
| Federal | (25,402) | 10,074 | 60,034 | 46,591 |
| State | - | - | 1,915 | 1,041 |
| Municipal | - | - | 9,307 | 8,828 |
| Third-party capital remuneration | <u>39,700</u> | <u>2,841</u> | <u>181,474</u> | <u>254,636</u> |
| Interest on loans, grants and others | 639 | 114 | 88,881 | 103,200 |
| Inflation adjustments and exchange-rate changes | 465 | - | (22,136) | 581 |
| Other financial expenses | 38,596 | 2,727 | 114,729 | 150,855 |
| Remuneration of own capital | <u>55,276</u> | <u>(85,200)</u> | <u>55,276</u> | <u>(85,200)</u> |
| Retained earnings (losses) | <u>55,276</u> | <u>(85,200)</u> | <u>55,276</u> | <u>(85,200)</u> |

See the accompanying notes to the interim financial information

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

1 Operations

Hidrovias do Brasil S.A. (“Company”, “Group” or “Hidrovias”), is a publicly-held company, and its shares are traded at B3 S.A. – Brasil, Bolsa, Balcão (“B3”), under the “HBSA3” code. It was set up on August 18, 2010 and is headquartered in the city and state of São Paulo, at Rua Gilberto Sabino, 215 - 7º andar - Pinheiros, and may, by resolution of the Board of Directors, open branches, agencies and establishments anywhere in Brazil or abroad. The Company's business purpose consists of waterway, road and multimodal logistics and infrastructure activities, in Brazil and abroad, including those listed below, as well as an ownership interest in companies that carry out such activities:

- (a) Transportation of goods.
- (b) Construction and exploration of ports, cargo terminals, dockyards, workshops and warehouses.
- (c) River and sea navigation, cabotage and storage of goods.
- (d) Provision of logistic services, directly or through third parties.
- (e) Other correlated activities or activities that are somehow related to its business purpose.

The Company is authorized to increase its capital by up to R\$ 2,320,000 by resolution of the Board of Directors and regardless of statutory reform, pursuant to article 168 of Law 6404/76.

As of September 25, 2020, the Company carried out its secondary public offering (IPO) of 399,426,570 common shares, held by the Selling Shareholders (as defined in the IPO documents). The price was R\$ 7.56 per common share. Note 19 shows the effects on the shareholding structure. The Company's shares are listed on the Novo Mercado segment of B3, under the ticker HBSA3.

COVID-19

Impacts on the financial conditions of the Company

The years 2020, 2021 and six-month period ended June 30, 2022 were marked by the COVID-19 pandemic, which had impacts on different sectors of the global economy. Company's operations, as well as the operations of companies directly or indirectly controlled, did not suffer major impacts due to the measures to restrict the circulation of people adopted as a result of the COVID-19 pandemic. The Company's activities, linked to the food supply chain and base metals, are considered essential businesses in the locations where it operates and have not been subject to operating restrictions so far. The nature of business makes restrictive measures to the operation unlikely since these would have the potential to cause disruptions in the supply chain of food and basic inputs. However, the Company believes that the extent of the pandemic impacts on its results for the coming quarters will depend on future developments, which are uncertain and unpredictable. To date, the Company has not identified any significant risks to its operations, to the flow of new business, or to its clients' ability to pay.

The Company has constantly assessed the evolution of the effects of pandemic on its revenues, assets, results, business, and prospects, including any possible change in the ability to continue

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

operating the business. Company's analyses are being carried out in line with CVM/SNC/SEP Circular Letter No. 02/2020, issued by the Brazilian Securities and Exchange Commission (CVM) on March 10, 2020, which guides must carefully consider the impacts of the COVID-19 in its businesses and reported in its financial statements or interim financial information the main risks and uncertainties arising from this analysis in the financial statements, in line with the applicable accounting standards.

The Company has adopted social distancing and prevention measures with employees. Motivated by the restrictions imposed by the COVID-19 pandemic, in March 2020, the Company adopted a Hybrid Work Model applicable to all administrative and non-operational employees. The model provides for flexibility in face-to-face work, following the rules of social distancing and isolation necessary during the peaks of the pandemic. The hybrid model does not apply to operations, and the Company has adopted isolation measures, reinforcement of personal protective equipment, quarantine of crews, and continuous testing as measures to reduce the risks of the spread of COVID-19 and its impacts on business.

War Russia and Ukraine

The instabilities caused by the war between the two countries raise costs and reduce expectations for the world's growth. On February 24, 2022, Russia decided to attack Ukraine after months of crisis with the West. This decision results in the most serious military crisis in Europe since the Second World War. The economic effects in all countries, including Brazil, can be observed in:

- i. The conflict between Russia and Ukraine has led to a significant tightening of financial conditions and increased uncertainty around the world economic scenario;
 - ii. Increase in the price of oil and gas - for more than 7 years, oil has not been higher than USD 100 per barrel, which will worsen throughout the world, as Russia is one of the major world producers. With the sanctions imposed by the American and European markets, the effects could be felt by the global economy;
 - iii. Energy and the dollar pressure inflation, affecting Brazilian industries, which were already pressured by the very high USD during 2021 and now even more;
 - iv. The environment has deteriorated substantially. In particular, the supply shock arising from the conflict has the potential to increase already accumulating inflationary pressures;
 - v. Most commodities had significant advances in their prices, in particular energy;
- saw. Brazilian consumer inflation continues to surprise negatively.

The Company will continue to constantly monitor the effects of this war and the impacts on its operations and on the interim financial statements.

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

The Company has direct and indirect shareholdings in, and joint ownership of, the following companies:

| Subsidiaries | Main activity | Country | Type of consolidation | 06/30/2022 % Interest | | 12/31/2021 % Interest | |
|---|---|------------|--------------------------------------|--------------------------|----------|--------------------------|----------|
| | | | | Direct | Indirect | Direct | Indirect |
| Hidroviás do Brasil – Holding Norte S.A. (“HB Holding Norte”) | Equity interests in other companies | Brazil | Full | 100.00% | - | 100.00% | - |
| Hidroviás do Brasil – Vila do Conde S.A. (“HB Vila do Conde”) | Storage and lifting of cargo and river transportation | Brazil | Full | - | 100.00% | - | 100.00% |
| Hidroviás do Brasil – Marabá S.A. (“HB Marabá”) | Land - Pre-operating | Brazil | Full | 100.00% | - | 100.00% | - |
| Hidroviás do Brasil – Intermediação e Agenciamento de Serviços Ltda. (“HB Intermediação”) | Intermediation and agency services | Brazil | Full | 99.00% | 1.00% | 99.00% | 1.00% |
| Hidroviás do Brasil – Cabotagem Ltda. (“HB Cabotagem”) | Cabotage sea transport | Brazil | Full | 99.00% | 1.00% | 99.00% | 1.00% |
| Hidroviás do Brasil – Administração Portuária de Santos S.A. (“HB Santos”) | Changes and warehousing | Brazil | Full | - | 100.00% | - | 100.00% |
| Obrinel S.A. (“Obrinel”) | Specialized cargo terminal | Uruguay | Equity in net income of subsidiaries | - | 49.00% | - | 49.00% |
| Hidroviás del Sur S.A. (“Hidroviás del Sur”) | Equity interests in other companies | Uruguay | Full | 100.00% | - | 100.00% | - |
| Baloto S.A. (“Baloto”) | Equity interests in other companies | Uruguay | Full | 4.95% | 95.05% | 4.95% | 95.05% |
| Girocantex S.A. (“Girocantex”) | Fluvial transportation | Uruguay | Full | - | 100.00% | - | 100.00% |
| Hidroviás del Paraguay S.A. (“Hidroviás del Paraguay”) | Fluvial transportation | Paraguay | Full | 0.01% | 99.99% | 0.01% | 99.99% |
| Pricolpar S.A. (“Pricolpar”) | Fluvial transportation | Paraguay | Full | 0.01% | 99.99% | 0.01% | 99.99% |
| Cikelsol S.A. (“Cikelsol”) | Fluvial transportation | Uruguay | Full | - | 100.00% | - | 100.00% |
| Limday S.A. (“Limday”) | Fluvial transportation | Uruguay | Equity in net income of subsidiaries | - | 44.77% | - | 44.77% |
| Resflir S.A. (“Resflir”) | Lease of navigation assets | Uruguay | Full | - | 100.00% | - | 100.00% |
| Hidroviás International Finance S.à.r.l. (“Finance”) | Agency of financial operations | Luxembourg | Full | 100.00% | - | 100.00% | - |
| Hidroviás Navegación Fluvial S.A. | Fluvial transportation | Paraguay | Full | 95.00% | 5.00% | 95.00% | 5.00% |
| Hidroviás South America BV | Fluvial transportation | Holland | Full | 100.00% | - | 100.00% | - |
| Baden S.A. (“Baden”) | Port administration | Paraguay | Equity in net income of subsidiaries | 50.00% | - | 50.00% | - |
| Via Grãos S.A. (“Via Grãos”) | Construction of highways and railroads | Brazil | Full | 100.00% | - | 100.00% | - |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

History and operations

The Company's history is detailed in the Financial Statements for the year ended December 31, 2021. There were no changes for the period ended June 30, 2022.

2 Preparation basis

a. Statement of conformity

The consolidated interim financial statements were prepared and are being presented for the period ended June 30, 2022, in accordance with the accounting practices adopted in Brazil CPC 21 (R1), and in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”), in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information – ITR.

The parent company's individual interim financial information was prepared in accordance with accounting practices adopted in Brazil.

Management declares that all relevant information specific to the interim financial information, and only such information, is being evidenced and corresponds to the information used in its administration.

The accounting policies adopted in the preparation of the interim financial information, as well as the measurement basis, the functional and the presentation currency, and the main judgments and uncertainties associated with the estimates used in the application of the accounting practices, are consistent with those presented in the financial statements for the year ended December 31, 2021, filed with the Brazilian Securities and Exchange Commission (CVM) and disclosed on the Company's website. This interim financial information should be read together with financial statements for the fiscal year ended December 31, 2021.

The issue of interim financial information was authorized by the Executive Board of the Company on August 11, 2022.

3 Significant accounting policies

There were no changes in the main accounting policies in this quarter compared to those disclosed in the financial statements for the year ended December 31, 2021.

4 Cash and cash equivalents

| | <u>Parent company</u> | | <u>Consolidated</u> | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | <u>06/30/2022</u> | <u>12/31/2021</u> | <u>06/30/2022</u> | <u>12/31/2021</u> |
| Checking account – Recorded in companies in Brazil | 4,236 | 937 | 43,052 | 14,599 |
| Checking account – Recorded in companies abroad | - | - | 80,877 | 61,855 |
| | <u>4,236</u> | <u>937</u> | <u>123,929</u> | <u>76,454</u> |

The Company emphasizes that the balances held in checking accounts have yield through Automatic Investments contracted with the transaction banks.

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

5 Interest earning bank deposits

5.1 Securities

| | Parent company | | Consolidated | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| JP Morgan (a) | - | - | 164,252 | 11,759 |
| Itaú Fundo FICFI 311 (b) | 69,217 | 102,034 | 194,501 | 417,621 |
| Fundo Itaú PP Portfólio (c) | 5 | 1,323 | 24,170 | 6,621 |
| Santander Vip Cambial(d) | 25 | 24 | 5,011 | 24,036 |
| FIDC (Fundo Invest Dir Credit) (e) | - | - | 66,816 | 118,685 |
| Santander Argo (f) | - | - | 316 | 534 |
| CDB ABC (g) | - | - | - | 1,366 |
| Banco do Brasil (h) | - | - | 15,076 | 1,940 |
| Total | 69,247 | 103,381 | 470,142 | 582,562 |

- (a) Interest earning bank deposits representing investments in a foreign fund with Banco J.P. Morgan, linked to changes in the U.S. treasury which had a yield of 1.07% on June 30, 2022 (0.02% as of December 31, 2021). The portfolio consists of fixed income securities and US Treasury Bonds.
- (b) Interest earning bank deposits representing investments in Fundo Itaú Cambial FIC FI, referenced to the U.S. dollar exchange-rate change – Ptax800, which had an average yield rate of -6.17% on June 30, 2022, or -0, +03% in relation to the pTax change in the same period (7.74% on December 31, 2021, or 0.35% in relation to the pTax change in the same period). The fund's portfolio is comprised of federal government bonds and repurchase and resale agreements backed by Federal government bonds.
- (c) Interest earning bank deposits that represent investments in Fundo Itaú PP Portfólio, referenced to the change of the Interbank Deposit Certificate (CDI) rate, with an average profitability of 109.48% of CDI as of June 30, 2022 (110.50% as of December 31, 2021). The fund's portfolio consists exclusively of fixed income securities, distributed among federal government bonds, Repurchase and resale agreements, Fund quotas, and other securities of financial institutions.
- (d) Interest earning bank deposits representing investments in Fundo Santander Vip Cambial, referenced to the U.S. dollar exchange-rate change – Ptax800, which had an average yield rate of -6.03% on June 30, 2022, or +0.67% in relation to the pTax change in the same period (7.39% on December 31, 2021, or +0.51% in relation to the pTax change in the same period). The fund's portfolio is comprised of federal government bonds and repurchase and resale agreements backed by Federal government bonds.
- (e) Interest earning bank deposits representing investments in FIDC Upside, which had an average yield rate of -18.89% on June 30, 2022 (12.52% on December 31, 2021), and FIDC Aruanã had a yield rate of -5.93% on June 30, 2022, or +2.42% in relation to the pTax change in the same period (7.15% on December 31, 2021, or -0.24% in relation to the pTax change in the same period). The funds' portfolio consist of credit receivables' assignment and fund quotas exclusively comprised of fixed income securities, distributed among federal government bonds and repurchase and resale agreements backed by Federal government bonds.
- (f) Interest earning bank deposits that represent investments in Fundo Santander ARGO, referenced to the change of the Interbank Deposit Certificate (CDI) rate, with an average yield of 106.87% as of June 30, 2022 (119.01% as of December 31, 2021). The fund's portfolio consists exclusively of fixed income securities, distributed among federal government bonds, Repurchase and resale agreements, Fund quotas, and other securities of financial institutions.
- (g) Interest earning bank deposits that represent investments in Bank Deposit Certificates - CDB at Banco ABC Brasil, referenced to the change of Interbank Deposit Certificate - CDI rate, which had a remuneration of 99% of CDI as of June 30, 2022 (99% as of December 31, 2021).
- (h) Interest earning bank deposits comprising investments in Banco do Brasil, which had an average return of 78.83% of CDI as of June 30, 2022 (56.85% of CDI as of December 31, 2021). The fund's portfolio is comprised of fixed income securities, including repurchase and resale agreements backed by public and Federal government bonds.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

5.2 Linked securities

| | <u>Consolidated</u> | |
|---------------------------------------|---------------------|-------------------|
| | <u>06/30/2022</u> | <u>12/31/2021</u> |
| Hidrovias do Brasil – Cabotagem Ltda. | 13,883 | 13,295 |
| Total | <u>13,883</u> | <u>13,295</u> |

They represent investments in the BNP PARIBAS SOBERANO FIC FI RF fund, subject to changes in the SELIC interest rate, average remuneration of 98.79% of the Selic rate on June 30, 2022 (96.87% as of December 31, 2021). The fund's portfolio consists of federal government bonds issued by Brazil's National Treasury and/or Central Bank of Brazil, fixed or indexed to changes in CDI rate, or by repurchase and resale agreements backed by federal government bonds.

These interest earning bank deposits presented in non-current assets and are linked to loans. The contractual clause provides that an equivalent balance should be maintained in a restricted account during the contract's entire effectiveness, an equivalent balance to the previously agreed upon.

6 Trade accounts receivable

6.1 Breakdown of balances per location

| | <u>Consolidated</u> | |
|--|---------------------|-------------------|
| | <u>06/30/2022</u> | <u>12/31/2021</u> |
| Accounts receivable recorded by subsidiaries abroad | 245,093 | 102,535 |
| Provision for expected credit losses | (2,116) | (2,254) |
| | <u>242,977</u> | <u>100,281</u> |
| Accounts receivable recorded by subsidiaries in Brazil | 112,563 | 150,739 |
| | <u>355,540</u> | <u>251,020</u> |
| Current | 349,940 | 244,620 |
| Non-current | 5,600 | 6,400 |

As disclosed in Note 23, there is a concentration of operating revenues in a small number of clients, which, in turn, may eventually affect the Company's credit risk. For further information related to credit risk, see note 27.4.

The provision for expected credit losses is recorded on a prospective basis, through the analysis of the credit risk of clients with a low probability of realization.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

6.2 Breakdown of accounts receivable per maturity age

| | Consolidated | |
|-------------------|----------------|----------------|
| | 06/30/2022 | 12/31/2021 |
| Falling due | 252,249 | 202,290 |
| Overdue (in days) | | |
| up to 30 | 35,081 | 5,907 |
| 31-60 | 18,761 | 3,332 |
| 61-90 | 17,286 | 26,390 |
| 91-120 | 28,099 | 8,806 |
| 121-180 | 1,931 | 2,360 |
| >180 | 4,249 | 4,189 |
| Total | 357,656 | 253,274 |

Map of changes in provision for estimated losses:

| | Consolidated |
|------------------------------|----------------|
| Balance at December 31, 2021 | (2,254) |
| Translation adjustment | 138 |
| Balance at June 30, 2022 | <u>(2,116)</u> |

| | Consolidated |
|------------------------------|----------------|
| Balance at December 31, 2020 | (2,750) |
| Business combination | (1,763) |
| Formation | (141) |
| Reversal | 1,763 |
| Translation adjustment | 637 |
| Balance at December 31, 2021 | <u>(2,254)</u> |

7 Recoverable taxes

| | Parent company | | Consolidated | |
|---|----------------|--------------|---------------|---------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| IRRF on interest earning bank deposit (a) | 1,401 | 1,385 | 5,327 | 4,989 |
| PIS / COFINS (b) | 17 | 7 | 57,473 | 69,624 |
| ISS | 2 | 3 | 498 | 647 |
| VAT (c) | - | - | 10,684 | 7,980 |
| Total | <u>1,420</u> | <u>1,395</u> | <u>73,982</u> | <u>83,240</u> |
| Current assets | 1,420 | 1,395 | 29,313 | 30,414 |
| Non-current assets | - | - | 44,669 | 52,826 |

The recoverable taxes are recorded by the accrual basis, according to the withholdings and/or payments made, in such a way that the Company and its subsidiaries present the following situations:

- Income Tax withholdings incurred as a result of income from interest earning bank deposits made by the Company and its subsidiaries are recognized in Assets according to information provided by financial institutions.
- The Social Integration Program - PIS and Contribution to Social Security Financing - COFINS contributions derive from the credits appropriated on the purchase of fuel and on the service contracts, rent, among others. The credits are

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

offset monthly against debits on provision of services or quarterly against debits of other federal taxes through offset via PER/DCOMP within a maximum term of five years.

- (c) The Value Added Tax (VAT) is a consequence of the purchase of inputs for the operation of companies located in Uruguay.

7.1 Income tax and social contribution

| | Parent company | | Consolidated | |
|------------------------------------|----------------|------------|--------------|------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Income tax and social contribution | 7,914 | 7,914 | 106,707 | 101,504 |
| Current assets | 7,914 | 7,914 | 68,004 | 62,734 |
| Non-current assets | - | - | 38,703 | 38,770 |

Income Tax and Social Contribution are reported in Assets, according to the early payments made under current tax legislation, and Taxable Income, as well as withholdings incurred as a result of payment of services rendered by the Company and its subsidiaries.

Part of the corporate income tax (IRPJ) and social contribution (CSLL) credit arises from tax prepayments that occurred in previous years that were higher than the taxes due calculated at the end of each year, thus generating an actual balance to be offset against other federal taxes or to be refunded in accordance with current legislation.

Negative Balances from previous years that are offset against other federal taxes, with criteria pre-established by the current legislation, being subject to requests for reimbursement/refund.

8 Guarantees and escrow deposits

| | Parent company | | Consolidated | |
|---------------------|----------------|--------------|--------------|--------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Obrinel project (a) | 1,918 | 1,873 | 1,918 | 1,873 |
| Other | 306 | 306 | 337 | 337 |
| Total | 2,224 | 2,179 | 2,255 | 2,210 |

- (a) On July 25, 2014, the Company granted funds to jointly-controlled subsidiary Obrinel whose the amount on June 30, 2022, of R\$ 1,918 (R\$ 1,873 as of December 31, 2021) and will remain as escrow deposit until the financial conclusion of Obrinel Project, and the term is December 15, 2027. The change of R\$ 45 is due to the exchange change and not to the nominal reduction of the guarantee.

Regarding the Obrinel Project and in addition to the guarantee deposit mentioned in this note, on June 24, 2014 the Company (as Sponsor of the Obrinel Project) and its direct subsidiary Hidroviás del Sur granted, on behalf of DEG and BROU banks: (i) solidary guarantee at the first demand up to the amount of US\$ 9,800 thousand, as a guarantee for eventual non-compliance by Obrinel with the terms of the project's financing; (ii) corporate guarantee up to the amount of US\$ 10,000 thousand, to cover any financial deficiencies or excess costs of the Project; and (iii) corporate guarantee up to the amount of US\$ 45,000 thousand to cover some specific Project risks. The shares of Baloto (direct shareholder in Obrinel) were also pledged in favor of DEG and BROU

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

banks as of June 13, 2014. Said guarantees remained in effect until the financial conclusion of the Obrinel Project.

Covenant

In addition to a standard list of requirements, under the terms of the financing obtained for the Obrinel Project, Obrinel has been committed to maintaining the following financial ratios: (i) not exceeding a 70/30 ratio regarding total debt/equity; (ii) current ratio not less than 1; and (iii) debt coverage greater than or equal to 1.15x.

As of June 30, 2022, Obrinel fulfilled the aforementioned restrictive clauses without default.

9 Advances to suppliers

| | Parent company | | Consolidated | |
|--|----------------|------------|---------------|---------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Advances recorded in companies in Brazil | 51 | 857 | 18,193 | 38,236 |
| Advances recorded in companies abroad | - | - | 11,850 | 12,028 |
| Total current | <u>51</u> | <u>857</u> | <u>30,043</u> | <u>50,264</u> |

In the interim financial information as of June 30, 2022, the balance of advances to suppliers is mainly composed of: R\$ 5,878 (R\$ 9,583 as of December 31, 2021) referring to advances for vessel construction; R\$ 1,758 (R\$ 2,208 as of December 31, 2021) referring to the purchase of fuel; R\$ 15,645 (R\$ 29,989 as of December 31, 2021) referring to the implementation of Santos terminal and R\$ 6,762 (R\$ 8,484 as of December 31, 2021) referring to advances to other suppliers inherent to the operation of the Company and its subsidiaries.

10 Investments

Breakdown and changes in investments as of June 30, 2022 and December 31, 2021 is as follows:

| | Parent company | | Consolidated | |
|---|------------------|------------------|----------------|----------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Breakdown of investments in subsidiaries | | | | |
| Ownership interest valued under the equity method | 1,584,453 | 1,421,483 | 96,237 | 87,595 |
| Concession contract | 5,585 | 5,788 | 5,585 | 5,788 |
| Appreciation of assets | 15,388 | 18,069 | - | - |
| Goodwill | - | - | 9,365 | 10,322 |
| Total | <u>1,605,426</u> | <u>1,445,340</u> | <u>111,187</u> | <u>103,705</u> |

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| Parent company | Parent company | | | | | | | |
|--|------------------|---------------------------|-------------------------------------|---|-----------|----------------|--------------------------------------|------------------|
| | 12/31/2021 | 06/30/2022 | | | | | | |
| | Opening balance | Capital increase/decrease | Equity valuation adjustment - Hedge | Equity valuation adjustment - Income (loss) from foreign currency translation (CTA) | Dividends | Amortization | Equity in net income of subsidiaries | Closing balance |
| Baloto S.A. | 2,448 | (322) | - | (112) | - | - | 400 | 2,414 |
| Hidroviás Del Sur S.A. | 669,692 | - | - | (39,251) | - | - | (49,906) | 580,535 |
| Hidroviás do Brasil – Marabá S.A. | 10,262 | 360 | - | - | - | - | 86 | 10,708 |
| Hidroviás do Brasil – Holding Norte S.A. | 443,711 | - | 58,450 | - | - | - | 84,816 | 586,977 |
| Hidroviás do Brasil – Cabotagem Ltda. | 189,777 | - | 32,263 | - | - | - | 23,301 | 245,341 |
| Hidroviás do Brasil – Intermediação e Agenciamento de Serviços Ltda. | 33,401 | - | - | - | - | - | (854) | 32,547 |
| Pricolpar S.A. | 14 | - | - | - | - | - | (1) | 13 |
| Hidroviás International Finance S.à.r.l. | 1,536 | - | - | (71) | - | - | (577) | 888 |
| Hidroviás South America BV | 38,731 | - | - | (4,079) | - | - | 26,815 | 61,467 |
| Hidroviás Navegación Fluvial S.A. | 19,844 | - | - | 2,689 | - | - | 29,850 | 52,383 |
| Baden S.A. | 12,067 | - | - | (724) | - | - | (162) | 11,181 |
| Subtotal | 1,421,483 | 38 | 90,713 | (41,548) | - | - | 113,768 | 1,584,454 |
| Concession contract | 5,788 | - | - | - | - | (203) | - | 5,585 |
| Baden S.A. – Capital gains on assets | 2,506 | - | - | - | - | (83) | - | 2,423 |
| Hidroviás South America B.V. – Surplus | 15,563 | - | - | - | - | (2,599) | - | 12,964 |
| Total | 1,445,340 | 38 | 90,713 | (41,548) | - | (2,885) | 113,768 | 1,605,426 |

| | Consolidated | | | | | |
|--------------------------|-----------------|---|--------------------------------------|--------------|--------------|-----------------|
| | 12/31/2021 | 06/30/2022 | | | | |
| | Opening balance | Income (loss) from foreign currency translation (CTA) | Equity in net income of subsidiaries | Dividends | Amortization | Closing balance |
| Limday S.A. | 13,793 | (757) | 2,334 | (250) | - | 15,120 |
| Obrinel S.A. | 61,736 | (3,199) | 11,399 | - | - | 69,936 |
| Baden S.A. | 12,067 | (724) | (162) | - | - | 11,181 |
| Subtotal | 87,596 | (4,680) | 13,571 | (250) | - | 96,237 |
| Concession agreement (b) | 5,788 | - | - | - | (203) | 5,585 |
| Goodwill (a) | 10,321 | (643) | - | - | (313) | 9,365 |
| Total | 103,705 | (5,323) | 13,571 | (250) | (516) | 111,187 |

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | Parent company | | | | | | | | | |
|--|-----------------|-----------------------------------|------------------------|----------------------|-------------------------------------|---|-----------|--------------|--------------------------------------|-----------------|
| | 2020 | 12/31/2021 | | | | | | | | |
| | Opening balance | Capital contributions in investee | Investment acquisition | Bargain purchase (*) | Equity valuation adjustment - Hedge | Equity valuation adjustment - Income (loss) from foreign currency translation (CTA) | Dividends | Amortization | Equity in net income of subsidiaries | Closing balance |
| Baloto S.A. | 2,126 | - | - | - | - | 503 | - | - | (181) | 2,448 |
| Hidroviás Del Sur S.A. | 956,472 | 6,989 | - | - | - | 60,193 | (13,547) | - | (340,415) | 669,692 |
| Hidroviás do Brasil – Marabá S.A. | 10,094 | - | - | - | - | - | - | - | 168 | 10,262 |
| Hidroviás do Brasil – Holding Norte S.A. | 271,699 | 205,000 | - | - | 14,458 | - | - | - | (47,446) | 443,711 |
| Hidroviás do Brasil – Cabotagem Ltda. | 165,914 | - | - | - | (15,220) | - | - | - | 39,083 | 189,777 |
| Hidroviás do Brasil – Intermediação e Agenciamento de Serviços Ltda. | 22,796 | - | - | - | - | - | - | - | 10,605 | 33,401 |
| Pricolpar S.A | 2 | - | - | - | - | 16 | - | - | (4) | 14 |
| Hidroviás International Finance S.à.r.l | 260 | - | - | - | - | 112 | 738 | - | 426 | 1,536 |
| Hidroviás South America BV | - | - | 8,501 | 17,992 | - | (1,348) | - | - | 13,586 | 38,731 |
| Hidroviás Navegación Fluvial S.A | - | - | 192 | (8,117) | - | 1,667 | - | - | 26,102 | 19,844 |
| Baden S.A. | - | - | 12,046 | 578 | - | (117) | - | - | (440) | 12,067 |
| Subtotal | 1,429,363 | 211,989 | 20,739 | 10,453 | (762) | 61,026 | (12,809) | - | (298,516) | 1,421,483 |
| Concession contract | 6,194 | - | - | - | - | - | - | (406) | - | 5,788 |
| Baden S.A. – Capital gains on assets | - | - | - | 2,616 | - | - | - | (110) | - | 2,506 |
| Hidroviás South America B.V. – Surplus | - | - | - | 19,232 | - | - | - | (3,669) | - | 15,563 |
| Total | 1,435,557 | 211,989 | 20,739 | 32,301 | (762) | 61,026 | (12,809) | (4,185) | (298,516) | 1,445,340 |

*Result of bargain purchase arising from the business combination process evidenced in the business combination Note 10.1 and bargain purchase in the acquisition of interest in jointly-controlled subsidiary.

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | Consolidated | | | | | | | | |
|--------------------------|-----------------|----------------|------------------------|------------------|------------------|---|--------------------------------------|--------------|-----------------|
| | 2021 | | | | | | | | |
| | 2020 | | | | | | | | |
| | Opening balance | Dividends paid | Investment acquisition | Bargain purchase | Capital increase | Income (loss) from foreign currency translation (CTA) | Equity in net income of subsidiaries | Amortization | Closing balance |
| Limday S.A. | 14,573 | (5,673) | - | - | - | 1,515 | 3,378 | - | 13,793 |
| Obrinel S.A. | 43,460 | - | - | - | 18,721 | 3,164 | (3,609) | - | 61,736 |
| Baden S.A. | - | - | 12,046 | 578 | - | (117) | (440) | - | 12,067 |
| Subtotal | 58,033 | (5,673) | 12,046 | 578 | 18,721 | 4,562 | (671) | - | 87,596 |
| Concession agreement (b) | 6,194 | - | - | - | - | - | - | (406) | 5,788 |
| Goodwill (a) | 10,252 | - | - | - | - | 735 | - | (666) | 10,321 |
| Total | 74,479 | (5,673) | 12,046 | 578 | 18,721 | 5,297 | (671) | (1,072) | 103,705 |

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

The dividends received are being presented in the statement of cash flow in the investment activity.

The translation effects of the statements prepared in foreign currency, known as CTA (currency translation adjustments), are presented in the Statement of Comprehensive Income.

- (a) Goodwill generated on the acquisition of 44.55% of the shares representing the capital of Limday, based on studies developed on the future profitability of operations.
- (b) Concession agreement refers to the Baloto's right of concession in the acquisition of Obrinel, and is based on studies developed by the Company on the future profitability of Obrinel's operations.

By means of Resolution 307/4039, dated June 17, 2020, the National Port Administration of Uruguay approved some changes to the concession terms, including an extension in the concession term (for further 20 years, until November 2051), along with an authorization to build an additional pier. These changes were approved by the Executive Branch of Uruguay on September 4, 2020, and are reflected in an amendment to the current concession agreement, which was signed on November 24, 2020.

The main information on the directly, indirectly and jointly-controlled subsidiaries is presented below:

| | 06/30/2022 | | | | | |
|---|------------------|--------------|-------------------|----------------------|--|--------------|
| | Number of shares | Total assets | Total liabilities | Shareholders' equity | Income (loss) of companies in the year | Net revenues |
| <u>Direct subsidiaries</u> | | | | | | |
| Hidroviás del Sur S.A. | 4,330,646,746 | 699,936 | 119,383 | 580,553 | (49,889) | - |
| Hidroviás Internacional Finance S.à r.l. | 12,000 | 3,514,225 | 3,513,337 | 888 | (577) | - |
| Hidroviás do Brasil – Marabá S.A. | 20,000,000 | 12,195 | 1,487 | 10,708 | 86 | - |
| Hidroviás do Brasil – Cabotagem Ltda (c) | 220,475,382 | 864,619 | 617,026 | 247,593 | 23,537 | 108,219 |
| Hidroviás do Brasil – Intermediação e Agenciamento de Serviços Ltda | 2,500,000 | 34,585 | 1,667 | 32,918 | (865) | 5,850 |
| Imperial South America | 1,000,000 | 109,172 | 47,704 | 61,468 | 26,815 | 104,454 |
| Hidroviás Navegación Fluvial S.A (d) | 442 | 82,010 | 29,419 | 52,591 | 31,421 | 102,835 |
| Hidroviás do Brasil – Holding Norte S.A. | 512,989,094 | 587,625 | 647 | 586,978 | 141,012 | - |
| <u>Indirect subsidiaries</u> | | | | | | |
| Baloto S.A. | 599,999,999 | 72,030 | 2,670 | 69,360 | 11,382 | 370,408 |
| Girocantex S.A. | 2,442,140,008 | 1,461,671 | 1,169,528 | 292,143 | (13,709) | 38,773 |
| Hidroviás del Paraguay S.A. | 266,377 | 121,802 | 79,870 | 41,932 | 55,459 | - |
| Pricolpar S.A. | 17,910 | 232,055 | 102,203 | 129,852 | (8,843) | 29,615 |
| Cikelsol S.A. | 800,000 | 807,109 | 848,759 | (41,650) | (34,296) | 28,986 |
| Resflir S.A. | 20,000 | 88,447 | 70,514 | 17,933 | (1,891) | - |
| Hidroviás do Brasil – Vila do Conde S.A. | 519,596,445 | 2,087,464 | 1,651,750 | 435,714 | 161,946 | 863,336 |
| Hidroviás do Brasil – Participação Administração Portuária de Santos S.A. | 43,904,863 | 489,496 | 339,463 | 150,033 | (18,717) | - |
| <u>Jointly-controlled subsidiaries (e)</u> | | | | | | |
| Limday S.A. | 42,902,541 | 16,555 | 1,435 | 15,120 | 2,324 | 8,374 |
| Obrinel S.A. | 587,999,999 | 245,869 | 175,933 | 69,936 | 11,534 | 24,675 |
| Baden | 175,000,000 | 11,394 | 213 | 11,181 | (141) | 843 |

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | 12/31/2021 | | | | | |
|---|------------------|--------------|-------------------|----------------------|--|--------------|
| | Number of shares | Total assets | Total liabilities | Shareholders' equity | Income (loss) of companies in the year | Net revenues |
| <u>Direct subsidiaries</u> | | | | | | |
| Hidroviás del Sur S.A. | 4,330,646,746 | 797,798 | 128,106 | 669,692 | (340,415) | - |
| Hidroviás International Finance S.à r.l. | 12,000 | 3,738,456 | 3,736,920 | 1,536 | 426 | - |
| Hidroviás do Brasil – Marabá S.A. | 20,000,000 | 11,697 | 1,435 | 10,262 | 168 | - |
| Hidroviás do Brasil – Cabotagem Ltda (c) | 220,475,382 | 913,523 | 721,729 | 191,794 | 39,478 | 211,139 |
| Hidroviás do Brasil – Intermediação e Agenciamento de Serviços Ltda | 2,500,000 | 41,206 | 7,423 | 33,783 | 10,713 | 26,372 |
| Imperial South America | 1,000,000 | 54,223 | 15,492 | 38,731 | 13,586 | 68,878 |
| Hidroviás Navegación Fluvial S.A (d) | 442 | 42,566 | 24,113 | 18,453 | 20,063 | 95,834 |
| Hidroviás do Brasil – Holding Norte S.A. | 512,989,094 | 444,354 | 643 | 443,711 | (16,075) | - |
| <u>Indirect subsidiaries</u> | | | | | | |
| Baloto S.A. | 599,999,999 | 63,957 | 14,498 | 49,459 | (3,661) | 534,970 |
| Girocantex S.A. | 2,442,140,008 | 1,380,755 | 1,057,094 | 323,661 | (231,020) | 107,687 |
| Hidroviás del Paraguay S.A. | 266,377 | 119,483 | 138,455 | (18,972) | (28,512) | - |
| Pricolpar S.A. | 17,910 | 238,846 | 91,681 | 147,165 | (37,613) | 69,445 |
| Cikelsol S.A. | 800,000 | 796,825 | 803,341 | (6,516) | (46,393) | 69,977 |
| Resflir S.A. | 20,000 | 96,754 | 75,559 | 21,195 | (6,611) | - |
| Hidroviás do Brasil – Vila do Conde S.A. | 519,596,445 | 2,268,198 | 1,994,430 | 273,768 | (13,387) | 1,248,746 |
| Hidroviás do Brasil – Participação Administração Portuária de Santos S.A. | 43,904,863 | 445,910 | 277,161 | 168,749 | (19,628) | - |
| <u>Jointly-controlled subsidiaries (e)</u> | | | | | | |
| Limday S.A. | 42,902,541 | 14,989 | 1,196 | 13,793 | 3,912 | 4,910 |
| Obrinel S.A. | 587,999,999 | 378,537 | 316,430 | 62,107 | (2,888) | 22,860 |
| Baden | 175,000,000 | 12,276 | 208 | 12,068 | (446) | 1,435 |

(c) The revenue is being presented net of hedge accounting in the amount of R\$ 5,640 (R\$ 22,423 as of December 31, 2021).

(d) The amounts presented in the assets, liabilities, shareholders' equity, and income tables are net of the elimination of lease agreements for assets acquired in the business combination.

(e) The amounts presented are proportional to the percentage of the Company's interest in these investees (see note 1).

Main information about jointly-controlled investments:

| | <u>Baden</u> | | <u>Limday</u> | | <u>Obrinel</u> | |
|----------------------------|--------------|------------|---------------|------------|----------------|------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Current assets | 5,672 | 5,259 | 21,612 | 14,409 | 46,891 | 16,658 |
| Non-current assets | 17,113 | 19,292 | 15,549 | 19,236 | 454,882 | 755,868 |
| Total assets | 22,785 | 24,551 | 37,161 | 33,645 | 501,773 | 772,526 |
| Current liabilities | 426 | 416 | 3,221 | 2,684 | 55,011 | 38,098 |
| Non-current liabilities | - | - | - | - | 304,036 | 607,679 |
| Shareholders' equity | 22,359 | 24,135 | 33,940 | 30,961 | 142,726 | 126,749 |
| Total liabilities | 22,785 | 24,551 | 37,161 | 33,645 | 501,773 | 772,526 |
| | <u>Baden</u> | | <u>Limday</u> | | <u>Obrinel</u> | |
| | 06/30/2022 | 06/30/2021 | 06/30/2022 | 06/30/2021 | 06/30/2022 | 06/30/2021 |
| Net revenue | 1,686 | 1,730 | 18,796 | 13,929 | 50,357 | 24,921 |
| Cost and expenses | (1,967) | (2,370) | (13,580) | (10,658) | (26,819) | 23,931 |
| Net revenue for the period | (281) | (640) | 5,216 | 3,271 | 23,538 | 989 |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

10.1 Business combination

The Company, together with the subsidiaries Cikelso S.A and Pricolpar S.A. (“Acquirers”), acquired the logistics operation segment of Imperial Logistics operating in the southern region with the navigation of Paraguai and Paraná rivers.

Business combination took place on April 16, 2021. The Company and aforementioned subsidiaries acquired control through the acquisition of 100% of shareholding structure of Imperial Shipping Paraguay S.A (“ISP”) and Hidrovias South America BV (“ISA”), as well as through the acquisition of property, plant and equipment held by Imperial Logistics, which are essential for logistics operation held by ISP.

The logistics operation acquired will provide the Group with the possibility of expanding its business in the South region of Latin America, as well as increasing the fleet’s capacity to operate in this region.

The expenses incurred with this acquisition in the amount of R\$ 445 in the parent company and R\$ 8,122 in the consolidated were recognized in income (loss) for 2021.

Transferred contra entry

The price was US\$ 88,863 thousand and the price adjusted for the probability of reaching the contingent consideration was US\$ 86,088 thousand, to be paid as follows:

- i) The contra entry in the amount of USD 83,863 thousand upon closing the contract transferred to Imperial Logistics to acquire control of the companies and assets mentioned above.

The transferred contra-entry, converted into reais at the average rate on the acquisition date, was R\$ 472,363, which is used to allocate the price paid for the acquisition of the business.

- ii) Additional contingent consideration (“Business Acquisition Cost”) of up to US\$ 5,000 thousand (fair value as of December 31, 2021 was US\$ 2,225 thousand), payable in four individual payments for each calendar year 2021, 2022, 2023 and 2024. This payment is directly related to external factors, the determination of which considers operational factors of navigation levels in the Paraná and Paraguai rivers. The amount of the additional contingent consideration translated into reais at the average rate on the acquisition date was R\$ 28,163 and R\$ 12,532, respectively.

| | |
|---|---------------|
| Purchase consideration in thousands of US dollars | |
| Amount paid in cash | 83,863 |
| Amount of contingent installment (Earn-out) | 2,225 |
| Total compensation* | <u>86,088</u> |
| Acquisition cash flow analysis, in thousands of US\$ | |
| Amount paid in cash | 83,863 |
| Net cash acquired from subsidiary | (2,878) |
| Cash flow from investment activities** | <u>80,985</u> |

*The amount corresponds to R\$ 484,895, translated into reais at the average rate on the acquisition date

**The amount corresponds to R\$ 456,148, translated into reais at the average rate on the acquisition date

Measurement of business combination

The assets and liabilities of a subsidiary are measured at their fair value on the acquisition date. Any excess of the cost of acquisition over the fair value of identifiable net assets acquired (identifiable net assets acquired, net and assumed liabilities) must be recorded as goodwill. In cases in which the acquisition cost is lower than the fair value of the net assets identified, the difference must be recorded as a gain in the statement of income for the year in which the acquisition occurs.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| Amount recognized on acquisition | ISP | ISA | Acquired assets | Eliminations | 04/16/2021 |
|--|----------------|---------------|-----------------|-----------------|----------------|
| ASSETS | | | | | |
| Cash and cash equivalents | 2,679 | 13,530 | - | - | 16,209 |
| Accounts receivable | 3,110 | 14,474 | - | - | 17,584 |
| Inventories | 6,104 | - | - | - | 6,104 |
| Recoverable taxes | 6,468 | 3 | - | - | 6,471 |
| Accounts receivable from related parties | 7,445 | 14,007 | - | (21,452) | - |
| Current assets | 25,806 | 42,014 | - | (21,452) | 46,368 |
| Other assets | 3,170 | - | - | - | 3,170 |
| Client portfolio* | - | 19,229 | - | - | 19,229 |
| Pushers | - | - | 263,037 | - | 263,037 |
| Barges | - | - | 238,424 | - | 238,424 |
| Non-current assets | 3,170 | 19,229 | 501,461 | - | 523,860 |
| Total assets | 28,976 | 61,243 | 501,461 | (21,452) | 570,228 |
| LIABILITIES | | | | | |
| Suppliers | 9,575 | - | - | - | 9,575 |
| Social and labor charges | 3,330 | - | - | - | 3,330 |
| Taxes payable | 116 | - | - | - | 116 |
| Accounts payable related parties | 14,007 | 7,445 | - | (21,452) | - |
| Other accounts payable | 10,290 | 8,076 | - | - | 18,366 |
| Current liabilities | 37,318 | 15,521 | - | (21,452) | 31,387 |
| Total identifiable net assets | (8,342) | 45,722 | 501,461 | - | 538,841 |

(*) Value of surplus value of identifiable assets

Pursuant to item 32 of CPC 15, a bargain purchase gain in the amount of R\$ 53,946 referring to the business combination detailed above was recognized on the acquisition date and measured at the amount in which the fair value of assets and liabilities was greater than the consideration transferred by the acquisition of control.

| | |
|---------------------------------------|---------------|
| Total identifiable net assets | 538,841 |
| Consideration paid | (472,363) |
| Contingent consideration (**) | (12,532) |
| Bargain purchase income (loss) | 53,946 |

(**) As determined by the Purchase and Sale Agreement (“SPA”), the contingent portion will be payable by the indirect subsidiary Cikelsol S.A.

Fair value adjustment

The Company prepared the valuation of assets and liabilities at fair value based on independent valuations, considering the following aspects:

Cash, cash equivalents, receivables, debts and other operating assets and liabilities: are represented by contracts signed under normal market conditions. Therefore, the book values approximated their fair values. In relation to receivables and other assets, there is no expectation of loss;

Intangible assets: the preliminary assessment resulted in the assignment of value related to client contracts (“Customer Relationships”). The fair value of intangible assets was estimated as follows:

| Item | R\$ | Appraisal method | Assumptions of the evaluation |
|------|-----|------------------|-------------------------------|
|------|-----|------------------|-------------------------------|

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | | | |
|--|--------|---|---|
| Relationship with customers Useful life (3.7 years) | 19,232 | Multi-period Excess Earnings Method (MPEEM) | Projection period: 3.7 years, corresponding to the duration of existing contracts. To calculate the present value of the projected cash flow of intangible assets, a discount rate of 9.0% p.a. was adopted, estimated based on the WACC calculated for the ISA. |
|--|--------|---|---|

Acquired assets: corresponds to the acquisition of 7 pusher tugs and 84 barges. External experts were engaged in measuring the fair value of the assets acquired on the date of the business combination. The valuation adopted a policy of conducting technical reviews and general market information to determine what a willing buyer and seller would consider a fair price. A combination of elements was used to assess the condition of the vessels, and the main assumptions are as follows:

- Physical inspections of a sample of the fleet;
- Review of maintenance reports and research reports; and
- Evaluation of the technical management of fleets.

The historical averages of the level of the Paraguay River in the four locations stipulated by the SPA were considered to calculate the earn-out. From the historical averages, a matrix was prepared and indicates the average water level of the river for the four locations, and from this matrix, the possible earn-out payments were calculated, following calculation demonstrations included in the SPA. Earn-out payments were brought to present value, discounted at the Company's average cost of funding in USD.

10.2 Acquisition of equity interest in Baden S.A.

On April 16, 2021, the Company acquired a 50% interest in Baden S.A., a joint-stock company, whose shareholding is composed of two shareholders through joint control. The company is headquartered in the city of Asunción, Paraguay, and is a joint-stock company whose main purpose is the administration and concession of the license to operate in the port of Asunción, in Paraguay.

The consideration transferred to acquire 50% of the interest was R\$ 12,047 and the incorporation of Baden results in a joint-controlled venture, with decisions being taken together and none of the shareholders can take unilateral decisions to direct the business.

In the table below, we present a summary of the assets acquired and liabilities assumed at their book values, adjusted to fair values on the acquisition date.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| Current assets | 04/16/2021 |
|---|-------------------|
| Cash and cash equivalents | 1,397 |
| Clients | 366 |
| Tax credits | 2,816 |
| Other assets | 101 |
| | 4,680 |
| Non-current assets | |
| Property, plant and equipment | 20,987 |
| Intangible assets | 5,233 |
| Other assets | 113 |
| | 26,333 |
| Current liabilities | |
| Suppliers | 473 |
| Social charges | 58 |
| | 531 |
| Total identifiable net assets | 30,482 |
| Fair value of assets acquired and liabilities assumed – 50% | 15,241 |

Pursuant to item 32 of CPC 15, a bargain purchase gain in the amount of R\$ 3,194 referring to Baden S.A. was recognized on the acquisition date and measured at the amount in which the fair value of assets and liabilities was greater than the consideration transferred for the acquisition of the equity interest, as shown in the following table:

| | 04/16/2021 |
|---|-------------------|
| Fair value of assets acquired and liabilities assumed – 50% | 15,241 |
| Consideration transferred | (12,047) |
| Gain from bargain purchase | 3,194 |

Fair value adjustment

The Company prepared the valuation of assets and liabilities at fair value based on independent valuations, considering the following aspects:

Cash, cash equivalents, receivables, debts and other operating assets and liabilities: are represented by contracts signed under normal market conditions. Therefore, the book values approximated their fair values. Regarding receivables, there is no expectation of loss;

Property, plant and equipment: the assets of Porto Baden are new, with construction completed on a date close to the acquisition. Furthermore, the concession agreement shall provide for that Baden S.A. must return the facilities and improvements free of charge to ANNP at the end of the agreement.

Intangible assets: the preliminary assessment resulted in the assignment of value related to the right to explore, operate, provide services and manage the port terminal, as shown in the following table:

| Item | R\$ | Appraisal method | Assumptions of the evaluation |
|---|-------------|---|--|
| Concession contract Useful life (15.8 years) | 2,616 (50%) | Multi-period Excess Earnings Method (MPEEM) | Projection period: until the end of the concession agreement in February 2037. Discount rate: 12.4% |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

11 Property, plant and equipment

Breakdown and changes in property, plant and equipment as of June 30, 2022 and December 31, 2021 is as follows:

| | Parent company | | | | | Total |
|------------------------------|-----------------------------|------------------------|-------------------------|-----------------------------|--------------------------|---------|
| | Facilities and improvements | Furniture and fixtures | Machinery and equipment | Electronic and IT equipment | Construction in progress | |
| Balance at 12/31/2021 | 631 | 1,630 | 134 | 3,707 | 151 | 6,253 |
| Additions | - | - | - | - | 289 | 289 |
| Depreciation | (262) | (110) | (22) | (836) | - | (1,230) |
| Balance at 06/30/2022 | 369 | 1,520 | 112 | 2,871 | 440 | 5,312 |
| Historical cost | 2,946 | 1,787 | 445 | 6,232 | 440 | 11,850 |
| Accumulated depreciation | (2,577) | (267) | (333) | (3,361) | - | (6,538) |
| Annual depreciation rate – % | 10 | 10 | 10 | 25 | - | |

| | Parent company | | | | | Total |
|------------------------------|-----------------------------|------------------------|-------------------------|-----------------------------|--------------------------|---------|
| | Facilities and improvements | Furniture and fixtures | Machinery and equipment | Electronic and IT equipment | Construction in progress | |
| Balance at 12/31/2020 | 676 | 27 | 156 | 564 | 6,717 | 8,140 |
| Additions | - | - | - | - | 1,512 | 1,512 |
| Transfers | 437 | 1,618 | 24 | 4,426 | (8,078) | (1,573) |
| Depreciation | (482) | (15) | (46) | (1,283) | - | (1,826) |
| Balance at 12/31/2021 | 631 | 1,630 | 134 | 3,707 | 151 | 6,253 |
| Historical cost | 2,975 | 1,786 | 446 | 6,204 | 151 | 11,562 |
| Accumulated depreciation | (2,344) | (156) | (312) | (2,497) | - | (5,309) |
| Annual depreciation rate – % | 10 | 10 | 10 | 25 | | |

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | Consolidated | | | | | | | | | |
|------------------------------|---------------|----------------|-----------------------------|------------------------|-------------------------|-----------------------------|------------|------------------------|-------------------------------|------------------|
| | Land | Buildings | Facilities and improvements | Furniture and fixtures | Machinery and equipment | Electronic and IT equipment | Vehicles | Pushers, barges, ships | Constructions in progress (b) | Total |
| Balance at 12/31/2021 | 85,452 | 474,077 | 30,618 | 2,523 | 252,249 | 8,539 | 812 | 2,752,896 | 647,119 | 4,254,285 |
| Additions | - | - | - | 31 | 752 | 148 | - | 237 | 118,501 | 119,669 |
| Depreciation | - | (12,075) | (4,086) | (201) | (25,476) | (1,700) | (89) | (76,578) | - | (120,205) |
| Transfers | - | - | 15,321 | 51 | - | - | 9 | 49,132 | (64,513) | - |
| Translation adjustment | - | - | (494) | (37) | (1,330) | (61) | (68) | (119,430) | (13,244) | (134,664) |
| Balance at 06/30/2022 | <u>85,452</u> | <u>462,002</u> | <u>41,359</u> | <u>2,367</u> | <u>226,195</u> | <u>6,926</u> | <u>664</u> | <u>2,606,257</u> | <u>687,863</u> | <u>4,119,085</u> |
| Historical cost | 85,452 | 605,937 | 55,070 | 3,157 | 475,069 | 14,636 | 1,592 | 3,378,917 | 687,863 | 5,307,693 |
| Accumulated depreciation | - | (143,935) | (13,711) | (790) | (248,874) | (7,710) | (928) | (772,660) | - | (1,188,608) |
| Annual depreciation rate – % | - | 4 | 10 | 10 | 10 | 25 | 20 | 4 | - | - |

| | Consolidated | | | | | | | | | |
|------------------------------|---------------|----------------|-----------------------------|------------------------|-------------------------|-----------------------------|------------|----------------------------|-------------------------------|------------------|
| | Land | Buildings | Facilities and improvements | Furniture and fixtures | Machinery and equipment | Electronic and IT equipment | Vehicles | Pushers, barges, ships (a) | Constructions in progress (b) | Total |
| Balance at 12/31/2020 | 85,452 | 487,487 | 9,604 | 369 | 239,680 | 1,984 | 207 | 2,181,256 | 349,565 | 3,355,604 |
| Additions | - | - | 50 | 273 | 2,410 | 514 | 709 | 520,390 | 512,651 | 1,036,997 |
| Transfers | - | 10,903 | 23,933 | 1,980 | 58,877 | 8,540 | - | 103,977 | (211,862) | (3,652) |
| Depreciation | - | (24,313) | (3,906) | (145) | (51,296) | (2,557) | (207) | (147,449) | - | (229,873) |
| Translation adjustment | - | - | 937 | 46 | 2,578 | 58 | 103 | 94,722 | (3,235) | 95,209 |
| Balance at 12/31/2021 | <u>85,452</u> | <u>474,077</u> | <u>30,618</u> | <u>2,523</u> | <u>252,249</u> | <u>8,539</u> | <u>812</u> | <u>2,752,896</u> | <u>647,119</u> | <u>4,254,285</u> |
| Historical cost | 85,452 | 605,788 | 40,608 | 3,151 | 476,074 | 14,580 | 1,675 | 3,481,517 | 647,119 | 5,355,964 |
| Accumulated depreciation | - | (131,711) | (9,990) | (628) | (223,825) | (6,041) | (863) | (728,621) | - | (1,101,679) |
| Annual depreciation rate – % | - | 4 | 10 | 10 | 10 | 25 | 20 | 4 | - | - |

(a) The increase shown for the assets of pushers, barges, and ships are due to the business combination process shown in the business combination note; and

(b) With respect to construction in progress, the increase comes from projects such as the Santos terminal and assets needed to use the barges, such as tops.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

Asset impairment test

According to accounting practices adopted in Brazil and IFRSs, the property, plant, and equipment items that exhibit signs that their recorded costs are higher than their recoverable values must be reviewed in detail to determine the need to form a provision for reduction of the book balance to its realizable value.

The main assumptions used to estimate the recoverable value as of December 31, 2021 are defined below, and the amounts attributed to the main assumptions represent the evaluation of future trends by Management in relevant sectors and were based on historical data from internal and external sources.

In the year ended December 31, 2021, the discount rate was estimated after the taxes, using the weighted average rate of WACC capital which varied between 13.2% and 7.5%, considering market parameters.

The cash flow projections were prepared considering the useful life of the assets of each CGU.

Projected income (loss) was estimated considering past experience. The projected revenue growth took into account long-term “Take or Pay” contracts. The price of services increases in line with the inflation forecast for the coming years, as provided for in the contracts, and the costs vary according to the volume carried out and updated by the projected inflation rate.

During the year ended December 31, 2021, Management carried out a study and determined that there was no need to record a provision for impairment of the book balance.

Management understands that the test assumptions are valid for June 30, 2022 and there was no need to update the test.

12 Right-of-use asset

Breakdown and changes in right-of-use asset as of June 30, 2022 and December 31, 2021 is as follows:

| Parent company | Real estate | Total |
|-----------------------------------|--------------------|--------------|
| Net balances at December 31, 2021 | 1,182 | 1,182 |
| Amortization | (591) | (591) |
| Net balances at June 30, 2022 | <u>591</u> | <u>591</u> |

| Parent company | Real estate | Total |
|-----------------------------------|--------------------|--------------|
| Net balances at December 31, 2020 | - | - |
| Additions | 2,469 | 2,469 |
| Amortization | (1,287) | (1,287) |
| Net balances at December 31, 2021 | <u>1,182</u> | <u>1,182</u> |

| Consolidated | Real estate | Vessels | Total |
|-----------------------------------|--------------------|----------------|--------------|
| Net balances at December 31, 2021 | 135,001 | 72,579 | 207,580 |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | | | |
|-------------------------------|----------------|---------------|----------------|
| Additions | 10,607 | 5,489 | 16,096 |
| Transfers | 646 | - | 646 |
| Write-offs | - | (2,366) | (2,366) |
| Amortization | (3,901) | (32,537) | (36,438) |
| Translation adjustment | 48 | (3,893) | (3,845) |
| Net balances at June 30, 2022 | <u>142,401</u> | <u>39,272</u> | <u>181,673</u> |

| Consolidated | Real estate | Vessels | Total |
|-----------------------------------|--------------------|----------------|----------------|
| Net balances at December 31, 2020 | 131,229 | 25,885 | 157,114 |
| Additions | 13,393 | 141,315 | 154,708 |
| Write-offs | - | (10,827) | (10,827) |
| Amortization | (9,340) | (74,119) | (83,459) |
| Translation adjustment | (281) | (9,675) | (9,956) |
| Net balances at December 31, 2021 | <u>135,001</u> | <u>72,579</u> | <u>207,580</u> |

Changes in lease liabilities as of June 30, 2022 and December 31, 2021 are as follows:

| | Parent company | Consolidated |
|--|-----------------------|---------------------|
| Balance at December 31, 2021 | 1,227 | 231,578 |
| Additions | - | 16,096 |
| Interest and inflation adjustment | 38 | 1,930 |
| Payment of principal | (640) | (27,510) |
| Write-offs | - | (3,264) |
| Realization of adjustment to present value | - | 3,638 |
| Reclassification | - | 3,230 |
| Translation adjustment | - | (4,672) |
| Balance at June 30, 2022 | <u>625</u> | <u>221,026</u> |

| | | |
|-------------|-----|---------|
| Current | 625 | 69,682 |
| Non-current | - | 151,344 |

| | Parent company | Consolidated |
|--|-----------------------|---------------------|
| Balance at December 31, 2020 | 180 | 164,747 |
| Additions | 2,469 | 154,708 |
| Interest and inflation adjustment | 142 | 6,520 |
| Payment of principal | (1,564) | (81,925) |
| Write-offs | - | (13,931) |
| Realization of adjustment to present value | - | 6,555 |
| Translation adjustment | - | (5,096) |
| Balance at December 31, 2021 | <u>1,227</u> | <u>231,578</u> |

| | | |
|-------------|-------|---------|
| Current | 1,227 | 69,942 |
| Non-current | - | 161,636 |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

Maturity schedule of leases:

| Year | Parent company | Consolidated |
|--|----------------|----------------|
| 2022 | 625 | 37,376 |
| 2023 | - | 24,432 |
| 2024 | - | 18,138 |
| 2025 | - | 17,137 |
| 2026 | - | 16,905 |
| >2027 | - | 211,788 |
| Total | <u>625</u> | <u>325,776</u> |
| Interest and adjustment to present value | - | (105,467) |
| Lease liabilities | <u>625</u> | <u>220,310</u> |

The average discount rate for leased assets is 9.4% p.a. for the period ended June 30, 2022 and 9.4% as of December 31, 2021.

13 Intangible assets

| Parent company | Software | Agreements | Constructions in progress | Total |
|------------------------------|--------------|------------|------------------------------|---------------|
| Balance at December 31, 2021 | 6,390 | 984 | 30,856 | 38,230 |
| Transfers | 466 | - | (466) | - |
| Additions | 53 | - | 10,640 | 10,693 |
| Amortization | (1,879) | (82) | - | (1,961) |
| Balance at June 30, 2022 | <u>5,030</u> | <u>902</u> | <u>41,030</u> | <u>46,962</u> |
| Annual amortization rate – % | 20 | (*) | - | - |
| Historical cost | 33,362 | 1,644 | 41,030 | 76,036 |
| Accumulated amortization | (28,332) | (742) | - | (29,074) |

| Parent company | Software | Agreements | Constructions in progress | Total |
|------------------------------|--------------|------------|------------------------------|---------------|
| Balance at December 31, 2020 | 3,526 | 1,148 | 19,745 | 24,419 |
| Additions | - | - | 15,883 | 15,883 |
| Transfers | 6,345 | - | (4,772) | 1,573 |
| Amortization | (3,481) | (164) | - | (3,645) |
| Balance at December 31, 2021 | <u>6,390</u> | <u>984</u> | <u>30,856</u> | <u>38,230</u> |
| Annual amortization rate – % | 20 | (*) | - | - |
| Historical cost | 33,328 | 1,711 | 30,856 | 65,895 |
| Accumulated amortization | (26,938) | (727) | - | (27,665) |

(*) Amortization for the term of the respective contracts.

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| Consolidated | Software | Contracts (b) | Goodwill (a) | Construction in progress | Other | Total |
|------------------------------|-----------------|----------------------|---------------------|---------------------------------|--------------|----------------|
| Balance at December 31, 2021 | 12,574 | 223,566 | 73,121 | 38,129 | 51 | 347,441 |
| Additions | 53 | - | - | 16,363 | - | 16,416 |
| Write-offs | - | (646) | - | - | - | (646) |
| Transfers | 466 | - | - | (466) | - | - |
| Amortization | (3,353) | (9,532) | - | - | (45) | (12,930) |
| Amortization – AVP** | - | 387 | - | - | - | 387 |
| Translation adjustment | 164 | - | - | (379) | (6) | (221) |
| Balance at June 30, 2022 | <u>9,904</u> | <u>213,775</u> | <u>73,121</u> | <u>53,647</u> | <u>-</u> | <u>350,447</u> |
| Annual amortization rate – % | 20 | (*) | - | - | 20 | - |
| Historical cost | 54,272 | 274,481 | 73,121 | 53,647 | 94 | 455,615 |
| Accumulated amortization | (44,368) | (60,706) | - | - | (94) | (105,168) |

| Consolidated | Software | Contracts (b) | Goodwill (a) | Construction in progress | Other | Total |
|------------------------------|-----------------|----------------------|---------------------|---------------------------------|--------------|----------------|
| Balance at December 31, 2020 | 8,309 | 218,426 | 73,121 | 23,059 | - | 322,915 |
| Additions | 63 | 21,845 | - | 21,321 | 100 | 43,329 |
| Transfers | 9,887 | - | - | (6,234) | - | 3,653 |
| Amortization | (5,977) | (17,480) | - | - | (59) | (23,516) |
| Amortization – AVP** | - | 775 | - | - | - | 775 |
| Translation adjustment | 292 | - | - | (17) | 10 | 285 |
| Balance at December 31, 2021 | <u>12,574</u> | <u>223,566</u> | <u>73,121</u> | <u>38,129</u> | <u>51</u> | <u>347,441</u> |
| Annual amortization rate – % | 20 | (*) | - | - | 20 | - |
| Historical cost | 47,281 | 281,265 | 73,121 | 38,129 | 100 | 439,896 |
| Accumulated amortization | (34,707) | (57,699) | - | - | (49) | (92,455) |

(*) Amortization for the term of the respective contracts.

(**) It refers to the amortization of the adjustment to the present value of the granting of the port of Santos, recorded in the financial income

(a) Goodwill

Goodwill generated on the acquisition of assets and liabilities of “Log-In” in the amount of R\$ 73,121, by the subsidiary Cabotagem, was based on future profitability of operations.

As of December 31, 2021, using the assumption of calculation of the future cash flows in the period of the concession agreement and applying the discount rate, we did not identify any need to record a provision for impairment. Management believes to comply with the assumption that a market participant would use and understands that the assumptions have not been changed to June 30, 2022.

For impairment test purposes, goodwill was allocated to a cash generating unit (UGC) from its source.

The recoverable value of this CGUs was based on the fair value, estimated based on the discounted cash flows. Measurement of fair value was classified as Level 3 based on inputs used in evaluation technique. The main assumptions used to estimate the recoverable value are defined below, and the amounts attributed to the main assumptions represent the Management’s evaluation of future trends in relevant sectors and were based on historical data from internal and external sources.

The discount rate was estimated after the taxes, using the weighted average rate of capital cost (WACC) for each CGU which is 8.4%, considering market parameters.

Projected income (loss) was estimated considering past experience. The projected revenue growth took into account long-term “Take or Pay” contracts. The price of services increases in line with the inflation forecast for the coming years, as provided for in the contracts, and the costs vary according to the volume carried out and updated by the projected inflation rate.

The estimated recoverable value of CGUs was higher than their book value. Thus, the need to record a provision for impairment was not identified.

Management understands that the assumptions are valid for June 30, 2022 and there was no need to update.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

(b) Agreements

The addition in 2021 refers to the surplus from client relationships in the amount of R\$ 19,232, recorded together with the business combination detailed in Note 10.1, with an estimated useful life of 3.7 years. The surplus of R\$ 2,616 from the concession agreement was identified together with the acquisition of the investment in a jointly-owned subsidiary with an estimated useful life of 15.8 years.

Client contracts acquired by the subsidiary Cabotagem in December 2016 with a duration of 18 years for the provision of navigation services for the transportation of bauxite, and the contract value is amortized over the contract term.

The lease contract acquired by the subsidiary Hidrovias do Brasil – Participação Administração Portuária de Santos S.A. for a period of 25 years as of the date of assumption of March 3, 2020 in the amount of R\$ 112,500 related to the Grant and adjustment at present value in the amount of R\$ 19,379 for the handling and storage of solid mineral bulk, especially fertilizers and salts, located inside the Port of Santos. The average discount rate for these assets is 9.4% for the period ended June 30, 2022, and the contract value is amortized over the contract term. The table below shows the changes in obligation recorded, due to the Obligation with ANTAQ (National Water Transport Agency):

| | Consolidated |
|--|---------------------|
| Balance at December 31, 2021 | 66,273 |
| Payment | (20,054) |
| Inflation adjustment | 516 |
| Reclassification | (3,230) |
| Realization of adjustment to present value | 1,938 |
| Balance at June 30, 2022 | <u>45,443</u> |
| Current | 21,383 |
| Non-current | 24,060 |

| | Consolidated |
|--|---------------------|
| Balance at December 31, 2020 | 73,773 |
| Payment | (18,141) |
| Inflation adjustment | 6,765 |
| Realization of adjustment to present value | 3,876 |
| Balance at December 31, 2021 | <u>66,273</u> |
| Current | 24,046 |
| Non-current | 42,227 |

14 Suppliers

| | <u>Parent company</u> | | <u>Consolidated</u> | |
|--------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Domestic suppliers | 7,738 | 5,451 | 72,006 | 101,182 |
| Foreign suppliers | - | - | 82,675 | 44,960 |
| Total | <u>7,738</u> | <u>5,451</u> | <u>154,681</u> | <u>146,142</u> |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

15 Loans, financing and debentures

| | Type | Final maturity | Interest rate (p.a.) | Parent company | | Consolidated | |
|--|-------------------|----------------|----------------------------------|----------------|----------------|------------------|------------------|
| | | | | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Hidrovias do Brasil | Debentures | Oct 2031 | IPCA+6.0% | 400,430 | 376,433 | 400,430 | 376,433 |
| | FINEP | Mar 2032 | TJLP + 1% | 19,580 | - | 19,580 | - |
| HB International Finance: | Bond 2025 | Jan/25 | 5.95% | - | - | 813,360 | 865,578 |
| | Bond 2031 | Feb/31 | 4.95% | - | - | 2,579,755 | 2,742,860 |
| Hidrovias do Brasil – Cabotagem Ltda. | Bank Credit Bill | Mar/33 | 2.5% / 3.9% + Ptax 800 BCB (USD) | - | - | 584,933 | 654,060 |
| Hidrovias do Brasil – Vila do Conde S.A. | Project financing | Aug/25 | 4.99% | - | - | 433 | 475 |
| Total | | | | <u>420,010</u> | <u>376,433</u> | <u>4,398,491</u> | <u>4,639,406</u> |
| Current | | | | 29,635 | 6,182 | 188,889 | 180,889 |
| Non-current | | | | 390,375 | 370,251 | 4,209,602 | 4,458,517 |

The changes in loans, financing and debentures are as follows:

| | Balance at 12/31/2021 | Funding | Interest | Addition of funding cost | Amortization of funding cost | Payment of principal | Interest payment | Translation adjustment | Hedge effect | Exchange rate change | Balance at 06/30/2022 |
|--------------------|-----------------------|---------------|----------------|--------------------------|------------------------------|----------------------|------------------|------------------------|-----------------|----------------------|-----------------------|
| Parent company (a) | 376,433 | 19,801 | 33,381 | (251) | 551 | - | (9,905) | - | - | - | 420,010 |
| Luxembourg (b) | 3,608,438 | - | 88,888 | - | 6,087 | - | (91,251) | (219,047) | - | - | 3,393,115 |
| Vila do Conde (c) | 475 | - | 163 | - | - | - | (510) | 305 | - | - | 433 |
| Cabotage (d) | 654,060 | - | 9,562 | - | - | (28,242) | (9,848) | - | (39,740) | (859) | 584,933 |
| | <u>4,639,406</u> | <u>19,801</u> | <u>131,994</u> | <u>(251)</u> | <u>6,638</u> | <u>(28,242)</u> | <u>(111,514)</u> | <u>(218,742)</u> | <u>(39,740)</u> | <u>(859)</u> | <u>4,398,491</u> |

| | Balance at 12/31/2020 | Funding | Interest | Addition of funding cost | Amortization of funding cost | Payment of principal | Interest payment | Translation adjustment | Hedge effect | Exchange rate change | Balance at 12/31/2021 |
|--------------------|-----------------------|------------------|----------------|--------------------------|------------------------------|----------------------|------------------|------------------------|---------------|----------------------|-----------------------|
| Parent company (a) | - | 380,000 | 7,276 | (10,934) | 91 | - | - | - | - | - | 376,433 |
| Luxembourg (b) | 3,054,182 | 2,848,650 | 187,024 | (113,441) | 34,021 | (2,423,988) | (192,229) | 214,219 | - | - | 3,608,438 |
| Vila do Conde (c) | 2,467 | - | 3,380 | - | - | - | (3,161) | (2,211) | - | - | 475 |
| Cabotage (d) | 666,485 | - | 22,464 | - | - | (59,620) | (22,355) | - | 45,480 | 1,606 | 654,060 |
| | <u>3,723,134</u> | <u>3,228,650</u> | <u>220,144</u> | <u>(124,375)</u> | <u>34,112</u> | <u>(2,483,608)</u> | <u>(217,745)</u> | <u>212,008</u> | <u>45,480</u> | <u>1,606</u> | <u>4,639,406</u> |

Description of loan, financing and debentures contracts

- (a) On October 15, 2021, the Company carried out the first issue of simple debentures, non-convertible, unsecured debentures, in two series, for public distribution with restricted distribution efforts, in the total amount of R\$ 380,000, as issue of incentivized debentures carried out under the terms of article 2 of Law 12431 and a maturity of 7 years from the issue date for the first series debentures and 10 years from the issue date for the second series debentures. The funds raised with the issue will be used for the project to implement and adapt the infrastructure of the STS20 Terminal at the Port of Santos/SP.

In December 2021, the Company, as the financed party, and its subsidiary Hidrovias do Brasil – Vila do Conde S.A., as the executing agency, entered into a financing agreement with the Financiadora de Estudos e Projetos – Finep (“Finep”), whose purpose is the financing for a technological innovation project in the total amount of R\$ 37,719 thousand, approved at a meeting of the Company's Board of Directors held on 12/30/2021. The Company submitted the applicable surety instrument and other necessary information and documentation to Finep and, on April 26, 2022, received the first installment of said financing, in the total net amount of R\$ 19,548 thousand.

- (b) On January 24, 2018, the company obtained, through its subsidiary in Luxembourg, a Bond in the amount of US\$ 600,000 thousand, maturing on January 24, 2025. The amount recorded is net of the funding cost, US\$ 5,100 thousand, and will be amortized according to the contract period. Part of this issue was repurchased with funds from a new issue, as informed below.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

As of February 8, 2021, the Company, through its subsidiary in Luxembourg, issued a Bond in the amount of US\$ 500,000 thousand, maturing on February 8, 2031. The proceeds from this issue were used to repurchase of approximately 75% of 2025 Bond issued on January 24, 2018. The amount recorded is net of the funding cost and will be amortized according to the contract period.

Such operation is structured to be settled, at any time, due to mere liberality, with securities, bonds, or other assets pledged as a guarantee. Said note is fully guaranteed by a linked credit note of equal value, term, and maturity, against the same counterparty. Both instruments can be redeemed in a binding manner and at any time by the Company.

- (c) On March 22, 2018, the Company raised, through its subsidiaries Hidrovias do Brasil – Vila do Conde S.A., NCEs (Export Credit Bills) with Banco Santander, in the total amount of R\$ 1,120,734 (R\$ 1,466,380 on June 30, 2022, and R\$ 1,733,153 on December 31, 2021), whose bill has semiannual interest payments of 6.3% p.a., maturing on January 21, 2025 (the amount shown in the table is net of the respective interest earning bank deposit in the amount of R\$ 1,465,948 on June 30, 2022, and R\$ 1,732,678 on December 31, 2021). In May 2021, the Company amended this agreement and the note started bearing interest of 4.99% p.a. and maturing on August 5, 2025.
- (d) On December 23, 2016, the Company assumed – through its indirect subsidiary HB Cabotagem, in negotiation with Log-In – a Financing Contract through credit facility with BNDES in the total amount of US\$ 144,644 thousand, equivalent to R\$ 491,601, referring to the acquisition of two bulk carrier vessels, the payments of which occur monthly, with the final settlement scheduled for March 10, 2033. The assets acquired are denominated Tucunaré and Tambaqui.

Guarantees

Loans and financing are guaranteed by the Company through sureties, promissory notes or deposits in bank accounts.

The Bonds have been approved by the companies Hidrovias do Brasil S.A., Hidrovias del Sur S.A., Cikelsol S.A., Pricolpar S.A., Hidrovias del Paraguay S.A., Girocantex S.A., Hidrovias do Brasil – Vila do Conde S.A., and Hidrovias do Brasil – Holding Norte S.A.

Covenants

The Company, through its subsidiaries, has contractual covenants linked to certain financing and debentures, which may, in case of non-compliance, lead to early maturity of the debt. These clauses are related to financial ratios such as: coverage of debt service, indebtedness, liquidity and operational obligations. In addition to these, there are other non-financial clauses.

Subsidiary Cabotagem has the following clause: (i) maintain the capitalization ratio greater or equal to 25%. The capital ratio is given by the adjusted shareholders' equity over total assets. Adjusted shareholders' equity is the shareholders' equity excluding exchange rate change losses and gains; and (ii) maintain the debt service coverage ratio equal to or greater than 1.3x. The ICSD (Index of debt service coverage) is the EBITDA less Income Tax and Social Contribution on Net income in working capital, excluding cash and debt and effects of exchange-rate change, on debt service. As of December 31, 2021, the clauses of Subsidiary Cabotagem were fully met, as well as on June 30, 2022.

On the other hand, the subsidiary Hidrovias International Finance S.à.r.l. has the financial covenant related to Leverage Bond 2031 ("Net debt/EBITDA" ratio), which shall be lower than 4.5x in 2021 and 2022, lower than 4.0x in 2023 and lower than 3.5x as of 2024, so that extraordinary dividend payments and new debts may be contracted, in addition to the previously set forth in respective issue indentures.

On June 30, 2022, the clauses of the subsidiary Hidrovias International Finance S.à.r.l. were not reached since the leverage was 6.2x. The non-compliance with the covenant does not accelerate debt repayment and does not cause any default. However, the Company will not be able to raise new debts in addition to those allowed by the restrictive clauses of 2031 Bond or pay extraordinary dividends (above the minimum requirement established by the Bylaws). Even not reaching the covenant, the Company does not expect short and medium-term impacts on its operations and believes that it will not need loans or working capital, in addition to those already allowed by the restrictive clauses of 2031 Bond, to fulfill its obligations.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

The Parent Company has a financial covenant related to the issue of Debentures in October 2021, Leverage (“net debt over EBITDA”), which must be less than (a) 4.5x in 2022, (b) 4.0x from January 1, 2023 to December 2023 and (c) 3.5x from January 1, 2024 to the Expiration Date.

As of June 30, 2022, the company did not achieve the above-mentioned ratios since leverage was 6.2x. It is worth emphasizing that the non-compliance with the covenant does not accelerate debt payment and it is not considered default. However, the Company will not be able to raise new debts beyond those allowed by the covenants of the Debenture Issue Deed or pay extraordinary dividends above the minimum amount set forth by the Bylaws. Despite not achieving the covenant, the Company does not expect short- and medium-term impacts on its operations and believes that it will not need loans or working capital, in addition to the ones already allowed by covenants of Debenture Issued Deed to meet its obligations.

With the repurchase of the Bonds, only the 2025 Bond no longer has more financial covenants.

Bond repurchase

As approved at a meeting of the Company’s Board of Directors held on June 27, 2018, the Company may carry out Bond 2025 repurchases on a timely manner when the opportunity is adequate and provided that it does not exceed the total amount of US\$ 50,000 thousand. This amount does not represent a market repurchase offer and provides a liquidity opportunity for bondholders who may need liquidity.

As a result of the market circumstances, the Company's securities had their price reduced in the secondary market, which gave rise to the evaluation of repurchases by which allowed the Company to evaluate possible repurchases in 2020, and quarter ended on June 30, 2022 repurchases were carried out totaling USD24,850 thousand in senior bonds related to the 2025 Bond. These bonds had not been canceled until June 30, 2022 and therefore constitute the loans and financing liabilities on that date.

Maturity date of long-term installments

As of June 30, 2022 and December 31, 2021, the long-term portion maturities have the following breakdown:

| | Parent company | | Consolidated | |
|--------------|----------------|----------------|------------------|------------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| months: | | | | |
| 13–24 | - | - | 58,599 | 62,428 |
| 25–36 | - | - | 851,085 | 61,976 |
| 37–48 | - | - | 58,017 | 912,772 |
| 49–60 | - | - | 58,017 | 62,353 |
| >61 | 390,375 | 370,251 | 3,183,884 | 3,358,988 |
| Total | <u>390,375</u> | <u>370,251</u> | <u>4,209,602</u> | <u>4,458,517</u> |

16 Social and labor charges

| | Parent company | | Consolidated | |
|--|----------------|------------|--------------|------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Provision for bonus | 6,052 | 8,181 | 15,646 | 14,257 |
| Vacations and social security charges | 4,487 | 3,811 | 14,349 | 13,331 |
| INSS payable | 1,307 | 920 | 4,412 | 3,112 |
| IRRF payable | 225 | 550 | 971 | 1,734 |
| FGTS payable | 329 | 131 | 751 | 199 |
| 13th salary payable | 1,178 | - | 5,618 | - |
| Other | 23 | 393 | 210 | 1,123 |
| Total | <u>13,601</u> | <u>13,986</u> | <u>41,957</u> | <u>33,756</u> |

17 Lawsuits

The Company and its subsidiaries are parties to administrative and legal lawsuits arising from the normal course of their operations involving tax, labor and civil matters. Based on the information of its internal and external legal advisors, Management measured and recognized provisions for contingencies in an estimated amount of the value of obligation and which reflect the expected outflow of funds.

As of June 30, 2022, the provisions for probable contingencies were recognized in the amount of R\$ 6,392 in the Parent Company (R\$ 5,479 as of December 31, 2021) and R\$ 26,330 in Consolidated (R\$ 22,334 as of December 31, 2021). The breakdown of the provision for contingencies is detailed below:

| | Parent company | | | | |
|-----|----------------|-----------|--------------|--------------|--------------|
| | 12/31/2021 | Additions | Restatement | Write-offs | 06/30/2022 |
| Tax | <u>5,479</u> | <u>-</u> | <u>1,333</u> | <u>(420)</u> | <u>6,392</u> |
| | <u>5,479</u> | <u>-</u> | <u>1,333</u> | <u>(420)</u> | <u>6,392</u> |

| | Parent company | | | | |
|-----|----------------|--------------|-------------|------------|--------------|
| | 12/31/2020 | Additions | Restatement | Write-offs | 12/31/2021 |
| Tax | <u>-</u> | <u>5,479</u> | <u>-</u> | <u>-</u> | <u>5,479</u> |
| | <u>-</u> | <u>5,479</u> | <u>-</u> | <u>-</u> | <u>5,479</u> |

| | Consolidated | | | | | |
|-------|---------------|--------------|--------------|----------------|------------------------|---------------|
| | 12/31/2021 | Additions | Restatement | Write-offs | Translation adjustment | 06/30/2022 |
| Labor | 16,447 | 2,642 | 1,212 | (753) | (22) | 19,526 |
| Tax | 5,479 | - | 1,333 | (420) | - | 6,392 |
| Civil | 408 | 138 | 4 | (138) | - | 412 |
| | <u>22,334</u> | <u>2,780</u> | <u>2,549</u> | <u>(1,311)</u> | <u>(22)</u> | <u>26,330</u> |

| | Consolidated | | | | | |
|-------|--------------|---------------|--------------|--------------|------------------------|---------------|
| | 12/31/2020 | Additions | Restatement | Write-offs | Translation adjustment | 12/31/2021 |
| Labor | 9,791 | 5,689 | 1,110 | (143) | - | 16,447 |
| Tax | - | 5,479 | - | - | - | 5,479 |
| Civil | 3 | 400 | 1 | - | 4 | 408 |
| | <u>9,794</u> | <u>11,568</u> | <u>1,111</u> | <u>(143)</u> | <u>4</u> | <u>22,334</u> |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

Labor lawsuits represent claims of various natures (additional shipping fees, salary differences, severance pay, among other indemnities).

Possible contingencies

The Company and its subsidiaries are parties to other lawsuits for which management, based on the assessment of its internal and external legal advisors, considered the risk of loss as possible. Liabilities arising from these lawsuits are considered to be contingent liabilities since it is not likely that an outflow of funds that incorporate economic benefits will be required to settle such obligations. The nature of the main contingent liabilities are:

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| Processes | Nature |
|-----------|---|
| Labor | Labor claims of various natures related to claims as payment of additional shipping fees, salary differences, severance pay, among other indemnities that are in the judicial or administrative sphere and in different procedural stages. As of June 30, 2022, the total possible labor claims is R\$ 11,610 (R\$ 7,989, on December 31, 2021). |
| Civil | As of June 30, 2022, the Company and its subsidiaries had a total amount of R\$ 4,870 in possible civil lawsuits, represented by collection and indemnity lawsuits. (R\$ 1,124 as of December 31, 2021). |
| Tax | <p>Lawsuit started on April 14, 2021 by the Regional Tax Administration Coordination Office ("CERAT") of State Finance Department of Pará in the municipality of Abaetetuba, Tax Assessment Notice 062021510000007-1, for allegedly having applied the ICMS [State VAT] deferral without legal support, in relation to transportation services of bauxite provided by the Company to Alunorte Alumina do Norte do Brasil S.A. The subsidiary of the Company alleges that the client Alunorte Alumina do Norte do Brasil S.A. has the benefit of deferring ICMS for transportation in the State of Pará, repeatedly granted since 1993, initially through Law 5758 of 08/30/1993 of the State of Pará, amended by Law 6307 of 07/17/2000 and finally, through Resolution 14 of July 10, 2015. However, the text of the aforementioned Resolution No. 14 does not expressly indicate the transport companies that provide logistics services, such as the Company, and enjoy the benefit of ICMS deferral. In 2021, the Company was notified of a fully favorable decision at the lower court. In 2022, there was an unfavorable decision in the TARF/PA. An appeal for reconsideration was filed. The Company believes that it has strong arguments to challenge the aforementioned infraction. The amount related to the tax assessment notice is R\$ 16,341.</p> <p>Administrative proceeding referring to the Tax Assessment Notice 062017510000118-0/Administrative Appeal 062017730002578-0, filed on 10/8/2018 by SEFA/PA, referring to ICMS tax credit supposedly due in the periods between July and August 2017, in amount of R\$ 3,627 as of December 31, 2021. SEFA/PA claims that the collection of ICMS debts on the provision of transport services is due since it does not recognize the right to enjoy the tax benefit of deferral provided for in Article 1 of Resolution 014/15, in the amount of R\$ 4,687. The Company argues that the Federal Supreme Court (STJ) issued Precedent 649 in 2021, which confirmed the exemption applicable to the transport of goods abroad: "ICMS is not levied on the interstate transport service of goods destined for abroad."</p> <p>Injunctions against the Municipality of Itaituba with an injunction No. 0803412-32.2021.8.14.0024 for suspension of the enforceability of the traffic and circulation tax of large vehicles in the municipality and presentation of a monthly Analytical Report on the changes of loaded trucks in the municipality (Municipal Law 3534/2020) proposed on 10/18/2021, with deposit of the amount questioned in the amount of R\$ 4,760. The Company's subsidiary argues that the taxpayer provided for in the legislation is the individual or legal entity that uses large vehicles to travel with cargo within the municipal territory; that is, the owner of the cargo, and the collection of the Company's subsidiary is undue. The preliminary injunction was granted on 10/27/2021 in relation to the amount deposited and the presentation of the report. The Company's subsidiary has filed a motion for clarification in relation to the suspension of the enforceability of the tax for amounts after the deposit, and is awaiting judgment.</p> <p>The Tax Enforcement filed by the state of Pará against the extinct branch of the Plaintiff claiming the payment of debts in the amount of R\$ 5,090, represented by ICMS in the state of Pará and fine based on the Tax Assessment Notice No. 042016510003825-0 and subsequently enrolled in Enforceable Debts under No. 2016.570218785-2. As of June 30, 2022, the value at risk is R\$ 9,993 with guarantee insurance sufficient to cover the debit.</p> <p>The Company and its subsidiaries are party to other tax lawsuits, classified as possible loss, in the estimated amount of R\$ 1,134 as of June 30, 2022</p> |

As of June 30, 2022, the Company and its subsidiaries had judicial deposits related to the payment of PIS and COFINS and ICMS according to a writ of mandamus, in the amount of R\$ 15,171 (R\$ 15,171 as of December 31, 2021) and R\$ 27,040, and referring to income tax and INSS (R\$ 27,040 as of December 31, 2021) per lawsuit discussing tax liabilities within the scope of Stock Options program, R\$ 2,407 (R\$ 2,407 as of December 31, 2021) referring to Writ of Mandamus against the Municipality of Itaituba with an injunction request for suspension of the Enforceability of the traffic and circulation fee of large vehicles in the municipality and R\$ 2,110 (R\$ 1,326 as of December 31, 2021) referring to other judicial deposits of civil and labor lawsuits.

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

18 Related parties

Remuneration of key management personnel

As of June 30, 2022, the remuneration of key management personnel, which includes the Executive Board and Board members, amounted to R\$ 8,083 (R\$ 8,114 as of June 30, 2021), referring to salaries and variable benefits, of which R\$ 7,878 refers to short-term employee benefits (R\$ 7,871 as of June 30, 2021) and R\$ 205 for medical benefits (R\$ 243 as of June 30, 2021).

The amounts of related parties basically refer to financial transactions under specific conditions, defined internally by the Company and its subsidiaries.

Transactions between related parties involving controlling shareholders, entities under common control or significant influence:

| | Parent company | | | |
|---|----------------|------------|-------------|------------|
| | Assets | | Liabilities | |
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Girocantex S.A. (a) | - | - | (301) | (321) |
| Hidroviás del Sur S.A. (b) | 3,473 | 3,556 | - | - |
| Hidroviás do Brasil – Interm. e Agenc. Serv. Ltda. (c) | 32 | 171 | - | - |
| Hidroviás do Brasil – Participação Administração Portuária de Santos S.A. (d) | 6,230 | 6,539 | (29) | (94) |
| Hidroviás do Brasil – Vila do Conde S.A. (c) | 4,765 | 7,363 | (306) | (1,140) |
| Hidroviás del Paraguay S.A. (e) | 523 | 523 | (1) | - |
| Hidroviás do Brasil – Marabá S.A. (c) | 1,411 | 1,382 | - | - |
| Hidroviás do Brasil – Cabotagem Ltda. (c) | 881 | 1,777 | (35) | (175) |
| Pricolpar S.A. (e) | - | - | (2) | (3) |
| Cikelsol S.A. (e) | - | - | (105) | (112) |
| Dividends | 934 | 934 | - | - |
| Loan (f) | 5,445 | 5,787 | (21,896) | (21,469) |
| Subtotal | 23,694 | 28,032 | (22,675) | (23,314) |
| Current | 18,456 | 22,452 | (2,346) | (1,724) |
| Non-current | 5,238 | 5,580 | (20,329) | (21,590) |

| | Consolidated | | | |
|----------------------------|--------------|------------|-------------|------------|
| | Assets | | Liabilities | |
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Credits with Joint Venture | | | | |
| Dividends receivable | 250 | - | - | - |
| Obrinel | 5,390 | 5,778 | - | - |
| Non-current | 5,640 | 5,778 | - | - |

Consolidated

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
|-----------------------------------|------------|------------|------------|------------|
| Guarantees and pledge deposit (g) | 1,918 | 1,873 | - | - |
| Total | 1,918 | 1,873 | - | - |

| | Parent company | | Consolidated | |
|--|----------------|----------------|--------------|----------------|
| | 06/30/2022 | 06/30/2021 | 06/30/2022 | 06/30/2021 |
| Revenues (expenses): | | | | |
| Exchange rate change on security deposit (g) | (45) | 309 | (45) | 309 |
| Exchange-rate change and interest on loan | (273) | (2,822) | (273) | (2,822) |
| Total | (318) | (2,513) | (318) | (2,513) |

- (a) Refer to reimbursable expenditures on structuring of the financing for Project Vale with the indirect subsidiary Girocantex in Brazil.
- (b) It refers to reimbursable expenses with its subsidiary Hidroviás del Sur.
- (c) The Company and some of its subsidiaries use shared administrative services, personnel, technological resources and infrastructure, such as: (i) payroll costs, (ii) IT/software structure and (iii) rental costs (iv) invoice processing, accounting and audit, which are transferred between Group companies.
- (d) It refers to expenses with the management project of its subsidiary Hidroviás do Brasil – Participação Administração Portuária de Santos S.A.
- (e) Refers to operating expenses with the parent company. No settlement or monetary correction is expected.
- (f) In assets, it refers to a loan with the subsidiary Resflir S.A., and, in liabilities, it refers mainly to a loan with Luxembourg maturing in February 2031. Interest is presented as a result of operations with related parties
- (g) As mentioned in Note 8, refer to financial resources granted to Obrinel without interest, which will be settled after proof of performance of the assets and completion of the port facilities. The financial income (loss) from exchange-rate change are recognized in the income (loss) for the period.

19 Capital

As of June 30, 2022, Company's capital totals R\$ 1,359,469 (R\$ 1,359,469 as of December 31, 2021), is represented by 760,382,643 (760,382,643 as of December 31, 2021) common, nominative shares with no par value.

Shareholding structure on June 30, 2022 and December 31, 2021 is detailed as follows:

| Shareholders | 06/30/2022 | | 12/31/2021 | |
|---|--------------------|------------|--------------------|------------|
| | Common shares | % | Common shares | % |
| Pátria Infraestrutura – Fundo de Investimento em Participações Multiestratégia | 153,484,062 | 20.2 | 153,484,062 | 20.2 |
| Patria Infraestrutura Brasil Fundo de Investimento em Participações Multiestratégia | 8,745,834 | 1.2 | 8,745,834 | 1.2 |
| Pátria Infraestrutura IV FIP Multiestratégia | 78,500,846 | 10.3 | 78,500,846 | 10.3 |
| Sommerville Investments B.V. | 63,517,842 | 8.4 | 63,517,842 | 8.4 |
| HBSA Co-Investimento – Fundo de Investimento em Participações Multiestratégia | 32,621,750 | 4.3 | 32,621,750 | 4.3 |
| Verde Asset Management S.A. | - | - | 39,468,590 | 5.2 |
| Other (*) | 423,512,309 | 55.6 | 384,043,719 | 50.4 |
| Total | 760,382,643 | 100 | 760,382,643 | 100 |

- (*) No other group of shareholders owns over 5% of the Company's capital

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

Legal reserve

Pursuant to article 193 of Law 6404/76, five percent (5%) of net income for the year shall be used to establish a legal reserve, which may not exceed 20% of the capital.

Tax incentive reserve

Pursuant to the Company's bylaws, we recorded the tax incentive as described in Note 30.

Dividends

Pursuant to Bylaws, determine minimum mandatory shareholders are entitled to the minimum mandatory dividend of 1% of net income, adjusted pursuant to the terms of item I, Article 202 of Law 6404/76.

20 Earnings per share

The diluted earnings per share was calculated with a basis on the result of the period attributable to the controlling shareholders of the Company as of June 30, 2022 and 2021 and the respective average quantity of outstanding common shares in the period as follows:

| | 01/04/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 01/04/2021– 06/30/2021 | 01/01/2021– 06/30/2021 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Net income (loss) for the period | 22,039 | 55,276 | 97,805 | (85,200) |
| Weighted average of basic shares | <u>760,383</u> | <u>760,383</u> | <u>760,383</u> | <u>760,383</u> |
| Net income (loss) for the period per thousand basic shares | <u>0,0290</u> | <u>0,0727</u> | <u>0.1286</u> | <u>(0.1120)</u> |
| | | | | |
| | 01/04/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 01/04/2021– 06/30/2021 | 01/01/2021– 06/30/2021 |
| Net income (loss) for the period | 22,039 | 55,276 | 97,805 | (85,200) |
| Weighted average of diluted shares | <u>760,383</u> | <u>760,383</u> | <u>760,383</u> | <u>760,383</u> |
| Net income (loss) for the period per thousand diluted shares | <u>0,0290</u> | <u>0,0727</u> | <u>0.1286</u> | <u>(0.1120)</u> |

Diluted earnings (losses) per share adjusts the amounts used in determining basic earnings per share to consider the weighted average number of additional common shares that would be outstanding, assuming the conversion of all potential diluting common shares.

Although the Company has a stock option program, the shares corresponding to the future year were estimated to be lower than the exercise value. Thus, it was considered antidilutive, so diluted earnings per share is equal to basic earnings per share.

21 Long-term incentive programs

21.1 Stock option program

On July 27, 2016, the terms of the Stock Option Plan ("Plan") were approved through the Extraordinary General Meeting, the purpose of which is the granting of options to purchase shares issued by the Company to Company managers and strategic professionals, with the main objective of attracting and retaining these professionals. The Plan replaced the Stock Option Plan originally approved in Extraordinary General Meeting held on December 7, 2010. The participants indicated, subject to the rules and conditions defined for each program, received the stock option

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

offer defined by the Board of Directors, and each purchase option assigns to its holder the right to acquire one common share issued of the Company, under the terms and conditions of the Plan and the previously approved programs.

On October 18, 2018, the Company's Extraordinary General Meeting approved an amendment to the Stock Option Plan originally approved at the Extraordinary General Meeting held on July 27, 2016, aiming to promote changes in the exercise price rules, in the calculation of the updating of the Strike Price and other changes. Those programs were granted in February 2019.

The Company recognized the stock options granted in its shareholders' equity, with a corresponding contra entry in income (loss) for the year. The recognition occurred proportionally to the terms of the respective vesting periods (grace period) of the lots granted, recording the accumulated amount of R\$ 29,775. There was no expense recognized in profit or loss for the period.

As required by Technical Pronouncement CPC 10 (R1) - Share-based Payment, the fair value of options was determined on the granting date (concession date) based on "Black-Scholes" pricing model for options.

The following definitions were used as calculation assumptions in 2017, 2018 and 2019 programs:

- Weighted average share price on the granting date: R\$ 4.70
- Strike price of the options defined according to the program (see table below).
- Expected volatility: 35.35%. The expected volatility was calculated at the standard deviation of the average daily returns for the shares of a group of comparable companies. This group includes Rumo, Taesa, Alupar, Isa CTEEP, Kirby, SITC, Pacific Basin and Evergreen Marine. The history of trading sessions used is similar to the maturity date of the options.
- Lifetime of the option: 5 years, according to the contractually defined term.
- Expected dividends: it is not necessary to include the effect of dividends, since the distribution of dividends reduces the exercise price of the options.
- Expected inflation: to calculate the exercise price correction, an inflation estimate of 4.2% p.a. was used based on the NTN-B maturing close to the option's maturity.
- Risk-free interest rate: a rate of 8.31% was estimated based on the projection of the DI curve for the options maturity date.

As of September 1, 2020, 11,771,978 new common shares were subscribed, through the payment of R\$ 51,786. The options were exercised at an Average Exercise Price of R\$ 4.40, accounting for a total of 41% of the shares vested so far, which are an integral part of the granted plans detailed below:

| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (*) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
|----------------------|------------|-------------------------|---------------------------|-----------|--------------------|-------------------------|-------------|--------------------------|
| 2010/1 st | 12/07/2011 | 03/31/2024 | 1.00 | 500,000 | - | 259,500 | 240,500 | 1.13 |
| 2010/1 st | 12/07/2012 | 03/31/2024 | 1.00 | 500,000 | - | 259,500 | 240,500 | 1.27 |
| 2010/1 st | 12/07/2013 | 03/31/2024 | 1.00 | 500,000 | - | 259,500 | 240,500 | 1.43 |
| 2010/1 st | 12/07/2014 | 03/31/2024 | 1.00 | 500,000 | - | 259,500 | 240,500 | 1.61 |
| Total Plan of 2010 | | | | 2,000,000 | - | 1,038,000 | 962,000 | |
| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (*) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
| 2011/1 st | 05/10/2012 | 03/31/2024 | 1.00 | 25,000 | - | 12,975 | 12,025 | 1.17 |
| 2011/1 st | 05/10/2013 | 03/31/2024 | 1.00 | 25,000 | - | 12,975 | 12,025 | 1.31 |
| 2011/1 st | 05/10/2014 | 03/31/2024 | 1.00 | 25,000 | - | 12,975 | 12,025 | 1.47 |
| 2011/1 st | 05/10/2015 | 03/31/2024 | 1.00 | 25,000 | - | 12,975 | 12,025 | 1.65 |
| Total Plan of 2011 | | | | 100,000 | - | 51,900 | 48,100 | |

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (*) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
|----------------------|------------|-------------------------|---------------------------|-----------|--------------------|-------------------------|-------------|--------------------------|
| 2012/1 st | 05/26/2013 | 03/31/2024 | 1.14 | 338,750 | 125,000 | 82,593 | 131,157 | 1.37 |
| 2012/1 st | 05/26/2014 | 03/31/2024 | 1.14 | 338,750 | 125,000 | 82,593 | 131,157 | 1.54 |
| 2012/1 st | 05/26/2015 | 03/31/2024 | 1.14 | 338,750 | 125,000 | 82,594 | 131,156 | 1.73 |
| 2012/1 st | 05/26/2016 | 03/31/2024 | 1.14 | 338,750 | 157,500 | 82,595 | 98,655 | 1.93 |
| 2012/2 nd | 08/10/2013 | 03/31/2024 | 1.28 | 100,000 | - | 60,000 | 40,000 | 1.56 |
| 2012/2 nd | 08/10/2014 | 03/31/2024 | 1.28 | 100,000 | - | 60,000 | 40,000 | 1.75 |
| 2012/2 nd | 08/10/2015 | 03/31/2024 | 1.28 | 100,000 | - | 60,000 | 40,000 | 1.98 |
| 2012/2 nd | 08/10/2016 | 03/31/2024 | 1.28 | 100,000 | - | 60,000 | 40,000 | 2.23 |
| Total Plan of 2012 | | | | 1,755,000 | 532,500 | 570,375 | 652,125 | |

| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (*) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
|----------------------|------------|-------------------------|---------------------------|-----------|--------------------|-------------------------|-------------|--------------------------|
| 2013/1 st | 03/31/2014 | 03/31/2024 | 1.41 | 275,234 | 30,090 | 93,460 | 151,684 | 1.77 |
| 2013/1 st | 03/31/2015 | 03/31/2024 | 1.41 | 275,234 | 30,090 | 93,460 | 151,684 | 2.01 |
| 2013/1 st | 03/31/2016 | 03/31/2024 | 1.41 | 275,233 | 35,400 | 93,460 | 146,373 | 2.25 |
| 2013/1 st | 03/31/2017 | 03/31/2024 | 1.41 | 275,233 | 76,110 | 93,360 | 105,763 | 2.54 |
| Total Plan of 2013 | | | | 1,100,934 | 171,690 | 373,740 | 555,504 | |

| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (*) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
|----------------------|------------|-------------------------|---------------------------|-----------|--------------------|-------------------------|-------------|--------------------------|
| 2014/1 st | 03/31/2015 | 03/31/2024 | 1.68 | 555,750 | - | 219,034 | 336,716 | 2.20 |
| 2014/1 st | 03/31/2016 | 03/31/2024 | 1.68 | 555,750 | 4,500 | 219,034 | 332,216 | 2.47 |
| 2014/1 st | 03/31/2017 | 03/31/2024 | 1.68 | 555,750 | 58,500 | 218,884 | 278,366 | 2.80 |
| 2014/1 st | 03/31/2018 | 03/31/2024 | 1.68 | 555,750 | 58,500 | 218,884 | 278,366 | 3.15 |
| Total Plan of 2014 | | | | 2,223,000 | 121,500 | 875,836 | 1,225,664 | |

| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (*) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
|------------------------|------------|-------------------------|---------------------------|-----------|--------------------|-------------------------|-------------|--------------------------|
| 2016 A/1 st | 07/27/2016 | 03/31/2024 | 3.64 | 889,295 | - | 386,076 | 503,219 | 0.00 |
| 2016 A/1 st | 03/31/2017 | 03/31/2024 | 3.64 | 889,295 | 78,642 | 385,976 | 424,677 | 0.93 |
| 2016 A/1 st | 03/31/2018 | 03/31/2024 | 3.64 | 889,295 | 78,642 | 385,976 | 424,677 | 1.06 |
| 2016 A/1 st | 03/31/2019 | 03/31/2024 | 3.64 | 889,295 | 134,520 | 382,993 | 371,782 | 1.14 |
| Total Plan of 2016 A | | | | 3,557,180 | 291,804 | 1,541,021 | 1,724,355 | |

| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (*) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
|------------------------|------------|-------------------------|---------------------------|-----------|--------------------|-------------------------|-------------|--------------------------|
| 2016 B/1 st | 03/31/2017 | 03/31/2024 | 3.48 | 720,330 | 55,675 | 305,281 | 359,374 | 1.06 |
| 2016 B/1 st | 03/31/2018 | 03/31/2024 | 3.48 | 720,330 | 55,675 | 305,281 | 359,374 | 1.17 |
| 2016 B/1 st | 03/31/2019 | 03/31/2024 | 3.48 | 720,330 | 86,206 | 304,420 | 329,704 | 1.24 |
| 2016 B/1 st | 03/31/2020 | 03/31/2024 | 3.48 | 720,330 | 122,125 | 292,370 | 305,835 | 1.30 |
| Total Plan of 2016 B | | | | 2,881,320 | 319,681 | 1,207,352 | 1,354,287 | |

| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (***) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
|--------------------|------------|-------------------------|-----------------------------|-----------|--------------------|-------------------------|-------------|--------------------------|
| 2017 | 03/31/2018 | 03/31/2024 | 3.62 | 793,750 | - | 380,751 | 412,999 | 1.66 |
| 2017 | 03/31/2019 | 03/31/2024 | 3.62 | 793,750 | - | 380,751 | 412,999 | 1.66 |
| 2017 | 03/31/2020 | 03/31/2024 | 3.62 | 793,750 | 56,250 | 359,815 | 377,685 | 1.66 |
| 2017 | 03/31/2021 | 03/31/2024 | 3.62 | 793,750 | 56,250 | 359,815 | 377,685 | 1.66 |
| Total Plan of 2017 | | | | 3,175,000 | 112,500 | 1,121,317 | 1,941,183 | |

| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (***) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
|--------------------|-----------------------------|-------------------------|-----------------------------|-----------|--------------------|-------------------------|-------------|--------------------------|
| 2018 | 02/01/2019 | 03/31/2024 | 4.70 | 1,400,000 | - | 712,781 | 687,219 | 1.33 |
| 2018 | 02/01/2020 | 03/31/2024 | 4.70 | 1,400,000 | 62,500 | 687,781 | 649,719 | 1.33 |
| 2018 | 50% through liquidity event | 03/31/2024 | 4.70 | 2,800,000 | 125,000 | 1,375,563 | 1,299,437 | 1.33 |
| Total Plan of 2018 | | | | 5,600,000 | 187,500 | 2,776,125 | 2,636,375 | 1.33 |

| Plan/Program | Vesting | Limit date for the year | Strike price (in R\$) (***) | Granted | Canceled / Expired | Exercised on 09/01/2020 | Outstanding | Fair value (in R\$) (**) |
|--------------|---------|-------------------------|-----------------------------|---------|--------------------|-------------------------|-------------|--------------------------|
|--------------|---------|-------------------------|-----------------------------|---------|--------------------|-------------------------|-------------|--------------------------|

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | | | | | | | | |
|------|--------------------------------------|--------------------|------|------------|-----------|------------|------------|------|
| 2019 | 02/13/2020 | 03/31/2024 | 4.70 | 1,500,000 | - | 738,770 | 761,230 | 1.37 |
| 2019 | 02/13/2021 | 03/31/2024 | 4.70 | 1,500,000 | - | - | 1,500,000 | 1.37 |
| | 50% through liquidity event | 03/31/2024 | 4.70 | 3,000,000 | - | 1,477,542 | 1,522,458 | 1.37 |
| | | Total Plan of 2019 | | 6,000,000 | - | 2,216,312 | 3,783,688 | 1.37 |
| | | Total | | 28,392,434 | 1,737,175 | 11,771,978 | 14,883,281 | |

(*) Strike price in the grant date. The strike price is adjusted by the IPCA price index plus 7% per year.

(**) Fair value on the grant date.

(***) Strike price in the grant date. The strike price is adjusted by the IPCA.

The current plan approved by the Company's Board of Directors has an exercise deadline of March 31, 2024.

21.2 Long-term incentive program with restricted shares

As of August 31, 2020, the Long-Term Incentive Plan ("LIP") for Hidrovias do Brasil S.A. was approved at the Company's General Meeting which has the following purpose:

- Attract and retain high-level managers and employees of the Company and its subsidiaries;
- Grant the Participants the opportunity to become shareholders of the Company, obtaining, as a result, a greater alignment of their interests with the interests of the Company; and
- Develop the Company's corporate purposes and the shareholders' interests.

The plan is managed by the Board of Directors, in compliance with the general conditions of the ILP (Long-Term Incentive) and the guidelines established at the Company's General Meeting.

In the aforementioned plan, participants will be entitled to receive 4% of the value corresponding to the Company's appreciation in relation to the value of the share in the IPO (R\$ 7.56 – seven reais and fifty-six cents), provided that the grace period conditions are met. This pool is divided among the beneficiaries according to the Company's compensation strategy, and will be delivered in the form of shares, considering the value of the share at the time of payment.

If there is no appreciation in the value of the company's shares at the time of calculating the amount to be paid annually, that amount is accumulated and can be paid in future years. In the event of a participant's withdrawal from the ILP, the right to the restricted shares granted to him/her in accordance with the plan may be terminated or modified, as may be established by the Board of Directors in the respective Granting Programs and Agreements.

The transfer of Restricted Shares to the participant will only take place with the implementation of the conditions and terms set forth in the ILP and in the Grant Program and Agreements, so that the granting of the right to receive the shares itself does not guarantee the participant any rights over the restricted shares or even represents the guarantee of their receipt. The first program of the ILP Plan was granted on November 8, 2021, which is the reference date for calculating the fair value of the program. The Monte Carlo Simulation model was used to reflect the effect of the change in the performance conditions of the Company's shares on the amount paid and the number of shares delivered to participants.

More specifically, the Company considered the "Monte Carlo Simulation" model with 100,000 simulations, based on the share price on 11/08/2021, R\$ 2.82 (two reais and eighty-two cents) and considering the average of the 20 (twenty) previous trading sessions, to calculate the average earnings per share obtained per annum. The following definitions were used as premises for calculating the ILP:

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| Block | Batch | Share price | Gain delta calculation parameter | Volatility | Risk-free interest rate (p.a.) | Maturity date | Maturity date |
|-------|-------|-------------|----------------------------------|------------|--------------------------------|---------------|---------------|
| 1 | 1 | R\$ 2.82 | R\$ 7.56 | 45.60% | 11.715% | 09/28/2022 | 09/28/2022 |
| 1 | 2 | R\$ 2.82 | R\$ 7.56 | 45.60% | 11.715% | 09/28/2023 | 09/28/2023 |
| 1 | 3 | R\$ 2.82 | R\$ 7.56 | 45.60% | 11.715% | 09/28/2024 | 09/28/2024 |
| 2 | 1 | R\$ 2.82 | R\$ 7.56 | 44.81% | 12.325% | 09/28/2023 | 09/28/2023 |
| 2 | 2 | R\$ 2.82 | R\$ 7.56 | 44.81% | 12.325% | 09/28/2024 | 09/28/2024 |
| 2 | 3 | R\$ 2.82 | R\$ 7.56 | 44.81% | 12.325% | 09/28/2025 | 09/28/2025 |
| 3 | 1 | R\$ 2.82 | R\$ 7.56 | 42.11% | 12.165% | 09/28/2024 | 09/28/2024 |
| 3 | 2 | R\$ 2.82 | R\$ 7.56 | 42.11% | 12.165% | 09/28/2025 | 09/28/2025 |
| 3 | 3 | R\$ 2.82 | R\$ 7.56 | 42.11% | 12.165% | 09/28/2026 | 09/28/2026 |
| 4 | 1 | R\$ 2.82 | R\$ 7.56 | 42.22% | 12.080% | 09/28/2025 | 09/28/2025 |
| 4 | 2 | R\$ 2.82 | R\$ 7.56 | 42.22% | 12.080% | 09/28/2026 | 09/28/2026 |
| 4 | 3 | R\$ 2.82 | R\$ 7.56 | 42.22% | 12.080% | 09/28/2027 | 09/28/2027 |
| 5 | 1 | R\$ 2.82 | R\$ 7.56 | 42.31% | 12.030% | 09/28/2026 | 09/28/2026 |
| 5 | 2 | R\$ 2.82 | R\$ 7.56 | 42.31% | 12.030% | 09/28/2027 | 09/28/2027 |
| 5 | 3 | R\$ 2.82 | R\$ 7.56 | 42.31% | 12.030% | 09/28/2022 | 09/28/2022 |

The Company recognized the effects of the ILP on its Shareholders' Equity, with a balancing entry in the income (loss) for the year. The recognition occurred proportionally to the terms of the respective vesting periods (grace period), recording the accumulated amount of R\$ 1,896.

22 Commitments and guarantees

As part of our business strategy, we have entered into long-term contracts with some of our clients, with minimum volume requirements and a pre-agreed tariff that is adjusted according to the contract. The execution of a new long-term contract with customers tends to have a significant positive effect on our net revenue, whereas the loss of an existing material contract would have the opposite effect.

The Company and its subsidiaries have long-term contracts with the following clients:

1. VALE, in the South Corridor, with a duration of 25 years starting from May 2014.
2. SODRU, in the South Corridor, with a duration of 8 years starting from March 2014.
3. COFCO, in the South Corridor, with an initial duration of 5 years starting from February 2014, extended to December 2024.
4. SODRU, in the North Corridor, with a duration of 10 years starting from February 2017 (extended to 2029).
5. COFCO, in the North Corridor, with a duration of 10 years starting from 2016 (extended to 2031).
6. ALLUNORTE, in the North Corridor, with a duration of 25 years starting from 2010 (acquired in 2016)..

As of September 17, 2018, the former Hidrovias do Brasil - Vila do Conde S.A., currently merged into the indirect subsidiary HB Vila do Conde, entered into operating lease agreements with the pushers Don Antonio and HB Draco, owned, respectively, by the indirect subsidiaries Pricolpar S.A. and Cikelsol S.A., for a term of 64 months, as of February 11, 2019.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

On December 1, 2020, the indirect subsidiary Hidrovias do Brasil - Vila do Conde S.A. entered into operating lease agreements for the HB Taurus and HB Perseus pushers owned by the indirect subsidiary Resflir S.A., for a period of 36 months, starting on January 1, 2021.

HB Navegação Norte and HB Miritituba were incorporated on January 1, 2019 by HB Vila do Conde. The company and its subsidiaries have guarantees related to guarantees with regulatory bodies, maintenance and docking of some assets and for other operating activities recorded in financial institutions with whom the company and its subsidiaries have a relationship.

23 Operating revenue

| | <u>04/01/2022–</u> <u>06/30/2022</u> | <u>01/01/2022–</u> <u>06/30/2022</u> | <u>04/01/2021–</u> <u>06/30/2021</u> | <u>01/01/2021–</u> <u>06/30/2021</u> |
|------------------------------------|---|---|---|---|
| South Corridor: | | | | |
| Transportation services | 242,780 | 368,195 | 167,027 | 251,013 |
| North Corridor: | | | | |
| Lifting Services | 61,144 | 112,383 | 62,012 | 102,627 |
| Transshipment services | 24,687 | 44,676 | 21,449 | 36,016 |
| Transportation services | 111,884 | 187,609 | 88,043 | 160,643 |
| Intermediation services | 2,547 | 6,822 | 11,927 | 17,090 |
| Other revenues | - | 36,684 | - | - |
| Cabotage: | | | | |
| Cabotage services | 75,300 | 140,273 | 66,848 | 124,052 |
| Santos: | | | | |
| Lifting, quay and storage services | - | - | 6,978 | 27,493 |
| Total gross revenue | 518,342 | 896,642 | 424,284 | 718,934 |
| ISS | (5,490) | (9,337) | (5,074) | (8,828) |
| PIS | 35 | (3,933) | (1,422) | (4,079) |
| COFINS | (9,760) | (18,120) | (5,895) | (19,734) |
| ICMS | (98) | (1,915) | (128) | (1,042) |
| Subtotal taxes | (15,313) | (33,305) | (12,519) | (33,683) |
| Realization of hedge accounting | (90,741) | 5,640 | 55,137 | (18,771) |
| Total net revenue | 412,288 | 868,977 | 466,902 | 666,480 |

For the period ended June 30, 2022, the Company's largest clients by revenue are represented by: i) A 26.5% (23.1% % on June 30, 2021; ii) B 22.9% (25.5% as of June 30, 2021); ii) C 22.1% (19.1% as of June 30, 2021); and represent approximately 71.5% of the total net revenue (72.3% as of June 30, 2021). No other client accounts for over 10% of consolidated net revenue.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

24 Costs and expenses by nature

24.1 Costs of services rendered and general and administrative expenses

| | Parent company | | | | Consolidated | | | |
|---------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 |
| Salaries, social charges and benefits | (14,845) | (28,762) | (13,909) | (26,515) | (75,807) | (143,733) | (66,792) | (121,101) |
| Depreciation and amortization | (3,133) | (6,609) | (1,449) | (2,931) | (81,648) | (167,687) | (96,439) | (171,979) |
| Maintenance | (19) | (26) | (6) | (14) | (13,498) | (28,219) | (15,783) | (25,164) |
| Fuel | - | - | - | - | (94,707) | (159,169) | (54,497) | (83,092) |
| Outsourced services | (3,597) | (6,294) | (5,862) | (9,715) | (17,184) | (29,914) | (16,048) | (35,013) |
| Rentals | (52) | (105) | 631 | 593 | (4,949) | (8,838) | (11,673) | (19,521) |
| Freight | - | - | - | - | (28) | (51) | 114 | (1,054) |
| Travel and tickets | (867) | (1,199) | (28) | (250) | (2,005) | (3,459) | (2,011) | (3,643) |
| Mooring | - | - | - | - | (5,579) | (11,716) | (6,759) | (10,404) |
| Kitchen and pantry | (7) | (12) | (5) | (10) | (3,853) | (6,433) | (2,350) | (3,889) |
| Agents | - | - | - | - | (5,879) | (10,226) | (3,697) | (7,152) |
| Operational and safety | - | - | - | - | (3,711) | (7,142) | (4,232) | (7,356) |
| Sundry fees | (114) | (265) | (111) | (192) | (6,564) | (10,774) | (2,492) | (3,501) |
| Lawsuits | 420 | 420 | - | - | (563) | (1,468) | (2,572) | (3,859) |
| Outdoor Pilotage | - | - | - | - | (3,367) | (10,983) | (9,135) | (12,948) |
| Insurance | - | - | - | - | (10,253) | (19,541) | (8,806) | (16,216) |
| Other (expenses) revenues | (1,357) | (1,335) | (742) | (1,471) | (9,443) | (20,963) | (1,792) | (12,749) |
| Total | (23,571) | (44,197) | (21,481) | (40,505) | (339,038) | (640,316) | (304,964) | (538,641) |
| Classified as: | | | | | | | | |
| Cost of services rendered | - | - | - | - | (277,229) | (520,786) | (233,304) | (413,024) |
| General and administrative expenses | (23,571) | (44,197) | (21,481) | (40,505) | (61,809) | (119,530) | (71,660) | (125,617) |
| Classified as: | | | | | | | | |
| Total | (23,571) | (44,197) | (21,481) | (40,505) | (339,038) | (640,316) | (304,964) | (538,641) |

(*) The adjustments related to tax credits (Social Integration Program - PIS / Contribution to Social Security Financing - COFINS in Brazil and VAT in Paraguay and Uruguay), arising from the payments of lease installments, are recorded as a credit to expenses with the depreciation of the right to use and financial expenses. In this sense, as of June 30, 2022, the amounts recorded under depreciation and amortization are net of the aforementioned tax credits in the amount of R\$58 in the Parent Company and R\$1,985 in the Consolidated.

24.2 Other operating revenues and expenses

| | Parent company | | | | Consolidated | | | |
|-------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 |
| Extempore credits | - | - | - | - | - | - | - | 2,243 |
| AFRMM (a) | - | - | - | - | 2,984 | 6,694 | 2,176 | 3,564 |
| Sweeping (b) | - | - | - | - | - | - | 217 | 16,387 |
| Other | 39 | (112) | 6,364 | 6,364 | 1,650 | 1,816 | 8,856 | 9,656 |
| Total | 39 | (112) | 6,364 | 6,364 | 4,634 | 8,510 | 11,249 | 31,850 |

- (a) The AFRMM is a benefit available to all Brazilian coastal shipping companies operating with own or chartered vessels, and is regulated by Law 10893/2004 and other specific legislation applicable to the industry. See further details in Note 30.
- (b) Sweeping revenue resulting from surplus of goods at port terminals. Said revenue is presented net of cost in 2022.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

25 Financial income (loss)

| | Parent company | | | | Consolidated | | | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 |
| Revenues: | | | | | | | | |
| Revenues from interest earning bank deposits | 34 | 99 | 11 | 19 | 1,752 | 3,263 | 1,251 | 1,566 |
| (-) PIS/COFINS on financial revenue | (520) | (581) | (5) | (9) | (1,906) | (2,076) | (89) | (105) |
| Inflation adjustments and exchange-rate changes | - | - | 564 | 1,776 | - | 22,136 | - | - |
| Gains with investments ⁽¹⁾ | 7,100 | - | - | 6,679 | 25,849 | - | - | 29,867 |
| Other ⁽²⁾ | 1,145 | 597 | 85 | 167 | 526 | 636 | 40 | 68 |
| Total | 7,759 | 115 | 655 | 8,632 | 26,221 | 23,959 | 1,202 | 31,396 |
| Expenses: | | | | | | | | |
| Interest on loans, grants and loans | (17,696) | (34,020) | (114) | (114) | (65,485) | (133,104) | (56,846) | (108,200) |
| Late payment | (2) | (2) | - | - | (74) | (77) | (298) | (312) |
| Derivative financial instruments ⁽³⁾ | (3,958) | (3,958) | - | - | (3,958) | (3,958) | - | - |
| Amortization of funding cost | (522) | (830) | - | - | (3,411) | (7,022) | (2,811) | (26,408) |
| Bond repurchase cost | - | - | - | - | - | - | (3,105) | (74,944) |
| Inflation adjustments and exchange-rate changes | (1,407) | (465) | - | - | (23,079) | - | 36,274 | (581) |
| Tax on Financial operations - IOF | (10) | (43) | (37) | (147) | (446) | (1,165) | (1,378) | (1,378) |
| Investment losses ⁽¹⁾ | - | (170) | (2,440) | (2,440) | - | (26,438) | (24,828) | (25,761) |
| Other | - | (212) | (204) | (140) | (1,415) | (9,710) | (13,548) | (17,052) |
| Total | (23,595) | (39,700) | (2,795) | (2,841) | (97,868) | (181,474) | (66,540) | (254,636) |
| Net financial income (loss) | (15,836) | (39,585) | (2,140) | 5,791 | (71,647) | (157,515) | (65,338) | (223,240) |

⁽¹⁾ Gains or losses related to investment funds exposed to the variation of the US Dollar.

⁽²⁾ In the six-month period ended June 30, 2022, the amount of R\$ 420 refers to the restatement of provision for contingencies of legal proceeding aimed at removing the provisions of Decree 8426/2015 and Article 27 of Law 10865/2004, ensuring the application of the previous legal regime, based on Decree 5442/2005, which provides for a zero rate of PIS and COFINS for financial revenues.

⁽³⁾ Gain with derivative financial instruments swap a, as mentioned in Note 27.3

26 Income tax and social contribution

Taxes on income comprise income tax and social contribution. Income tax is computed on taxable income at the nominal rate of 15%, plus a 10% surtax for income exceeding R\$ 240 in the 12-month period, whereas social contribution is computed at the nominal rate of 9% on taxable income, recognized on the accrual basis.

In 2018, the Company joined with the SUDAM (Superintendency for the Development of Amazon) Tax Incentive Program, which provides a 75% reduction of corporate income tax through Exploration Profit for the company Hidrovias do Brasil – Vila do Conde S.A., which is presented as tax income, is likely to benefit from the Government Grant.

Income tax and social contribution are recognized in the statement of income, except for the proportion related to items directly recognized in other comprehensive income. In that case, the tax is also recorded in shareholders' equity or comprehensive income.

The current income and social contribution tax charges are calculated based on enacted, or substantially enacted, tax acts, up to the balance sheet date. Management periodically evaluates

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

the positions taken by the Company in the income tax returns in relation to situations in which the tax regulation is subject to interpretations, and the Company establishes provisions, when appropriate, based on the estimated amounts of payment to the tax authorities.

Prepayments or amounts that can be offset are presented in current assets, in accordance with their expected realization.

For the year 2022, the Company opted for the determination of Taxable Income by means of Annual methodology, as presented in the Statements of Federal Tax Debts and Credits sent to the Brazilian Federal Revenue Service. Thus, the following table presents the calculation of IRPJ and CSLL regarding the consolidation on the first three months of the referred calendar year.

| | Parent company | | Consolidated | |
|--|----------------|---------------|-----------------|-----------------|
| | 06/30/2022 | 06/30/2021 | 06/30/2022 | 06/30/2021 |
| Income (loss) before IRPJ and CSLL | 29,874 | (95,274) | 93,227 | (62,423) |
| Nominal rate | 34% | 34% | 34% | 34% |
| Corporate income tax (IRPJ) and Social contribution on net income (CSLL) at nominal rate | (10,157) | 32,393 | (31,697) | 21,224 |
| Permanent adjustments: | | | | |
| Equity in net income of subsidiaries | 38,681 | (23,141) | 4,614 | 551 |
| Non-deductible expenses | (3,122) | 822 | (12,259) | (343) |
| Other adjustments: | | | | |
| Government grant | - | - | 11,503 | 8,858 |
| Income (loss) from foreign subsidiaries | - | - | 4,797 | 1,840 |
| Deferred tax on temporary differences and unrecognized tax losses | - | - | (10,891) | (55,315) |
| Rate difference on the measurement of deferred taxes | - | - | 6,410 | 1,919 |
| Workers' Meal Program (PAT) | - | - | 651 | 408 |
| Maternity Leave program | - | - | 4 | 17 |
| Taxes paid abroad | - | - | (6,338) | (1,936) |
| Other adjustments | - | - | (4,745) | - |
| Income tax and social contribution | <u>25,402</u> | <u>10,074</u> | <u>(37,951)</u> | <u>(22,777)</u> |
| Current taxes | - | - | (54,679) | (31,626) |
| Deferred taxes | <u>25,402</u> | <u>10,074</u> | <u>16,728</u> | <u>8,849</u> |
| | <u>25,402</u> | <u>10,074</u> | <u>(37,951)</u> | <u>(22,777)</u> |
| Effective rate | - | <u>10,57%</u> | <u>40,71%</u> | - |

Deferred income tax and social contribution were recognized in 2022 on the accumulated balances of temporary differences and tax loss up to June 30, 2022 to the companies Hidroviás do Brasil – Vila do Conde S.A and Hidroviás do Brasil - Cabotagem Ltda, and subsidiaries of this Company.

Deferred income tax and social contribution are measured based on temporary differences, tax loss and negative basis of social contribution on net income at the rate of 6.25% for IRPJ (reduction of 75%) and 9% for CSLL totaling a nominal rate of 15.25%, based on income from exploration which is a tax incentive from SUDAM – Superintendency for Development of the Amazon claimed by the companies Hidroviás do Brasil – Holding S.A., Hidroviás do Brasil – Intermediação e Agenciamento de Serviços Ltda. e Hidroviás do Brasil - Cabotagem Ltda are recognized at the rate of 25% of IRPJ and 9% of CSLL totaling 34%, in compliance with the legislation in force.

The exchange-rate change caption is presented as a consequence of the adoption of taxation of exchange-rate changes using the cash methodology, to which the effect of such adjustments in the Taxable Income Control Register (LALUR) and the Social Contribution Calculation Book (LACS) is the recognition of deferred assets in the subsidiaries Hidroviás do Brasil – Vila do

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

Conde S.A. and Hidrovias do Brasil - Cabotagem Ltda. The subsidiary Hidrovias do Brasil – Vila do Conde S.A also has deferred liabilities recorded for a property damage received in 2018.

Part of Deferred Taxes, in the amount of R\$ 27,138, was not recognized in income (loss) since the Company and its subsidiaries have non-derivative financial instrument, for which the portion corresponding to deferred IRPJ and CSLL is accounted for in the Other Comprehensive Income, in Shareholders' Equity.

For other group companies, the Company understands that currently the group companies that hold tax losses and negative calculation bases of social contribution on net income and temporary adjustments, still do not have history of tax offsets, therefore it is not possible to recognize deferred IRPJ and CSLL in the amount of R\$ 14,311.

Deferred income tax and social contribution assets and liabilities are reviewed on a monthly basis, and they are changed as their respective offsets or if their realization is no longer probable.

| | Consolidated | | | Consolidated |
|--|--------------|---------------------|--------------------------|--------------|
| | 06/30/2022 | | | 12/31/2021 |
| | Net value | Deferred tax assets | Deferred tax liabilities | Net value |
| Provision for bonus | 2,791 | 2,791 | - | 3,467 |
| Provision for suppliers | 1,074 | 1,074 | - | 643 |
| Provision for fuel | 359 | 359 | - | 153 |
| Other provisions | 1,340 | 1,340 | - | 2,038 |
| Other operating provisions | 1,605 | 1,605 | - | 6,841 |
| Labor contingencies | 2,865 | 2,865 | - | 2,515 |
| Judicial contingencies | 2,180 | 2,180 | - | 1,864 |
| Provision of charges – ILP | 8 | 8 | - | 129 |
| PIS - Enforceability suspended | 242 | 242 | - | 242 |
| COFINS - Enforceability suspended | 1,300 | 1,300 | - | 1,300 |
| Loss on variable income | 537 | 537 | - | 537 |
| Tax loss | 29,903 | 29,903 | - | 11,950 |
| Negative basis | 11,396 | 11,396 | - | 4,600 |
| Exchange-rate change | 93,821 | 93,821 | - | 196,250 |
| Hedge | 71,717 | 71,717 | - | - |
| Financial lease | 467 | 467 | - | 474 |
| Interest to be paid-up | (4,302) | - | (4,302) | (4,312) |
| Negative goodwill - Gain from bargain purchase | (10,981) | - | (10,981) | (10,981) |
| Property damage | (38,844) | - | (38,844) | (39,825) |
| Tax Assets (Liabilities) before offset | 167,478 | 221,605 | (54,127) | 177,885 |
| Offset of tax | | (54,127) | 54,127 | |
| Net balances presented in Assets/Liabilities | | 167,478 | - | |

The changes in the net balance of deferred IRPJ and CSLL are as follows:

| | Consolidated | |
|---|--------------|------------|
| | 06/30/2022 | 12/31/2021 |
| Opening balance | 177,885 | 148,862 |
| Deferred IRPJ (Corporate income tax) and CSLL (social contribution on net income) recognized in the income (loss) for the period/year | 16,728 | 23,785 |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | | |
|--|----------------|----------------|
| Deferred Corporate income tax (IRPJ) and social contribution on net income (CSLL) recognized in other comprehensive income | (27,135) | 5,238 |
| Closing balance | <u>167,478</u> | <u>177,885</u> |

27 Financial instruments

27.1 Financial instruments by category

All the operations with financial and derivative instruments are recognized in financial statements of the Company and its subsidiaries, estimated fair values of instruments are the same as the calculated amounts for loans, financing and debentures, as follows:

| | | Parent company | | Consolidated | |
|---|---------|----------------|------------|--------------|------------|
| | | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Assets | | | | | |
| Fair value through profit or loss: | | | | | |
| Securities | Level 2 | 69,247 | 103,381 | 470,142 | 582,562 |
| Amortized cost | | | | | |
| Cash and cash equivalents | | 4,236 | 937 | 123,929 | 76,454 |
| Linked securities | Level 2 | - | - | 13,883 | 13,295 |
| Guarantee and escrow deposit | Level 2 | 2,224 | 2,179 | 2,255 | 2,210 |
| Accounts receivable | Level 2 | - | - | 355,540 | 251,020 |
| Related party credits | Level 2 | 22,760 | 27,098 | 5,390 | 5,778 |
| Dividends | Level 2 | 934 | 934 | 250 | - |
| Liabilities | | | | | |
| Liabilities at amortized cost: | | | | | |
| Suppliers | Level 2 | 7,738 | 5,451 | 154,681 | 146,142 |
| Accounts payable with related parties | Level 2 | 22,675 | 23,314 | - | - |
| Loans, financing and debentures | Level 2 | 420,010 | 376,433 | 4,398,491 | 4,639,406 |
| Lease liabilities | Level 2 | 625 | 1,227 | 221,026 | 231,578 |
| Derivative financial instruments | Level 2 | 3,958 | - | 3,958 | - |

Note: The Management periodically reviews unobservable data considered significant and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, the Management analyzes evidence obtained to support the conclusion that such valuations meet the accounting requirements, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring fair value of an asset or liability, the Company uses observable data as much as possible. Fair values are classified at different levels according to hierarchy based on information (inputs) used in valuation techniques, as follows:

- **Level 1:** Prices quoted (not adjusted) in active markets for identical assets and liabilities.
- **Level 2:** Except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).
- **Level 3:** For assets or liabilities, which are not based on observable market data (non-observable inputs).

27.2 Criteria, assumptions and limitations used in the calculation of market value

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

The financial instruments of the Company and its subsidiaries, segregated between assets classified as fair value through profit or loss and at amortized cost, and liabilities classified through amortized cost. They are mostly paid at market rates.

Fair values of these financial instruments are close to the book values as of June 30, 2022, except for loans, financing and debentures with hedge accounting and presented as follows:

| | | Fair value | | Book value | |
|----------------------------------|---------|------------|------------|------------|------------|
| | | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Assets | | | | | |
| Cash and cash equivalents | | 123,929 | 76,454 | 123,929 | 76,454 |
| Securities | Level 2 | 470,142 | 582,562 | 470,142 | 582,562 |
| Linked securities | Level 2 | 13,883 | 13,295 | 13,883 | 13,295 |
| Guarantee and escrow deposit | Level 2 | 2,255 | 2,210 | 2,255 | 2,210 |
| Accounts receivable | Level 2 | 355,540 | 251,020 | 355,540 | 251,020 |
| Related party credits | Level 2 | 5,390 | 5,778 | 5,390 | 5,778 |
| Liabilities | | | | | |
| Suppliers | Level 2 | 154,685 | 146,142 | 154,681 | 146,142 |
| Loans, financing and debentures | Level 2 | 4,398,267 | 4,436,928 | 4,398,491 | 4,639,406 |
| Lease liabilities | Level 2 | 221,026 | 231,578 | 221,026 | 231,578 |
| Derivative financial instruments | Level 2 | 3,958 | - | 3,958 | - |

27.3 Derivative and non-derivative financial instruments

These instruments are managed through operational strategies, aimed at the predictability of operations and minimizing possible mismatches that may bring additional volatilities to those already covered by the Business Plan of the Company and its subsidiaries. The control policy consists of permanently monitoring the contracted rates versus those in force in the market, and the Company and its subsidiaries do not carry out speculative operations in derivatives or any other risky financial instruments.

As of June 23, 2022 and June 26, 2022, the Company entered into swap contracts in the amount of US\$ 25,000 each, totaling US\$ 50,000. Said contracts allow the Company to fix the US dollar and exchange it for the % of the CDI rate to hedge against exposures and exchange rate fluctuations in the market. The result of this contracting resulted in a gain in the six-month period ended June 30, 2022 in the amount of R\$ 4,592 in the financial income (loss), pursuant to Note 25.

27.4 Risk management

Financial risk management

Overview

The economic and financial risks mainly reflect the behavior of macroeconomic variables such as exchange and interest rates as well as the characteristics of the financial instruments that the Company and its subsidiaries use. These risks are managed by means of monitoring by Management that actively participates in the operating management.

The Company and its subsidiaries have the practice of managing its existing risks in a conservative manner, aiming mainly to preserve the value and liquidity of financial assets and to guarantee financial resources for the smooth running of business. The main financial risks considered by Top Management are:

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

- Credit risk
- Liquidity risk
- Exchange rate risk
- Hedge activity
- Interest rate risk.

We present the information on the Company and its subsidiaries' exposure to each of these risks, objectives, policies, practices and processes for risk measurement and management, and capital management.

Risk management structure

Credit risk

As Note 22, it is the risk that the Company and its subsidiaries will suffer financial losses if a counterparty does not fulfill an obligation provided for in the contract. The company is mainly exposed to operating activities (with trade accounts receivable) and investment activities (through interest earning bank deposits).

As mentioned in note 6, the Company, after analyzing and applying the accounts receivable policies, has no material loss for its financial statements.

Overall, business conduction is addressed in Committee's meetings for decision making and financial investments are carried out by the company's Treasury department in accordance with the established Policy, aiming to reduce the financial risk. Results are followed up and established strategies are adjusted to maintain expected results. Regarding the financial instruments, the company is exposed mainly to cash and cash equivalents and securities and, thus, restricts its exposure to prime line financial institutions, rated as investment grade by risk rating agencies widely accepted in the market, in addition to reducing risk through diversification of counterparties.

Book values of financial instruments that represent the maximum exposure to credit risk on interim financial information dates were as follows:

| | <u>Parent company</u> | | <u>Consolidated</u> | |
|------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Cash and cash equivalents | 4,236 | 937 | 123,929 | 76,454 |
| Accounts receivable | - | - | 355,540 | 251,020 |
| Securities | 69,247 | 103,381 | 470,142 | 582,562 |
| Linked securities | - | - | 13,883 | 13,295 |
| Related party credits | 22,760 | 27,098 | 5,390 | 5,778 |
| Guarantee and escrow deposit | 2,224 | 2,179 | 2,255 | 2,210 |
| Dividends receivable | 934 | 934 | 250 | - |
| Total | 99,401 | 134,529 | 971,389 | 931,319 |

Liquidity risk

It is the risk of the Company and its subsidiaries may encounter difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments.

The approach in the management of liquidity risk is to guarantee the payment of obligations, for which reason it aims to maintain cash available (cash and cash equivalents and securities) for the

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

performance of short-term obligations, making every effort to ensure that there is always sufficient liquidity to honor its obligations, under normal and stress conditions, without causing unacceptable losses or with the risk of blemishing the reputation of the Company and its subsidiaries.

The Company and its subsidiaries align funds availability and generation so as to comply with its obligations under agreed-upon terms.

Maturity is based on the most recent date when the Company and its subsidiaries have the related obligations:

| | Consolidated | | | |
|--|-----------------------|---------------------|---------------------|----------------------|
| | 06/30/2022 | | | |
| | Next 12 months | 13–24 months | 25–36 months | >37 months |
| Liquidity risk | | | | |
| Suppliers (Note 14) | 154,681 | - | - | - |
| Loans, financing and debentures (Note 15)(*) | 286,508 | 288,809 | 1,082,991 | 5,179,756 |
| Leases payable (Note 12) (*) | 37,376 | 42,570 | 34,042 | 211,788 |

| | Consolidated | | | |
|--|-----------------------|---------------------|---------------------|----------------------|
| | 12/31/2021 | | | |
| | Next 12 months | 13–24 months | 25–36 months | >37 months |
| Liquidity risk | | | | |
| Suppliers (Note 14) | 146,142 | - | - | - |
| Loans, financing and debentures (Note 15)(*) | 294,872 | 298,987 | 300,423 | 6,159,509 |
| Leases payable (Note 12) (*) | 81,279 | 31,599 | 22,235 | 346,454 |

(*) The amount has contractual interest according to the opening of Notes 12 and 15

Exchange rate risk

Derives from the oscillations of the exchange rates of foreign currencies used by the Company and its subsidiaries. The transactions subject to change are the portion of the Bond destined to the operation of the north corridor and operations and financing of HB Cabotagem.

Management analyses and follows up its exposures in order to make decisions on the contracting of hedge instruments for respective foreign currency exposures. Hedge instruments used to manage exposures are established by Management, shared and approved by the Board of Directors to avoid speculative instruments or instruments that may possibly generate any additional risk inherent to those originally proposed.

Pursuant to IFRS 9 (equivalent to CPC 48), the purpose of the hedge accounting is to represent in the financial statements, the effect of the risk management activities of the entity that uses financial instruments to manage exposures resulting from specific risks that could affect the income (loss). The purpose of this approach is to transmit the context of hedge instruments for which the hedge accounting should be applied to permit the understanding of its purposes and effects.

Hedge Accounting Bond

- Structuring of the hedge accounting operation

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

In order to structure the operation, the Company defined as risk to be hedged, the exchange-rate change of part of its future revenues from a sea freight Take or Pay agreement, denominated in U.S. dollar, originated from its indirect subsidiary Girocantex.

The Company is also exposed to an exchange-rate change derived from the issue of Bonds in the amount of US\$ 600,000 thousand with semi-annual yield of 5.95% p.a. and maturity term of 7 years as of May 2, 2018, through its direct subsidiary Hidrovias Internacional. In 2020, the Company repurchased a total of US\$ 24,850 thousand and, in February 2021, through a public offering, repurchased further US\$ 426,521 thousand, totaling US\$ 451,371 thousand repurchased that reduce its gross debt by the same amount.

The company is also exposed to exchange-rate change from the issue of the Bond issued in 2021, in the amount of US\$ 500,000 thousand, with semiannual remuneration of 4.95% p.a. and maturing in 10 years, from its subsidiary Hidrovias International Finance S.à.r.l..

Both revenues in foreign currency as well as debts derived from the issue of aforementioned Bonds are exposed to risk of same nature, and accordingly, the exchange risk of future revenues would be naturally covered by the exchange risk of the debts. However, despite the economic coverage of the risk of exchange-rate change, the Company's income (loss) is affected by the timely mismatch between the accounting recognition of the revenue and debt. Accordingly, the Company will use part of the principal value of the Bond issued in USD as hedge instrument to cover part of its future revenue in USD, which is considered highly probable.

- Purpose and strategy of the risk management

Estimated and considered highly-probable future revenues, derived from Girocantex's Take or Pay operation exposes the Company to market risks involving changes in the Real (BRL) x U.S. dollar (USD) exchange rate, since the functional currency of the Company is the Real (BRL).

The Financial Risk Management Policy permits the structuring of hedge accounting, using derivative and non-derivative financial instruments with the purpose of minimizing the effects of the USD changes on the income (loss) of the Company.

In order to meet the risk strategy, management decided to designate as hedge accounting instrument, part of the principal value of the debt in foreign currency (Bond 2025 and 2031) so as to protect the counterparty from USD rate changes derived from its Take or Pay template agreement with Girocantex.

- Hedge relationship

The Company will adopt the cash flow hedge, as defined in IFRS 9, whose nature of the covered risk is the exchange-rate change.

- Nature of hedged risk

Foreign currency risk: variability of the exchange rates of estimated revenues in U.S. dollar, in connection with the Take or Pay agreement with Girocantex.

- Identification of the hedged (item)

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

Risk of exchange-rate change of part of estimated revenues in foreign currency (minimum of 25% of quarterly revenue), in connection with the Take or Pay template agreement with Girocantex, for a period of 7 years beginning on May 2, 2018.

- Identification of hedge instrument

The hedge accounting instrument is part of the principal value of the Bond issued, with the following characteristics:

| Type | Bond |
|----------------------------|-------------|
| Start date of Contract | 01/24/2018 |
| Maturity date | 01/24/2025 |
| Amount denominated in USD | 244,520,320 |
| Initial Parity USD x REAIS | 3.5424 |
| Start date of hedge | 05/02/2018 |

- Effectiveness of the hedge relationship

Hedge effectiveness is measured based on the changes in the fair value or in the cash flows of the hedge instrument that offset the changes in the fair value or cash flows of the hedged item. The non-effectiveness of hedge occurs as the changes in the fair value or cash flows of the hedge instrument are higher or lower than those of the hedged item.

To qualify to hedge accounting, the following requirements of effectiveness should be satisfied:

So that there is economic relation means that the hedge instrument and the hedged item must have amounts that generally move in opposite directions due to the same risk, which is the hedged risk.

The hedge instrument and the hedged item have values that move in opposite directions. The increase of exchange rate generates a devaluation in the recognition of revenue in the income (loss), which is recognized upon delivery of the product transported to its destination. Likewise, the increase in the exchange rate causes the increase in the debt represented by the Bond, generating an expense in the result. In the same way as an increase in the exchange rate generates an opposite movement between hedge instrument and hedged item. These changes occur in different moments, since the debt is an item recognized in the balance sheet and the revenue until the date of recognition is an off-balance sheet item. With the benefit of hedge accounting, the exchange-rate change of the debt will be recognized in other comprehensive income, under Cash Flow Hedge reserve, and reclassified to reclassification adjustment in the same period or periods during which the expected future cash flows covered by hedge affect the income (loss), that is, upon the actual recognition of revenue.

Hedge Accounting - Cabotage

- Structuring of the hedge accounting operation

In order to structure the operation, the Company defined as risk to be hedged, the exchange-rate change of part of its future revenues derived from a service agreement, denominated in U.S. dollar, with Alunorte.

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

The Company is also exposed to an exchange-rate change derived from loans in foreign currency in the amount of US\$ 121,541.

Both revenues in foreign currency as well as debts are exposed to risk of same nature, and accordingly, the exchange risk of future revenues would be naturally covered by the exchange risk of the debts. However, despite the economic coverage of the risk of exchange-rate change, the Company's income (loss) is affected by the timely mismatch between the accounting recognition of the revenue and debt. Accordingly, the Company will use part of the principal value of the loan in USD as hedge instrument to cover part of its future revenue in USD, which is considered highly probable.

- Risk management strategy

HB Cabotagem has the strategy to hedge part of its estimated revenue in foreign currency against risks of exchange-rate changes.

- Risk management objectives

HB Cabotagem intends to hedge the risk of exchange-rate change of at least 6% of the flow of receipt, derived from the service agreement with Alunorte. The hedged flows of receipt begin on April 2, 2018 and are expected to end in February 2033.

The Company will use the principal value of the loan in foreign currency, contracted with the BNDES as hedge instrument of the estimated revenues.

The hedge instrument is the principal value of the debt in foreign currency contracted with the BNDES, with the following characteristics:

| Type | Debt in foreign currency (*) |
|----------------------------|------------------------------|
| Start date of Contract | 12/23/2016 |
| Maturity date | 03/15/2033 |
| Amount in USD | 142,807,564 |
| Initial Parity USD x REAIS | 3.3104 |
| Start date of hedge | 04/02/2018 |

(*) Contracted with the BNDES

- Effectiveness of the hedge relationship

Hedge effectiveness is measured based on the changes in the fair value or in the cash flows of the hedge instrument that offset the changes in the fair value or cash flows of the hedged item. The non-effectiveness of hedge occurs as the changes in the fair value or cash flows of the hedge instrument are higher or lower than those of the hedged item.

To qualify to hedge accounting, the following requirements of effectiveness should be satisfied:

So that there is economic relation the hedge instrument and the hedged item have amounts that generally move in opposite directions due to the same risk, which is the hedged risk.

The hedge instrument and the hedged item must have values that move in opposite directions. The increase of exchange rate generates a devaluation in the recognition of revenue in the income (loss), which is recognized upon delivery of the product transported to its destination. Likewise, the increase in the exchange rate causes the increase in the debt represented by the loan, generating

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

an expense in the income (loss). In the same way as an increase in the exchange rate generates an opposite movement between hedge instrument and hedged item. These changes occur in different moments, since the debt is an item recognized in the balance sheet and the revenue until the date of recognition is an off-balance sheet item. With the benefit of hedge accounting, the exchange-rate change of the debt will be recognized in other comprehensive income, under Cash Flow Hedge reserve, and reclassified to reclassification adjustment in the same period or periods during which the expected future cash flows covered by hedge affect the income (loss), that is, upon the actual recognition of revenue.

Bond Hedge Accounting

| Object of hedge | Hedged risk | Production period | Principal value in US\$ | Hedge instrument value |
|---|---------------------------------|-----------------------|-------------------------|------------------------|
| Exchange-rate change of part of its future revenues | Foreign exchange rate R\$ - USD | 05/02/2018–05/02/2025 | 244,520,320 | 244,520,320 |

Realization estimate – USD

| 2018 | 2019 | 2020 | 2021 | 2022–2025 | Total |
|------------|------------|------------|------------|-------------|-------------|
| 24,150,155 | 36,225,233 | 36,225,233 | 36,225,233 | 111,694,466 | 244,520,320 |

| | | |
|--|-------------------|-------------------|
| | 06/30/2022 | 06/30/2021 |
| Exchange-rate change - Income (loss) | (83,748) | (47,559) |
| Exchange-rate changes – Shareholders’ equity | 553,104 | 495,447 |

Hedge Accounting - Cabotage

| Object of hedge | Hedged risk | Production period | Principal value in US\$ | Hedge instrument value |
|---|---------------------------------|--------------------|-------------------------|------------------------|
| Exchange-rate change of part of its future revenues | Foreign exchange rate R\$ - USD | 04/02/2018–02/2033 | 142,807,564 | 142,807,564 |

Realization estimate – USD

| 2018 | 2019 | 2020 | 2021 | 2022–2033 | Total |
|-----------|------------|-----------|------------|-------------|-------------|
| 3,129,018 | 10,261,948 | 5,202,740 | 10,692,544 | 113,521,314 | 142,807,564 |

| | | |
|--|-------------------|-------------------|
| | 06/30/2022 | 06/30/2021 |
| Exchange-rate change - Income (loss) | (39,740) | (21,912) |
| Exchange-rate changes – Shareholders’ equity | 178,376 | 150,724 |

Interest rate risk

Book value of financial instruments that represent the exposure to interest rate risk is as follows:

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | Parent company | | Consolidated | |
|---------------------------------|----------------|------------|--------------|------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Interest rate risk | | | | |
| Assets: | | | | |
| Cash and cash equivalents | 4,236 | 937 | 123,929 | 76,454 |
| Securities | 69,247 | 103,381 | 470,142 | 582,562 |
| Linked securities | - | - | 13,883 | 13,295 |
| Loans, financing and debentures | 420,232 | 376,433 | 4,398,713 | 4,639,406 |

Interest rates are disclosed in notes 5 and 15.

Sensitivity analysis

The Company and its subsidiaries make sensitivity analysis of main risks to which its financial instruments are exposed, basically represented by exchange rate and interest rate changes.

Changes in interest rate and foreign exchange rates

To verify the sensitivity of the indices in the investments to which the Company and its subsidiaries were exposed on the base date of June 30, 2022 and December 31, 2021, three different scenarios were defined.

The Company prepared three sensitivity analysis scenarios. Scenario I considers the future interest rates observed on the base date of interim financial information and scenarios II and III consider a decrease of 10% and 15%, respectively, in the risk variable considered.

The base date of portfolio used was June 30, 2022 projecting indices for one year and verifying the sensitivity in each scenario. The tables below present the ratios considered for the feasibility analysis and its effect on the result:

| Change in interest rates | Financial instruments | Risk | Rate | Estimated rate | | | Balance at 06/30/2022 | Probable scenario | Possible scenario | Remote scenario |
|--------------------------|---|-----------|--------|-------------------|-------------------------|---------------------|-----------------------|-------------------|-------------------|-----------------|
| | | | | Probable scenario | Possible scenario - 10% | Remote scenario 15% | | | | |
| | Securities | CDI | 12.87% | 13.63% | 11.58% | 10.94% | 74,460 | 567 | (958) | -1,437 |
| | | U.S. | | | | | 164,251 | - | (46) | (69) |
| | Securities | Treasury | 0.28% | 0.28% | 0.25% | 0.24% | | | | |
| | | FX - Ptax | | | | | 266,328 | 610 | (26,633) | -39,949 |
| | Securities | 800 | 5.2380 | 5.2500 | 4.7142 | 4.4523 | | | | |
| | Interest earning bank deposit - pledged | Selic | 13.25% | 12.25% | 11.93% | 11.26% | 13,883 | (139) | (184) | -276 |
| | | FX - Ptax | | | | | | | | |
| | Derivative financial instruments | 800 | 5.2380 | 5.2500 | 4.7142 | 4.4523 | (3,958) | 9 | (356) | (594) |
| | Loans, financing and debentures | TJLP | 6.82% | 5.87% | 6.14% | 5.80% | (19,828) | 188 | 135 | 203 |
| | Loans, financing and debentures | IPCA | 11.92% | 8.66% | 13.11% | 13.71% | (400,430) | (109,466) | 40,043 | 60,064 |
| | Total | | | | | | 94,706 | (108,231) | 12,001 | 17,942 |

Exchange rate change

To verify the sensitivity of the net foreign exchange exposure to which the Company and its subsidiaries were exposed on June 30, 2022, three different scenarios were defined, classified as probable, possible and remote. The variables considered are described in the table below, followed by sensitivity. Scenario I considers the future foreign exchange rates observed on the base date of interim financial information and scenarios II and III consider an increase of 10% and 15%, respectively, in the risk variable considered.

Estimated rate

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | Risk | Rate | Probable scenario | Possible scenario - 10% | Remote scenario - 15% | Balance at 06/30/2022 | Probable scenario | Possible scenario | Remote scenario |
|--------------------------|------|--------|-------------------|-------------------------|-----------------------|-----------------------|-------------------|-------------------|------------------|
| Loan - Project financing | USD | 5.2380 | 5.2500 | 5.7618 | 6.0237 | 585,367 | (1,341) | (58,537) | (87,805) |
| Loan - Bond | USD | 5.2380 | 5.2500 | 5.7618 | 6.0237 | 3,393,115 | (7,773) | (339,312) | (508,967) |
| Export credit note | USD | 5.2380 | 5.2500 | 5.7618 | 6.0237 | 148,236 | (340) | (14,824) | (22,235) |
| Total | | | | | | 4,126,718 | (9,454) | (412,673) | (619,007) |

27.5 Capital management

The policy of the Management of the Company is to maintain a solid capital base to maintain the confidence of investors, creditors and market clients, guaranteeing the future development of the business.

Company Management strives to maintain a balance between the highest possible returns with adequate levels of financial leveraging (loans) and the advantages and the assurance afforded by a balanced capital position.

The Company's net debt to the final shareholders' equity ratio of June 30, 2022 and December 31, 2021 is as follows:

| | Parent company | | Consolidated | |
|---|----------------|------------|--------------|-------------|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Total liabilities current and non-current | (491,539) | (441,215) | (5,045,614) | (5,269,876) |
| Cash and cash equivalents | 4,236 | 937 | 123,929 | 76,454 |
| Securities | 69,247 | 103,381 | 470,142 | 582,562 |
| Interest earning bank deposit - pledged | - | - | 13,883 | 13,295 |
| (Insufficiency) net cash surplus | (418,056) | (336,897) | (4,437,660) | (4,597,565) |
| Shareholders' equity | 1,353,670 | 1,247,654 | 1,353,670 | 1,247,654 |
| Relationship between shareholders' equity and net insufficiency of cash | 327% | 370% | 30% | 27% |

28 Insurance

The Company and its subsidiaries adopt the policy of contracting insurance coverage for assets subject to risks to cover possible claims, considering the nature of its activities involving its operational facilities, vessels and barges, and for engineering and construction risks of projects, civil liability and property damages. The amount insured on June 30, 2022 was:

06/30/2022
2

Operating risks

| | |
|---|---------|
| Fire, lightning, explosion, electrical damage, windstorms and flood in thousands of reais | 96,137 |
| Cyber risks in R\$'000 | 10,000 |
| Hull and machine (bare hull vessels) – policies in R\$'000 | 946,076 |
| Hull and Machine (bare hull vessels) – policies in USD thousand | 239,005 |
| Hull and machine (bare hull vessels) – policies in R\$'000 | 140,664 |
| Engineering risks in R\$'000 | 229,183 |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

29 Segment information

Segregation of the Company's operating segments is based on the internal structure of the financial statements and management, which is carried out through business segmentation. The North Waterway includes the operations of HB Vila do Conde and HB Intermediação, and the South Waterway includes HB Hidrovias del Sur and its subsidiaries, Hidrovias Navegación

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

Fluvial S.A and Hidrovias South America BV, and others include the parent company Hidrovias do Brasil and HB Luxemburgo.

Result by operating segments

| | North Corridor | | South Corridor | | Cabotage | | Santos | | Other | | Eliminations | | Consolidated | |
|---|---------------------------|---------------------------|--------------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|---------------------------|-------------------------------|--------------------------------|-----------------------------|-----------------------------|--------------------------------|---------------------------|
| | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2022 2– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2022 – 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2022– 06/30/2022 | 01/01/2022– 06/30/2022 | 04/01/2022 – 06/30/2022 | 01/01/2022 2– 06/30/2022 | 04/01/20 22– 06/30/20 | 01/01/20 22– 06/30/20 | 04/01/2022 2– 06/30/2022 | 01/01/2022– 06/30/2022 |
| Net revenue from services | 200,435 | 376,258 | 160,809 | 389,655 | 53,677 | 108,218 | (130) | (130) | - | - | (2,504) | (5,025) | 412,287 | 868,976 |
| Operating revenues | 200,353 | 376,176 | 244,712 | 369,931 | 58,093 | 117,359 | (130) | (130) | - | - | - | - | 503,028 | 863,336 |
| Intercompany | 82 | 82 | 2,422 | 4,943 | - | - | - | - | - | - | (2,504) | (5,025) | - | - |
| Revenue – Hedge | - | - | (86,325) | 14,781 | (4,416) | (9,141) | - | - | - | - | - | - | (90,741) | 5,640 |
| Accounting | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| OTM | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cost of services rendered | (67,060) | (131,962) | (124,673) | (212,774) | (25,231) | (54,823) | (812) | (868) | - | - | 2,504 | 5,025 | (215,272) | (395,402) |
| Operating costs | (64,506) | (126,887) | (124,673) | (212,774) | (25,231) | (54,823) | (812) | (868) | - | - | - | - | (215,222) | (395,352) |
| OTM | (51) | (51) | - | - | - | - | - | - | - | - | - | - | (51) | (51) |
| Intercompany | (2,503) | (5,024) | - | - | - | - | - | - | - | - | 2,504 | 5,025 | 1 | 1 |
| Operating expenses | (7,762) | (16,020) | (10,996) | (19,383) | (1,472) | (2,341) | (1,683) | (2,096) | (20,361) | (37,435) | - | - | (42,274) | (77,275) |
| Depreciation and amortization | (28,072) | (55,324) | (39,063) | (83,168) | (8,531) | (17,104) | (2,593) | (5,176) | (3,232) | (6,866) | - | - | (81,491) | (167,638) |
| Depreciation and amortization (cost) | (25,363) | (50,093) | (26,504) | (55,050) | (7,479) | (15,000) | (1,175) | (2,360) | (1,435) | (2,880) | - | - | (61,956) | (125,383) |
| Depreciation and amortization (expense) | (2,709) | (5,231) | (12,559) | (28,118) | (1,052) | (2,104) | (1,418) | (2,816) | (1,797) | (3,986) | - | - | (19,535) | (42,255) |
| Other expenses | 153 | 152 | 817 | 1,127 | 3,001 | 6,716 | 617 | 617 | 46 | (102) | - | - | 4,634 | 8,510 |
| Financial income (loss) | (24,861) | (37,765) | (27,726) | (60,900) | 968 | (7,766) | (4,487) | (11,003) | (15,541) | (40,081) | - | - | (71,647) | (157,515) |
| Equity pick-up on subsidiaries | 207 | 227 | 13,125 | 14,905 | - | - | - | - | 46,179 | 113,768 | (47,244) | (115,329) | 12,267 | 13,571 |
| Income tax | (4,334) | (47,592) | (3,531) | (6,334) | (3,828) | (9,363) | - | (61) | 15,228 | 25,399 | - | - | 3,535 | (37,951) |
| Income (loss) for the year | 68,706 | 87,974 | (31,238) | 23,128 | 18,584 | 23,537 | (9,088) | (18,717) | 22,319 | 54,683 | (47,244) | (115,329) | 22,039 | 55,276 |

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

| | North Corridor | | South Corridor | | Cabotage | | Santos | | Other | | Eliminations | | Consolidated |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2021– 06/30/2021 | 01/01/2021– 06/30/2021 | 04/01/2021– 06/30/2021 |
| Net revenue from services | 177,098 | 301,650 | 272,138 | 291,157 | 58,056 | 99,430 | 5,239 | 23,276 | - | - | (45,629) | (49,034) | 466,902 |
| Operating revenues | 176,358 | 299,055 | 167,027 | 251,013 | 63,141 | 110,549 | 5,239 | 23,276 | - | - | - | - | 411,765 |
| Intercompany | 740 | 1,238 | 44,889 | 47,796 | - | - | - | - | - | - | (45,629) | (49,034) | - |
| Revenue – Hedge Accounting | - | - | 60,222 | (7,652) | (5,085) | (11,119) | - | - | - | - | - | - | 55,137 |
| OTM | - | 1,357 | - | - | - | - | - | - | - | - | - | - | - |
| Cost of services rendered | (61,477) | (114,658) | (122,498) | (174,589) | (34,893) | (51,130) | (5,212) | (16,337) | - | - | 45,629 | 49,034 | (178,450) |
| Operating costs | (57,914) | (106,465) | (80,432) | (132,579) | (34,893) | (51,130) | (5,212) | (16,337) | - | - | - | - | (178,450) |
| OTM | - | (1,168) | - | - | - | - | - | - | - | - | - | - | - |
| Intercompany | (3,563) | (7,025) | (42,066) | (42,010) | - | - | - | - | - | - | 45,629 | 49,034 | - |
| Operating expenses | (3,332) | (10,794) | (7,293) | (9,517) | 19 | (283) | (608) | (837) | (19,873) | (38,048) | - | - | (31,087) |
| Depreciation and amortization | (27,884) | (51,267) | (56,084) | (94,959) | (8,442) | (16,885) | (2,582) | (5,937) | (1,377) | (2,931) | - | - | (96,369) |
| Depreciation and amortization (cost) | (20,741) | (41,471) | (25,460) | (46,567) | (7,390) | (14,781) | (1,159) | (2,317) | (104) | (209) | - | - | (54,854) |
| Depreciation and amortization (expense) | (7,143) | (9,796) | (30,624) | (48,392) | (1,052) | (2,104) | (1,423) | (3,620) | (1,273) | (2,722) | - | - | (41,515) |
| Other expenses | 1,744 | 20,573 | 375 | 406 | 2,187 | 3,948 | - | - | 6,942 | 6,925 | - | - | 11,249 |
| Other revenues (expenses) | 1,744 | 20,573 | 375 | 406 | 2,187 | 3,948 | - | - | 6,942 | 6,925 | - | - | 11,249 |
| Financial income (loss) | 2,182 | (47,226) | (42,911) | (162,283) | (12,235) | (12,532) | (2,870) | (2,781) | (9,506) | 1,579 | - | - | (65,338) |
| Equity pick-up on subsidiaries | 81 | 212 | 4,793 | 1,961 | - | - | - | - | 111,830 | (67,683) | (112,249) | 67,133 | 4,454 |
| Income tax | (18,179) | (23,841) | (1,671) | (1,671) | (581) | (7,073) | - | - | 6,876 | 9,809 | - | - | (13,556) |
| Income (loss) for the year | 70,233 | 74,649 | 46,849 | (149,495) | 4,111 | 15,475 | (6,033) | (2,616) | 94,892 | (90,349) | (112,249) | 67,133 | 97,805 |

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

Assets and liabilities by operating segments

| | North Corridor | South Corridor | Cabotage | Santos | Other | Eliminations | Consolidated |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| | <u>06/30/2022</u> | <u>06/30/2022</u> | <u>06/30/2022</u> | <u>06/30/2022</u> | <u>06/30/2022</u> | <u>06/30/2022</u> | <u>06/30/2022</u> |
| Current assets | 462,139 | 787,323 | 197,587 | 34,827 | 191,062 | (391,272) | 1,281,666 |
| Non-current assets | 1,673,983 | 2,304,140 | 667,032 | 454,669 | 5,168,373 | (5,150,574) | 5,117,623 |
| Total assets | <u>2,136,122</u> | <u>3,091,463</u> | <u>864,619</u> | <u>489,496</u> | <u>5,359,435</u> | <u>(5,541,846)</u> | <u>6,399,289</u> |
| Current liabilities | 195,814 | 409,491 | 90,005 | 82,202 | 151,028 | (276,772) | 651,768 |
| Non-current liabilities | 1,459,737 | 1,984,934 | 527,022 | 257,261 | 3,853,849 | (3,688,952) | 4,393,851 |
| Shareholders' equity | 480,571 | 697,038 | 247,592 | 150,033 | 1,354,558 | (1,576,122) | 1,353,670 |
| Total liabilities and shareholders' equity | <u>2,136,122</u> | <u>3,091,463</u> | <u>864,619</u> | <u>489,496</u> | <u>5,359,435</u> | <u>(5,541,846)</u> | <u>6,399,289</u> |
| | <u>12/31/2021</u> | <u>12/31/2021</u> | <u>12/31/2021</u> | <u>12/31/2021</u> | <u>12/31/2021</u> | <u>12/31/2021</u> | <u>12/31/2021</u> |
| Current assets | 582,146 | 417,238 | 212,567 | 61,424 | 306,272 | (353,266) | 1,226,381 |
| Non-current assets | 1,710,020 | 2,480,078 | 700,956 | 384,486 | 5,121,054 | (5,105,445) | 5,291,149 |
| Total assets | <u>2,292,166</u> | <u>2,897,316</u> | <u>913,523</u> | <u>445,910</u> | <u>5,427,326</u> | <u>(5,458,711)</u> | <u>6,517,530</u> |
| Current liabilities | 223,826 | 376,472 | 130,033 | 71,573 | 124,502 | (324,118) | 602,288 |
| Non-current liabilities | 1,749,334 | 1,791,506 | 591,696 | 205,588 | 4,053,635 | (3,724,171) | 4,667,588 |
| Shareholders' equity | 319,006 | 729,338 | 191,794 | 168,749 | 1,249,189 | (1,410,422) | 1,247,654 |
| Total liabilities and shareholders' equity | <u>2,292,166</u> | <u>2,897,316</u> | <u>913,523</u> | <u>445,910</u> | <u>5,427,326</u> | <u>(5,458,711)</u> | <u>6,517,530</u> |

30 Grant, government assistance and other benefits

The Company has benefits, as follows:

- AFRMM

The AFRMM is a benefit available to all Brazilian coastal shipping companies operating with own or chartered vessels, and is regulated by Law 10893/2004 and other specific legislation applicable to the industry.

The Company receives an additional 10% surcharge on the amount of cabotage freight from its clients via the Merchant Marine Fund, based on each transportation made. In the period as of June 30, 2022, the Company recognized the benefits of AFRMM in other operating revenues (expenses) in the amount of R\$ 6,058 (R\$ 3,564 as of June 30, 2021).

- SUDAM

Exploration Profit – SUDAM is a tax incentive granted to legal entities holding infrastructure development projects that foster the economy, as well as being fully established in the states covered by the Amazon Development Authority (to which the state of Pará is included). This benefit grants a reduction of 75% in the Income Tax and its additional charges (25% to 6.25%), for a term of 10 years.

In 2018, the Company joined with the SUDAM (Superintendency for the Development of Amazon) Tax Incentive Program, which provides a 75% reduction of corporate income tax through Exploration Profit for the company Hidrovias do Brasil – Vila do Conde S.A., which is presented as tax income, is likely to benefit from the Government Grant. This benefit resulted in an adjustment of R\$ 9,227 (R\$ 13,125 as of December 31, 2021).

Hidroviás do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

- Deferral of ICMS

The subsidiary Hidroviás do Brasil Cabotagem Ltda. enjoys the ICMS deferral on transportation service operations in the State of Pará.

31 Items not affecting cash

During the period ended June 30, 2022, the amount of R\$ 20,374 (R\$ 22,954 as of December 31, 2021) referring to suppliers for the acquisition of property, plant, and equipment did not affect the cash of the Company and the consolidated.

32 Subsequent events

32.1 Agreement with Método Engenharia S/A

Método Engenharia S/A (“Método”) and Hidroviás do Brasil – Participação Administração Portuária de Santos S.A. (“HB Santos”), a subsidiary of the Company, entered into an agreement for the procurement and construction of a turn-key EPC system in the port of Santos (“Contract”).

On July 13, 2021, Método and HB Santos entered into the Fifth Amendment to the Agreement for Engineering, Procurement and Construction under the Turn-Key EPC (Engineering, Procurement, and Construction) Modality by Global Price (“Fifth Amendment”), to agree for the joint withdrawal of arbitration previously instituted, to waive the claims previously existing and to continue the contractual relationship between the parties, with the resumption of activities related to the work, the maintenance of the initially agreed delivery terms and the renegotiation of certain contractual conditions.

Owing to the new scenario of Método default, HB Santos terminated the Agreement with Método and filed a pre-arbitral injunction on 11/10/2021, with a preliminary injunction to determine the immediate compliance with the termination procedures of the Agreement, motivated by the inaction of Método. The preliminary injunction was granted on 11/26/21 for the demobilization of the construction site by Método until 12/11/2022.

Concurrently, HB Santos acted to resume the works by mobilizing specialized companies and complying with the proposed schedule.

On June 23, 2022, the Parties signed, together with the Arbitral Tribunal, the Arbitration Agreement. As of June 30, 2022, HB Santos requested a credit reserve request to ensure the protection of HB Santos’ basic rights in the Court-Ordered Reorganization of Método, including its participation in the Annual Creditors’ Meeting (“ACM”), designated to July 21, 2022, on first call, and August 4, 2022, on second call. At the ACM, the decision on the Court-Ordered Reorganization Plan will be made. The method presented its response to HB Santos’ credit reserve request and the Arbitration Court decide in favor of HB Santos on July 15, 2022.

Hidrovias do Brasil S.A.

Notes to the interim financial information for the period ended June 30, 2022

(In thousands of reais - R\$, unless otherwise indicated)

32.2 2nd Issue of Debentures

On July 20, 2022, the Company entered into the deed of its 2nd issue of simple, non-convertible, unsecured debentures, in up to two series, for public distribution with restricted distribution efforts, with a unit nominal value of R\$ 1 thousand on the issue date, totaling R\$ 500,000,000.00 on the issue date, with a maturity of 5 years from the issue date for the first series debentures and 7 years from the issue date for the second series debentures (“Debentures”), as approved by the Board of Directors and material fact disclosed on this date.

The issue of Debentures shall be subject to a public offering with restricted distribution efforts under the terms of CVM Instruction 476 of January 16, 2009, as amended, as well as Brazilian Corporation Law with a firm placement guarantee for the total amount of the issue. The funds raised by the Company through the issue of Debentures must be used to optimize its capital structure, without increasing the Company’s net debt.

32.3 Repurchase of Bonds

Hidrovias International Finance S.a.r.l., a company controlled by the Company and incorporated in Luxembourg (“Hidrovias Lux”), repurchased:

- i) The aggregate amount of USD 1,081 thousand of the outstanding principal of the 5.950% Senior Notes amended by Hidrovias Lux on January 24, 2018, maturing in January 2025 (“Senior Notes 2025”);
- ii) The aggregate principal amount of US\$ 26,475 thousand from the US\$ 500,000 thousand outstanding of the 4,950% Senior Notes issued by Hidrovias Lux on February 8, 2021, maturing in February 2031 (“2031 Senior Notes”). Said amount accounts for approximately 5.30% of the aggregate principal amount of the Senior Notes 2031 at the time of initial listing.

32.4 Operation in Santos

In August 2022, Hidrovias do Brasil Administração Portuária Santos S.A., a subsidiary of the Company, resumed partially the operation in the area called STS20 intended to handle and store solid mineral bulk, especially fertilizers and salt, at the Port of Santos, SP, after the conclusion of the first part of the modernizations and renovations of its warehouses and structures, as specified in lease agreement 01/2020, entered into in January 2020, and in the documents attached to it.

HIDROVIAS DO BRASIL S.A.
Publicly-held Company
CNPJ/ME nº 12.648.327/0001-53
NIRE 35.300.383.982

OPINION OF THE NON-STATUTORY AUDIT COMMITTEE

The non-statutory Audit Committee of Hidrovias do Brasil S.A. ("Committee") in the exercise of its duties, examined the interim financial statements of Hidrovias do Brasil S.A. ("Company") for the period ended June 30th, 2022, the management report and the draft of the report issued, without reservations, by KPMG Auditores Independentes ("Independent Auditors").

The Company's Management is responsible for the correct preparation of the Company's interim financial statements and consolidated interim financial statements, prepared in accordance with the International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB, and in accordance with accounting practices adopted in Brazil, IAS 34 and CPC 21 (R1), respectively, and by the Brazilian Securities and Exchange Commission – CVM, as well as for the implementation and maintenance of internal control and risk management systems consistent with the size and structure of the Company. Management is also responsible for establishing procedures that guarantee the quality of the processes that generate financial information.

The Independent Auditors are responsible for the revision the interim financial statements and must conclude whether or not they are aware of any fact that leads them to believe that the individual and consolidated interim financial information has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of the interim financial statements - *ITR* and presented in accordance with the rules issued by the Brazilian Securities and Exchange Commission - CVM.

In carrying out its duties, the analysis and evaluations carried out by the Committee are based on information received from Management and the Independent Auditors.

The Audit Committee, based on the examined documents described in the first paragraph and on the information provided by the Management and the Independent Auditors, considering its responsibilities and the limitations resulting from the scope of its performance, understands that the interim financial statements of Hidrovias do Brasil S.A. referring to the period ended on June 30th, 2022, were prepared in accordance with accounting practices adopted in Brazil (CPC 21 – R1 e IAS 34) and with the international financial reporting standards (IFRS), and, therefore, recommends, unanimously and without remarks, its approval by the Company's Board of Directors.

São Paulo, August 10, 2022

PEDRO JAIME CERVATTI

Member and Coordinator of the Audit
Committee

RICARDO ANTONIO WEISS

Member of the Audit Committee

ANTONIO MARY ULRICH

Member of the Audit Committee

HIDROVIAS DO BRASIL S.A.

Publicly-held Company

CNPJ/ME nº 12.648.327/0001-53

NIRE 35.300.383.982

STATEMENT OF THE EXECUTIVE OFFICERS ON THE INTERIM FINANCIAL STATEMENTS AND ON THE INDEPENDENT AUDITORS REPORT

As members of the Executive Office of Hidrovias do Brasil S.A., we declare, in compliance with article 27, paragraph 1, items V and VI of CVM Resolution nº 80 of March 29, 2022, as amended, that we have reviewed, discussed and agreed with the terms of the interim financial statements and the independent auditors report on the interim financial statements related to the period ended on June 30, 2022.

São Paulo, August 11, 2022.

FABIO SCETTINO

Chief Executive Officer

RICARDO FERNANDES PEREIRA

Chief Financial and Investor Relations Officer

GIANFRANCO FOGACCIA CINELLI

Officer with no specific designation

GLEIZE FRANCESCHINI GEALH

Officer with no specific designation