



Hidrovias do Brasil

2022

MANAGEMENT REPORT

São Paulo, March 21, 2023 – 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 full year 2022 results. The results presented in this report comply with Brazilian accounting standards and the International Financial Reporting Standards (IFRS), and except where stated otherwise, comparisons 2021.

Hidroviás do Brasil ended 2022 with record numbers in its main corridors, showing Adjusted EBITDA of R\$756.9 million and Adjusted Net Income of R\$79.5 million. Company is nearing the end of its initially planned cycle of investments with tremendous potential to generate operating cash flow as its operations reach maturity.

2022 HIGHLIGHTS

- In the year, **16.5 million** tons were transported (+40.0% vs. 2021), a **new record**, driven by **substantial growth across all logistics corridors**, especially the North Corridor, whose volume exceeded its estimated average capacity.
- In 2022, **Net Operating Revenue** (ex-OTM and hedge accounting) totaled **R\$1,799.9 million**, a substantial 44.4% increase from 2021.
- Adjusted EBITDA, including the result of joint ventures (JVs), was once again a record**, with Hidroviás resuming its trajectory of growth through rapid scale-up of operations and better navigation conditions, which, in turn, drive productivity and economies of scale. As a result, **Adjusted EBITDA, including JVs**, came to **R\$756.9 million** in 2022 (+20.1% vs. 2021).
- Consolidated CAPEX** totaled **R\$321.3 million** (-70.7% vs. 2021), in line with expectations and went to scheduled maintenance and expansion projects already contracted, which will yield short-term returns. The investment cycle initially planned for development and expansion is coming to the end and the Company will focus on maintenance CAPEX from 2024, which is structurally low.
- Net Debt/Adjusted EBITDA** stood at **4.88x** in December 2022 (vs. 5.30x in 3Q22 and 6.51x in 4Q21), underscoring the Company's commitment to deleveraging. Note also that the Company **has no significant maturities or any need for fresh borrowings in the short term**, ending 2022 with a healthy cash position vis-à-vis its obligations.

Consolidated	2022	2021	Ch. %
Consolidated Volume (kt)	16,547	11,819	40.0%
Total volume (North Corridor)	7,735	5,369	44.1%
Total volume (Coastal Navigation)	3,305	2,563	29.0%
Total volume (South Corridor)	5,113	3,554	43.9%
Total volume (Santos)	394	332	18.7%
Net Operating Revenue (R\$ million)¹	1,799.9	1,246.7	44.4%
Net Operating Revenue (North Corridor)	758.6	567.0	33.8%
Net Operating Revenue (Coastal Navigation)	228.4	233.6	-2.2%
Net Operating Revenue (South Corridor)	781.7	422.9	84.8%
Net Operating Revenue (Santos)	31.4	23.3	34.7%
Adjusted Consolidated EBITDA (R\$ million)²	756.9	630.2	20.1%
Adjusted EBITDA (North Corridor)	461.5	369.2	25.0%
Adjusted EBITDA (Coastal Navigation)	97.2	135.9	-28.5%
Adjusted EBITDA (South Corridor including JVs)	280.7	193.3	45.2%
Adjusted EBITDA (Santos)	10.5	7.9	32.1%
Adjusted EBITDA (Holding)	(93.0)	(76.1)	22.3%
Consolidated CAPEX	321.3	1,098.4	-70.7%

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

“2022 was an important year for us at Hidroviás do Brasil, as we once again showed our capacity for growth combined with operating excellence, overcoming non-manageable challenges through adequate commercial strategies, technological innovation and differentiated assets, which helped us deliver significant growth across our key operations while maintaining high profitability levels.

We moved ahead with projects initially planned, such as renovations and modernization of the fertilizer terminal in Santos, and expansion of capacity and productivity of the North Corridor. Thus, we are increasingly prepared to seize the numerous opportunities available in the markets where we operate. With the conclusion of investments in all business lines, our focus shifts to strong operating cash generation and, consequently, accelerating our financial deleveraging process.

We started our North Corridor operations in 2014 to develop a new logistics route for exports, which would boost the competitiveness of Brazil’s grain producers, for which we built our Private-Use Terminal (TUP) in Barcarena, Pará, with installed capacity of approximately 4.5 million tons.

We made marginal investments in recent years and optimized the Company’s structures and operations in the region, which expanded capacity to around 7.2 million tons – a successful 60% growth that was fully operational already in 2022.

In the South, we secured a prominent position in recent years for Hidrovia Paraná-Paraguay and became the leading carrier of iron ore in the region of Corumbá, which will serve Argentina and other export markets. This was made possible by our differentiated assets, whose greater operating flexibility stands out from the market average. We went through two atypical years, with very little rainfall and, consequently, severe operational restrictions and results below potential, since this is a business based on economies of scale, which dilute costs and increase profitability. Nevertheless, we learned from the challenges, gained more knowledge about navigability and the opportunities in this logistics corridor, and now are better prepared to reap the benefits from the return of the region’s rivers to normal levels – in February 2023, we resumed navigation without any restrictions.

Santos was an extremely competitive project and, after being closed for months for renovation and modernization, resumed operations in August 2022, delivering results above expectations. We also implemented the Hidroviás Way of Being at the terminal, which, coupled with the choice of cutting-edge assets and engineering innovations, enabled us to expand the scope of operations – which initially included only road shipments but will now include rail shipment as of the first half of 2024, thereby boosting the potential volume and returns from the project.

The Coastal Navigation operation remains resilient with its strategic contribution for the Company, diversifying the transport of cargo through dollarized and extremely profitable operation.

*The challenges of recent years only strengthened our determination and will to become the best integrated inland navigation logistics player in Latin America, and we closed 2022 with **record throughput of 16.5 million tons** and the highest ever **Adjusted EBITDA of R\$756.9 million**.*

We are back on the growth track of the logistics corridors already established and consolidated by the Company and are confident that we will have a constantly improving capital structure, with long-term and low cost debt, and sufficient cash to cover our short-term obligations.

Fábio Schettino – CEO of Hidroviás do Brasil

PERFORMANCE BY CORRIDOR

North Corridor

Volume:

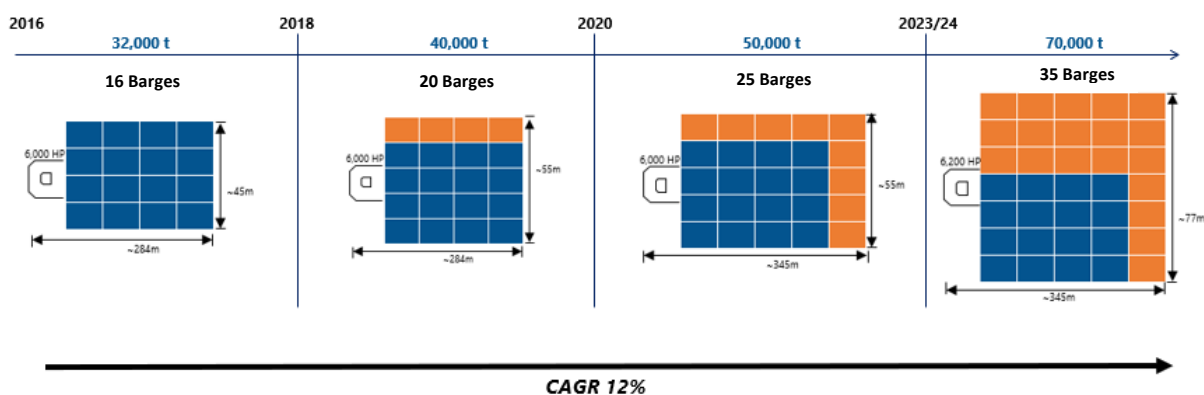
Volume (kt)	2022	2021	Ch. %
North Corridor	7,735	5,369	44.1%
Grains	5,683	3,855	47.4%
Fertilizers	280	434	-35.6%
"Direct Road" ¹	1,772	1,080	64.1%

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

The competitive strength of the North Corridor and the Company's key strategic differentials resulted in a higher throughput than the capacity estimated for the logistics corridor in 2022, with a scenario of positive combination of external factors such as commercialization of the crop and weather conditions throughout the year. We ended the year with **7.7 million tons** (+44.1% vs. 2021) – a **historical record!**

Note that this volume also attests to the competitive advantages of the operation, as we expanded by nearly 60% the initially planned capacity through operational improvements, such as by expanding the navigation capacity by increasing the number of convoys using the same pusher (our "superconvoys" of 35 barges, as illustrated below) and better management, combined with optimized inventories and stricter internal controls, which captured the full potential of this operation and delivered above-market profitability.

See how the size of the Company's convoys evolved over time:

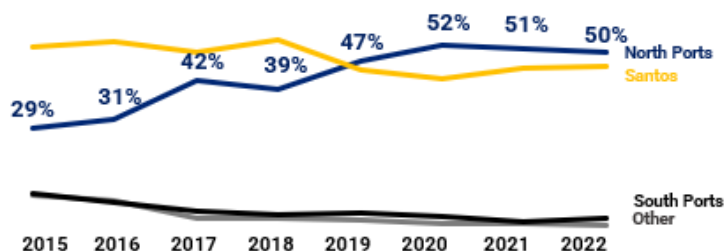


Note: data above are not presented in graphic scale, serving only as a visual reference of the company's convoys.

The year 2022 once again attested to the strong competitiveness of the Ports in the Northern region, which achieved the leadership position in Mato Grosso's grain exports, accounting for nearly 50% of the total volume produced and exported.

MARKET SHARE GRAIN EXPORTATION FROM MT (%)

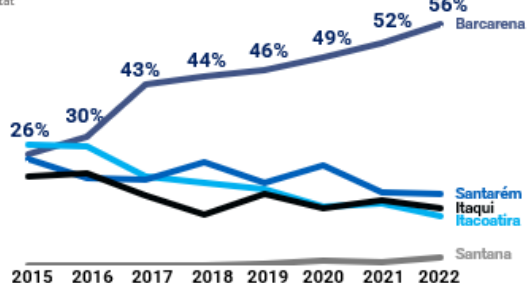
Source: Comexstat



Barcarena continued to lead the North Arch, ending 2022 with 56% market share, while Hidroviás do Brasil also consolidated its leadership through consecutive market share gains in Miritituba – where it has its transshipment operation, and 44% market share in Barcarena – where it operates its private use terminal, all which shows that it has the best “white flag” and integrated operation in the North.

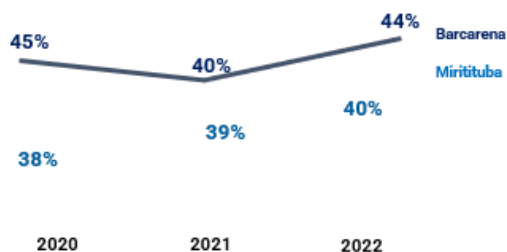
MARKET SHARE “NORTHERN PORTS” (%)

Source: Comexstat



MARKET SHARE HBSA (%)

Source: Internal data and Comexstat



Estimates of grain production and exports in 2023, for both Brazil and Mato Grosso, remain positive and once again point to record volumes. Hence, trading companies have brought forward negotiations for logistics services to secure logistical capacities in light of the gap in Brazil’s infrastructure. The Company took advantage of this scenario and has already negotiated 95% of its annual capacity, thereby ensuring predictable results and enabling it to concentrate its internal efforts on executing operations with excellence throughout 2023.

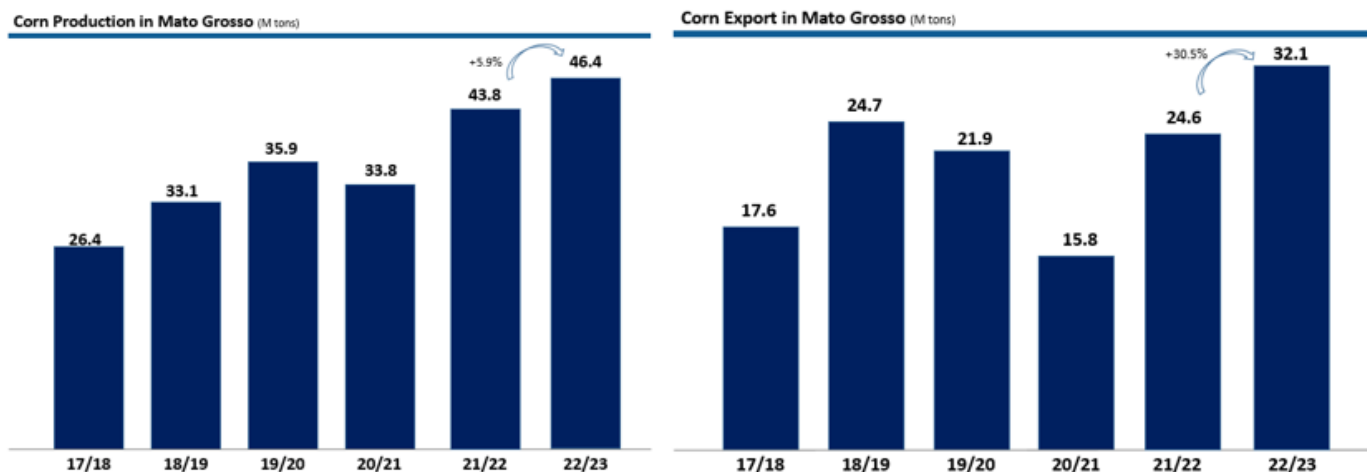
Soybean Production in Mato Grosso (M tons)



Soybean Export in Mato Grosso (M tons)



Source: IMEA & Comexstat



Source: IMEA & Comexstat

Result (R\$ million):

North Corridor (R\$ million)	2022	2021	Ch. %
Net Revenue¹	758.6	569.0	33.3%
Operating Net Revenue	758.6	567.0	33.8%
Operating Net Revenue "Road Transportation" (OTM) ²	-	2.0	-
Operating Costs	(275.0)	(214.5)	28.2%
Operating Costs	(275.0)	(213.4)	28.9%
Operating Costs "Road Transportation" (OTM) ²	-	(1.1)	-
Operating Expenses (Revenue)	(38.9)	(40.6)	-4.1%
AFRMM, Tax Credits and Other ³	(24.7)	33.7	-
Equity Accounting	(1.1)	0.5	-
EBITDA	418.8	348.2	20.3%
Margin %	55.2%	61.4%	-6.2 p.p.
Equity Accounting	1.1	(0.5)	-
Non-recurring ⁴	41.6	21.5	93.2%
Adjusted EBITDA	461.5	369.2	25.0%
Margin %	60.8%	65.1%	-4.3 p.p.

¹ Net Revenue 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 in order to provide an integrated logistics solution ("from MT to ship's hold") – this operation was discontinued in 2021;

³ AFRMM, Tax Credits and Other included in 2022: R\$24.9 million Impairment of the Salt project that was initially allocated within a subsidiary of the North Corridor as shown in the explanatory notes. In 2021, it includes other revenue obtained in this Corridor, such as sale of waste;

⁴ Non-Recurring includes: 2022: R\$24.9 million Impairment of the Salt Operation; R\$16.7 million of apportioned corporate expenses for comparison purposes. 2021: R\$13.1 million of apportioned corporate expenses for comparison purposes, R\$8.4 million write-off of extemporaneous guarantees.

The year 2022 was also **historic for this corridor**, with **Net Operating Revenue** ex-OTM of **R\$758.6 million** (+33.8% vs. 2021), driven by higher grain throughput during the year, reflecting the bumper grain harvest in Brazil, coupled with the right commercial strategy adopted by the Company in allocating its installed capacity, negotiating a higher volume of grains received directly in Barcarena during times of delay in selling at Mato Grosso, thus optimizing the use of our private use terminal.

Operating Costs ex-OTM totaled **R\$275.0 million** in 2022 (+28.9% vs. 2021), with a greater dilution of fixed costs through most of the year. The Company continues to pursue alternatives and solutions that enable further dilution and reduction in operating costs to boost the profitability of its operations, for which it acquired two new pushers and two new tugboats, which will be incorporated into the North Corridor fleet in 2023 and bring operating gains starting from 2024.

The new pusher boats can transport convoys of 35 barges (vs. 25 barges currently), increasing the navigation capacity and potential volume of the integrated system, besides reducing operating costs (e.g. lower marine fuel consumption).

Operating Expenses amounted to **R\$38.9 million** in 2022 (-4.1% vs. 2021), and we continue our efforts to optimize and control expenses. Note that we started to include the apportionment of corporate expenses only as of 3Q21 and, therefore, if we adjusted the 2021 baseline for comparison purposes we would see an even greater drop in Operating Expenses in 2022 compared to 2021.

Adjusted EBITDA was the **highest ever recorded by this logistics corridor since operational startup**. We ended 2022 with Adjusted EBITDA **R\$461.5 million** (+25.0% vs. 2021) with an extremely robust Adjusted EBITDA Margin of 60.8%.

Coastal Navigation (Cabotage)

Volume:

Volume (kt)	2022	2021	Ch. %
Coastal Navigation (Cabotage)	3,305	2,563	29.0%
Bauxite	3,305	2,563	29.0%

Bauxite throughput in 2022 was **3.3 million tons** (+29.0% vs. 2021), which shows the operation's rebound to historical levels after the resolution of problems at the client's unloading pier, which affected the business in 2021.

Note that the return of volumes to normal levels is not directly reflected in financial result since it is an agreement with a "take or pay" clause that guarantees results and, hence, EBITDA is preserved even during periods when volume is below normal.

Result (R\$ million):

Coastal Navigation (R\$ million)	2022	2021	Ch. %
Net Revenue	208.8	211.1	-1.1%
Operating Net Revenue	228.4	233.6	-2.2%
Hedge Accounting ¹	(19.5)	(22.4)	-12.8%
Operating Costs	(126.7)	(109.5)	15.7%
Operating Costs	(126.7)	(109.5)	15.7%
Operating Expenses (Revenue)	(31.9)	(4.3)	> 100%
AFRMM, Tax Credits and Other ²	22.8	12.5	81.7%
EBITDA	73.0	109.9	-33.6%
Margin %	32.0%	47.1%	15.1 p.p.
Hedge Accounting ¹	19.5	22.4	-12.8%
Non-recurring ³	4.6	3.5	30.5%
Adjusted EBITDA	97.2	135.9	-28.5%
Margin %	42.6%	58.2%	15.6 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 the existing dollar-denominated debt hedging a 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 Navy.

³Non-Recurring includes: 2022: R\$4.6 million of apportioned corporate expenses for comparison purposes. 2021: R\$3.5 million of apportioned corporate expenses for comparison purposes.

In 2022, **Net Operating Revenue** ex-hedge accounting amounted to **R\$228.4 million** (-2.2% vs. 2021), with the lower need for booking of take or pay during the year as volumes returned to normal levels. Net Operating Revenue ex-hedge accounting in U.S. dollar was US\$44.2 million in the period (vs. US\$43.3 million in 2021). We recorded hedge accounting of (R\$19.5) million, with no cash effect.

In the year, **Operating Costs** totaled **R\$126.7 million** (+15.7% vs. 2021), with an increase in variable costs, chiefly due to higher fuel consumption in the period, which was not absorbed by the client but which was partially offset by the greater dilution of fixed costs.

In 2022, **Operating Expenses** amounted to **R\$31.9 million** (vs. R\$4.3 million in 2021). Note that the increase in this line is non-recurrent and is related to the provision for losses made by the Company over the 2021 outstanding accounts receivable that have not yet been settled by the client (totaling R\$21.6 million). There were no changes to the agreement, or to its terms and conditions, which remain firm in the “take or pay” modality. Also there was the inclusion of apportioned corporate expenses only as of 3Q21, making bases not 100% comparable.

In 2022, **Adjusted EBITDA** was **R\$97.2 million** (-28.5% vs. 2021). Note that, despite the impacts mentioned above, the Company closed the year with a high and extremely healthy adjusted EBITDA margin of 42.6% (vs. 58.2% in 2021). In 2022, Adjusted EBITDA in U.S. dollar was US\$19.1 million (vs. US\$25.2 million in 2021).

Note that the impact of the provision for losses was not adjusted in the results of this operation and, if it were, **Adjusted EBITDA** in 2022 would have been **R\$118.8 million**, which is more consistent with the history of the operation, with Adjusted EBITDA Margin of 52.0%. The Company is employing its best efforts to reverse the provision and does not expect similar impacts in 2023.

South Corridor

Volume:

Volume (kt)	2022	2021	Ch. %
South Corridor	5,113	3,554	43.9%
Iron Ore	3,153	1,648	91.3%
Grains	701	859	-18.4%
Fertilizers	133	103	29.3%
Other	15	-	-
Total before JVs	4,002	2,609	53.4%
JVs ¹	1,111	945	17.6%

¹ JVs: volume proportional to the Company's interest in TGM, Limday and Baden, whose results are booked under the equity method of accounting.

In 2022, throughput was a record **5.1 million tons** (+43.9% vs. 2021), thanks to the recovery of draft in rivers where we operate and to the Company's differentiated assets, which are capable of **navigating under more restrictive conditions than what the average Brazilian asset can**, so much so **we were the only logistics operator to navigate in early 2022**.

Note that this gradual improvement enabled a larger volume throughout the year, although the navigation cycles are yet to be normalized and we continue to make numerous operational adaptations to make sure that the cargo reaches its final destination, so as to serve clients through the Company's best efforts, which means that significant economies of scale have not yet been captured and, hence, results are still below the full potential of this logistics corridor.

We started 2023 amid an extremely restrictive scenario, but the heavy rainfall in late January and February helped us resume operations within normality and without restrictions in February – which underscores our expectation that results will be more in line with the potential of this operation during the course of 2023 and return to normality in 2024.

LADÁRIO (Report published on March, 18 2022) x LADÁRIO (Report published on March 17, 2023)

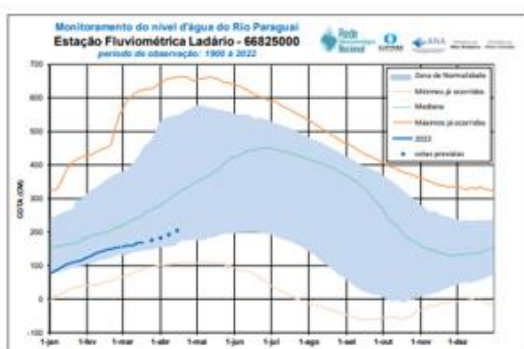


Figura 7: Prognóstico dos níveis para LADÁRIO (66825000), no rio PARAGUAI



Figura 4: Prognóstico dos níveis para LADÁRIO (66825000), no rio PARAGUAI.

Source: Weekly online report published by the Geological Service of Brazil (CPRM).

Result (R\$ million):

South Corridor (R\$ million)	2022	2021	Ch. %
Net Revenue¹	769.2	312.0	> 100%
Operating Net Revenue	781.7	422.9	84.8%
Hedge Accounting ²	(12.5)	(110.9)	-88.7%
Operating Costs	(470.9)	(300.8)	56.6%
Operating Costs	(470.9)	(300.8)	56.6%
Operating Expenses (Revenue)	(77.1)	(35.8)	> 100%
AFRMM, Tax Credits and Other ³	13.9	17.3	-19.5%
Equity Accounting	18.7	(1.1)	-
EBITDA	253.8	(8.4)	-
Margin %	32.5%	(2.0%)	-
Hedge Accounting ²	12.5	110.9	-88.7%
Equity Accounting	(18.7)	1.1	-
Non-recurring ⁴	-	71.2	-
Adjusted EBITDA	247.6	174.8	41.6%
Margin %	31.7%	41.3%	-9.7 p.p.
JVs results ⁵	33.2	18.5	78.8%
EBITDA including JVs	280.7	193.3	45.2%
Margin %	35.9%	45.7%	-9.8 p.p.

¹ Net Revenue excludes the Intercompany effect for a better understanding of the results;

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 a part of long-term agreements in foreign currency. This procedure is non-cash;

³ AFRMM, Tax Credits and Others includes, on a non-recurring basis, in 4Q22: R\$8.5 million from leasing write-offs and R\$3.3 million from earn-out reversals;

⁴ Non-recurring includes: 2021: R\$31.3 million of extemporaneous tax reversals related to VAT, R\$32.3 million related to the business combination that was allocated for managerial purposes in the South Corridor, and R\$7.7 million in consultancy and advisory services for the acquisition and integration of Imperial;

⁵ Result obtained from the Company's interest in TGM, Limday and Baden.

In 2022, **Net Operating Revenue** ex-hedge accounting amounted to **R\$781.7 million** (+84.8% vs. 2021), explained both by higher throughput during the period and the better navigation conditions compared to 2021, although still below of historical averages. Net Operating Revenue in 2022 in USD was US\$151.3 million (vs. US\$78.4 million in 2021). We recorded (R\$12.5) million for hedge accounting in the period.

In the year, **Operating Costs** totaled **R\$470.9 million** (+56.6% vs. 2021), lagging the growth of Net Operating Revenue, with greater dilution of fixed costs throughout the year.

In 2022, **Operating Expenses** totaled **R\$77.1 million** (vs. R\$35.8 million in 2021), still impacted by the administrative restructuring after the acquisition of Imperial Logistics and by higher tax retentions (VAT) in the period.

In the year, **Adjusted EBITDA including JVs** was **R\$280.7 million** (+45.2% vs. 2021), with Adjusted EBITDA margin of 35.9%. Note that in 2021, we booked a positive business combination effect related to the acquisition of Imperial Logistics, amounting to R\$32.3 million and, although it is included in the result, it is not effectively linked to the operation.

Accordingly, adjusting the 2021 result only for comparison purposes and for understanding the actual evolution of the corridor's operations, **Adjusted EBITDA would have grown 74%** compared to the previous year, which is a very significant improvement.

Adjusted EBITDA from JVs of the operation in USD was US\$55.3 million (vs. US\$36.2 million in 2021).

Santos
Volume:

Volume (kt)	2022	2021	Ch. %
Santos	394	332	18.7%
Total	394	332	18.7%

At the end of 3Q22, we concluded the main renovation and modernization works at the area leased by the Company inside the Port of Santos (STS20), which is used to transport salt and fertilizers to Brazil's Southeast and Midwest regions. Accordingly, the operation is still in the development and ramp up phase, and has not yet reached its full volume.

Though recent, the operation has been producing very positive results that have exceeded expectations, ending 2022 with **394 ktons**.

Demand for this operation remains strong and the Company has noticed potential for rapid development, with maturity expected in 2025.

Result (R\$ million):

Santos	2022	2021	Ch. %
Net Revenue	31.4	23.3	34.7%
Operating Net Revenue	31.4	23.3	34.7%
Operating Costs	(16.2)	(15.2)	6.5%
Operating Costs	(16.2)	(15.2)	6.5%
Operating Expenses (Revenue)	(7.0)	(1.1)	>100%
AFRMM, Tax Credits and Other	0.6	0.2	>100%
EBITDA	8.7	7.2	21.5%
Margin %	27.8%	30.8%	-3.0 p.p
Non-recurring ¹	1.8	0.8	>100%
Adjusted EBITDA	10.5	7.9	32.1%
Margin %	33.4%	34.1%	-0.7 p.p

¹ Non-Recurring includes: 4Q22: R\$1.4 million of apportioned corporate expenses for comparison purposes; 4Q21 includes: R\$0.1 million of apportioned corporate expenses for comparison purposes. 2022: R\$ 1.8 million of apportioned corporate expenses for comparison purposes. 2021: R\$0.2 million related to donations to aid in the COVID-19 pandemic; and R\$0.6 million of apportioned corporate expenses for comparison purposes.

In 2022, **Net Operating Revenue** totaled **R\$31.4 million** (vs. R\$23.3 million in 2021), which is still short of the full potential of this logistics, which is in the initial phase of operation and under development. Note also that the results shown in the table above for the quarterly and annual periods are not fully comparable as they reflect different periods of the operation (pre- and post-renovations), as well as specific seasonal effects.

Operating Costs totaled **R\$16.2 million** in 2022 (vs. R\$15.2 million in 2021), with a non-recurring impact of the operational startup, when cost dilution is still below ideal and costs are higher (non-recurring) due to the adjustment in headcount to help the operation reach its full potential.

Operating Expenses totaled **R\$7.0 million** in 2022 (vs. R\$1.1 million in 2021), also impacted (non-recurring) by the period scheduled for return to normal operations at the terminal.

Adjusted EBITDA amounted to **R\$10.5 million**, with Adjusted EBITDA Margin of 33.4%, in line with the Company's expectation for the period.

Holding Company's Results (R\$ million):

Holding (R\$ million)	2022	2021	Ch. %
Operating Expenses (Revenue)	(76.3)	(61.5)	24.0%
AFRMM, Tax Credits and Other ¹	(0.8)	32.4	-
Equity Accounting	(3.5)	(0.1)	>100%
EBITDA	(80.7)	(29.2)	>100%
Equity Accounting	3.5	0.1	>100%
Non-recurring ²	(15.9)	(47.0)	-66.2%
Adjusted EBITDA	(93.0)	(76.1)	22.3%

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

² Non-recurring includes: 2022: (R\$23.1) million of apportioned corporate expenses "returned" to the Holding company for comparison purposes; and R\$7.2 million related to the stock option plan – SOP (long-term incentive) – which is non-cash. 2021: (R\$17.2) million apportioned corporate expenses "returned" to the Holding company for comparison purposes; (R\$32.2) million reversal of extemporaneous credits, R\$1.5 million consulting services related to the IPO; and R\$1.1 million related to the stock option plan – SOP (long-term incentive) – which is non-cash.

In 2022, **Adjusted Expenses at the Holding Company** totaled **R\$93.0 million** (+22.3% vs. 2021), growing significantly below the growth of consolidated Net Revenue, reflecting staff adjustments with the startup of operations in Santos, as well as the preparation for return of operations closer to regular levels in the South Corridor. Additionally, outsourced services increased due to the engagement of consulting services to conduct in-depth studies on dredging for the South Corridor, to bring greater reliability and better strategic guidelines for this operation, as well as the resumption of transport and accommodation expenses incurred to secure new businesses, which had been heavily curtailed in 2021 due to COVID-19.

CONSOLIDATED RESULTS

In 2022, **Consolidated CAPEX** was **R\$321.3 million**, down significantly by 70.7% vs. 2021, despite the significantly larger asset base compared to the same period last year following the acquisition of Imperial Logistics – which practically doubled the number of barges and pushers available for the South Corridor operation as of the second half of April 2021.

Efforts to release cash without compromising projects, coupled with **the pursuit of operating efficiency gains** will continue to be key strategic drivers in the coming years. We are nearing the end of the initially planned expansion cycle, and the final investments contracted for the current operations will be concluded during the course of 2023, after which the Company will have better developed and close-to mature operations, with greater potential to generate operating cash flows.

The table below shows our managerial Capex (R\$ million):

Consolidated CAPEX	2022	2021	Ch. %
Maintenance	44.2	110.9	-60.1%
Expansion	257.1	446.0	-42.4%
STS20 Grant	20.1	18.1	10.8%
M&A	-	523.4	-
Total CAPEX	321.3	1,098.4	-70.7%

Note: The R\$20.3 million difference in 2022 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 supplier payments, as described in Note 31.

Consolidated P&L (R\$ million):

Consolidated	2022	2021	Ch. %
Net Revenue	1,767.9	1,115.4	58.5%
Net Operating Revenue ¹	1,799.9	1,246.7	44.4%
Net Operating Revenue "Road Transportation (OTM)" ²	-	2.0	-
Hedge Accounting ³	(32.0)	(133.3)	-76.0%
Operating Costs	(888.7)	(640.0)	38.9%
Operating Costs	(888.7)	(638.9)	39.1%
Operating Costs "Road Transportation (OTM)" ²	-	(1.1)	-
Operating Expenses (Revenues)	(231.2)	(143.3)	61.4%
AFRMM, Tax Credits and Other ⁴	11.7	96.1	-87.8%
Equity Accounting	14.0	(0.7)	-
EBITDA	673.7	427.6	57.5%
Margin %	37.4%	34.3%	3.1 p.p
Depreciation & Amortization	(356.5)	(338.0)	5.5%
EBIT	317.2	89.6	> 100%
Financial Result	(233.4)	(388.3)	-39.9%
Net Income/Loss before tax	83.8	(298.6)	-
Income Tax	(91.9)	(40.5)	> 100%
Net Income/Loss	(8.1)	(339.1)	-97.6%

¹Net Operating Revenue refers to net revenue from shipping, transshipment and loading of products at the terminals and waterways 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 logistics 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, South Corridor and Coastal Navigation agreements 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 a 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 Navy, as well as other credits and non-core revenues, as indicated for each corridor.

Financial Result (R\$ million):

Financial Result	2022	2021	Ch. %
Financial Income	154.8	60.0	>100%
Recurring Financial Income	11.5	60.0	-80.9%
Non-recurring Financial Income	143.3	-	-
Financial Expense	(407.1)	(390.8)	4.2%
Recurring Financial Expense	(376.2)	(295.3)	27.4%
Non-recurring Financial Expense (debt restructuring)	-	(95.5)	-
Derivative Financial Instruments	(30.9)	-	-
Fx variation	18.9	(57.4)	-
Financial Result	(233.4)	(388.3)	-39.9%

Note: For a better interpretation of the result, the Company started to present the results of exchange variation in net figures in 2022, which produced small variations between lines when compared to the opening of the financial result disclosed in the previous year, with no impact on the total financial result

In 2022, the consolidated **Financial Result** was an expense of **(R\$233.4) million** (vs. (R\$388.3) million in 2021), attesting to the positive results of the repurchase of Bonds which, in addition to bringing immediate financial gains, will enable greater balance between cash flows in various currencies used by the Company.

Net Income (Loss)

In the year, the improvement of operations and gains obtained from the repurchase of Bonds enabled the Company to decrease the Net Loss of **R\$339.1 million** in 2021 to Net Loss of **R\$8.1 million**, despite the negative impact from hedge accounting.

It is worth mentioning that the 2022 result was negatively impacted by accounting effects related to Bond hedge accounting, which end up overshadowing the numerous positive results obtained throughout 2022. If we adjust these effects for the purposes of a better understanding of the business, we would observe a **Net Income Adjusted by R\$79.5 million** in the year.

Cash Generation (R\$ million):

Cash Flow (R\$ million)	2022	2021	Ch. %
Cash beginning of period	672.3	1,045.8	-35.7%
(+) EBITDA	673.7	427.6	57.5%
(+/-) Change in working capital	9.1	(141.5)	-
(+/-) Hedge Accounting	32.0	133.3	-76.0%
= Operating Cash Flow (OCF)	714.8	419.5	70.4%
(-) CAPEX	(281.0)	(533.3)	-47.3%
Recurring	(44.2)	(110.9)	-60.1%
Expansion	(236.7)	(422.4)	-43.9%
(-) Grant	(20.1)	(18.1)	10.5%
(-) M&A	-	(468.2)	-
= Investing Cash Flow (ICF)	(301.0)	(1,019.6)	-70.5%
(+/-) Debt Issuance/Amortization	462.9	745.0	-37.9%
(-) Interest Payments	(226.7)	(217.7)	4.1%
(-) Lease Payments	(71.8)	(81.9)	-12.4%
(+/-) Funding costs/Bond repurchase	(505.4)	(124.4)	>100%
(-/+) Dividends Paid/Received	-	5.7	-
= Financing Cash Flow (FCF)	(341.1)	326.7	-
Impact of exchange rate variation on cash balances	8.4	(100.1)	-
= Cash Generation	81.1	(373.5)	-
Cash end of period	753.4	672.3	12.1%

In 2022, operating cash generation came to **R\$714.8 million** (vs. cash generation of **R\$419.5 million** in 2021), reflecting the resumption of the Company's main operations, as well as greater regularity of working capital.

Including CAPEX and financial cash flow, **cash generation was R\$81.1 million** in 2022 (vs. cash burn of **R\$373.5 million** in 2021), reflecting the **strong operating cash generation** in the year and **lower investment cash flow** – despite the M&A in 2021, which attests to the Company’s diligent efforts to release cash. Financial cash flow was impacted by the borrowing made exclusively for the repurchase process – with a consequently more balanced cash flow in terms of currency exposure.

Therefore, we closed 2022 with a cash balance of **R\$753.4 million** (vs. R\$672.3 million at the end of 4Q21), **which exceeds the Company’s future obligations**.

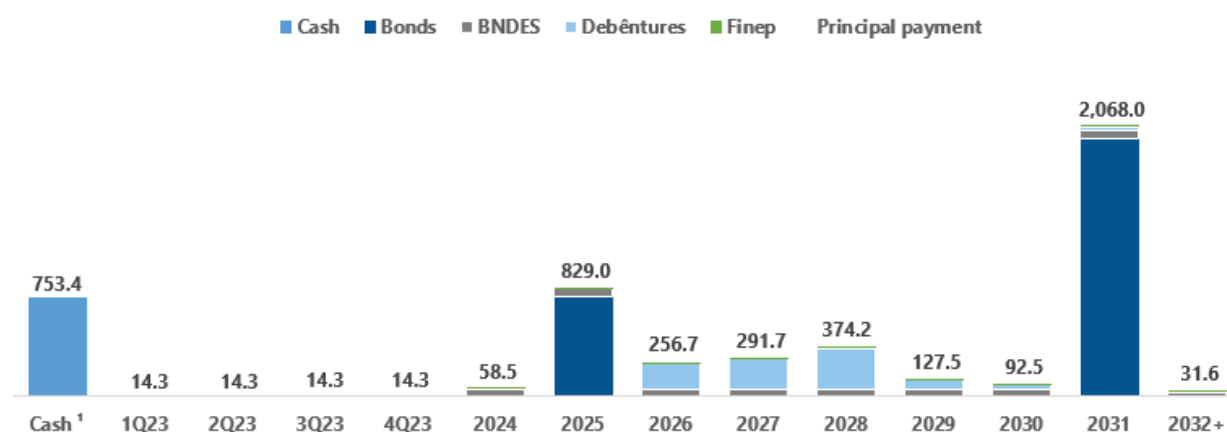
It is thus clear that the Company’s operating cash flow after investments is more than sufficient to meet its financial cash flow needs and, hence, there is no need for short-term borrowings.

Debt

On July 20, 2022, the Company held the 2nd issue of simple, non-convertible debentures, in two series, for public distribution with restricted efforts, totaling R\$500.0 million, and maturity of 5 years from the issue date for the 1st series debentures (CDI rate + 2.15%) and 7 years from the issue date for the 2nd series debentures (CDI rate + 2.40%).

The proceeds from the issue were used to optimize the Company’s capital structure, with the repurchase of US\$1.1 million in 2025 Bonds and US\$121.4 million in 2031 Bonds in the secondary market, therefore reducing its foreign currency debt and resulting in a greater balance between cash from operations and future obligations already contracted, in addition to the immediate financial gain of US\$27.0 million in 2022, since the Bonds were repurchased at an average discount of 22%.

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



¹Cash includes cash and cash equivalents.

The **leverage ratio**, considering Adjusted EBITDA ex-JVs, decreased from **5.30x** in 3Q22 to **4.88x** in 4Q22 (vs. **6.51x** in 4Q21), demonstrating the current diligence in investments, as well as the positive impacts of the initiatives adopted by the Company in 2022, such as the repurchase of Bonds in the secondary market.

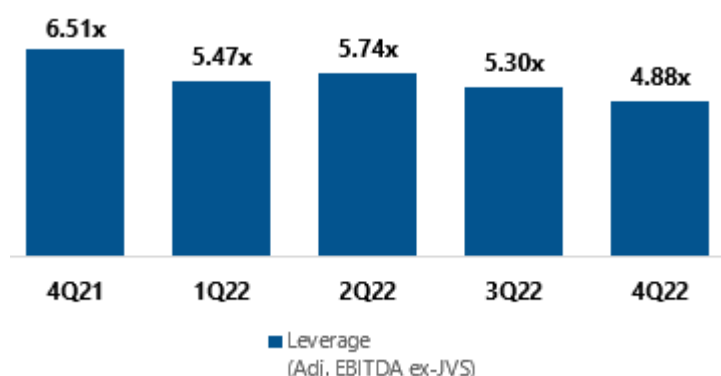
Note also that **leverage considering Adjusted EBITDA and including the results of JVs** – which is usually presented by the Company – would be even lower, at **4.67x** in **4Q22** (vs. 5.05x in 3Q22 and 6.32x in 4Q21).

Net debt in the quarter decreased by R\$173.0 million compared to 3Q22 and by R\$449.2 million compared to 4Q21, at R\$3,531.2 million.

We closed 2022 with **net debt/Adjusted EBITDA ex-JVs** above current financial covenants, but lower than in previous periods, which situation does not lead to any form of early maturity of obligations.

Finally, we reiterate that **there is no material short-term maturity** and the Company **has no need for fresh borrowings in the next 12 months**, as it enjoys a comfortable cash position to meet its obligations.

Below is the historical data of the Company's Net Debt/Adjusted EBITDA:



Note: Considers Adjusted EBITDA in the last 12 months, excluding the impact of hedge accounting, equity accounting, and non-recurring items in the period.

SUSTAINABILITY

In 2022, Hidrovias do Brasil started to execute its six sustainability commitments. A total of 17 short-term goals were set for the first two years, all directly aligned with the public commitments previously assumed and we closed the year with indicators that showed that more than 60% of the short-term goals were already achieved.

Some of the main short-term goals already achieved include:

- 1) Commitment related to our Value Chain with the project "Sustainable Seal".

The initiative aims to influence our commercial partners in adopting sustainability practices and mobilized around 50 strategic suppliers. In this first year, after a careful analysis, various suppliers were awarded the "Sustainable Seal of Hidrovias do Brasil" in recognition of their good ESG practices. The program also includes action plans to leverage suppliers' engagement with sustainability practices over the coming years.

- 2) Commitment to Local and Human Development.

Hidrovias do Brasil developed the "Hidrovias Way of Interacting with Stakeholders", particularly with surrounding communities. The new strategy resulted in the preparation of a plan for engagement with stakeholders, through which 19 social investment initiatives were implemented in the cities of Santos, Itaituba and Barcarena, in Brazil, in Montevideo, Uruguay and in the Metropolitan Region of Asunción, Paraguay. These initiatives will benefit thousands of people who live close to our operational bases.

INDEPENDENT AUDITORS

The individual and consolidated financial statements of Hidrovias do Brasil S.A. and its subsidiaries are audited by KPMG Auditores Independentes Ltda., whose choice is exclusively up to the Board of Directors. The Company's policy for contracting services not related to the external audit seeks to assess the existence of a conflict of interest. Thus, the following aspects are evaluated: the auditor should not (i) audit his own work; (ii) perform managerial functions at its client; and (iii) promote your client's interests; conditions that were observed in the fiscal year ended December 31, 2022. In the fiscal year ended December 31, 2022, external audit services were contracted, totaling R\$1,983 thousand, as well as other non-audit services, which totaled R\$568 thousand.

BOARD'S STATEMENT

As members of the Executive Office of Hidroviás 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 financial statements and the independent auditors report on the Financial Statements related to the fiscal year ended on December 31, 2022.

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.



KPMG Auditores Independentes Ltda.

Rua Verbo Divino, 1400 - Parte, Chácara Santo Antônio,

CEP 04719-911, São Paulo - SP

Caixa Postal 79518 - CEP 04707-970 - São Paulo - SP - Brasil

Telefone 55 (11) 3940-1500

kpmg.com.br

Independent auditor's report in the individual and consolidated financial statements

To the Shareholders of the Hidrovias do Brasil S.A.

São Paulo - SP

Opinion

We have audited the individual and consolidated financial statements of Hidrovias do Brasil S.A. ("Company") and its subsidiaries, respectively referred to as parent company and consolidated, which comprise the balance sheet as at December 31, 2022, and the statements of income, of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Opinion related to Parent Company

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual financial position of the Hidrovias do Brasil S.A. as of December 31, 2022, and the individual financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil.

Opinion related to Consolidated

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Hidrovias do Brasil S.A. as of December 31, 2022, and the consolidated financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and international standards on auditing (ISAs). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the individual and consolidated financial statements and that are provided in the Brazilian Accountant's Code of Professional Ethics and the professional standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our ethical responsibilities in accordance these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The key audit matters are those that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

Impairment of goodwill (refer to notes 3 (j) impairment of assets and 13 intangible assets)

Key audit matters	How the matter was addressed in our audit
<p>The consolidated financial statements for the year ended December 31, 2022 include goodwill of R\$ 73.721 thousand in intangible assets, whose realization is supported by estimates of future profitability based on the business plan prepared by the Company, based on methodologies and assumptions that involve significant judgment, such as: discount rate and growth rate, sales revenue, costs, gross margin and new investments.</p> <p>Any changes in the assumptions used in calculation may impact the measurement of the goodwill presented in the consolidated financial statements and the amount of the investment recorded under the equity method in the individual financial statements. Therefore, we consider this matter to be significant for our audit.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> (i) with the assistance of our corporate finance specialists, evaluation of the methodology used by the Company and the assumptions used to calculate discounted cash flows, including growth and discount rates, historical information and recalculation of the formulas used in the discounted cash flow models; (ii) a comparison of the recoverable amount calculated based on the discounted cash flows for the goodwill cash generating unit with the book value of the respective cash generating units and (iii) validation of the relevant disclosures in the financial statements. <p>As a result of the evidence obtained through the audit procedures summarized above, we consider that the goodwill value and the respective disclosures are acceptable in the context of the individual and consolidated financial statements taken as a whole.</p>

Revenue recognition (refer to notes 3 (d) and 23)

Key audit matters	How the matter was addressed in our audit
<p>The revenues of the Company and its subsidiaries refer mainly to the transportation of commodities through river (transportation service) and maritime navigation (cabotage), lifting and transshipment services.</p> <p>These revenues, in the majority, are based on long-term contracts with customers, which include guarantees of minimum volumes transported ("Take or Pay").</p> <p>Revenue recognition occurs only when performance obligations are completed.</p> <p>Due to the fact that transport and cabotage operations involve significant amounts, being pulverized, occur in large volume and the</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> (i) evaluation of the design of the internal controls used by the components, aiming to obtaining the information necessary to determine the effective period of service provision and the criteria for determining the performance obligation; (ii) on a sample basis, analysis of commercial contracts to evaluate the accounting recognition and documentation test, as well as, evaluation of revenue accounting in the appropriate period; (iii) for contracts with "Take or Pay" clauses we examine the corresponding calculations related to revenues recognized; (iv) evaluation of the disclosures in the individual and consolidated financial statements relevant to the matter.

determination of the period in which the service is being provided, when close to the cut-off date of the financial statements, the revenue recognition process requires the maintenance of appropriate routines for identify and measure the revenues. Therefore, we consider this matter significant for our audit.

As a result of the evidence obtained through the auditing procedures summarized above, during our audit procedures we identified an adjustment that would affect the measurement and disclosure of revenues from services, which was not registered and disclosed by management, as it was considered immaterial.

Other matters - Statements of added value

The individual and consolidated statements of added value (DVA) for the year ended December 31, 2022 prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, which were subject to audit procedures carried out with the audit of the Company's financial statements. In order to express our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. In our opinion, the statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report on this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil and consolidated financial statements in accordance with the accounting practices adopted in Brazil and IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company and its subsidiaries ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company and its subsidiaries financial reporting process.

Auditors' responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit performed according to the Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 21, 2023

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

Original report in Portuguese signed by

Wagner Petelin
Accountant CRC 1SP142133/O-7

HIDROVIAS DO BRASIL S.A.

Balance sheets as of December 31, 2022 and 2021

(In thousands of Reais - R\$)

ASSETS	note	Parent company		Consolidated		LIABILITIES AND SHAREHOLDERS' EQUITY	note	Parent company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021			12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current assets						Current liabilities					
Cash and cash equivalents	4	48,908	937	401,545	76,454	Suppliers	14	11,790	5,451	190,603	146,142
Securities and securities	5.1	16,896	103,381	333,015	582,562	Loans, financing and debentures	15	58,394	6,182	192,819	180,889
Accounts receivable from customers	6.1	-	-	212,572	244,620	Social and labor obligations	16	19,976	13,986	55,529	33,756
Stocks		-	-	106,443	94,347	Lawsuits	17	6,808	5,479	32,020	22,334
Taxes to be recovered	7	2,376	1,395	27,988	30,414	Tax obligations		4,952	4,967	33,734	35,381
Income tax and social contribution	7.1	7,914	7,914	101,176	62,734	Income tax and social contribution		-	-	80,295	63,078
Advances to suppliers	9	13	857	22,083	50,264	Accounts payable with related parties	18	2,965	1,724	-	-
Prepayments		1,205	3,042	13,965	26,288	Advance of customers		-	-	16,785	3,650
Credits with related parties	18	23,249	21,518	-	-	Rental liabilities	12	665	1,227	30,692	69,942
Dividends to be received	18	57,236	934	-	-	Obligation with concession - grant	13	-	-	17,231	24,046
Other credits		3,422	215	70,583	58,698	Dividends payable		-	-	-	-
Total current assets		161,219	140,193	1,289,370	1,226,381	Other accounts payable		9,008	10,358	42,574	23,070
						Total current liabilities		114,558	49,374	692,282	602,288
Non-current assets						Non-current liabilities					
Securities linked	5.2	-	-	18,877	13,295	Loans, financing and debentures	15	888,098	370,251	4,072,960	4,458,517
Credits with related parties	18	5,218	5,580	5,369	5,778	Accounts payable with related parties	18	20,255	21,590	-	-
Accounts receivable from customers	6.1	-	-	4,800	6,400	Derivative financial instrument	27	27,954	-	27,954	-
Judicial deposits	17	32,383	32,383	68,761	45,944	Rental liabilities	12	1,833	-	199,832	161,636
Guarantees and deposit deposits	8	12	2,179	26	2,210	Obligation with concession - grant	13	-	-	36,722	42,227
Deferred tax assets	26	25,925	13,832	131,100	177,885	Other accounts payable		-	-	2,974	5,208
Taxes to be recovered	7	-	-	44,669	52,826	Total non-current liabilities		938,140	391,841	4,340,442	4,667,588
Income tax and social contribution	7.1	-	-	37,785	38,770						
Prepayments		160	3,697	26,099	35,030	Equity					
Investments	10	2,113,283	1,445,340	109,592	103,705	Capital social	19	1,334,584	1,334,584	1,334,584	1,334,584
Asset	11	3,983	6,253	4,091,335	4,254,285	Capital reserves		39,629	34,871	39,629	34,871
Well right of use	12	2,498	1,182	193,399	207,580	Accumulated loss		(344,259)	(336,096)	(344,259)	(336,096)
Intangible	13	38,822	38,230	342,347	347,441	Equity valuation adjustment		300,851	214,295	300,851	214,295
Total non-current assets		2,222,284	1,548,676	5,074,159	5,291,149	Total shareholders' equity		1,330,805	1,247,654	1,330,805	1,247,654
Total asset		2,383,503	1,688,869	6,363,529	6,517,530	Total liabilities and shareholders' equity		2,383,503	1,688,869	6,363,529	6,517,530

The notes are an integral part of the individual and consolidated financial statements.

HIDROVIAS DO BRASIL S.A.

Income statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$, except the result per share)

	note	Parent company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Net operating income	23	-	-	1,767,900	1,115,417
Costs of services provided	24.1	-	-	(1,149,726)	(880,774)
Gross profit		-	-	618,174	234,643
OPERATING EXPENSES					
General and administrative	24.1	(103,853)	(72,306)	(326,726)	(240,437)
Equity income	10	189,114	(298,516)	14,040	(671)
Impairment <i>losses</i>	11	-	-	(24,740)	-
Other operating income and (expenses)	24.2	(346)	32,419	36,444	96,089
Operating income before financial income and taxes		84,915	(338,403)	317,192	89,624
Financial revenues	25	5,839	8,956	173,670	35,142
Financial expenses	25	(111,010)	(14,834)	(407,117)	(423,411)
Financial result		(105,171)	(5,878)	(233,447)	(388,269)
Operating income and before income tax and social contribution		(20,256)	(344,281)	83,745	(298,645)
Income tax and social contribution					
Current	26	-	(140)	(81,384)	(64,272)
Deferred	26	12,093	5,289	(10,524)	23,785
Loss for the year		(8,163)	(339,132)	(8,163)	(339,132)
Basic income per share - R\$	20	(0.0107)	(0.4460)	(0.0107)	(0.4460)
Diluted earnings per share - R\$	20	(0.0107)	(0.4460)	(0.0107)	(0.4460)

The notes are an integral part of the individual and consolidated financial statements.

HIDROVIAS DO BRASIL S.A.

Comprehensive income statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$, except the result per share)

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Loss for the year	(8,163)	(339,132)	(8,163)	(339,132)
Other comprehensive results:				
Items that can be reclassified for income statement:				
Exchange rate difference in the conversion of foreign operations into subsidiaries	(39,649)	61,026	(32,790)	55,729
Exchange difference in the conversion of foreign operations in investments	-	-	(6,859)	5,297
<i>Hedge accounting</i> of non-derivative financial instruments	162,466	(6,000)	162,466	(6,000)
Deferred income tax and social contribution	(36,261)	5,238	(36,261)	5,238
Total	86,556	60,264	86,556	60,264
Comprehensive income for the year	78,393	(278,868)	78,393	(278,868)

The notes are an integral part of the individual and consolidated financial statements.

HIDROVIAS DO BRASIL S.A.

Statements of changes in shareholders' equity
For the years ended December 31, 2022 and 2021
(In thousands of Reais - R\$)

	Share capital	Cost in issuing shares	Capital reserves		Profit reserves		Equity valuation adjustment		Total
			Goodwill in the issuance of shares	Options granted	Reserve of tax incentives	Accumulated loss	Cumulative conversion adjustments	Adjustment of non-derivative financial instruments	
BALANCES ON JANUARY 1, 2021	1,359,469	(24,885)	4,401	29,775	-	(21,046)	508,246	(330,133)	1,525,827
Long-term incentive plan	-	-	-	695	-	-	-	-	695
Loss for the year	-	-	-	-	-	(339,132)	-	-	(339,132)
Reserve of tax incentives	-	-	-	-	24,465	(24,465)	-	-	-
Absorption of reserves	-	-	-	-	(24,465)	24,465	-	-	-
Other comprehensive results	-	-	-	-	-	-	61,026	(762)	60,264
Deferred income tax and social contribution on <i>hedge accounting</i>	-	-	-	-	-	24,082	-	(24,082)	-
BALANCES AT DECEMBER 31, 2021	1,359,469	(24,885)	4,401	30,470	-	(336,096)	569,272	(354,977)	1,247,654
Long-term incentive plan	-	-	-	4,758	-	-	-	-	4,758
Net income for the year	-	-	-	-	-	(8,163)	-	-	(8,163)
Constitution of legal reserve	-	-	-	-	-	-	-	-	-
Reserve of tax incentives	-	-	-	-	22,296	(22,296)	-	-	-
Absorption of reserves	-	-	-	-	(22,296)	22,296	-	-	-
Distribution of mandatory minimum dividends	-	-	-	-	-	-	-	-	-
Other comprehensive results	-	-	-	-	-	-	(39,649)	126,205	86,556
BALANCES AS AT DECEMBER 31, 2022	1,359,469	(24,885)	4,401	35,228	-	(344,259)	529,623	(228,772)	1,330,805

The notes are an integral part of the individual and consolidated financial statements.

HIDROVIAS DO BRASIL S.A.

Cash flow statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$)

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash flow from operating activities				
Loss for the year	(8,163)	(339,132)	(8,163)	(339,132)
Net cash generated by (applied in) operating activities:				
Provisions for bonuses and bonuses	12,085	7,913	16,740	7,597
Current and deferred IR and CS	(12,093)	(5,149)	91,908	40,487
Adjustment present lease value and lease	-	-	32,004	9,656
Derivative financial instruments	27,954	-	27,954	-
(Constitution) Reversal of the provision legal proceedings	1,329	5,479	9,709	12,536
Interest incurred on loans	75,432	7,275	271,811	220,144
Reversal of borrowing costs	1,348	-	39,093	-
Ownership of borrowing costs	-	91	-	34,112
Monetary and exchange rate update on debt	-	-	(17,141)	25,148
Advantageous purchase result	-	(32,298)	-	(57,140)
Interest appropriate - leasing	52	142	9,544	13,285
Long-term incentive plan with restricted actions	7,124	1,076	7,124	1,076
Income from financial investments	(1,698)	(7,471)	10,683	(31,150)
Constitution of provision for losses	-	-	21,565	141
Depreciation and amortization	26,506	9,654	299,836	254,461
Amortization of the right of use	982	1,287	56,636	83,459
Equity income	(189,114)	298,516	(14,040)	671
Realized hedge <i>revenue</i>	-	-	32,047	133,328
Gain from bond buyback - Bond	-	-	(143,299)	-
Low rental	-	-	(9,491)	(3,104)
Reversão de <i>earn-out</i>	-	-	(1,973)	(3,488)
Provision for loss of prescribed taxes	-	-	-	31,234
Impairment <i>losses</i>	-	-	24,740	8,400
(Increase) reduction in operating assets:				
Accounts receivable	-	-	8,960	(79,687)
Stocks	-	-	(13,381)	(27,818)
Taxes to be recovered	(781)	(1,320)	2,236	12,143
Advances to suppliers	844	392	17,804	(1,542)
Prepayments	5,374	(467)	20,027	13,424
Judicial deposits	-	-	(22,892)	(5,162)
Guarantees and deposit deposits	2,167	6,921	1,873	7,281
Other credits	(4,456)	(55)	13,891	(26,289)
Increase (decrease) in operating liabilities:				
Suppliers	6,339	(3,778)	25,282	42,787
Social and labor obligations	(6,052)	(11,760)	5,315	(17,586)
Tax obligations	(15)	(250)	(1,465)	8,813
Advances from customers	-	-	22,357	(9,563)
Other accounts payable	(3,759)	622	(8,269)	(8,201)
Payment of interest on loans and financing	(22,484)	-	(226,746)	(217,745)
Income taxes and social contribution paid	-	(26,888)	(87,704)	(84,845)
Net cash generated by operating activities	(81,079)	(89,200)	514,575	47,731
Cash flows from investment activities				
Acquisition of fixed assets	(1,666)	(1,512)	(248,593)	(512,582)
Acquisition of intangible assets	(19,287)	(15,884)	(32,365)	(21,484)
Retirement of fixed assets	1,894	-	2,718	-
Acquisition of subsidiaries	-	(20,739)	-	(468,201)
Application of securities	(168,200)	(520,850)	(1,699,019)	(2,648,827)
Redemptions of securities	256,383	512,668	1,944,516	2,923,143
Capital contribution in subsidiaries	(453,095)	(211,989)	-	(18,721)
Receipt of dividends	-	25,965	-	5,673
Mutual granted between related parties	(1,369)	(6,298)	-	-
Net cash (applied in) generated by investment activities	(385,340)	(238,639)	(32,743)	(740,999)
Cash flows from financing activities				
Borrowing	519,800	380,000	519,800	3,228,650
Capture cost	(4,037)	(10,934)	(4,037)	(124,375)
Lease lease	-	-	(20,054)	(18,141)
Paid lease	(1,279)	(1,564)	(71,797)	(81,925)
Principal amortization - loans	-	-	(56,926)	(2,483,608)
Title buybacks - Bond	-	-	(501,378)	-
Linked financial investments	-	-	(6,599)	-
Mutual granted between related parties	(1,335)	21,590	-	-
Other accounts payable with related parties	1,241	(61,757)	409	(1,958)
Net cash generated by (applied in) financing activities	514,390	327,335	(140,582)	518,643
Effects of exchange changes on cash balance held in foreign currency			(16,159)	36,231
Increase (Decrease) in cash and cash equivalents	47,971	(504)	325,091	(138,394)
Cash and cash equivalents at the beginning of the year	937	1,441	76,454	214,848
Cash and cash equivalents at the end of the year	48,908	937	401,545	76,454
Increase (Decrease) in cash and cash equivalents	47,971	(504)	325,091	(138,394)

The notes are an integral part of the individual and consolidated financial statements.

HIDROVIAS DO BRASIL S.A.

Value-added statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$)

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
RECIPIES				
Service revenue	-	-	1,842,319	1,189,593
Revenue stemming from the construction of own assets	20,900	17,396	291,559	533,972
Other revenues	(346)	32,419	36,444	96,089
Constitution (reversal) of provision for losses	-	-	(21,565)	1,622
Third-party purchased inums:				
Cost of services provided	-	-	(889,007)	(460,994)
Materials, energy, third-party services and other	(25,972)	(19,297)	(197,115)	(84,900)
Construction of own assets	(20,900)	(17,396)	(291,559)	(533,972)
Raw value added (consumed)	(26,318)	13,122	771,076	741,410
Depreciation and amortization	(27,488)	(10,941)	(356,472)	(337,999)
Net value added (consumed) generated by the Company	(53,806)	2,181	414,604	403,411
Value added (consumed) received on transfer:				
Equity income	189,114	(298,516)	14,040	(671)
Financial revenues	5,839	8,956	173,670	35,142
Total value added (consumed) to distribute	141,147	(287,379)	602,314	437,882
Distribution value added (consumed)	141,147	(287,379)	602,314	437,882
Staff:	50,393	42,068	83,375	238,940
Direct remuneration	12,111	26,919	36,403	220,717
Benefits	28,340	5,266	34,830	6,720
FGTS	9,942	9,883	12,142	11,500
Other	-	-	-	3
Taxes:	(12,093)	(5,149)	119,985	114,663
Federal	(12,093)	(5,149)	91,908	97,983
State	-	-	28,077	16,680
Remuneration of third-party capital:	111,010	14,834	407,117	423,411
Interest on loans, grants and other	76,752	8,477	277,083	238,546
Monetary and exchange rate updates	1,032	-	(18,912)	57,413
Other financial expenses	33,226	6,357	148,946	127,452
Remuneration of equity:	(8,163)	(339,132)	(8,163)	(339,132)
Retained Loss	(8,163)	(339,132)	(8,163)	(339,132)

The notes are an integral part of the individual and consolidated financial statements.

Hidrovias do Brasil S.A.

Notes to individual and consolidated financial statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$, except as otherwise indicated)

1 Operational context

Hidrovias do Brasil S.A. ("Company", "Grupo" or "Hidrovias") is a publicly traded company with shares traded in B3 S.A. - Brasil, Bolsa, Balcão ("B3"), under the code HBSA3, which was incorporated on August 18, 2010 and has its headquarters in the city of São Paulo, State of São Paulo, at Fradique Coutinho street, nº 30, 7th floor, Pinheiros (formerly located at Gilberto Sabino Street, 215 - 7º floor – Pinheiros), and may, by resolution of the Board of Directors, open branches, branches and establishments anywhere in Brazil or abroad. The Company's corporate purpose is logistics activities and waterway, road and multimodal infrastructure, in Brazil and abroad, including the following, as well as the corporate interest in companies that perform such activities:

- (a) Freight transport.
- (b) Construction and operation of ports, cargo terminals, shipyards, workshops and warehouses.
- (c) River and sea navigation, cabotage and storage of goods.
- (d) Provision of logistics services, directly or through third parties.
- (e) Other activities related or in any way related to your social object.

The Company is authorized to increase its share capital by up to R\$ 2,320,000 by resolution of the Board of Directors and independent statutory reform, pursuant to Article 168 of Law No. 6,404/76.

Russia and Ukraine War

The instabilities caused by the war between Russia and Ukraine have raised costs and lowered expectations of global growth. On February 24, 2022, Russia decided to attack Ukraine after months of crises with the West. This decision resulted in the most serious military crisis in Europe since World War II, with economic effects in all countries, including Brazil:

- i. Increased uncertainty around the world economic scenario, generating greater difficulty and less flexibility in access to credit;
- ii. Increase in the price of oil and gas, since Russia is one of the world's major producers, aggravated by economic sanctions imposed on the Russians;
- iii. The commodity supply shock generated inflationary pressures worldwide that were already accumulating;
- iv. Energy, Oil, Dollar were the main agents of the inflationary increase, affecting Brazilian industries that were already under pressure during 2022;

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

Hidroviás do Brasil S.A.

Notes to individual and consolidated financial statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$, except as otherwise indicated)

The Company has a direct, indirect shareholding and joint control in the companies below:

Controlled	Main activity	Country	Consolidation type	12/31/2022		12/31/2021	
				Direct	Indirect	Direct	Indirect
Hidroviás do Brasil - Holding Norte S.A. ("HB Holding Norte")	Participation in the capital of other companies	Brazil	Full	100.00%	-	100.00%	-
Hidroviás do Brasil - Vila do Conde S.A. ("HB Vila do Conde")	Cargo storage and lifting and river transport	Brazil	Full	-	100.00%	-	100.00%
Hidroviás do Brasil - Marabá S.A. ("HB Marabá")	Land - Pre-operational	Brazil	Full	100.00%	-	100.00%	-
Hidroviás do Brasil - Intermediação e Agenciamento de serviços Ltda. ("HB Intermediation")	Intermediation and service agency	Brazil	Full	100.00%	0.00%	99.00%	1.00%
Hidroviás do Brasil - Cabotagem Ltda. ("HB Cabotagem")	Cabotage shipping	Brazil	Full	100.00%	0.00%	99.00%	1.00%
Hidroviás do Brasil - Santos S.A. Port Administration ("HB Santos")	Handling and storage	Brazil	Full	-	100.00%	-	100.00%
Obrinel S.A. ("Obrinel")	Specialized cargo terminal	Uruguay	Equity	-	49.00%	-	49.00%
Hidroviás del Sur S.A. ("Hidroviás del Sur")	Participation in the capital of other companies	Uruguay	Full	100.00%	-	100.00%	-
Baloto S.A. ("Baloto")	Participation in the capital of other companies	Uruguay	Full	4.95%	95.05%	4.95%	95.05%
Girocantex S.A. ("Girocantex")	River transport	Uruguay	Full	-	100.00%	-	100.00%
Hidroviás del Paraguay S.A. ("Hidroviás del Paraguay")	River transport	Paraguay	Full	0.01%	99.99%	0.01%	99.99%
Picolpar S.A. ("Picolpar")	River transport	Paraguay	Full	0.01%	99.99%	0.01%	99.99%
Cikelsol S.A. ("Cikelsol")	River transport	Uruguay	Full	-	100.00%	-	100.00%
Limday S.A. ("Limday")	River transport	Uruguay	Equity	-	44.77%	-	44.77%
Resflir S.A. ("Resflir")	Leasing of shipping assets	Uruguay	Full	-	100.00%	-	100.00%
Hidroviás International Finance S.à.r.l. ("Finance")	Financial operations agency	Luxembourg	Full	100.00%	-	100.00%	-
Hidroviás Navegación Fluvial S.A. ("Navigation")	River transport	Paraguay	Full	95.00%	5.00%	95.00%	5.00%
Hidroviás South America BV ("Hidroviás South America")	River transport	Holland	Full	100.00%	-	100.00%	-
Baden S.A. ("Baden")	Port administration	Paraguay	Equity	50.00%	-	50.00%	-
Via Grãos S.A. ("Via Grãos")	Construction of highways and railways	Brazil	Full	100.00%	-	100.00%	-

Hidrovias do Brasil S.A.

Notes to individual and consolidated financial statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$, except as otherwise indicated)

History and operations

On April 16, 2021, the Company has concluded, with its subsidiaries Cikelsol S.A. and Pricolpar S.A., as applicable, the conclusion of a Framework Agreement and certain contracts for the purchase and sale of assets with Imperial Logistics International B.V. & Co. KG and certain entities of its business group, for (i) the acquisition of shares representing 100% of the share capital of Imperial Shipping Paraguay S.A. (currently called Hidrovias Navegación), company based in Asunción, Paraguay; (ii) the acquisition of shares representing 100% of the share capital of Imperial South America BV (now called Hidrovias South America), a company based in Druten, the Netherlands; (iii) the acquisition of shares representing 50% of the share capital of Baden S.A., a company based in Concepción, Paraguay; and (iv) the acquisition of certain navigation assets of the Imperial group.

On October 22, 2021, the Company acquired 100% of the total voting share capital of NK 132 Empreendimentos e Participações S.A., a non-operating company, whose registered name was changed to Via Grãos S.A. The acquisition was paid through reimbursement of expenses in the total amount of R\$ 10.00 (ten reais).

2 Preparation basis

a. Statement of conformity

The consolidated financial statements were 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.

The parent company's individual financial statements were prepared in accordance with the accounting practices adopted in Brazil.

The Management states that all relevant information specific to the individual and consolidated financial statements is disclosed, and only they are being evidenced, and correspond to those used by it in its management.

The issuance of the individual and consolidated financial statements were authorized by the Company's Board of Directors on March 21, 2023.

b. Functional and presentation currency

The individual and consolidated financial statements are presented in Reais, which is the functional and presentation currency of the Company. The functional currency of subsidiaries in Uruguay, Paraguay and Luxembourg is the U.S. Dollar, and the functional currency of the subsidiary Hidrovias South America BV in the Netherlands is the Euro.

Transactions in currency other than functional currency are converted to the respective functional currency by the exchange rates of the dates of each transaction. Monetary assets and liabilities denominated and calculated in currency other than functional currency are converted to functional currency at the exchange rate of the closing date.

Gains and losses on exchange rate changes on monetary assets and liabilities are recognized in the income statement.

The financial statements of subsidiaries abroad (Paraguay, Uruguay, Luxembourg and the Netherlands) are being presented in Reais, converting the functional currency to the presenting currency, Real, the following procedures were used:

Hidrovias do Brasil S.A.

Notes to individual and consolidated financial statements

For the years ended December 31, 2022 and 2021

(In thousands of Reals - R\$, except as otherwise indicated)

- Assets and liabilities were converted using the closing rate on the balance sheet date;
- The equity was converted to historical value of formation; and
- Revenues and expenses were converted using the average monthly rate.

All financial information presented in Real has been rounded to the nearest thousand, except as otherwise indicated.

c. Use of estimates and judgments

In the preparation of these individual and consolidated financial statements, management used judgments, estimates and assumptions that affect the application of the accounting policies of the Company and its subsidiaries and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are continuously reviewed. Revisions of estimates are recognized prospectively.

Information on judgments made in the application of accounting policies that have significant effects on the amounts recognized in the financial statements are included in the following notes:

- Note 3 (d) - Revenue recognition;
- Note 3 (b) - Consolidation: determination whether the Company actually has control over an onslaught;
- Note 10.1 - Fair value of assets and liabilities acquired in business combination;
- Note 10.2 - Fair value of assets and liabilities acquired in the acquisition of jointly controlled companies.

Information on uncertainties related to assumptions and estimates as of December 31, 2022 that have a significant risk of resulting in a material adjustment in the accounting balances of assets and liabilities in the next fiscal year is included in the following notes:

- Note 6 - Measurement of expected credit loss for accounts receivable;
- Note 11 - Useful life of fixed assets;
- Note 10.1 - Fair value of assets and liabilities acquired in business combination;
- Note 10.2 - Fair value of assets and liabilities acquired in the acquisition of jointly controlled companies;
- Note 17 - Recognition and measurement of provision for legal proceedings;
- Note 26 - Recognition of deferred tax assets: availability of future taxable profit.

Fair value measurement

A series of accounting policies and disclosures of the Company and its subsidiaries require the measurement of fair value for financial and non-financial assets and liabilities.

The Company and its subsidiaries have established a control structure related to fair value measurement. This includes the overall assessment and responsibility to review all significant fair value measurements.

Significant non-observable data are reviewed regularly, as well as evaluation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, evidence obtained from third parties is analyzed to support the conclusion that such assessments meet CPC/IFRS requirements, including the level in the fair value hierarchy at which such valuations are to be classified.

When measuring the fair value of an asset or liability, the Company and its subsidiaries use observable market data as much as possible. Fair values are classified at different levels in a hierarchy based on the inputs used in the evaluation techniques as follows:

Hidrovias do Brasil S.A.

Notes to individual and consolidated financial statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$, except as otherwise indicated)

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;
- Level 2: *inputs*, except the quoted prices included in Level 1, which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices);
- Level 3: *inputs*, for assets or liabilities, which are not based on observable market data (*inputs* unobservable).

The Company and its subsidiaries recognize transfers between levels of the fair value hierarchy at the end of the financial statements in which the changes occurred.

Additional information on the assumptions used in the measurement of fair values is included in the following notes:

- Note 21 - Stock option program;
- Note 27 - Financial instruments.

d. Measurement basis

The individual and consolidated financial statements were prepared on the basis of historical cost, except as stated otherwise, as described in the following accounting practices. The historical cost is generally based on the fair value of the payables paid in exchange for assets.

3 Significant accounting policies

The main accounting policies used in the preparation of these individual and consolidated financial statements are described below. These policies were applied consistently in all the exercises presented.

(a) Change in accounting policies

The Company did not promote changes in accounting policies during the year ended December 31, 2022.

(b) Consolidation bases and investments in subsidiaries

The consolidated financial statements include the financial statements of the Company and entities controlled directly by the Company or indirectly through its subsidiaries. Control is obtained when the Company:

- You have power over the onslaught.
- It is exposed, or entitled, to variable returns arising from its involvement with the onslaught.
- It has the ability to use this power to affect your returns.

The Companies included in the consolidation process are:

	Country	Participation - %	
		2022	2021
<u>Direct controlled</u>			
Hidrovias del Sur S.A.	Uruguay	100.00	100.00
Hidrovias do Brasil - Marabá S.A.	Brazil	100.00	100.00
Hidrovias International Finance S.à.r.l.	Luxembourg	100.00	100.00
Hidrovias do Brasil - Holding Norte Ltda.	Brazil	100.00	100.00
Hidrovias do Brasil - Interm. and Agenc. Serv. Limited liability company.	Brazil	100.00	100.00

Hidroviás do Brasil S.A.

Notes to individual and consolidated financial statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$, except as otherwise indicated)

	Country	Participation - %	
		2022	2021
Hidroviás do Brasil - Cabotagem Ltda.	Brazil	100.00	100.00
Hidroviás Navegación Fluvial S.A (b)	Paraguay	100.00	100.00
Hidroviás South America BV	Holland	100.00	100.00
Via Grãos S.A	Brazil	100.00	100.00
<u>Indirect subsidiaries</u>			
Girocantex S.A.	Uruguay	100.00	100.00
Girocantex S.A. - Subsidiary Paraguay	Paraguay	100.00	100.00
Hidroviás del Paraguay S.A.	Paraguay	100.00	100.00
Pricolpar S.A.	Paraguay	100.00	100.00
Cikelsol S.A.	Uruguay	100.00	100.00
Resflir S.A.	Uruguay	100.00	100.00
Baloto S.A. (a)	Uruguay	100.00	100.00
Hidroviás do Brasil - Vila do Conde S.A.	Brazil	100.00	100.00
Hidroviás do Brasil - Santos Port Administration S.A.	Brazil	100.00	100.00

(a) 4.95% direct participation and 95.05% indirect participation through the subsidiary Hidroviás Del Sur.

(b) 95% direct participation and 5% indirect participation through the subsidiary Pricolpar S.A.

The Company reevaluates whether or not it has control of an onslought if facts and circumstances indicate the occurrence of changes in one or more of the three control elements listed above.

When the Company does not hold a majority of voting rights in an onslought, it will have power over the onslought when the voting rights are sufficient to enable it in practice to conduct the relevant activities of the onslought unilaterally. When assessing whether the Company's voting rights in an onslought are sufficient to empower it, the Company considers all relevant facts and circumstances, including:

- The size of the Company's participation in terms of voting rights in relation to the size and dispersion of the participations of other holders of voting rights.
- Potential voting rights held by the Company, other holders of voting rights or other parties.
- Rights arising from other contractual agreements.
- Any additional facts and circumstances indicating whether or not the Company has the ability to conduct the relevant activities at the time decisions need to be made, including voting patterns at previous meetings.

The consolidation of a subsidiary begins when the Company gains control over the subsidiary and ends when the Company loses control over the subsidiary.

Specifically, the revenues and expenses of a subsidiary acquired or disposed of during the fiscal year are included in the income statement and other comprehensive results from the date on which the Company obtains control until the date on which the Company ceases to control the subsidiary.

The result and each component of other comprehensive results are attributed to the Owners of the Company and to the holdings of non-controlling shareholders. The total comprehensive result of the subsidiaries is attributed to the Company's owners and to the shares of non-controlling shareholders, even if this generates a negative balance for the non-controlling interests.

(i) Investments in entities accounted for by the equity method

In the parent company's individual financial statements, the financial information of subsidiaries is recognized through the equity method. For equity calculation and consolidation, the financial information of the subsidiaries on the same base date of presentation of the financial statements is used.

The Company's investments in entities accounted for by the equity method comprise its holdings in such subsidiaries.

(ii) Transactions deleted in consolidation

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Balances and transactions between the Company and its subsidiaries, and any unrealized income or expenses that have been derived from transactions between these companies, are eliminated in the preparation of the consolidated financial statements.

Unrealized gains arising from transactions with investments recorded by equity are eliminated against the investment in proportion to the Company's participation in the investee. Unrealized losses are eliminated in the same way as unrealized gains are eliminated, but only to the extent that there is no evidence of loss by reduction to recoverable value.

(c) Foreign currency

Transactions in foreign currency

Transactions in foreign currency are converted to the respective functional currencies at the average exchange rates for each month.

Monetary assets and liabilities denominated and calculated in foreign currencies on the balance sheet date are converted to the functional currency at the exchange rate on that date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are converted to the functional currency at the exchange rate on the date the fair value was determined. Non-monetary items that are measured based on historical cost in foreign currency are converted at the exchange rate on the transaction date. Differences in foreign currencies resulting from the conversion are generally recognized in the result.

However, the exchange rate differences resulting from the conversion are recognized in other comprehensive results, such as *the hedge* of qualified and effective cash flows.

Operations abroad

Assets and liabilities from foreign operations, including goodwill and fair value adjustments resulting from the acquisition, are translated into reais (R\$) at the exchange rates as determined on the balance sheet date. Foreign transactions' revenues and expenses are translated into reais (R\$) at monthly average exchange rates of each month.

Differences in foreign currencies generated in the conversion to presentation currency are recognized in other comprehensive results and accumulated in equity valuation adjustments. If the subsidiary is not a full subsidiary, the corresponding portion of the conversion difference is assigned to non-controlling shareholders.

(d) Revenue recognition

It comprises the fair value of the payment received or received, deducted from any estimates of returns, commercial discounts granted to the buyer and other similar deductions. Revenue is recognized when the customer gains control of the goods or services.

Transport and cabotage revenues are recognized over time, based on the estimated duration of the navigation route (proportionally to the evolution of travel), which approaches seven days (traffic loaded plus unloaded traffic) for our ships HB Tucunaré and HB Tambaqui. Revenue stemming from transshipment, lifting and intermediation services is recognised according to the provision of services. Service prices are determined on the basis of contracts.

In some cases, the Company operates with its customers under the contractual regime of Take or Pay, in which the client guarantees a minimum annual or quarterly payment flow, depending on each contract, for the provision of logistics services by the Company. In cases where the services provided in each reporting period are lower than the minimum expected amount, the Company estimates whether the client can perform all services still within the current year with quarterly and annual calculations.

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(e) Cash and cash equivalents and interest earning bank deposit

Cash equivalents are held for the purpose of meeting short-term cash commitments and not for investment or other purposes. They include cash, spot bank deposits and financial investments that can be realised within 90 days of the original date of the security or considered to be of immediate liquidity or convertible into a known amount of cash and which are subject to an insignificant risk of change in value, which are recorded by the cost amounts plus income earned up to the balance sheet dates, which do not exceed their market value or realisation.

(f) Financial and equity instruments

Recognition and initial measurement

Customer receivables and issued debt securities are initially recognized on the date they originated. All other financial assets and liabilities are initially recognized when the Company and its subsidiaries become part of the instrument's contractual provisions.

A financial asset (unless it is accounts receivable from clients without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Accounts receivable from customers without a significant financing component are initially measured at the price of the transaction.

Classification and subsequent measurement

In initial recognition, a financial asset is classified as measured: at amortized cost; at FVTOCI - debt instrument; at FVTOCI - equity instrument; or to the FVTPL.

Financial assets are not reclassified following initial recognition unless the Company and its subsidiaries change the business model for financial asset management, and in this case all affected financial assets are reclassified on the first day of the filing period after the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured to the fvtpl:

- It is maintained within a business model whose purpose is to maintain financial assets to receive contractual cash flows; and
- Its contractual terms generate, on specific dates, cash flows that are related only to the payment of principal and interest on the open principal value.

A debt instrument is measured at FVTOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- It is maintained within a business model whose objective is achieved both by receiving contractual cash flows and by the sale of financial assets; and
- Its contractual terms generate, on specific dates, cash flows that are only principal payments and interest on the open principal amount.

In the initial recognition of an investment in an equity instrument that is not maintained for trading, the Company and its subsidiaries may irrevocably choose to submit subsequent changes in the fair value of the investment in other comprehensive results ("OCI"). This choice is made investment by investment. The Company and its subsidiaries make investments in accordance with the cash management policy.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, consistent with the continued recognition of the assets of the Company and its subsidiaries.

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Financial assets held for trading or managed with performance evaluated based on fair value are measured at fair value through profit or loss (FVTPL).

Financial assets - Assessment of whether contractual cash flows are only principal and interest payments:

For the purposes of this valuation, the "principal" is defined as the fair value of the financial asset in the initial recognition. "Interest" is defined as a payment for the value of the money in time and the credit risk associated with the outstanding principal value over a given period of time and for the other risks and basic costs of loans (e.g. liquidity risk and administrative costs), as well as a profit margin.

The Company and its subsidiaries consider the contractual terms of the instrument to assess whether contractual cash flows are only principal and interest payments. This includes the assessment of whether the financial asset contains a contractual term that could change the time or value of contractual cash flows so that it would not meet this condition. In making this assessment, the Company and its subsidiaries consider:

- Contingent events that modify the value or time of cash flows;
- Terms that may adjust the contractual rate, including variable fees;
- Prepayment and extension of the deadline; and
- Terms that limit access by the Company and its subsidiaries to cash flows of specific assets (e.g., based on the *performance* of an asset).

Financial assets - Business model valuation

The prepayment is consistent with the criterion of principal payments and interest, if the amount of the prepayment represents, for the most part, unpaid amounts of the principal and interest on the amount of the outstanding principal, which may include reasonable additional compensation for the early termination of the contract. In addition, with respect to a financial asset acquired at a value less than or greater than the nominal value of the contract, the permission or requirement for prepayment for an amount representing the nominal value of the contract plus contractual interest (which may also include reasonable additional compensation for early termination of the contract) accumulated (but not paid) are treated as consistent with this criterion if the fair value of the prepayment is negligible in the initial recognition.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at FVTPL These assets are measured subsequently at fair value. Net income, including interest or dividend income, is recognized in the income.

Financial assets at amortized cost These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment *losses*. Interest income, gains and foreign exchange losses and impairment are *recognized* in the result. Any gain or loss in derecognition is recognized in the result.

Debt instruments at FVTOCI These assets are measured subsequently at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and *impairment* are recognized in the income. Other net results are recognized in ORA. In the derecognition, the accumulated result in ORA is reclassified to the result.

Equity instruments at FVTOCI These assets are measured subsequently at fair value. Dividends are recognized as gain in income, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net results are recognized in ORA and are never reclassified to the result.

Financial liabilities - classification, subsequent measurement and gains and losses

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Financial liabilities were classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at fair value through the result if it is classified as held for trading, is a derivative or is designated as such in the initial recognition. Financial liabilities measured at FVTPL are measured at fair value and net income, including interest, is recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. The expense of interest, gains and exchange rate losses are recognized in the income. Any gain or loss in derecognition is also recognized in the result.

Derecognition

Financial assets

The Company and its subsidiaries disrecognize a financial asset when the contractual rights to the asset's cash flows expire, or when the Company and its subsidiaries transfer the contractual rights of receipt to contractual cash flows over a financial asset in a transaction in which substantially all risks and benefits of the ownership of the financial asset are transferred or in which the Company and its subsidiaries neither transfer nor substantially maintain all risks and benefits of the ownership of the financial asset and also does not retain control over the financial asset.

The Company and its subsidiaries carry out transactions in which they transfer assets recognized in the balance sheet, but maintain all or substantially all the risks and benefits of the transferred assets. In such cases, financial assets are not derecognised.

Financial liabilities

The Company and its subsidiaries disrecognize a financial liability when its contractual obligation is withdrawn, cancelled or expires. The Company and its subsidiaries also disrecognize a financial liability when the terms are changed and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

In the derecognition of a financial liability, the difference between the defunct book value and the payable payment (including transferred assets that do not pass through the cash or assumed liabilities) is recognized in the result.

Compensation

Financial assets or liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company and its subsidiaries currently have a legally enforceable right to offset the amounts and intend to liquidate them on a net basis or to realize the asset and settle the liability simultaneously.

Cash flow hedge accounting

When a derivative is designated as a *hedge instrument in a protection of* the variability of cash flows attributable to a specific risk associated with a recognized asset or liability or a highly probable anticipated transaction that could affect the result, the effective part of the changes in the fair value of the derivative is recognized in other comprehensive results and presented in the equity valuation adjustment reserve in equity. Any non-effective part of the changes in the fair value of the derivative is recognized immediately in the result.

When the item subject to *hedge is* a non-financial asset, the value recognized in other comprehensive results is transferred to the book value of the asset when the asset is realized. The value recognized in other comprehensive results is reclassified to profit or loss in the same fiscal year in which *the hedged cash flows affect* the result, on the same line in the income statement as a hedge object item. If there are no more expectations as to the occurrence of the expected transaction, the balance in other comprehensive results is recognized immediately in the result. In other cases, the value recognized in other comprehensive results is transferred to the result in the same fiscal year in which the item *hedge object affects* the result.

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If the *hedge instrument* no longer meets the *hedge accounting criteria*, expires, i.e. sold, terminated, exercised or has its *designation revoked*, the *hedge accounting* is prospectively discontinued. The accumulated results, previously recognized in other comprehensive results and presented in the equity valuation reserve, remain there until the planned transaction affects the result.

Other derivatives not held for trading, being when a derivative financial instrument is not designated in a *qualifying cash flow hedge* relationship, all variations in their fair value are recognized immediately in income.

(iii) *Share capital - Common shares*

Common shares are classified as shareholders' equity. Additional costs directly attributable to the issuance of shares are recognized as a reduction in shareholders' equity.

Mandatory minimum dividends, as defined by statute, are recognized as liabilities.

(g) Asset

Recognition and measurement

Fixed assets are recorded at the cost of acquisition, construction or formation and are deducted from accumulated depreciation, when applicable, by losses due to reduction to accumulated recoverable value. They also include any other costs to place the asset on site and in the necessary condition for them to be able to operate in the manner intended by management, the costs of disassembling and restoring the place where those assets are located and the costs of borrowing on qualifying assets.

The replacement cost of an asset component is recognized if it is likely to bring economic benefits to the subsidiaries and if the cost can be reliably measured, and the value of the replaced component is lowered. Maintenance costs are recognized in the result as incurred.

Depreciation is recognized in the result based on the linear method with respect to the estimated useful lives of each part of an asset item.

The estimated useful lives for the current and comparative periods are presented in note 11.

Depreciation methods, useful lives and residual values are reviewed at each fiscal year end, and any adjustments are recognized as a change in accounting estimates.

(h) *Business combination*

Business combinations are recorded using the acquisition method. The cost of an acquisition is measured by the sum of the transferred consideration, which is valued on the basis of fair value at the date of acquisition, and the value of any non-controlling interest in the acquired. For each business combination, the acquirer shall measure the non-controlling interest in the acquiree es at fair value or on the basis of its participation in the net assets identified in the acquired. Directly attributable costs acquisition should be accounted for as an expense when incurred.

When acquiring a business, the Company and its subsidiaries evaluate the financial assets and liabilities assumed in order to classify and list them in accordance with the contractual terms, economic circumstances and relevant conditions on the date of acquisition, which includes the segregation by the acquired of embedded derivatives existing in host contracts in the acquired.

Any contingent consideration to be transferred by the acquirer shall be recognised at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration considered as an asset or as a liability should be recognised in the income statement.

The Company measures goodwill as the surplus of the transferred consideration in relation to the net assets

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acquired (identifiable assets acquired, net and assumed liabilities). If the default is less than the fair value of the net assets acquired, the difference shall be recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost, deducted from any accumulated losses of recoverable value. For the purpose of testing the recoverable value, the goodwill acquired in a business combination is, from the date of acquisition, allocated to each of the Company's cash generating units that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired are allocated to those units.

(i) Intangible assets

Agio

The goodwill resulting from the acquisition of subsidiary Limday is included in the intangible assets. For the measurement of goodwill in initial recognition, see note 13 (a).

The non-depreciable goodwill in the amount of R\$ 73,121 is the result of the acquisition through its direct subsidiary Hidroviás do Brasil - Cabotagem S.A. ("HB Cabotagem") of Log-In – Logística Intermodal S.A. ("Log-In") of the rights and obligations of a commercial bauxite transport contract.

Goodwill that has been allocated to concession rights, as well as related ones, but which have not been allocated directly to the concession or other assets and liabilities, and which have the economic benefit limited in time (defined period), due to a concession right with defined useful life, make up the balance of the intangible asset and are amortized by the exercise of the operating right, from the entry into operation of the subsidiaries.

Other intangible assets

Other intangible assets that are acquired by the Company and its subsidiaries that have defined useful lives are measured at cost, deducted from accumulated amortization and losses due to reduction to accumulated recoverable value. Amortization is recognized in the result based on the linear method with respect to the estimated useful lives of intangible assets, which do not goodwill, from the date they are available for use, being the amortization of *the right to use software* of five years.

(j) Reduction to recoverable value

(iv) *Non-derivative financial assets*

Financial instruments and contractual assets

The Company and its subsidiaries recognize provisions for expected credit losses on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Company and its subsidiaries measure the provision for loss in an amount equal to the expected loss of credit for life, except for the items described below, which are measured as expected credit loss for 12 months:

- Debt securities with low credit risk on the balance sheet date; and
- Other debt securities and bank balances for which credit risk (i.e. the expected lifetime default risk of the financial instrument) has not increased significantly since the initial recognition.

Provisions for losses with accounts receivable from customers and contract assets are measured at an amount equal to the expected loss of credit for the entire life of the instrument.

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In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company and its subsidiaries consider reasonable and supported information that is relevant and available at no cost or excessive effort. This includes quantitative and qualitative information and analysis, based on the historical experience of the Company and its subsidiaries, in credit assessment and *considering forward-looking information*.

The Company and its subsidiaries consider a financial asset as risk and default when:

- It is unlikely that the debtor will fully pay his credit obligations of the Company and its subsidiaries, without resorting to actions such as the realization of the guarantee (if any); or
- The financial asset has been out for more than 180 days.

The Company and its subsidiaries consider that a debt security has a low credit risk when its credit risk rating is equivalent to the globally accepted definition of "investment grade":

- Expected lifetime credit losses are expected credit losses resulting from all possible default events over the life-long expected financial instrument;
- Credit losses expected for 12 months are credit losses that result from possible default events within 12 months of the balance sheet date (or in a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered in the estimated expected credit loss is the maximum contractual period during which the Company and its subsidiaries are exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are estimates weighted by the probability of credit losses. Credit losses are measured at present value based on all cash shortfalls (i.e., the difference between cash flows due to the Company and its subsidiaries in accordance with the contract and the cash flows that the Company and its subsidiaries expect to receive).

Expected credit losses are discounted by the effective interest rate of the financial asset.

Financial assets with recovery problems

At each balance sheet date, the Company and its subsidiaries assess whether the financial assets accounted for at amortized cost and debt securities measured at FVTOCI are recovering problems. A financial asset has "recovery problems" when one or more events occur with a detrimental impact on estimated future cash flows of the financial asset.

Objective evidence that financial assets have had recovery problems includes the following observable data:

- Significant financial difficulties of the issuer or borrower;
- Breach of contractual clauses, such as default or delay of more than 90 days;
- Restructuring of an amount due to the Company and its subsidiaries under conditions that would not be accepted under normal conditions;
- the probability that the debtor will go bankrupt or undergo another type of financial reorganization; or
- The disappearance of active market for the title because of financial difficulties.

Presentation of the provision for expected credit losses in the balance sheet.

The provision for losses for financial assets measured at amortized cost is deducted from the gross book value of the assets.

For debt securities measured at FVTOCI, the provision for losses is debited in the result and recognized in

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OCI.

Write-off

The gross book value of a financial asset is lowered when the Company and its subsidiaries have no reasonable expectation of recovering the financial asset in whole or in part. With respect to individual clients, the Company and its subsidiaries adopt the policy of assessing the need to lower gross book value based on historical experience of recovery of similar assets. With respect to corporate clients, the Company and its subsidiaries make an individual assessment of the time and the value of the drop based on the existence or not of reasonable expectation of recovery. The Company and its subsidiaries do not expect any significant recovery of the lowered value. However, the financial assets downloaded may still be subject to credit execution for compliance with the procedures of the Company and its subsidiaries for the recovery of the amounts due.

Non-financial assets

The book values of the non-financial assets of the Company and its subsidiaries (except inventories and deferred tax assets) are reviewed at each balance sheet date to determine whether there is any indication of loss in recoverable value. If such an indication occurs, then the recoverable value of the asset is estimated. In the case of goodwill that does not have a defined useful life, the recoverable value is tested annually.

For recoverable value reduction tests, assets are grouped into Cash Generating Units (CGU), that is, in the smallest possible group of assets that generate cash receipts by their continuous use, entries that are largely independent of the cash receipts of other assets or CGUs. The goodwill of business combinations is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable value of an asset or CGU is the largest between its value in use and its fair value minus costs to sell. The value in use is based on estimated future cash flows, discounted at present value using a before-tax discount rate that reflects current market valuations of the value of money over time and the specific risks of the asset or CGU.

A loss for a reduction in recoverable value is recognized if the book value of the asset or CGU exceeds its recoverable value.

Losses due to reduction to recoverable value are recognized in the result. Recognized losses related to CGUs are initially allocated to reduce any goodwill allocated to this CGU (or group of CGUs), and then to reduce the book value of other assets of the CGU (or group of CGUs) *pro rata*.

A loss for reduction to goodwill-related recoverable value is not reversed. As for the other assets, the losses due to reduction to recoverable value are reversed only to the extent that the new book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the loss of value had not been recognized.

- (k) Employee benefits

Share-based payment transactions

Fair value on the date of granting of stock-based payment agreements granted to employees is recognized as personnel expenses, with a corresponding increase in shareholders' equity, during the period in which employees unconditionally acquire the right to premiums. The amount recognized as an expense is adjusted to reflect the number of premiums for which the conditions of service and performance are expected to be met, so that the final amount recognized as an expense is based on the number of awards that effectively meet the conditions of service and *performance on the date of purchase (vesting date)*.

For stock-based payment premiums that do not *contain non-vesting conditions*, the fair value on the date of granting the stock-based payment premiums is measured to reflect such conditions and no subsequent adjustments are made to the differences between expected and actual results.

Post-employment benefits

The benefits of termination of employment are recognized as an expense when the Company and its

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subsidiaries can no longer withdraw the offer of these benefits that are proven to be compromised, with no possibility of return, with a detailed formal plan to terminate the employment contract before the normal retirement date or provide employment termination benefits due to an offer made to encourage voluntary dismissal. The benefits of termination of employment for voluntary dismissals are recognized as an expense if a voluntary layoff offer has been made, it is likely that the offer will be accepted and the number of employees who will join the program can be reliably estimated. If the benefits are payable for more than 12 months after the date of presentation of the financial statements, they are devaluable to their present amounts.

Short-term employee benefits

Short-term employee benefit obligations are measured on an unbilled basis and are incurred as expenses as the related service is provided.

The liability is recognized at the expected amount to be paid in relation to cash bonus plans or participation in short-term profits if the Company and its subsidiaries have a legal or constructive obligation to pay this amount by virtue of past service provided by the employee and the obligation can be reliably estimated.

(l) Provisions

A provision is recognized, by virtue of a past event, if the Company and its subsidiaries have a legal or constructive obligation that can be reliably estimated and an economic resource is likely to be required to settle the obligation.

(m) Earnings per share

The basic income per share is calculated through the income for the year attributable to the Controlling Shareholders of the Company and weighted average of the common shares outstanding in the respective fiscal year. The diluted earnings per share is calculated by means of the said average of the shares in circulation, adjusted by the instruments potentially convertible into shares, in effect, diluter in the years presented, in accordance with Technical Pronouncement CPC 41 - Result per Share and IAS Standard 33 - Result per Share.

(n) Financial revenues and expenses

Financial income basically covers interest income on financial investments, which are recognized in income through the effective interest rate method.

Financial expenses basically cover interest expenses on loans, financing and debentures. Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in the result using the effective interest rate method.

(o) Statement of added value

The Company elaborated the statement of added value pursuant to Technical Pronouncement CPC 09 - Statement of Added Value, presenting as supplementary information.

(p) Operating segments

An operating segment is a component of the Company and its subsidiaries that carry out business activities from which they can obtain revenue and incur expenses, including revenues and expenses related to transactions with other components. All operating results of operating segments are frequently reviewed together with their managers and reporting to the Statutory Board, which is the main decision-makers; likewise, they are presented at the meetings of the Board of Directors, for decisions on the resources to be allocated to the segment and for the evaluation of their performance, for which individualized financial information is available.

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Segment results include items directly attributable to the segment, as well as those that can be allocated on reasonable grounds. The unallocated items mainly include institutional assets (primarily attributed to the Company's headquarters) and income tax and social contribution assets and liabilities.

The disclosures of the operating segments of the Company and its subsidiaries are based on the management structure of the financial statements and management, which follows the segmentation of business by region. The north corridor corresponds to Pará, the southern corridor to Paraguay and Uruguay and the other businesses are allocated in others.

(q) Income tax and social contribution

In the parent company, the amounts of these taxes for the year, current and deferred, are calculated based on the rate of 15%, plus 10% on the taxable profit in excess of R\$ 240 for income tax, and 9% on the taxable profit for the social contribution, and consider the compensation of tax losses and negative basis of the social contribution, limited to 30% of taxable profit. In the consolidated, the income tax of subsidiaries established in Uruguay and Paraguay is calculated based on the legislation applicable in the respective countries, however, as written by Article 52 of Title IV of the "Ordered Text 2007", shipping companies are exempt from taxing their income.

Current tax is the expected tax payable on taxable income for the year, the tax rates decreed or substantively decreed on the dates of presentation of the financial statements, and any adjustment in taxes payable in relation to the previous years.

Deferred tax is recognized with respect to tax losses, negative basis of social contribution and temporary differences between the book values of assets and liabilities for accounting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: initial recognition of assets and liabilities in a transaction that is not a business combination and which does not affect either accounting or taxable profit or loss; and differences related to investments in subsidiaries and controlled entities when they are likely not to reverse in the foreseeable future. Furthermore, deferred tax is not recognized for taxable temporary differences resulting from the initial recognition of goodwill. The deferred tax is measured by the rates expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted up to the dates of presentation of the financial statements.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax liabilities and assets and they relate to income tax released by the same tax authority on the same entity subject to taxation.

A deferred income tax and social contribution asset is recognized for unused tax losses, tax credits and deductible temporary differences when future profits subject to taxation are likely to be available and against which they will be used.

Deferred income tax and social contribution assets are reviewed at each date of presentation of the financial statements and will be reduced as they are no longer likely to be made.

(r) Government subsidy and assistance

The Merchant Navy Renewal Freight Inaddition (AFRMM) is a benefit available to all Brazilian shipping companies, operating with their own or chartered vessels, and is regulated by Law No. 10,893/2004 and other specific laws applicable to the sector.

The Company uses this government grant in its cabotage operation, receiving in full the additional fee of 8% on the value of cabotage freight from its customers via the Merchant Navy Fund according to each transport it carries out.

These resources can be used for amortization of financing granted for the acquisition of vessels.

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The portions of the AFRMM are recorded in specific accounts of the asset in return for the result, once the requirements for recognition of the grant revenue are met in the income statement on a systematic basis during the periods in which the related expenses are recorded.

The Company recognized the benefits of AFRMM in the Other income/expenses group in the amount of R\$ 14,200 (R\$ 11,340 as of December 31, 2021) to be applied by the Company in the amortization of financing.

In 2018, the Company entered with the SUDAM Tax Incentive, which provides a 75% reduction in IRPJ through The Profit of Exploration, for Hidrovias do Brasil - Vila do Conde S.A .

(s) Leases

A contract is or contains a lease if it transfers the right to control the use of an asset identified for a period in exchange for payment. To assess whether a contract transfers the right to control the use of an identified asset, the Company and the subsidiaries use the definition of lease in CPC 06(R2) / IFRS 16.

The Company recognizes a right-of-use asset and a lease liability on the date of the start of the lease. The right-of-use asset is initially measured at cost, which comprises the value of the initial measurement of the lease liability, adjusted for any lease payments made up to the start date, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee in the disassembly and removal of the underlying asset, restoring the location where it is located or restoring the asset underlying the condition required by the lease terms and conditions, minus any arredation incentives received.

The right-of-use asset is subsequently depreciated by the linear method from the start date to the end of the lease term, unless the lease transfers ownership of the asset underlying the lessee to the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the option to purchase. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of the fixed asset. In addition, the right-of-use asset is periodically reduced by losses due to reduction to recoverable value, if any, and adjusted for certain remeasurements of rental liabilities.

The lease liability is initially measured at the present value of lease payments that are not made on the start date, discounted by the implied interest rate on the lease or, if this rate cannot be determined immediately, by the Company's incremental loan rate. Generally, the Company uses its incremental loan rate as a discount rate.

The Company determines its incremental rate on loans by obtaining interest rates from various external sources of financing and making some adjustments to reflect the terms of the contract and the type of asset leased.

The lease payments included in the measurement of lease liabilities include the following:

- Fixed payments, including lump sums in essence;
- Variable lease payments that depend on index or rate, initially mesurated using the index or rate on the start date;
- Amounts that are expected to be paid by the lessee, according to the guarantees of residual value; and
- The exercise price of the purchase option if the lessee is reasonably certain to exercise this option, and payments of fines for termination of the lease, if the lease term reflects the lessee exercising the option of terminating the lease.

The lease liability is measured at amortized cost, using the effective interest method. It is remeasured when there is a change in future lease payments resulting from a change in index or rate, if there is a change in the amounts that are expected to be paid in accordance with the residual value guarantee, if the Company changes its valuation will exercise a purchase, extension or termination option or if there is a fixed revised lease payment in essence.

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When the lease liability is remeasured in this manner, an adjustment is made corresponding to the book value of the right-of-use asset or recorded in the profit or loss if the book value of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of property for investment in "fixed assets" and lease liabilities in "loans and financing" in the balance sheet.

Leases of low value assets

The Company chose not to recognize right-of-use assets and lease liabilities for low-value asset leases and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as a linear expense for the term of the lease.

(t) New standard an interpretations not yet effective

A number of new standards will be effective for exercises beginning after January 1, 2022. The Company has not adopted these standards in the preparation of these financial statements.

Deferred tax related to assets and liabilities arising from a single transaction (changes to CPC 32/IAS 12)

The changes limit the scope of the initial recognition exemption to exclude transactions that give rise to equal and compensatory temporary differences. The changes apply to annual periods starting on or after January 01, 2023. For leases, the associated deferred tax assets and liabilities will need to be recognized from the beginning of the oldest comparative period presented, with any cumulative effect recognized as an adjustment in accumulated profit or other components of equity on that date. For all other transactions, the changes apply to transactions that occur after the beginning of the oldest period that you see.

Classification of liabilities as current or non-current (changes to CPC 26/IAS1)

The amendments issued in 2020 are intended to clarify the requirements for determining whether a liability is current or non-current and apply to the annual years started on or after January 01, 2023. However, the IASB subsequently proposed further changes to IAS 1 and the postponement of the 2020 amendments for the annual periods beginning on or after January 01, 2024. Because this standard is subject to future developments, the Company cannot determine the impact of these changes on the individual and consolidated financial statements in the initial application period.

The Company is monitoring possible developments on these future developments.

Other standards

The following new standards and changes are not expected to have a significant impact on the Group's individual and consolidated financial statements:

- IFRS 17 Insurance Contracts;
- Disclosure of accounting policies (changes to CPC 26/IAS 1 and IFRS *Practice Statement 2*);
- Definition of accounting estimates (changes to CPC 23/IAS 8).

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4 Cash and cash equivalents

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and cash equivalents - Registered in Brazilian companies	48,908	937	305,363	14,599
Cash and cash equivalents - Registered in foreign companies	-	-	96,182	61,855
Total	48,908	937	401,545	76,454

The Company points out that the balances held in cash and cash equivalents have profitability through automatic investments, commitments *and team deposit contracted* in the movement banks, with daily liquidity and low probability of significant changes in value.

5 Financial investments

5.1 Securities and securities

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
JP Morgan (a)	-	-	110,913	11,759
Itaú Ficfi Fund 311 (b)	16,445	102,034	124,817	417,621
Itaú PP Portfolio Fund (c)	451	1,323	89,357	6,621
Santander Vip Exchange Rate(d)	-	24	1,824	24,036
FIDC (e)	-	-	2,185	118,685
Santander Argo (f)	-	-	-	534
CDB ABC (g)	-	-	-	1,366
Bank of Brazil (h)	-	-	3,919	1,940
Total	16,896	103,381	333,015	582,562

- (a) Financial investments representing investments in funds abroad with Banco J.P. Morgan, referenced in the change in the U.S. Treasury and which had profitability of 4.23% p.a. as of December 31, 2022 (0.02% p.a. as of December 31, 2021). The portfolio consists of fixed income securities and U.S. Treasury Securities.
- (b) Financial investments representing investments in the Itaú Foreign Exchange Fund FIC FI, referenced in the exchange variation of the U.S. Dollar – Ptax800, which had an average profitability of -3.35% at December 31, 2022 or +3.15% in relation to the change in Ptax in the same period (7.74% at December 31, 2021 or 0.35% in relation to the ptax variation in the same period). The fund's portfolio consists exclusively of Federal Public Securities and committed transactions backed by Federal Public Securities.
- (c) Financial investments representing investments in the Itaú PP Portfolio Fund, referenced in the variation of the Interbank Deposit Certificate (CDI), which had an average profitability of 106.24% of cdi as of December 31, 2022 (110.50% as of December 31, 2021). The fund's portfolio consists exclusively of fixed income securities, distributed among Federal Public Securities, committed transactions, fund quotas and other securities of financial institutions.
- (d) Financial investments representing investments in the Santander Vip Foreign Exchange Fund, referenced in the exchange variation of the U.S. Dollar – Ptax800, which had an average profitability of -3.11% as of December 31, 2022 or +3.39% in relation to the change in Ptax in the same period (7.39% as of December 31, 2021 or +0.51% in relation to ptax's change in the same period). The fund's portfolio consists exclusively of Federal Public Securities and committed transactions backed by Federal Public Securities.
- (e) Financial investments representing investments in the Credit Rights Investment Fund (FIDC) Upside, which had an average profitability of -27.80% as of December 31, 2022 (12.52% as of December 31, 2021); FIDC Aruanã did not have profitability as of December 31, 2022 due to the discontinuity of this application (as of December 31, 2021, profitability was 7.15% or -0.24% compared to the change in Ptax in the same period). The portfolios of the funds are composed of assignment of credit rights and quotas of funds composed exclusively of fixed income securities, distributed among Federal Public securities and committed transactions backed by Federal Public securities.

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- (f) Financial investments representing investments in the Santander ARGO Fund, referenced in the CDI variation, did not have profitability as of December 31, 2022 due to the discontinuity of this application (as of December 31, 2021, the profitability was 119.01% of the CDI). The fund's portfolio consists exclusively of fixed income securities, distributed among Federal Public Securities, committed transactions, fund quotas and other securities of financial institutions.
- (g) The financial investments representing investments in Bank Deposit Certificates (CDB) at Banco ABC Brasil, referenced in the CDI variation, did not have profitability as of December 31, 2022 due to the discontinuity of this application (as of December 31, 2021, profitability was 99% of CDI).
- (h) Financial investments representing investments in Banco do Brasil, which had an average return of 81.97% of cdi as of December 31, 2022 (56.85% of CDI as of December 31, 2021). The fund's portfolio consists of fixed income securities, including committed transactions backed by Public bonds and Federal Government bonds.

5.2 Pledged financial investments

	Consolidated	
	12/31/2022	12/31/2021
Hidrovias do Brasil - Cabotagem Ltda.	18,877	13,295
Total non-current	18,877	13,295

They represent investments in the BNP PARIBAS SOBERANO FIC FI RF fund, subject to the variation in the SELIC interest rate, which had an average remuneration of 98.89% of Selic as of December 31, 2022 (96.87% as of December 31, 2021). The fund's portfolio is composed of Federal Public securities issued by the National Treasury and/or the Central Bank of Brazil, prefixed or indexed to the variation of the CDI or, also, by committed transactions backed by federal government securities.

This financial application is presented in non-current assets and is linked to the loan of HB Cabotagem. The contractual clause determines that such investments must be taken into account linked, during the term of the contract, balance equivalent to the previously agreed.

6 Trade accounts receivable

6.1 Breakdown of balances per location

	Consolidated	
	12/31/2022	12/31/2021
Accounts receivable recorded by subsidiaries abroad	109,115	102,535
Accounts receivable recorded by subsidiaries in Brazil	131,958	150,739
Subtotal	241,073	253,274
Provision for expected credit losses	(23,701)	(2,254)
Total	217,372	251,020
Current	212,572	244,620
Non-current	4,800	6,400

As disclosed in note 23, there is a concentration of operating revenues in a small number of customers, which in turn may eventually affect their credit risk. For additional information related to credit risk, see note 27.4.

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

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6.2 Breakdown of accounts receivable by maturity age

	Consolidated	
	12/31/2022	12/31/2021
Falling due Overdue (days):	169,538	202,290
Expired up to 30 days	40,683	5,907
Expired from 31 to 60 days	-	3,332
Overdue from 61 to 90 days	541	26,390
Overdue from 91 to 120 days	3,475	8,806
Overdue from 121 to 180 days	476	2,360
Expired more than 180 days ago	26,360	4,189
Total	241,073	253,274

Provision drive map for expected losses:

	Consolidated
Balance at December 31, 2021	(2,254)
Conversion adjustment	118
Constitution	(21,565)
Balance at December 31, 2022	(23,701)

	Consolidated
Balance at December 31, 2020	(2,750)
Business combination	(1,763)
Constitution	(141)
Reversion	1,763
Conversion adjustment	637
Balance at December 31, 2021	(2,254)

7 Recoverable taxes

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
IRRF s/ financial application (a)	2,366	1,385	7,770	4,989
PIS / COFINS (b)	10	7	60,237	69,624
ISS	-	3	538	647
VAT (c)	-	-	4,112	7,980
Total	2,376	1,395	72,657	83,240
Current assets	2,376	1,395	27,988	30,414
Non-current assets	-	-	44,669	52,826

The taxes to be recovered are recorded by the competency, according to the withholdings suffered and/or payments made, in such a way that the Company and its subsidiaries present the following situations:

- Income tax withholdings, suffered as a result of income from financial investments made by the Company and its subsidiaries, are recognized in the asset according to information provided by financial institutions.
- The contributions of PIS and COFINS stem from the appropriate credits on fuel purchases and on the contracting of services, rent, among others. Credits are offset monthly with the debts calculated in the services or quarterly with the debts of other federal taxes through compensation via PER/DCOMP within a maximum period of five years.
- Value Added Tax (VAT) is a consequence of the purchase of insums for the operation of companies located in Uruguay.

7.1 Income tax and social contribution

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	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
IRPJ / CSLL	7,914	7,914	138,961	101,504
Total	7,914	7,914	138,961	101,504
Current assets	7,914	7,914	101,176	62,734
Non-current assets	-	-	37,785	38,770

Income tax and social contribution are presented in the asset according to advances made in accordance with current tax laws, to real profit, as well as withholding sprees suffered as a result of payment of services provided by the Company and its subsidiaries.

Part of the irpj and csll credit stems from advances of taxes that occurred in previous years, which were higher than the taxes due at the end of each fiscal year, thus generating an active balance to be offset with other federal taxes or to be repaid according to current legislation.

The negative balances of previous years are offset with other federal taxes, with criteria pre-established by current legislation, as well as are the subject of claims for reimbursement / refund.

8 Guarantees and escrow deposit

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Project Obrinel (a)	-	1,873	-	1,873
Other	12	306	26	337
Total	12	2,179	26	2,210

- (a) On July 25, 2014, the Company granted financial resources to the subsidiary in conjunction with Obrinel, the amount of which was settled on December 31, 2022 (R\$ 1,873 as of December 31, 2021), where the guarantee deposit would be available until the financial completion of the Obrinel Project, which took place on December 27, 2022.

Also on the Obrinel Project and in addition to the deposit guarantee referred to in this note, on June 24, 2014 the Company (as sponsor *sponsor of* the Obrinel Project) and its direct subsidiary, Hidrovias del Sur, granted in favor of the banks DEG and BROU: (i) solidary bail at the first *demand*) up to the amount of USD 9,800,000, as collateral for possible non-compliance of Obrinel under the terms of project financing; (ii) corporate guarantee up to USD 10,000,000, to cover any financial deficiencies or project expenses; and (iii) corporate guarantee up to USD 45,000,000 to cover some specific project risks. The shares of Baloto (a direct shareholder in Obrinel) were also in favor of DEG and BROU banks on June 13, 2014. All such guarantees remained in force until the financial conclusion of the Obrinel Project.

Restrictive clause

In addition to a standard list of do-and-do obligations, according to the terms of the financing taken for the Obrinel Project, Obrinel has committed itself to maintaining the following financial indicators: (i) not exceeding a 70/30 ratio between total debt and equity; (ii) current ratio not less than 1; and (iii) debt coverage greater than or equal to 1.15x. Until the financial completion of the Obrinel Project, Obrinel complied with the restrictive clauses mentioned above without default.

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9 Advances to suppliers

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Advances to domestic suppliers	13	857	10,027	38,236
Advances to foreign suppliers	-	-	12,056	12,028
Total	13	857	22,083	50,264

In the consolidated financial statements as of December 31, 2022, the advance balance to suppliers is basically composed of: R\$ 5,290 (R\$ 9,583 as of December 31, 2021), referring to advances for boat constructions; R\$ 8,657, referring to the implementation of the Santos terminal (R\$ 29,989 as of December 31, 2021); R\$ 7,900, referring to advances to other suppliers inherent to the operation of the Company and its subsidiaries (R\$ 8,484 as of December 31, 2021); and R\$ 236 related to advance for fuel purchase (R\$ 2,208 as of December 31, 2021).

10 Investments

The composition and movement of investments as of December 31, 2022 and 2021:

Composition of investments	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Equity interests valued by equity	2,095,195	1,421,483	95,203	87,596
Concession contract	5,382	5,788	5,382	5,788
Asset capital gain	12,706	18,069	-	-
Agio	-	-	9,007	10,321
Total	2,113,283	1,445,340	109,592	103,705

	12/31/2021		Parent company 12/31/2022						Final balance
	Starting balance	Capital increase/decrease	Equity valuation adjustment - Hedge	Equity valuation adjustment - currency conversion result (CTA)	Adequacy of equity interest	Dividends	Amortization	Equity income	
Baloto S.A.	2,448	-	-	(357)	-	-	-	358	2,449
Hidroviás Del Sur S.A.	669,692	1,935	-	(41,328)	-	-	-	(66,488)	563,811
Hidroviás do Brasil - Marabá S.A.	10,262	360	-	-	-	-	-	(1,451)	9,171
Hidroviás do Brasil - Holding Norte S.A.	443,711	450,000	85,776	-	-	-	-	110,426	1,089,913
Hidroviás do Brasil - Cabotagem Ltda.	189,777	-	40,429	-	1,080	(56,303)	-	17,697	192,680
Hidroviás do Brasil - Intermediação e Agenciamento de serviços Ltda.	33,401	-	-	-	170	-	-	947	34,518
Pricolpar S.A.	14	-	-	-	-	-	-	1	15
Hidroviás International Finance S.à.r.l.	1,536	-	-	(523)	-	-	-	671	1,684
Hidroviás South America B.V.	38,731	-	-	(1,637)	-	-	-	45,116	82,210
Hidroviás Navegación Fluvial S.A.	19,844	-	-	4,957	-	-	-	82,530	107,331
Baden S.A.	12,067	-	-	(761)	-	-	-	(683)	10,623
Via Grains	-	800	-	-	-	-	-	(10)	790
Subtotal	1,421,483	453,095	126,205	(39,649)	1,250	(56,303)	-	189,114	2,095,195
Concession contract	5,788	-	-	-	-	-	(406)	-	5,382
Baden S.A. - Asset capital gains	2,506	-	-	-	-	-	(165)	-	2,341
South America B.V. Hidroviás - Added Value	15,563	-	-	-	-	-	(5,198)	-	10,365
Total	1,445,340	453,095	126,205	(39,649)	1,250	(56,303)	(5,769)	189,114	2,113,283

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	12/31/2021	Consolidated 12/31/2022				
	Starting balance	Currency Conversion Result (CTA)	Equity income	Dividends	Amortization	Final balance
Limday S.A.	13,793	(3,851)	4,208	(250)	-	13,900
Obrinel S.A.	61,736	(1,572)	10,516	-	-	70,680
Baden S.A.	12,067	(760)	(684)	-	-	10,623
Subtotal	87,596	(6,183)	14,040	(250)	-	95,203
Concession contract (b)	5,788	-	-	-	(406)	5,382
Goodwill (a)	10,321	(676)	-	-	(638)	9,007
Total	103,705	(6,859)	14,040	(250)	(1,044)	109,592

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	12/31/2020		Parent company 12/31/2021							
	Starting balance	Capital contribution in invested	Acquisition of investments	Advantageous Purchase (*)	Equity valuation adjustment - Hedge	Equity valuation adjustment-Currency conversion result (CTA)	Dividends	Amortization	Equity income	Final 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 B.V.	-	-	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 - Asset capital gain	-	-	-	2,616	-	-	-	(110)	-	2,506
South America B.V. Hidroviás – Added Value	-	-	-	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 the advantageous purchase resulting from the business combination process evidenced in note 10.1 and advantageous purchase in the acquisition of jointly controlled interest.

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	2020		Consolidated						Final balance
	Starting balance	Dividends paid	Investment acquisition	Advantageous purchase	Capital increase	Currency Conversion Result (CTA)	Equity income	Amortization	
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 contract (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

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

The conversion effects of statements prepared in foreign currency, known as Currency Translation Adjustments (CTA), are presented in the Comprehensive Income Statement (DRA).

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

By Resolution No. 307/4,039, as of June 17, 2020, the Uruguayan National Port Administration approved some changes in the terms of the concession, including an extension within the concession period (for a further 20 years, until November 2051) along with an authorization to build an additional pier. These changes were approved by the Uruguayan Executive Branch on September 4, 2020, reflected in an amendment to the current concession agreement, which was signed on November 24, 2020.

The main information on direct, indirect and joint ly controlled companies is presented below:

	12/31/2022					Net revenues
	Number of shares	Total assets	Total liabilities	Equity	Profit (Loss) of companies for the period	
Direct controlled						
Hidroviás del Sur S.A.	4,330,646,746	681,228	117,417	563,811	(66,488)	-
Hidroviás International Finance S.à r.l.	12,000	3,257,623	3,255,939	1,684	671	-
Hidroviás do Brasil - Marabá S.A.	20,000,000	9,391	220	9,171	(1,451)	-
Hidroviás do Brasil - Cabotagem Ltda. (c)	220,475,382	839,273	646,592	192,681	17,697	208,815
Hidroviás do Brasil - Intermediação e Agenciamento de serviços Ltda.	2,500,000	36,880	2,362	34,518	947	11,249
Hidroviás South America B.V.	1,000,000	112,139	29,932	82,207	45,116	174,456
Hidroviás Navegación Fluvial S.A.(d)	442	142,605	32,270	110,335	86,874	248,854
Hidroviás do Brasil - Holding Norte S.A.	512,989,094	1,090,557	644	1,089,913	110,426	-
Via Grãos S.A.	800,000	790	-	790	(10)	-
Indirect subsidiaries						
Baloto S.A.	599,999,999	72,304	2,529	69,775	10,166	-
Girocantex S.A.	2,442,140,008	1,413,804	1,143,893	269,911	(35,130)	514,349
Hidroviás del Paraguay S.A.	266,377	113,783	58,252	55,531	69,365	-
Pricolpar S.A.	17,910	227,625	74,103	153,522	15,503	78,150
Cikelsol S.A.	800,000	782,905	839,528	(56,623)	(49,466)	96,326
Resflir S.A.	20,000	88,958	71,002	17,956	(1,802)	5,026
Hidroviás do Brasil - Vila do Conde S.A.	519,596,445	2,181,040	1,198,484	982,556	258,788	747,395
Hidroviás do Brasil - Santos Port Administration S.A.	43,904,863	587,609	481,535	106,074	(62,674)	31,355
Controlled together (e)						
Limday S.A.	42,902,541	16,139	1,665	14,474	4,229	16,701
Obrinel S.A.	587,999,999	384,881	311,642	73,239	10,516	27,364
Baden	175,000,000	11,213	201	10,787	(670)	-

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	12/31/2021					
	Number of shares	Total assets	Total liabilities	Equity	Profit (Loss) of companies for the period	Net revenues
Direct controlled						
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
Hidroviás South America B.V.	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)	-
Indirect subsidiaries						
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 - Santos Port Administration S.A.	43,904,863	445,910	277,161	168,749	(19,628)	-
Controlled together (e)						
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) Revenue is being presented net of hedge accounting in the amount of R\$ 19,548 (R\$ 22,423 as of December 31, 2021).

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

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

Key information on jointly controlled investments:

	Baden		Limday		Obrinel	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current assets	5,766	5,259	22,481	14,409	43,026	16,658
Non-current assets	16,660	19,292	13,568	19,236	742,446	755,868
Total asset	22,426	24,551	36,049	33,645	785,472	772,526
Current liabilities	411	416	3,719	2,684	64,451	38,098
Non-current liabilities	-	-	-	-	571,553	607,679
Equity	22,015	24,135	32,330	30,961	149,468	126,749
Total liabilities	22,426	24,551	36,049	33,645	785,472	772,526
Income Statement						
	Baden		Limday		Obrinel	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Net revenue	-	3,408	37,304	11,020	55,845	46,652
Cost and Expenses	(1,368)	(5,256)	(27,858)	(2,238)	(34,384)	(52,547)
Net income for the period	(1,368)	(1,848)	9,446	8,782	21,461	(5,895)

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10.1 Business combination

The Company and the subsidiaries Cikelso S.A. and Pricolpar S.A. ("Acquirers") acquired the logistics operation segment of Imperial Logistics operating in the Southern region with navigation in the Paraguay and Paraná Rivers.

The business combination was realized on April 16, 2021, and the Company and the subsidiaries mentioned above came to be controlled through the acquisition of 100% of the shareholding composition of Imperial Shipping Paraguay S.A. ("ISP") and Imperial South America BV ("ISA"), as well as acquisition of fixed assets held by Imperial Logistics, which are essential for the logistics operation maintained by the ISP.

The logistics operation acquired will provide the Group with the possibility of expanding its business in the South region of Latin America, with the increase of the fleet of the 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 the results of 2021.

Transferred consideration

The price was USD 88,863,000 and the price adjusted for the probability of reaching the contingent consideration was USD 86,088,000, to be paid as follows:

- i) The consideration transferred in the amount of USD 83,863 thousand, at the close of the contract, to Imperial Logistics to acquire control of the companies and assets mentioned above.

The transferred consideration, converted into Reais at the average rate on the date of acquisition, was R\$ 472,363, a value used to allocated the price paid in the acquisition of the business.

- ii) Additional contingent consideration ("Business Acquisition Cost") of up to USD 5,000,000 (fair value as of December 31, 2021 was USD 2,225,000), to be paid in four individual payments for each calendar year 2021, 2022, 2023 and 2024. This payment is directly related to external factors, and its determination takes into account operational factors of navigation levels in the Paraná and Paraguay rivers. The amount of the additional contingent consideration converted into Reais at the average rate at the date of acquisition was R\$ 28,163 and R\$ 12,532, respectively.

Purchase payday, in thousands of U.S. dollars	
Cash amount paid	83,863
Value of contingent installment (<i>earn-out</i>)	2,225
Total compensation*	86,088

Analysis of the cash flow of the acquisition, in thousands of U.S. dollars	
Cash amount paid	83,863
Net cash acquired from the subsidiary	(2,878)
Cash flow from investment activities**	80,985

*The amount corresponds to R\$ 484,895, converted into Reais at the average rate on the date of acquisition.

**The amount corresponds to R\$ 456,148, converted into Reais at the average rate on the date of acquisition.

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Measurement of business combination

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

Value recognized in the acquisition	ISP	ISA	Acquired assets	Eliminations	16/04/2021
ACTIVE					
Cash and cash equivalents	2,679	13,530	-	-	16,209
Accounts receivable	3,110	14,474	-	-	17,584
Stocks	6,104	-	-	-	6,104
Taxes to be recovered	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
Customer portfolio*	-	19,229	-	-	19,229
Empurradores	-	-	263,037	-	263,037
Barges	-	-	238,424	-	238,424
Non-current assets	3,170	19,229	501,461	-	523,860
Total asset	28,976	61,243	501,461	(21,452)	570,228
PASSIVE					
Suppliers	9,575	-	-	-	9,575
Social and labor obligations	3,330	-	-	-	3,330
Tax obligations	116	-	-	-	116
Accounts payable related shares	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 net identifiable assets	(8,342)	45,722	501,461	-	538,841

(*) Value of the capital gain of identifiable assets

According to item 32 of CPC 15, an advantageous gain per purchase in the amount of R\$ 53,946 related to the business combination detailed above was recognized at the date of acquisition being measured by the amount in which the fair value of assets and liabilities was higher than the consideration transferred by the acquisition of the control.

Total net identifiable assets	538,841
Paid payoff	(472,363)
Contingent consideration(**)	(12,532)
Advantageous purchase result	53,946

(**) As determined by the Purchase and Sale Agreement ("SPA") the contingent portion will be due 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: they are represented by contracts performed under normal market conditions, so the book values were close to their fair values. In relation to receivables and other assets, there is no expectation of loss.

Intangible: Preliminary assessment resulted in the allocation of value related to customer contracts ("Customer Relationship"). The fair value of intangible assets was estimated as follows:

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Item	R\$	Evaluation method	Valuation assumptions
Customer relationship Shelf life (3.7 years)	19,232	Multi-period Excess Earnings Method (MPEEM)	Projection period: 3.7 years, corresponding to the duration of existing contracts. For the calculation of the present value of the projected cash flow of the intangible, a discount rate of 9.0% p.a., estimated based on the WACC calculated for the ISA, was adopted.

Acquired assets: corresponds to the acquisition of 7 pushers and 84 barges. External experts were involved in measuring the fair value of assets acquired at the time of the business combination. The evaluation adopted a policy of conducting technical reviews and general market information to determine how much a willing buyer and seller would consider as fair price. To evaluate the condition of the vessels, a combination of elements was used, the main premises being:

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

For the calculation of the *earn-out*, the historical averages of the Paraguay river level were considered in the four localities stipulated by the SPA. From the historical averages, a matrix was constructed indicating the average water level of the river for the four localities, and from this matrix were calculated the possible *earn-out* payments, following calculation statements contained in the SPA. The *earn-out payments* were brought to present value, debited by the company's average USD borrowing cost.

10.2 Acquisition of Baden S.A.

On April 16, 2021, the Company acquired 50% of the stake in Baden S.A., a corporation, whose shareholding is composed of two shareholders through joint control. The company is headquartered in the city of Asunción, Paraguay, being a corporation whose main objective is the administration and granting of the license for operation in the Port of Asunción.

The consideration transferred to acquire 50% of the stake was R\$ 12,047, and the constitution of Baden results in a jointly controlled undertaking, and decisions are taken together, and none of the shareholders can make unilateral decisions to direct the business.

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

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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		
Asset		20,987
Intangible		5,233
Other assets		113
		26,333
Current liabilities		
Suppliers		473
Social obligations		58
		531
Total net identifiable assets		30,482
Fair value of acquired assets and assumed liabilities - 50%		15,241

According to item 32 of CPC 15, the gain per advantageous purchase in the amount of R\$ 3,194 referring to Baden S.A. was recognized at the date of acquisition, being measured by the amount in which the fair value of assets and liabilities was higher than the consideration transferred by the acquisition of the equity interest, as follows:

	04/16/2021
Fair value of acquired assets and assumed liabilities - 50%	15,241
Transferred consideration	(12,047)
Gain per advantageous 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: they are represented by contracts performed under normal market conditions, so the book values were close to their fair values. In relation to receivables, there is no expectation of loss.

Fixed assets: The assets of Porto Baden are new, with construction completed on a date close to the acquisition, in addition, the concession contract establishes that Baden S.A. must proceed to the restitution of facilities and improvements without burden to ANNP, at the end of the contract.

Intangible: the preliminary assessment resulted in the allocation of value related to the right of operation, operation, provision of services and administration of the port terminal, as shown in the following table:

Item	R\$	Evaluation method	Valuation assumptions
Concession contract Shelf life (15.8 years)	2,616 (50%)	Multi-period Excess Earnings Method (MPEEM)	Projection period: until the end of the concession contract on Feb/37. Discount rate: 12.4%.

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11 Property, plant and equipment

The composition and movement of fixed assets as of December 31, 2022 and 2021:

	Parent company				Asset sandin so	Total
	Facilities and improvements	Furniture and utensils	Machinery and equipment	Electronic and computer equipment		
Balance at 12/31/2021	631	1,630	134	3,707	151	6,253
Transfers	(29)	-	-	29	-	-
Additions	-	-	-	-	1,666	1,666
Writ-off	(307)	(1,436)	(1)	-	(150)	(1,894)
Depreciation	(295)	(194)	(45)	(1,508)	-	(2,042)
Balance at 12/31/2022	-	-	88	2,228	1,667	3,983

Historical cost	-	2	395	6,233	1,667	8,297
Accumulated depreciation	-	(2)	(307)	(4,005)	-	(4,314)
Annual depreciation rate - %	10-15	10-20	10-15	20-25	-	-

	Parent company				Asset sandin so	Total
	Facilities and improvements	Furniture and utensils	Machinery and equipment	Electronic and computer equipment		
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 - %	10-15	10-20	10-15	20-25	-	-

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	Consolidated									Total
	Land	Buildings	Facilities and improvements	Furniture and utensils	Machinery and equipment	Electronic and computer equipment	Vehicles	Pushers, barges, ships	Assets in progress(b)	
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	-	3,568	647	536	3,254	706	-	911	254,800	264,422
Write-off	-	-	(306)	(1,436)	(674)	-	-	(1)	(301)	(2,718)
Impairment losses	-	-	-	-	-	-	-	-	(24,740)	(24,740)
Transfers	-	104,281	62,744	164	163,663	8,309	9	53,289	(393,661)	(1,202)
Depreciation	-	(25,317)	(12,661)	(311)	(60,373)	(3,764)	(313)	(153,584)	-	(256,323)
Exchange-rate change	-	-	(1,824)	(42)	(1,171)	(60)	(73)	(124,840)	(14,379)	(142,389)
Balance at 12/31/2022	85,452	556,609	79,218	1,434	356,948	13,730	435	2,528,671	468,838	4,091,335
Historical cost	85,452	713,637	98,617	1,996	634,469	23,456	1,587	3,373,344	468,838	5,401,396
Accumulated depreciation	-	(157,028)	(19,399)	(562)	(277,521)	(9,726)	(1,152)	(844,673)	-	(1,310,061)
Annual depreciation rate - %	-	4-5	10-15	10-20	10-15	20-25	25-40	4-6	-	-

	Consolidated									Total
	Land	Buildings	Facilities and improvements	Furniture and utensils	Machinery and equipment	Electronic and computer equipment	Vehicles	Pushers, barges, ships	Assets in progress(b)	
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)
Exchange-rate change	-	-	937	46	2,578	58	103	94,722	(3,235)	95,209
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
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 - %	-	4-5	10-15	10-20	10-15	20-25	25-40	4-6	-	-

(a) the increase presented for the assets of pushers, barges and ships is due to the business combination process highlighted in the business combination note; and

(b) With respect to the asset under construction, the increase comes from projects with the Santos terminal and assets necessary for the use of barges, such as tops.

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Asset Recoverable Value Reduction Test - *Impairment*

According to the accounting practices adopted in Brazil and IFRS, fixed asset items that show indications that their recorded costs are higher than their recoverable values should be reviewed to determine the need to record the provision for reducing the book balance to their realization value.

The main assumptions used to estimate the recoverable value as of December 31, 2022 are defined below and the values attributed to the main assumptions represent the evaluation of future trends of management in relevant sectors and were based on historical data from internal and external sources.

In the year ended December 31, 2022, the discount rate was estimated after taxes based on the weighted average rate of wacc capital cost that varied between 9.4% and 8.7%, considering market parameters.

Cash flow projections were made considering the useful life of the assets of each CGU.

The projected result was estimated taking into account past experience. Projected revenue growth took into account long-term contracts in the *Take or Pay model*. The price of services increases in line with inflation expected for the coming years, as provided for in the contracts, and costs vary according to the volume realized and are updated by the projected inflation rate.

In the year ended December 31, 2022, Management carried out a study and identified the need for a provision to reduce the accounting balance of part of what would be the Salt Logistics operation in which there is no expectation of return on investment, since, in 2023, the Company assimilated the infeasibility of carrying out the salt logistics operation in Rio Grande do Norte in the manner initially thought, due to an insurmountable regulatory obstacle (see note no. 32).

A potential Salt Logistics operation, for which initiatives were carried out from April 2019, consisted of salt navigation and transshipment in the Rio Grande do Norte region, seeking to improve the operational performance of salt miner customers in the region.

In view of the above, Hidrovias registered a provision for a reduction in recoverable value in the amount of R\$ 24,740.

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12 Right-of-use asset

The composition and movement of the right-of-use asset as of December 31, 2022 and December 31, 2021 is presented as follows:

Parent company	Real estate	Total
Net balances as of December 31, 2021	1,182	1,182
Constitution	2,498	2,498
Amortization	(1,182)	(1,182)
Net balances as of December 31, 2022	2,498	2,498

Parent company	Real estate	Total
Net balances as of December 31, 2020	-	-
Additions	2,469	2,469
Amortization	(1,287)	(1,287)
Net balances as of December 31, 2021	1,182	1,182

Consolidated	Real estate	Vessels	Total
Net balances as of December 31, 2021	135,001	72,579	207,580
Additions	42,157	12,653	54,810
Write-off	(255)	(3,038)	(3,293)
Amortization	(11,035)	(50,857)	(61,892)
Conversion adjustment	91	(3,897)	(3,806)
Net balances as of December 31, 2022	165,959	27,440	193,399

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

Below is the movement of lease liabilities as of December 31, 2022 and December 31, 2021:

	Parent company	Consolidated
Balance at December 31, 2021	1,227	231,578
Additions	2,498	54,810
Interest and monetary adjustment	52	4,375
Payment of the principal	(1,279)	(71,797)
Write-off	-	(12,784)
Realization of the adjustment to present value	-	29,052
Conversion adjustment	-	(4,710)
Balance at December 31, 2022	2,498	230,524
Current	665	30,692
Non-current	1,833	199,832

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	Parent company	Consolidated
Balance at December 31, 2020	180	164,747
Additions	2,469	154,708
Interest and monetary adjustment	142	6,520
Payment of the principal	(1,564)	(81,925)
Write-off	-	(13,931)
Realization of the adjustment to present value	-	6,555
Conversion adjustment	-	(5,096)
Balance at December 31, 2021	1,227	231,578
Current	1,227	69,942
Non-current	-	161,636

Schedule of expiration of leases:

Year	Parent company	Consolidated
2023	997	43,503
2024	1,035	29,306
2025	904	26,349
2026	-	23,263
2027 onwards	-	358,507
Subtotal	2,936	480,928
Interest and adjustment to present value	(438)	(250,404)
Lease liabilities	2,498	230,524

The Group estimated the discount rates based on the risk-free interest rates observed in the Brazilian market, for the terms of its contracts, adjusted to their reality and characteristics *of the lease (credit spread)*. The table below shows the average rates practiced taking into account the terms of contracts:

Deadlines	Rate % per year
1 year	10,25
2 years old	9,72
3 years old	10,93
5 years old	11,16
6 years onwards	11,57

The following is an indicative table of the potential right of PIS/COFINS to recover embedded in the lease payment, according to the periods foreseen for payment. Uncashed balances and balances debilled at present value:

Cash flows	Parent company		Consolidated	
	Nominal	Adjusted to present value	Nominal	Adjusted to present value
Lease payment	4,861	2,498	460,111	230,524
PIS and COFINS (9.25%)	450	231	42,560	21,323

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13 Intangible assets

Parent company	Software	Contracts	Intangible assets in progress	Total
Balance at December 31, 2021	6,390	984	30,856	38,230
Transfers	29,350	18	(29,368)	-
Additions	53	-	19,234	19,287
Amortization	(18,446)	(249)	-	(18,695)
Balance at December 31, 2022	17,347	753	20,722	38,822
Annual amortization rate - %	25-50	(*)	-	-
Historical cost	62,265	1,645	20,722	84,632
Accumulated amortization	(44,918)	(892)	-	(45,810)

Parent company	Software	Contracts	Intangible assets 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	6,390	984	30,856	38,230
Annual amortization rate - %	20-45	(*)	-	-
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.

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Consolidated	Software	Contracts (b)	Goodwill (a)	Intangible assets in progress	Other	Total
Balance at December 31, 2021	12,574	223,566	73,121	38,129	51	347,441
Additions	96	-	-	36,759	-	36,855
Transfers	40,994	87	-	(39,879)	-	1,202
Reclassification	-	(1,311)	-	-	-	(1,311)
Amortization	(23,273)	(19,151)	-	-	(46)	(42,470)
Amortization - AVP**	-	924	-	-	-	924
Conversion adjustment	(279)	-	-	(10)	(5)	(294)
Balance at December 31, 2022	30,112	204,115	73,121	34,999	-	342,347
Annual amortization rate - %	20-50	(*)	-	-	20-30	-
Historical cost	87,910	280,730	73,121	34,999	94	476,854
Accumulated amortization	(57,798)	(76,615)	-	-	(94)	(134,507)

Consolidated	Software	Contracts (b)	Goodwill (a)	Intangible assets 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
Conversion adjustment	292	-	-	(17)	10	285
Balance at December 31, 2021	12,574	223,566	73,121	38,129	51	347,441
Annual amortization rate - %	20-45	(*)	-	-	20-30	-
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 amortization of the adjustment to the present value of the Port of Santos grant, recorded in the financial result

(a) Goodwill

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

As of December 31, 2022, using the premise of calculation on projected future cash flows in the period of the concession contract and, applying the discount rate, the need for registration of provision for *impairment was not identified*.

For the purpose of the recoverable value reduction test, the goodwill was allocated to the Cash Generating Units (CGU) of their origin.

The recoverable value of these CGUs was based on fair value, estimated based on cash flows. The fair value measurement was classified as Level 3 based on the *inputs used* in the evaluation technique. The main assumptions used to estimate the recoverable value are defined below and the values attributed to the main assumptions represent the management assessment of future trends in relevant sectors and were based on historical data from internal and external sources.

The discount rate was estimated after taxes based on the weighted average capital cost rate (WACC) for each CGU is 8.5%, considering market parameters.

The projected result was estimated taking into account past experience. Projected revenue growth took into account long-term contracts in the Take or Pay model. The price of services increases in line with inflation expected for the

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coming years, as provided for in the contracts, and costs vary according to the volume realized and are updated by the projected inflation rate.

The estimated recoverable value of the CGUs was higher than their book value, so the need for registration of provision for impairment was not *identified*.

(b) Contracts

In 2021, there was an increase in the contract tied to the added value of customer relationships in the amount of R\$ 19,232 recorded in conjunction with the business combination detailed in note 10.1 with an estimated useful life of 3.7 years, in addition to the capital gain of R\$ 2,616 of the concession contract that was identified in conjunction with the acquisition of the jointsubsidiary investment, with an estimated shelf life of 15.8 years.

Contracts of customers acquired by the subsidiary Cabotagem in December 2016 with a duration of 18 years for the provision of navigation service for the transport of bauxite, and the value of the contract is amortized based on its validity.

Lease agreement acquired by the subsidiary Hidrovias do Brasil - Participation Port Administration of Santos S.A., lasting 25 years from the date of assumption of March 3, 2020, in the amount of R\$ 112,500, referring to the granting and adjustment to present value in the amount of R\$ 19,379, for the movement and storage of mineral bulk, fertilizers and sais, located within the Port of Santos. The average discount rate for these assets is 9.4% for the year to December 31, 2022, and the contract value is amortized based on the term of the contract. The table below shows the movement of the obligation constituted, due to the obligation with the National Agency for Aquatic Transport (ANTAQ):

	Consolidated
Balance at December 31, 2021	66,273
Payment	(20,054)
Monetary update	5,169
Reclassification	(1,311)
Realization of the adjustment to present value	3,876
Balance at December 31, 2022	53,953

Current	17,231
Non-current	36,722

	Consolidated
Balance at December 31, 2020	73,773
Payment	(18,141)
Monetary update	6,765
Realization of the adjustment to present value	3,876
Balance at December 31, 2021	66,273

Current	24,046
Non-current	42,227

14 Suppliers

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
National suppliers	11,790	5,451	174,633	101,182
Foreign suppliers	-	-	15,970	44,960
Total	11,790	5,451	190,603	146,142

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15 Loans, financing and debentures

	Guy	Final maturity	Interest rate - a.a.	Parent company		Consolidated	
				12/31/2022	12/31/2021	12/31/2022	12/31/2021
Hidrovias do Brasil	1st Issue of Debentures	out/31	IPCA+6.0%	401,934	376,433	401,934	376,433
	2nd Issue of Debentures	jul/27	CDI + 2.0%	524,860	-	524,860	-
	FINEP	mar/32	TJLP + 1%	19,698	-	19,698	-
HB International Finance	Bond 2025	jan/25	5.95%	-	-	806,113	865,578
	Bond 2031	feb/31	4.95%	-	-	1,959,065	2,742,860
Hidrovias do Brasil - Cabotagem Ltda.	Bank credit card	mar/33	2.5% / 3.9% + Ptax 800 BCB (USD)	-	-	553,804	654,060
Hidrovias do Brasil - Vila do Conde S.A.	Project financing	feb/26	4.99%	-	-	305	475
Total				946,492	376,433	4,265,779	4,639,406
Current				58,394	6,182	192,819	180,889
Non-current				888,098	370,251	4,072,960	4,458,517

The movement of loans, financing and debentures is as follows:

	Balance at 12/31/2021	Capture	Interest	Adding cost capture	Amortization borrowing cost	Principal payment	Interest payment	Bond Buyback	Conversion adjustment	Hedge Effect	Exchange variation	Balance at 12/31/2022
Parent company (a)	376,433	519,800	75,432	(4,037)	1,348	-	(22,484)	-	-	-	-	946,492
Luxembourg (b)	3,608,438	-	176,794	-	37,745	-	(183,560)	(644,677)	(229,562)	-	-	2,765,178
Conde Village (c)	475	-	389	-	-	-	(1,182)	-	623	-	-	305
Cabotagem (d)	654,060	-	19,196	-	-	(56,926)	(19,520)	-	-	(41,708)	(1,298)	553,804
Total	4,639,406	519,800	271,811	(4,037)	39,093	(56,926)	(226,746)	(644,677)	(228,939)	(41,708)	(1,298)	4,265,779

	Balance at 12/31/2020	Capture	Interest	Adding cost capture	Amortization borrowing cost	Principal payment	Interest payment	Conversion adjustment	Hedge Effect	Exchange Variation	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
Conde Village (c)	2,467	-	3,380	-	-	-	(3,161)	(2,211)	-	-	475
Cabotagem (d)	666,485	-	22,464	-	-	(59,620)	(22,355)	-	45,480	1,606	654,060
Total	3,723,134	3,228,650	220,144	(124,375)	34,112	(2,483,608)	(217,745)	212,008	45,480	1,606	4,639,406

Description of loan, financing and debenture agreements

- (a) On October 15, 2021, the Company made its first issue of simple Debentures, non-convertible shares, of the chiropractic species, in two series, for public distribution with restricted distribution efforts, in the total amount of R\$ 380,000, as the issuance of Encouraged Debentures carried out pursuant to Article 2 of Law No. 12,431, and a maturity of 7 years from the date of issue for the debentures of the first series and 10 years from the date of issue for the debentures of the second series. The funds raised from the issuance will be allocated to the project of implementation and adequacy of infrastructure of the STS20 Terminal in the Port of Santos / SP.

In December 2021, the Company, as a financier, and its subsidiary Hidrovias do Brasil – Vila do Conde S.A., as the executing actor, concluded a financing contract with the Studies and Projects Financier – Finep ("Finep"), whose object is the financing for 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 December 30, 2021. The Company delivered the applicable

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guarantee instrument and the other information and documentation necessary for Finep and, on April 26, 2022, received the first installment of said financing, in the total net amount of R\$ 19,548 thousand.

On July 20, 2022, the Company made its 2nd issue of simple debentures, not convertible into shares, of the chiropractic species, in two series, for public distribution with restricted distribution efforts, in the total amount of R\$ 500,000, and maturity of five years from the date of issue for the debentures of the first series and seven years from the date of issue for the debentures of the second series. The funds raised from the issue were allocated to optimize the Company's capital structure.

- (b) On January 24, 2018, the Company captured, through its Luxembourg subsidiary, a Bond of USD 600,000,000, maturing on January 24, 2025. The amount recorded is net of the borrowing cost of USD 5,100,000 and will be amortized according to the term of the contract. Part of this issue was repurchased with funds from a new issue as reported below.

On February 8, 2021, the Company, through its subsidiary in Luxembourg, issued a Bond in the amount of USD 500,000,000, maturing on February 8, 2031. The funds of this issue were used to repurchase approximately 75% of Bond 2025, issued on January 24, 2018. The recorded amount is net of the borrowing cost and will be amortized according to the term of the contract.

Such transaction is structured to, at any time, by mere liberality, be settled with securities, securities or other assets transferred under guarantee. That note is fully guaranteed by a linked credit note of equal value, maturity and maturity, against the same payday. Both instruments may be redeemed in a manner linked and at any time by the Company.

- (c) On March 22, 2018, the Company captured, through its subsidiaries Hidrovias do Brasil – Vila do Conde S.A., NCEs (Export Credit Note) with Banco Santander, in the total amount of R\$ 1,120,734 (R\$ 1,005,569 as of December 31, 2022 and R\$ 1,733,153 as of December 31, 2021), whose note has payment of half-yearly interest of 6.3% to.a., due on January 21, 2025 (the amount presented in the table is net of the respective financial application in the amount of R\$ 1,005,427 at December 31, 2022 and R\$1,732,678 as of December 31, 2021). In May 2021, the Company signed this contract and the note started to have interest of 4.99% p.a. and maturity on February 4, 2026.
- (d) On December 23, 2016, the Company assumed, through its indirect subsidiary HB Cabotagem, in negotiation with Log-In, the Financing Contract Through Opening Of Credit with BNDES, in the total amount of USD 144,644 thousand, which were equivalent to R\$ 491,601, referring to the acquisition of two bulk carriers, whose payments occur monthly with the final settlement scheduled for March 10, 2033. The assets acquired called Peacock Bass and Tambaqui are guaranteed.

Guarantees

Loans and financing have guarantees from the Company through guarantees, promissory notes or deposits in bank accounts.

Bonds are endorsed by Hidrovias do Brasil S.A., Hidrovías del Sur S.A., Cikelosol S.A., Pricolpar S.A., Hidrovias del Paraguay S.A., Girocortex 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 restrictive clauses tied to the raising with BNDES, which may, in case of non-compliance, lead to the anticipated maturity of the debt. In addition, some financing and debentures have clauses that are related to financial indices such as: debt service coverage, debt, liquidity and operating obligations. In addition to these, there are other non-financial clauses.

The subsidiary Cabotagem has the following clause: (i) maintain the capitalization index greater than or equal to 25%. The capitalization index is given by the adjusted PL on total asset. The adjusted PL is the PL excluding passive and active exchange variations; and (ii) maintain the debt service coverage index equal to or greater than 1.3x. THE ICSD is the EBITDA minus IR and CSLL and variation of working capital, excluding cash and debt and the effects of exchange variation on debt service. On December 31, 2022, the clauses of the subsidiary Cabotagem were fully reached.

The subsidiary Hidrovias International Finance S.à.r.l. has the *financial covenant* related to Bond 2031 leverage (net debt over EBITDA), which should be less than 4.5x in 2021 and 2022, less than 4.0x in 2023 and less than 3.5x from 2024, so that the Company can distribute extraordinary dividends and new debts can be contracted beyond the basket previously established in the relative issue deeds.

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As of December 31, 2022, the clauses of the subsidiary Hidrovias International Finance S.à.r.l. were not reached as leverage was 5.5x. The non-achievement of the *covenant* does not accelerate the payment of the debt and does not cause *default*. However, the Company may not raise new debts additional to those already permitted by the restrictive clauses of Bond 2031 or pay extraordinary dividends (above the minimum requirement established by the Bylaws). Even with the non-reach *of 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 permitted by the Bond 2031 restrictive clauses, to meet its obligations.

The Parent Company has the *financial covenant* related to the 1st and 2nd debenture issues in October 2021 and July 2022, respectively, leverage ("net debt over EBITDA"), which should be less than (a) 4.5x in 2022, (b) 4.0x between January 1, 2023 through December 2023 and (c) 3.5x from January 1, 2024 to maturity.

As of December 31, 2022, the Company did not reach the aforementioned indices, since the leverage was 5.5x. It is noteworthy that non-compliance with *the covenant* does not accelerate the payment of debt and is not considered *default*. However, the Company now has restrictions to capture new debts beyond those permitted by the restrictive clauses of the Debenture Issues Deeds or pay extraordinary dividends above the minimum amount established 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 those already permitted by the debenture emission deeds restrictive clauses to meet its obligations.

With the repurchase of bonds held in the *liability management process* of 2021, Bond 2025 no longer has *financial covenants*.

Bond repurchase

As approved at a meeting of the Company's Board of Directors, held on June 27, 2018, Hidrovias may repurchase Bond 2025, on time, when the opportunity is appropriate and provided that it does not exceed the total amount of USD 50,000,000. This amount does not constitute a market repurchase offer and allows an opportunity for *bondholders* who may eventually need liquidity.

Due to market circumstances, the Company's securities had their price reduced in the secondary market, which led to the evaluation of possible repurchases in 2020, and until the year ended December 31, 2022, repurchases totaling USD 24,850,000 for Bond 2025 were made. These securities were not canceled until December 31, 2022, being held in the Group's treasury, and therefore, for presentation purposes, do not compose the balance of loans and financing.

In addition to the buyback program carried out in 2020, on May 25, 2022, the Company approved a new program, carried out with funds from the 2nd Issue of Debentures and with buybacks made through its subsidiary in Luxembourg Hidrovias International Finance S.à.r.l. ("Hidrovias Lux"). During the fiscal year ended December 31, 2022, Hidrovias Lux repurchased:

- 1) The aggregate value of USD 1,081,000 of the open principal of the 5,950% Senior Notes issued by Hidrovias Lux on January 24, 2018, due in January 2025 ("Senior Notes 2025"). This amount has been cancelled in full on the market;

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- 2) The aggregate principal value of USD 121,396,000 of the USD 500,000,000 originally issued by Hidrovias Lux in the 4,950% Senior Notes on February 8, 2021, due in February 2031 ("Senior Notes 2031"). This amount represents approximately 24.28% of the aggregate principal value of Senior Notes 2031 at the time of the initial listing. Of this amount, part remains in the Company's treasury and USD 57,796,000 has been cancelled on the market. All the gain from these operations is shown according to note 25, as reflected in the entire amount repurchased as amortization of the loan balance.

Maturity of long-term installments

As of December 31, 2022 and December 31, 2021, long-term maturities are as follows:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
13 to 24 months	-	-	57,029	62,428
25 to 36 months	-	-	56,617	61,976
37 to 48 months	-	-	833,839	912,772
49 to 60 months	-	-	56,961	62,353
From 61 months	888,098	370,251	3,068,514	3,358,988
Total	888,098	370,251	4,072,960	4,458,517

16 Social charges and labor legislation obligations

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Provision for bonuses and bonuses	13,584	8,181	31,505	14,257
Holidays and charges	4,324	3,811	16,388	13,331
INSS to collect	854	920	3,952	3,112
IRRF to be collected	931	550	2,569	1,734
FGTS to be collected	283	131	993	199
Other	-	393	122	1,123
Total	19,976	13,986	55,529	33,756

17 Lawsuits

The Company and its subsidiaries are a party to administrative and judicial proceedings arising from the normal course of its operations, involving matters of a tax, labor and civil nature. Based on the information of its legal advisors, internal and external, the Administration measured and recognized provisions for contingencies in an estimated amount of the amount of the obligation and that reflect the expected outflow of resources.

As of December 31, 2022, the provisions for probable contingencies were recognized in the amount of R\$ 6,808 in the Parent Company (R\$ 5,479 at December 31, 2021) and R\$ 32,020 in the Consolidated (R\$ 22,334 as of December 31, 2021). The composition of the provision for contingencies is detailed below:

Parent company

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	12/31/2021	Additions	Restatements	Write-off	12/31/2022
Fiscal	5,479		1,749	(420)	6,808
Total	5,479		1,749	(420)	6,808

	12/31/2020	Additions	Parent company Restatement	Write-off	12/31/2021
Fiscal	-	5,479	-	-	5,479
Total	-	5,479	-	-	5,479

	Consolidated					
	12/31/2021	Additions	Restatement	Write-off	Conversion adjustment	12/31/2022
Labor	16,447	8,677	3,109	(3,937)	(23)	24,273
Fiscal	5,479	162	1,748	(527)	-	6,862
Civil	408	497	5	(25)	-	885
Total	22,334	9,336	4,862	(4,489)	(23)	32,020

	Consolidated					
	31/12/2020	Additions	Restatement	Write-off	Conversion adjustment	12/31/2021
Labor	9,791	5,689	1,110	(143)	-	16,447
Fiscal	-	5,479	-	-	-	5,479
Civil	3	400	1	-	4	408
Total	9,794	11,568	1,111	(143)	4	22,334

Labor lawsuits represent complaints of various natures (additional navigation, wage differences, rescission funds, among other indemnities).

Possible contingencies

The Company and its subsidiaries are party to other processes for which management, based on the assessment of its legal advisors, internal and external, has deemed the risk of loss possible. The obligations arising from these processes are considered as contingent liabilities, since it is not considered likely that an outflow of resources incorporating economic benefits is required to settle such obligations. The nature of the main contingent liabilities are:

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Processes	Nature
Labor	Labor claims of various natures, referring to claims such as payment of additional navigation, salary differences, rescission funds, among other indemnities, which are in the judicial or administrative sphere, in different procedural phases. As of December 31, 2022, the total number of possible labor causes is R\$ 12,055 (R\$ 7,989 as of December 31, 2021).
Civil	As of December 31, 2022, the Company and its subsidiaries had the total amount of R\$ 25,988 in civil proceedings, represented by actions of collection and indemnification (R\$ 1,124 as of December 31, 2021).
Fiscal	<p>Administrative process initiated on April 14, 2021, by the Regional Coordination of Tax Administration (CERAT) of the State Secretariat of Finance of Pará in the municipality of Abaetetuba, from The Infraction Notice No. 06202151000007-1, for allegedly having applied the deferral of ICMS without legal support, in relation to the bauxite transport services provided by the Company to Alunorte Alumina do Norte do Brasil S.A. The Company's subsidiary claims that the client Alunorte Alumina do Norte do Brasil S.A. has the benefit of deferring the ICMS for transportation in the State of Pará, granted repeatedly, since 1993, initially through Law No. 5,758 of August 30, 1993 of the State of Pará, amended by Law No. 6,307 of July 17, 2000 and, finally, through Resolution No 14 of July 10, 2015. However, the text of this Resolution No. 14 does not expressly indicate the transport companies that provide the logistics services, as is the case of the Company, which make use of the benefit of the ICMS deferral. In 2021, the Company was subpoenaed on a fully favorable decision, in the first administrative instance. In 2022 there was an unfavorable decision in the TARF/PA, there was a protocol of request for reconsideration. The Company considers to have robust arguments to annul the above-mentioned infringement. The amount relating to the infringement notice is zero risk, considering that on August 29, 2022 a judgment was published which recognised and upheld our reconsideration appeal.</p> <p>Administrative proceedings relating to Notice of Infringement No. 062017510000118-0/ Administrative Appeal No. 062017730002578-0, started on October 8, 2018, by SEFA/PA, referring to iCMS tax credit allegedly due in the periods between July and August 2017, in the amount of R\$ 4,709, as of December 31, 2021. SEFA/PA claims that the collection of ICMS debts on transport services is due to not recognizing the right to enjoy the deferral tax benefit provided for in Article 1 of Resolution No. 014/15 in the amount of R\$ 4,687. The Company argues that the STJ issued Summary No. 649 in 2021, which confirmed the exemption applicable to the transportation of goods destined abroad: "ICMS does not apply to the interstate transportation service of goods destined abroad".</p> <p>Sending security in the face of the City of Itaituba nº 0803412-32.2021.8.14.0024 with injunction request for suspension of the chargeability of the traffic rate and circulation of large vehicles in the municipality and presentation of monthly Analytical Report of the movement of trucks loaded in the municipality (Municipal Law No. 3,534/2020) proposed on October 18, 2021, with deposit of the amount questioned in the amount of R\$ 2,407. The Company's subsidiary argues that the taxpayer provided for in the legislation is the natural or legal person who uses large vehicles to transit loaded within the municipal territory, that is, the owner of the cargo being undue the collection of the Company's subsidiary. The injunction was granted 27 October 2021 in relation to the amount deposited and the presentation of the report. The Company's subsidiary has filed declaration embargoes in relation to the suspension of the chargeability of the taxes of amounts after the deposit and awaits trial.</p> <p>Tax Enforcement filed by the State of Pará against the defunct branch of Embargante for the requirement of debts in the amount of R\$ 5,090, constituted under ICMS/PA and fine by The Notice of Infraction and Tax Notification No. 042016510003825-0 and, subsequently, enrolled in Active Debt under no. 2016.570218785-2. As of December 31, 2022, the amount at risk is R\$ 11,301 with sufficient insurance to cover the debt.</p> <p>The Company and its subsidiaries have other tax proceedings, classified as possible loss, whose estimated amount is R\$ 201,654 as of December 31, 2022</p>

As of December 31, 2022, the Company and its subsidiaries had judicial deposits related to the collection of PIS and COFINS and ICMS in accordance with warrants, in the amount of R\$ 26,812 (R\$ 15,171 as of December 31, 2021), R\$ 31,475 related to IR and INSS (R\$ 27,040 as of December 31, 2021) per share, which discusses tax chargeability in the context of the exercise of options related to the Stock Options program, R\$ 2,602 (R\$ 2,407 as of December 31, 2021) referring to the Warrant of Security in the face of the Municipality of Itaituba with an injunction request for suspension of the chargeability of the traffic and

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circulation rate of large vehicles in the municipality and R\$ 7,872 (R\$ 1,326 as of December 31, 2021) referring to other judicial deposits of civil and labor proceedings.

18 Related parties

Remuneration of key management personnel

As of December 31, 2022, the remuneration of key management staff, which includes the Executive Board and the Directors, totaled R\$ 18,857 (R\$ 19,745 as of December 31, 2021), referring to variable salaries and benefits of which R\$ 18,281 refers to short-term employee benefits (R\$ 19,112 as of December 31, 2021) and R\$ 576 to health care benefits (R\$ 633 as of December 31, 2021).

The values of related parties basically refer to financial transactions under contractual 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			
	Active		Liabilities	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Girocantex S.A. (a)	-	-	-	(321)
Hidrovias del Sur S.A. (b)	3,473	3,556	-	-
Hidrovias do Brasil - Interm. and Agenc. Serv. Limited liability company. (c)	33	171	-	-
Hidrovias do Brasil - Vila do Conde S.A (c)	8,050	7,363	(1,143)	(1,140)
Hidrovias do Brasil - Marabá S.A. (c)	161	1,382	-	-
Hidrovias do Brasil - Cabotagem Ltda. (c)	435	1,777	(175)	(175)
Hidrovias do Brasil - Participation Port Administration of Santos S.A. (d)	10,366	6,539	(94)	(94)
Hidrovias del Paraguay S.A (e)	523	523	(1)	-
Pricolpar S.A. (e)	-	-	(2)	(3)
Cikelsol S.A. (e)	-	-	(104)	(112)
Resflir S.A.	207	-	-	-
Dividends	57,236	934	-	-
Mutual (f)	5,219	5,787	(21,701)	(21,469)
Total	85,703	28,032	(23,220)	(23,314)
Current	80,485	22,452	(2,965)	(1,724)
Non-current	5,218	5,580	(20,255)	(21,590)

	Consolidated			
	Active		Liabilities	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Joint venture credits				
Obrinel	5,369	5,778	-	-
Total	5,369	5,778	-	-
Non-current	5,369	5,778	-	-

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	Consolidated			
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Guarantees and security deposit (g)	-	1,873	-	-
Total	-	1,873	-	-

	Controller		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Revenue (expenses):				
Exchange variation on collateral (g)	(62)	1,227	(62)	(1,852)
Reimbursement of expenses (h)	(20,450)	(18,177)	-	-
Exchange variation and interest on mutual	274	(2,870)	274	(973)
Total	(20,238)	(19,820)	212	(2,825)

- (a) It refers to reimbursable expenses with structuring the financing for the Vale Project with the indirect subsidiary Girocantex in Brazil.
- (b) It refers to reimbursable expenses with its subsidiary Hidrovias 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, (iii) rental costs and (iv) banknote processing, accounting and auditing, which are passed on among the Group's companies.
- (d) It refers to expenses with management project of its subsidiary Hidrovias do Brasil – Participation Port Administration of Santos S.A.
- (e) They refer to operating expenses with the parent company. No settlement forecast or monetary correction.
- (f) In the asset refers to loan with the subsidiary Resflir S.A., and in liabilities refers substantially to the loan with Luxembourg maturing in February 2031, interest is presented in the results of transactions with related parties.
- (g) As mentioned in note 8, they refer to financial resources granted to Obrinel without interest collection, which were settled after *proof of asset performance* and completion of port facilities. Financial results arising from exchange variation are recognized in the results for the year.
- (h) During the 2022 and 2021 fiscal year, the Company recorded cost recovery related to shared expenses detailed above.

19 Share capital

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

The shareholding composition as of December 31, 2022 and December 31, 2021 is detailed below:

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Shareholders	12/31/2022		12/31/2021	
	Actions Ordinary	%	Common stock	%
Pátria Infraestrutura - Multistrategy Equity Investment Fund	153,484,062	20.2	153,484,062	20.2
Patria Infraestrutura Brasil Multistrategy Equity Investment Fund	8,745,834	1.2	8,745,834	1.2
Homeland Infrastructure IV MULTISTRATEGY FIP	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-Investment - Multistrategy Equity Investment Fund	32,621,750	4.3	32,621,750	4.3
Verde Asset Management S.A.	-	-	39,468,590	5.2
TPE Asset Manager LTDA	61,977,469	8.2	-	-
Others (*)	361,534,840	47.4	384,043,719	50.4
Total	760,382,643	100	760,382,643	100

(*) No other group of shareholders owns more than 5% of the Company's capital.

Legal reserve

According to article 193 of Law No. 6,404/76, 5% of net income for the year should be used to establish a legal reserve, which may not exceed 20% of the share capital.

Tax incentive reserve

According to the Company's bylaws, the tax incentive is recorded as described in note 30.

Dividends

According to the Bylaws, shareholders are entitled to a mandatory minimum dividend of 1% of adjusted net income pursuant to item I of Article 202 of Law No. 6,404/76. According to Law No. 6,404/76 art. 189, the accumulated losses and provision for income tax will be deducted from the result for the year, before any participation.

20 Earnings per share

The diluted earnings per share were calculated based on the income for the year attributable to the Company's controlling shareholders as of December 31, 2022 and 2021 and on the respective average amount of common shares outstanding in the year, as follows:

	12/31/2022	12/31/2021
Loss for the year	(8,163)	(339,132)
Weighted average of basic actions	760,383	760,383
Loss for the year per thousand basic shares	(0.0107)	(0.4460)
	12/31/2022	12/31/2021
Loss for the year	(8,163)	(339,132)
Weighted average of basic actions	760,383	760,383
Weighted average diluted shares	760,383	760,383
Loss for the year per thousand diluted shares	(0.0107)	(0.4460)

The diluted (loss) per share adjusts the amounts used in determining basic earnings per share to take into account the weighted average number of additional common shares that would be outstanding, assuming the conversion of all potential dilutive common shares.

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Although the Company has a stock purchase options program, the shares corresponding to the future year were estimated at values lower than the fiscal year value, thus being considered anti-dilutive, which is why the diluted earnings per share be equal to the basic.

21 Long-term incentive programs

21.1 Stock option program

On July 27, 2016, the terms of the Stock Options Grant Plan ("Plan" were approved through an Extraordinary General Meeting, which has as its object the granting of options for the purchase of shares issued by the Company to directors and strategic professionals, with the main objective of attracting and retaining these professionals. The Plan replaced the Stock Option Plan originally approved at the Company's Extraordinary Shareholders' Meeting held on December 7, 2010. The indicated participants, in accordance with the rules and conditions defined for each program, received the offer of the option to purchase shares in a number defined by the Board of Directors, and each option to purchase assigns to its holder the right to acquire a common share issued by the Company, under the terms and conditions of the Plan and/or the programs previously approved.

On October 18, 2018, the Company's Extraordinary General Meeting approved an addition to the Stock Option Plan originally approved at the Extraordinary General Meeting held on July 27, 2016, in order to promote changes in the exercise price rules, calculation of exercise price correction and other modifications. These programs were granted in February 2019.

The Company recognized the options of shares granted in its shareholders' equity, with counterpart in the results of the year. The recognition was proportional to the respective *periods of vesting* of the lots granted, recording the accumulated amount of R\$ 29,775. There was no recognized expense in the results for the year ended December 31, 2022.

As determined by Technical Pronouncement CPC 10 (R1) - Stock-Based Payment, the fair value of the options was determined on the date of the grant (concession date) based on the Black-Scholes model of pricing options.

The following definitions were used as calculation assumptions for the 2017, 2018 and 2019 programmes:

- Weighted average price of the share on the date of grant: R\$ 4.70.
- Exercise price of options: defined according to the program (see table below).
- Expected volatility: 35.35%. The expected volatility was calculated by means of the standard deviation of the average daily returns of 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 of the options.
- Option lifetime: five years, second term contractly defined.
- 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: for the calculation of the exercise price correction, an inflation estimate of 4.2% p.a.com was used based on the NTN-B maturing close to the maturity of the option.

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- Risk-free interest rate: a rate of 8.31% was estimated based on the projection of the DI curve for the expiration date of the options.

On 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, representing a total of 41% of the "dressed" shares so far, which are an integral part of the plans granted that we detail below:

Plan/program	Vesting	Deadline for fiscal year	Exercise price (in R\$) (*)	Granted	Canceled/expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
2010/1st	12/07/2011	03/31/2024	1.00	500,000	-	259,500	240,500	1.13
2010/1st	12/07/2012	03/31/2024	1.00	500,000	-	259,500	240,500	1.27
2010/1st	12/07/2013	03/31/2024	1.00	500,000	-	259,500	240,500	1.43
2010/1st	12/07/2014	03/31/2024	1.00	500,000	-	259,500	240,500	1.61
Total Plan 2010				2,000,000	-	1,038,000	962,000	

Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (*)	Granted	Canceled/expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
2011/1st	05/10/2012	03/31/2024	1.00	25,000	-	12,975	12,025	1.17
2011/1st	05/10/2013	03/31/2024	1.00	25,000	-	12,975	12,025	1.31
2011/1st	05/10/2014	03/31/2024	1.00	25,000	-	12,975	12,025	1.47
2011/1st	05/10/2015	03/31/2024	1.00	25,000	-	12,975	12,025	1.65
Total Plan 2011				100,000	-	51,900	48,100	

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

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Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (*)	Granted	Cancelled/expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
2013/1st	03/31/2014	03/31/2024	1.41	275,234	30,090	93,460	151,684	1.77
2013/1st	03/31/2015	03/31/2024	1.41	275,234	30,090	93,460	151,684	2.01
2013/1st	03/31/2016	03/31/2024	1.41	275,233	35,400	93,460	146,373	2.25
2013/1st	03/31/2017	03/31/2024	1.41	275,233	76,110	93,360	105,763	2.54
Total Plan 2013				1,100,934	171,690	373,740	555,504	

Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (*)	Granted	Cancelled/expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
2014/1st	03/31/2015	03/31/2024	1.68	555,750		219,034	336,716	2.20
2014/1st	03/31/2016	03/31/2024	1.68	555,750	4,500	219,034	332,216	2.47
2014/1st	03/31/2017	03/31/2024	1.68	555,750	58,500	218,884	278,366	2.80
2014/1st	03/31/2018	03/31/2024	1.68	555,750	58,500	218,884	278,366	3.15
Total Plan 2014				2,223,000	121,500	875,836	1,225,664	

Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (*)	Granted	Cancelled/expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
2016 A/1st	07/27/2016	03/31/2024	3.64	889,295	-	386,076	503,219	0.00
2016 A/1st	07/27/2017	03/31/2024	3.64	889,295	78,642	385,976	424,677	0.93
2016 A/1st	07/27/2018	03/31/2024	3.64	889,295	78,642	385,976	424,677	1.06
2016 A/1st	07/27/2019	03/31/2024	3.64	889,295	134,520	382,993	371,782	1.14
Total Plan 2016 A				3,557,180	291,804	1,541,021	1,724,355	

Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (*)	Granted	Cancelled/expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
2016 B/1st	03/31/2017	03/31/2024	3.48	720,330	55,675	305,281	359,374	1.06
2016 B/1st	03/31/2018	03/31/2024	3.48	720,330	55,675	305,281	359,374	1.17
2016 B/1st	03/31/2019	03/31/2024	3.48	720,330	86,206	304,420	329,704	1.24
2016 B/1st	03/31/2020	03/31/2024	3.48	720,330	122,125	292,370	305,835	1.30
Total Plan 2016 B				2,881,320	319,681	1,207,352	1,354,287	

Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (***)	Granted	Cancelled/expired	Exercised on 09/01/2020	Open	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 2017				3,175,000	112,500	1,121,317	1,941,183	

Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (***)	Granted	Cancelled/expired	Exercised on 09/01/2020	Open	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 2018				5,600,000	187,500	2,776,125	2,636,375	1.33

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Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (***)	Granted	Cancelled/ expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
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%							
2019	Through liquidity event	03/31/2024	4.70	3,000,000	-	1,477,542	1,522,458	1.37
Total Plan 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	

(*) Amount of year on the date of granting. The price of the year is corrected by the IPCA plus 7% per year.

(**) Fair value on the date of grant.

(***) Amount of year on the date of granting. The price of the fiscal year is corrected by the IPCA.

The current plan approved by the Company's Board of Directors has a year-end deadline of March 31, 2024.

21.2 Long-term incentive program with restricted Shares

On August 31, 2020, the Long-Term Incentive Plan of Hidrovias do Brasil S.A. (ILP) was approved at the Company's General Meeting, which aims to:

- Attract and retain the Directors and high-level employees of the Company and its subsidiaries;
- Grant participants the opportunity to become shareholders of the Company, thus obtaining a greater alignment of their interests with the Interests of the Company; and
- Develop the company's corporate objects and the interests of shareholders.

The plan is administered by the Board of Directors, following the general conditions of the ILP and the guidelines set by the Company's General Meeting.

In this plan, participants will be entitled to receive 4% of the amount 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 conditions are respected. This *pool* is divided among the beneficiaries according to the Company's remuneration strategy, and will be delivered in the form of shares, considering the value of the share at the time of payment.

In case there is no appreciation in the value of the Company's shares at the time of calculation of the amount to be paid annually, that amount is accumulated and can be paid in future years. In the event of termination of the Participant of the ILP, the direct to the actions restricted to him conferred according to the plan may be extinguished or modified, as may be established by the Board of Directors in the respective Programs and Concession Agreements.

The transfer of restricted shares to the participant will only take place with the implementation of the conditions and deadlines provided for in the ILP, the Program and the Grant Agreements, so that the granting of the right to receive the shares itself does not guarantee the participant any rights to the restricted shares or even represents the guarantee of their receipt. The first Program of the ILP Plan was granted on November 8, 2021, being the reference date for calculating the fair value of the program. To reflect the effect of the variation of *the performance conditions of the Company's* shares on the amount paid and the amount of shares delivered to the participants, it was necessary to use the Monte Carlo Simulation model.

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More specifically, the Company considered the "Monte Carlo Simulation" model with 100,000 simulations, based on the share price on November 8, 2021, R\$ 2.82 (two reais and eighty-two cents) and considering the averages of the previous 20 (twenty) trading sessions, for the calculation of the average earnings per share obtained per year. As assumptions for calculating the ILP, the following definitions were used:

Block	Lot	Share price	Delta gain calculation parameter	Volatility	Risk-Free Interest Rate (a.a.)	Grace Date	Expiration 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

On July 5, 2022, the Company awarded the ILP Plan to some other beneficiaries, which is the reference date for calculating the fair value of this grant by means of a Monte Carlo Simulation with 100,000 simulations, based on the share price as of July 5, 2022, R\$ 2.20 (two reais and twenty cents) and considering the averages of the previous 20 (twenty) trading sessions, for the calculation of the average gain per share obtained per year. As assumptions for calculating this ILP, the following definitions were used:

Block	Lot	Share price	Delta gain calculation parameter	Volatility	Risk-Free Interest Rate (a.a.)	Grace Date	Expiration Date
1	1	R\$ 2.20	R\$ 7.56	44.68%	13.378%	09/28/2022	09/28/2022
1	2	R\$ 2.20	R\$ 7.56	44.68%	13.378%	09/28/2023	09/28/2023
1	3	R\$ 2.20	R\$ 7.56	44.68%	13.378%	09/28/2024	09/28/2024
2	1	R\$ 2.20	R\$ 7.56	42.95%	13.690%	09/28/2023	09/28/2023
2	2	R\$ 2.20	R\$ 7.56	42.95%	13.690%	09/28/2024	09/28/2024
2	3	R\$ 2.20	R\$ 7.56	42.95%	13.690%	09/28/2025	09/28/2025
3	1	R\$ 2.20	R\$ 7.56	42.18%	12.835%	09/28/2024	09/28/2024
3	2	R\$ 2.20	R\$ 7.56	42.18%	12.835%	09/28/2025	09/28/2025
3	3	R\$ 2.20	R\$ 7.56	42.18%	12.835%	09/28/2026	09/28/2026
4	1	R\$ 2.20	R\$ 7.56	42.40%	12.810%	09/28/2025	09/28/2025
4	2	R\$ 2.20	R\$ 7.56	42.40%	12.810%	09/28/2026	09/28/2026
4	3	R\$ 2.20	R\$ 7.56	42.40%	12.810%	09/28/2027	09/28/2027
5	1	R\$ 2.20	R\$ 7.56	42.18%	12.860%	09/28/2026	09/28/2026
5	2	R\$ 2.20	R\$ 7.56	42.18%	12.860%	09/28/2027	09/28/2027

The Company recognized the effects of the ILP on its Shareholders' Equity, with the counterpart in the results for the year. The recognition was proportional to the respective *periods of vesting (grace)*, recording the accumulated amount of R\$ 4,758.

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22 Commitments and guarantees

As part of the business strategy, we enter into long-term contracts with some of our customers, with minimum volume and fare requirements pre-agreed and 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 while 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. MCR, in the South Corridor, valid for 25 years from May 2014.
2. Sodru, in the South Corridor, valid for 13 years from March 2014.
3. COFCO, in the South Corridor, with initial validity of 5 years from February 2014, extended to December 2024.
4. Sodru, in the North Corridor, with validity of 10 years from February 2017 (extended to 2029).
5. COFCO, in the North Corridor, with validity of 10 years from 2016 (extended to 2031).
6. Alunorte, in the North Corridor, valid for 25 years from 2010 (acquired in 2016).
7. Adufertil, in the Santos system, valid for 10 years from August 2022.
8. Gavilon, in the North Corridor, valid for 4 years from 2021.

On September 17, 2018, the former HB Navegação Norte, now incorporated in the indirect subsidiary Hidrovias do Brasil - Vila do Conde S.A., signed operational leases of the pushers Don Antonio and HB Draco, owned respectively by indirect subsidiaries Pricolpar S.A. and Cikelsol S.A., for a period of 64 months, from February 11, 2019.

On December 1, 2020, Hidrovias do Brasil - Vila do Conde S.A. signed operational lease agreements for hb taurus and HB Perseus pushers, owned by indirect subsidiary Resflir S.A., for a period of 36 months, from 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 agencies, maintenance and donation of some assets and for other operational activities registered in financial institutions that the company and its subsidiaries have relationships with.

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23 Operating revenue

	Consolidated	
	12/31/2022	12/31/2021
South Corridor:		
Transportation services	784,280	422,890
Northern Corridor:		
Lifting services	293,281	215,970
Transshipment services	88,900	73,501
Transportation services	368,594	277,854
Intermediation services	13,119	30,808
Other revenues	36,684	9,535
Cabotage:		
Cabotage services	252,242	264,870
Santos:		
Lifting services, port docks and storage	37,266	27,493
Total gross revenue	1,874,366	1,322,921
ISS	(21,724)	(15,141)
PIS	(8,967)	(8,164)
COFINS	(41,320)	(49,332)
ICMS	(2,408)	(1,539)
Tax subtotal	(74,419)	(74,176)
Hedge accounting	(32,047)	(133,328)
Total net revenue	1,767,900	1,115,417

For the year ended December 31, 2022, the largest customers per Company revenue are represented by: i) A 28.7% (19.1% as of December 31, 2021); ii) B 26.9% (28.87% as of December 31, 2021); iii) C 10.7% (19.37% as of December 31, 2021); and represent in its entirety approximately 66.3% of total net revenue (67.45% as of December 31, 2021). No other customer represents more than 10% of consolidated net revenue.

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24 Costs and expenses by nature

24.1 Costs of services rendered and general and administrative expenses

	Controller		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Salaries, charges and benefits	(50,393)	(42,068)	(298,761)	(238,938)
Depreciation and amortization (*)	(27,488)	(10,941)	(356,472)	(337,999)
Maintenance	(48)	(28)	(62,364)	(48,782)
Fuel	-	-	(383,516)	(180,182)
Third-party services	(12,808)	(15,420)	(71,328)	(75,677)
Rents	(466)	-	(9,140)	(24,813)
Freight	-	-	(61)	(1,054)
Travel and Tickets	(3,171)	(1,042)	(8,748)	(7,785)
Amarradeiro	-	-	(24,169)	(26,692)
Pantry and kitchen	(37)	(31)	(12,653)	(8,511)
Bookagents	-	-	(19,570)	(18,603)
Operational and security	-	-	(19,699)	(14,320)
Miscellaneous fees	(496)	(365)	(42,306)	(14,068)
Operational materials	(31)	(25)	(13)	(190)
Lawsuits	(7)	-	(7,195)	(6,108)
Outdoor piloting	-	-	(27,499)	(29,721)
Provision for credit risk	-	-	(21,565)	(141)
Insurance	(689)	(348)	(38,162)	(32,864)
Other (expenses) revenues	(8,219)	(2,038)	(73,231)	(54,763)
Total	(103,853)	(72,306)	(1,476,452)	(1,121,211)
Classified as:				
Cost of services provided	-	-	(1,149,726)	(880,774)
General and administrative	(103,853)	(72,306)	(326,726)	(240,437)
Total	(103,853)	(72,306)	(1,476,452)	(1,121,211)

(*) Adjustments related to tax credits (Pis/Cofins in Brazil and VAT in Paraguay and Uruguay), arising from the payments of lease installments, are recorded on credit for depreciation expenses of the right of use and financial expenses. In this sense, during the year ended December 31, 2022, the amounts recorded under the depreciation and amortization item are net of the tax credits mentioned in the amount of R\$ 200 in the Parent Company and R\$ 5,256 in the Consolidated.

24.2 Other expenses/revenues

	Controller		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Extenuary PIS/COFINS credits	-	-	99	12,793
AFRMM (a)	-	-	14,200	11,340
Sweep (b)	-	-	-	16,387
Advantageous purchase result (c)	-	32,298	-	57,140
Provision for loss of prescribed taxes (d)	-	-	-	(31,234)
Award received (e)	-	-	-	12,457
Insurance indemnity	-	-	9,275	12,667
Reversão de earn-out (f)	-	-	1,973	3,488
Lease liability write-offs	-	-	12,784	-
Other	(346)	121	(1,887)	1,051
Total	(346)	32,419	36,444	96,089

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- (a) The AFRMM is an available benefit for all Brazilian coastal navigation companies, operating with their own or chartered vessel, and is regulated by Law No. 10,893/2004 and other specific laws applicable to the sector, see more details in note 30.
- (b) Scanning revenue stemming from the leftover goods at port terminals. In 2022 this revenue is presented net of cost.
- (c) Result of the advantageous purchase resulting from the acquisition process of the segment of imperial logistics operation operating in the Southern region through the Paraguay and Paraná Rivers. This business combination was realized on April 16, 2021 through its subsidiaries Cikelsol S.A. and Pricolpar S.A. according to note no. 10.1.
- (d) In 2021, the Company revised the expectation of recoverability of value-added tax (VAT) credits from its subsidiaries abroad and constituted provision for loss due to the low expectation of recoverability of such amounts.
- (e) Refers to an award received from a client, according to contractual forecast.
It refers to the reversal reversal of the earn-out on the acquisition of ISP and ISA due to the non-achievement of operating targets for the calendar year.

25 Financial income (loss)

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Recipes:				
Revenues from financial investments	4,463	3,027	14,568	6,284
(-) Pis Cofins s/ financial revenue	(517)	(156)	(3,543)	(446)
Monetary and exchange rate updates	-	1,261	18,912	-
Investment gains ⁽¹⁾	1,527	4,491	-	26,410
Bond buyback gains ⁽³⁾	-	-	143,299	-
Other	366	333	434	2,894
Total	5,839	8,956	173,670	35,142
Expenditure:				
Interest on loan, grant and loan	(76,751)	(8,477)	(277,083)	(238,546)
Derivative financial instruments ⁽²⁾	(30,890)	-	(30,890)	-
Amortization borrowing cost	(1,348)	(121)	(39,093)	(106,333)
Monetary and exchange rate updates	(1,032)	-	-	(57,413)
Tax on financial transactions IOF	(75)	(164)	(2,111)	(3,317)
Investment losses ⁽¹⁾	-	-	(16,959)	-
Legal proceedings ⁽⁴⁾	-	(5,479)	-	(5,479)
Others ⁽⁵⁾	(914)	(593)	(40,981)	(12,323)
Total	(111,010)	(14,834)	(407,117)	(423,411)
Net financial result	(105,171)	(5,878)	(233,447)	(388,269)

⁽¹⁾ Gains or losses related to investment funds exposed to the change in the U.S. Dollar.

⁽²⁾ Loss on swap derivative financial *instruments*, as mentioned in note 27.3

⁽³⁾ This is the gain of bonds repurchases during the year ended December 31, 2022, aligned with the Company's strategy as mentioned in note 15.

⁽⁴⁾ Provision for contingency of judicial proceedings that aims to remove the provisions of Decree No. 8,426/2015 and Art. 27 of Law No. 10,865/2004, ensuring the application of the previous legal regime, based on Decree No. 5,442/2005, which sets zero rate of PIS and COFINS for financial revenues.

⁽⁵⁾ Refers substantially to the amount of interest, monetary adjustment and realization of the adjustment to present value on lease liabilities.

26 Income tax and social contribution

Taxation on profit comprises income tax and social contribution. Income tax is computed on taxable profit at the nominal rate of 15%, plus the additional 10% for profits exceeding R\$ 240,

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in the period of 12 months, while the social contribution is computed at the nominal rate of 9% on taxable profit, recognized by the competency regime.

In 2018, the Company joined the FISCAL INCENTIVE of SUDAM, which provides a 75% reduction in IRPJ through The Profit of Exploration, for Hidroviás do Brasil – Vila do Conde S.A. which, in presenting Tax Profit, has the possibility of benefiting from the Government Grant.

IRPJ and CSLL are recognized in the income statement, except in proportion where they are related to items recognized directly in equity or comprehensive income. In this case, the tax is also recognized in equity or comprehensive income.

Current IRPJ and CSLL charges are calculated based on tax laws enacted, or substantially enacted, up to the balance sheet date. Management periodically evaluates the positions assumed by the Company in income tax returns, in relation to situations in which tax regulations open scope for interpretation, and the Company establishes provisions, when appropriate, based on the estimated amounts of payment to tax authorities.

Advances or amounts that can be offset are demonstrated in current assets according to the forecast of realization.

For the calendar year 2022, the Company opted to calculate the actual profit through the annual methodology, as presented in the Statements of Debits and Federal Tax Credits forwarded to the Federal Revenue Service of Brazil and, for this reason, the following table presents the statements of the IRPJ and CSLL calculations related to the consolidation of the first three months of the calendar year in question.

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	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Profit (Loss) before IRPJ and CSLL	(20,256)	(344,281)	83,745	(298,645)
Nominal rate	34%	34%	34%	34%
IRPJ and CSLL at the nominal rate	6,887	117,056	(28,473)	101,539
Permanent adjustments:				
Equity	64,299	(101,495)	4,773	(228)
Profits abroad	(32,418)	(4,602)	(32,418)	(4,602)
Indeductible expenses	(26,675)	(5,810)	(55,558)	(16,458)
Other settings:				
Government Grant	-	-	7,568	16,981
Fixed Asset Loss (Sell or Retirement)	-	-	(5,184)	-
Compensation of tax losses from previous years	-	-	10	-
Deferred tax on temporary differences and unrecognized tax losses	-	-	6,910	(144,701)
Difference s/ rate in the measurement of deferred taxes	-	-	26,639	(3,929)
Deferred tax on realized revenue from the <i>hedge accounting</i> - Tax	-	-	-	16,913
Worker feeding program	-	-	651	1,044
Encouraged Donations	-	-	-	500
Maternity leave program	-	-	18	23
Taxes Paid abroad	-	-	(42,639)	(7,570)
Income Tax and Social Contribution	12,093	5,149	(91,908)	(40,487)
Current taxes	-	(140)	(81,384)	(64,272)
Deferred taxes	12,093	5,289	(10,524)	23,785
	12,093	5,149	(91,908)	(40,487)
Effective rate	59.7%	1.50%	109.7%	-19.7%

Deferred income tax and social contribution were recognized in 2022 on the accumulated balances of temporary differences and tax loss, until December 31, 2022, for the companies Hidrovias do Brasil – Vila do Conde S.A and Hidrovias do Brasil - Cabotagem Ltda., which are controlled by this Company.

Deferred income tax and social contribution are measured by temporary differences, tax loss and negative csll calculation base, at the rate of 6.25% OF IRPJ (reduction of 75%) and 9% of CSLL, totaling a nominal rate of 15.25%, based on the profit of the holding which is a tax incentive of the Amazon Development Superintendence (SUDAM), for the companies Hidrovias do Brasil – Holding S.A., Hidrovias do Brasil – Intermediação and Agenciamento de Serviços Ltda. and Hidrovias do Brasil - Cabotagem Ltda. are recognized at the rate of 25% IRPJ and 9% of CSLL, totaling 34%, aligned with current legislation.

The exchange variation item is presented as a consequence of the adoption of the taxation of exchange variations by the cash methodology, to which the effect of such adjustments in LALUR/LACS is the recognition of deferred assets in the subsidiary Hidrovias do Brasil – Vila do Conde S.A. This company also presents deferred liabilities constituted on a property damage received in 2018.

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Part of the Deferred Taxes, in the amount of R\$ 15,435, was not recognized in the result, because the Company and its subsidiaries have a non-derivative financial instrument, whereby the corresponding portion of irpj and csll deferred is recorded in Other Comprehensive Results, in shareholders' equity.

For the other companies in the group, the Company understands that, at this time, they have negative tax losses and calculation bases of CSLL, as well as temporary adjustments, still have no history of tax compensation, making it not yet possible to recognize deferred IRPJ and CSLL.

Deferred income tax and social contribution assets and liabilities are reviewed monthly, being moved according to their respective compensations or if their realization is no longer likely.

	Consolidated 12/31/2022			Consolidated 12/31/2021
	Net value	Deferred tax assets	Deferred tax liability	Net value
Bonus provision	5,876	5,876	-	3,467
Suppliers provision	1,506	1,506	-	643
Fuel supply	605	605	-	153
Other provisions	574	574	-	2,038
Other operating provisions	1,853	1,853	-	6,841
Labor contingencies	3,313	3,313	-	2,515
Judicial contingencies	2,533	2,533	-	1,864
Prov. for Créd. Of DoubtFul Settlement	7,332	7,332	-	-
Reduced asset impairment	1,470	1,470	-	-
Provision of charges - ILP	209	209	-	129
Pis - Suspended Enforceability	242	242	-	242
Cofins - Suspended Enforceability	1,300	1,300	-	1,300
Loss on Variable Income	537	537	-	537
PCLD	-	-	-	-
Tax loss	11,973	11,973	-	11,950
Negative Base	5,029	5,029	-	4,600
Exchange variation	63,889	63,889	-	196,250
Derivatives-Hedge/ Swap	75,669	75,669	-	-
Financial leasing	328	328	-	474
Interest to capitalize	(4,293)	-	(4,293)	(4,312)
Discount - Gain From Advantageous Purchase	(10,981)	-	(10,981)	(10,981)
Property damage	(37,864)	-	(37,864)	(39,825)
Active taxes (liabilities) before clearing	131,100	184,238	(53,138)	177,885
Tax offset		(53,138)	53,138	
Net balances presented in assets/liabilities		131,100	-	

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The movement of the net balance of deferred IRPJ and CSLL is presented below:

	Consolidated	
	12/31/2022	12/31/2021
Starting balance	177,885	148,862
DEFERRED IRPJ and CSLL recognized in the results of the year	(10,524)	23,785
DEFERRED IRPJ and CSLL recognized in other comprehensive results	(36,261)	5,238
Final balance	131,100	177,885

27 Financial instruments

27.1 Financial instruments by category

All transactions with financial instruments and derivatives are recognized in the financial statements of the Company and its subsidiaries, the estimated fair values of the instruments are the same as the amounts recorded, except for loans, financing and debentures, as follows:

		Parent company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Active					
Fair value through the result:					
Securities and securities	Level 2	16,896	103,381	333,015	582,562
Amortized cost					
Cash and cash equivalents		48,908	937	401,545	76,454
Securities linked	Level 2	-	-	18,877	13,295
Guarantee and deposit deposit	Level 2	12	2,179	26	2,210
Accounts receivable	Level 2	-	-	217,372	251,020
Credits with related parties	Level 2	28,467	27,098	5,369	5,778
Dividends	Level 2	57,236	934	-	-
Liabilities					
Liabilities at amortized cost:					
Suppliers	Level 2	11,790	5,451	190,603	146,142
Accounts payable with related parties	Level 2	23,220	23,314	-	-
Loans, financing and debentures	Level 2	946,492	376,433	4,265,779	4,639,406
Lease liabilities	Level 2	2,498	1,227	230,524	231,578
Derivative financial instruments	Level 2	27,954	-	27,954	-

Note: Management regularly reviews significant non-observable data and evaluation adjustments. Third-party information, such as broker quotes or pricing services, is used to measure fair value, and Management analyzes the evidence obtained to support the conclusion that such valuations meet accounting requirements, including the level of fair value hierarchy at which such valuations are to be classified.

When measuring the fair value of an asset or liability, the Company uses observable market data whenever possible. Fair values are classified at different levels in a hierarchy based on the inputs used in the evaluation techniques as follows:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets and liabilities.
- **Level 2:** Except the quoted prices included in Level 1, which are observable for asset or liability, either directly (prices) or indirectly (derived from prices).
- **Level 3:** For assets or liabilities, which are not based on observable market data (*unobservable inputs*).

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

The financial instruments of the Company and its subsidiaries, segregated between assets classified as fair value through income and amortized cost, and liabilities classified through amortized cost. They are substantially remunerated by market rates.

The fair values of these financial instruments are close to the book values as of December 31, 2022, except for loans, financing and debentures that *have hedge accounting* and are presented below.

		Fair value		Book value	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Active					
Cash and cash equivalents		401,545	76,454	401,545	76,454
Securities and securities	Level 2	333,015	582,562	333,015	582,562
Securities linked	Level 2	18,877	13,295	18,877	13,295
Guarantee and deposit deposit	Level 2	26	2,210	26	2,210
Accounts receivable	Level 2	217,372	251,020	217,372	251,020
Credits with related parties	Level 2	5,369	5,778	5,369	5,778
Liabilities					
Suppliers	Level 2	190,603	146,142	190,603	146,142
Loans, financing and debentures	Level 2	4,108,297	4,436,928	4,265,779	4,639,406
Lease liabilities	Level 2	230,524	231,578	230,524	231,578
Derivative financial instruments	Level 2	27,954	-	27,954	-

27.3 Derivative and non-derivative financial instruments

The management of these instruments is carried out through operational strategies, aiming at the predictability of operations and the minimization of any mismarriages that may bring additional volatilities to those already contemplated in the Business Plan of the Company and its subsidiaries. The control policy consists of permanent monitoring of the *rates contracted versus* those in force in the market, and the Company and its subsidiaries do not carry out speculative transactions in derivatives or any other financial instruments of risk.

On June 23, 2022 and June 26, 2022, the Company entered into *swap contracts in the amount of* USD 25,000,000 each, totaling USD 50,000,000. These contracts allow the Company to fix the Dollar and exchange the CDI percentage in order to protect against exchange rate volatility in exposures and exchange rate fluctuations in the market. The result of this contract resulted in a loss in the year ended December 31, 2022 of R\$ 30,890 in financial results, according to note no. 25.

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27.4 Risk management

Financial risk management

Overview

The economic and financial risks mainly reflect on the behavior of macroeconomic variables and exchange and interest rates, as well as on the characteristics of the financial instruments used by the Company and its subsidiaries. These risks are managed through management, which actively operates in operational management.

The Company and its subsidiaries have the practice of managing existing risks conservatively and this practice has as main objectives to preserve the value and liquidity of financial assets and ensure financial resources for the good progress of business. The main financial risks considered by the management of senior management are:

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

The following is information about the exposure of the Company and its subsidiaries to each of these risks, the objectives, practices and processes for risk measurement and management, as well as capital management.

Risk management structure

Credit risk

It is the risk of the Company and its subsidiaries, according to note 22, to suffer financial losses if a third party does not comply with an obligation provided for in the contract. The Company is mainly exposed in operational activities (with receivables from clients) and investment activities (through financial investments).

Accounts receivable

As mentioned in note 6, the Company has recorded on December 31, 2022 the amount of R\$ 23,701 (R\$ 2,254 on December 31, 2021) corresponding to expected losses related to accounts receivable.

Cash and cash equivalents and securities

In general, the direction of the business is handled in committee meetings for decision making and financial investments are directed by the Company's treasury in accordance with the policy established in order to reduce its financial risk. The results and adequacies of the established strategies are monitored, aiming to maintain the expected results. As for financial instruments,

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the Company is mainly exposed in cash and cash equivalents and securities and, therefore, restricts exposure to first-line financial institutions, with *investment grade classification by widely accepted* risk agencies in the market, in addition to reducing risk through the diversification of counterparties. As of December 31, 2022, the counterparties' rating was:

	Rating Local	Rating Global
Santander	AAA	BB-
Itaú	AAA	BB
XP	AA	BB-
Bank of Brazil	AA	BB-
JP Morgan	-	AA-
Citibank	AAA	A

The book values of financial instruments that represent maximum exposure to credit risk for the year ended December 31, 2022 were:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and cash equivalents	48,908	937	401,545	76,454
Accounts receivable	-	-	217,372	251,020
Securities and securities	16,896	103,381	333,015	582,562
Securities linked	-	-	18,877	13,295
Credits with related parties	28,467	27,098	5,369	5,778
Guarantee and deposit deposit	-	2,179	26	2,210
Dividends to be received	57,236	934	-	-
Total	151,507	134,529	976,204	931,319

Liquidity risk

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

The approach in the management of liquidity risk is to ensure the payment of bonds, which is why there is the objective of maintaining cash availability (cash and cash equivalents and securities) for compliance with short-term obligations, doing everything possible to ensure that there is always sufficient liquidity to comply with the obligations due, under normal and stress conditions, without causing unacceptable losses or the risk of damaging the reputation of the Company and its subsidiaries.

The Company and its subsidiaries work by aligning availability and generation of resources in order to meet their obligations within the agreed deadlines.

The maturity is based on the most recent date on which the Company and its subsidiaries have their respective obligations:

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	Consolidated 12/31/2022			
	Next 12 months	Between 13 and 24 months	Between 25 and 36 months	37 months onwards
Liquidity risk				
Suppliers (Note 14)	190,603	-	-	-
Loans, financing and debentures (Note 15) ^(*)	276,096	283,223	1,036,138	5,227,360
Rental liabilities (Note 12) ^(*)	75,785	31,037	20,550	320,200
Derivative financial instrument	-	-	-	27,954

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

^(*) The amount has contractual interest according to the opening of Notes No. 12 and No. 15

Exchange rate risk

It results from the possibility of fluctuations in the exchange rates of foreign currencies used by the Company and its subsidiaries. The transactions that are oscillations are the portion of bond destined for the operation of the north corridor and the operations and financing of HB Cabotagem.

The Administration analyzes and monitors its exposures for decision-making in the contracting of instruments to protect the respective foreign currency exposures. The protective instruments used to manage the exposures are established by the Board of Directors, shared and approved by the Board of Directors, so that these instruments are not speculative in nature and may not possibly generate any additional risk to those inherent to their original purposes.

As determined by IFRS 9 (equivalent to CPC 48), the purpose of *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 result. This approach is intended to convey the context of hedging *instruments* for which hedge accounting should be *applied* in order to allow the understanding of their purposes and effects.

Bond-related hedge accounting

- Structuring of the *hedge accounting operation*.

In order to structure the transaction, the Company defined as risk to be protected, the exchange variation of part of its future revenue stemming from a *take or pay maritime charter contract*, *fixed* in U.S. dollar, originated by its indirect subsidiary Girocantex.

The Company is also exposed, through its subsidiary Hidrovias do Brasil – Vila do Conde S.A., to the exchange variation resulting from the Export Credit Notes (NCEs) issued by Banco

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Santander on March 22, 2018, in the amount of USD 342,000 thousand (USD 184,853 thousand on December 31, 2022), with interest of 4.99% p.a. and maturity on February 4, 2026. This transaction originated with the issuance of Bond 2025 in the amount of USD 600,000,000 and maturity of seven years, as of May 2, 2018.

Both foreign currency revenues and debt arising from the above-mentioned NCEs are exposed to risk of the same nature and, thus, the foreign exchange risk of future revenues would naturally be covered by the foreign exchange risk of debts. However, despite the economic coverage of the risk of exchange variation, the Company's results are impacted by the temporal mistreatment between the accounting recognition of revenue and debt. In this way, the Company will use part of the principal value of NCE issued in USD as a *hedging instrument* to protect part of its future revenue in USD, considered highly probable.

- Risk management objective and strategy

Future revenues predicted and considered highly probable from Girocantex's *Take or Pay* operation expose the Company to market risks involving fluctuations in the Real exchange rate (BRL) against Us Dollar (USD), since the Company's functional currency is the Real (BRL).

The Financial Risk Management Policy allows the structuring of *hedge accounting*, with the use of derivative and non-derivative financial instruments in order to minimize the effects of USD fluctuations on the Company's results.

In order to meet the risk strategy, management decided to designate as a *hedge accounting instrument*, part of the value of the principal foreign currency debt (NCE) in order to protect itself against the exchange variations in USD arising from its contract in the *Take or Pay model* at Girocantex.

- Hedge *ratio*

The Company will adopt the *cash flow hedge*, as defined in IFRS 9, having as nature of the risk protected the exchange variation.

- Nature of risk protected

Risk of foreign currency variation: variability of exchange rates of revenues foreseen in U.S. Dollar, referring to the contract in *'s Take or Pay model.girocantex*

- Identification of the hedge object (item)

Risk of exchange variation of part of the expected revenues in foreign currency (minimum 25% of quarterly revenue), referring to the contract in *girocantex's Take or Pay model*, for a period of seven years beginning on May 2, 2018.

- Identification of the *hedge instrument*

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The hedge *accounting instrument* is a part of nce's principal value issued by Banco Santander, with the following characteristics:

Kind	NCE
Contract start date	03/22/2018
Due date	01/24/2026
Amount designated in USD	244,520,320
Initial Parity USD x REAIS	3.5424
Start date of the hedge	05/02/2018

- Effectiveness of the *hedge relationship*

The effectiveness of the *hedge* is measured based on changes in fair value or the *cash flows of the hedge instrument* that compensate for changes in fair value or cash flows of the protected item. The non-effectiveness of *hedging* will occur to the extent that changes in fair value or the cash flows of the *hedge instrument* are greater or lower than those of the protected item.

To qualify for *hedge* accounting, the following effectiveness requirements must be met:

For there to be an economic relationship means that the *hedge instrument* and the protected item must have values that usually move in opposite directions due to the same risk, which is risk protected.

The *hedge instrument* and the protected item have values that move in opposite directions.

The increase in the exchange rate generates an appreciation in the recognition of revenue in the result, which is recognized at the time of delivery of the product transported to its destination. In this same direction, the increase in the exchange rate results in an increase in the debt represented by NCE, generating an expense in the result. Similarly, a decrease in the exchange rate generates an opposite movement between *hedge instrument* and protected item. These movements happen at different times, since debt is a recognized item in the balance sheet and revenue, up to the date of its recognition, is an item outside the balance sheet. With the benefit of *hedge accounting*, the *foreign exchange* variation of the debt will be recognized in other comprehensive results, in *cash flow hedge reserve* and will be reclassified as a reclassification adjustment in the same period or periods during which the expected future cash flows protected affect the result, that is, in the effective recognition of revenue.

Hedge accounting Cabotagem

- Structuring of the *hedge accounting operation*

To structure the transaction, the Company defined as risk to be protected, the exchange variation of part of its future revenue stemming from a service contract, fixed in U.S. Dollars, with Alunorte.

The Company is also exposed to exchange variation stemming from foreign currency loans in the amount of USD 121,541 thousand.

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Both foreign currency revenues and debts are exposed to risks of the same nature and, thus, the exchange risk of future revenues would naturally be covered by the foreign exchange risk of debts. However, despite the economic coverage of the risk of exchange variation, the Company's results are impacted by the temporal mistreatment between the accounting recognition of revenue and debt. In this way, the Company will use the principal value of the loan in USD as a *hedging instrument* to protect part of its future revenue in USD, considered highly probable.

- Risk management strategy

HB Cabotagem's strategy is to protect a share of its expected foreign currency revenue from exchange rate fluctuation risks.

- Risk management objectives

HB Cabotagem aims to protect the risk of exchange variation of at least 6% of the flow of receipt, coming from the service contract with Alunorte. Protected receipt flows 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 from BNDES as an instrument to protect the expected revenues.

The hedge instrument *is* the main amount of foreign currency debt contracted with BNDES, with the following characteristics:

Kind	Debt in currency foreign (*)
Contract start date	12/23/2016
Due date	03/15/2033
USD Amount	142,807,564
Initial parity USD x REAIS	3.3104
Start date of <i>the hedge</i>	04/02/2018

(*) Contracted with BNDES

- Effectiveness of the hedge relationship

Hedge effectiveness *is* measured based on changes in fair value or the cash flows of the *hedge instrument* that compensate for changes in fair value or cash flows of the protected item. The non-effectiveness *of hedging* will occur to the extent that changes in fair value or the cash flows of the *hedge instrument* are greater or lower than those of the protected item.

To qualify for *hedge* accounting, the following effectiveness requirements must be met:

For there to be an economic relationship, *the hedge instrument* and the protected item must have values that usually move in opposite directions due to the same risk, which is risk protected.

The hedge *instrument* and protected item must have values that move in opposite directions. The increase in the exchange rate generates an appreciation in the recognition of revenue in the result, which is recognized at the time of delivery of the product transported to its destination. In this

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same direction, the increase in the exchange rate results in an increase in the debt represented by the loan, generating an expense in the result. Just as a decrease in the exchange rate generates an opposite movement between the *hedge instrument* and the protected item. These movements take place at different times, since debt is a recognized item in the balance sheet and revenue up to the date of its recognition is an item outside the balance sheet. With the benefit of *hedge accounting*, the foreign exchange variation of the debt will be recognized in other comprehensive results, in *cash flow hedge reserve* and will be reclassified as a reclassification adjustment in the same period or periods during which the expected future cash flows protected affect the result, that is, in the effective recognition of revenue.

Bond-related Hedge Accounting

Hedge object	Risk protected	Protection period	Main value in USD	Value of the protection instrument
Exchange variation of part of its future revenues	Real Exchange Rate - USD	05/02/2018 to 05/02/2025	244,520,320	244,520,320

		Expectation of achievement - USD			
2018	2019	2020	2021	2022 a 2025	Total
24,150,155	36,225,233	36,225,233	36,225,233	111,694,466	244,520,320

	12/31/2022	12/31/2021
Exchange variation - Income	(88,712)	93,847
Exchange variation - PL	409,645	636,953

Hedge Accounting Cabotagem

Hedge object	Risk protected	Protection period	Main value in USD	Value of the protection instrument
Exchange variation of part of its future revenues	Real Exchange Rate - USD	04/02/2018 a 04/02/2033	142,807,564	142,807,564

		Expectation of achievement - USD			
2018	2019	2020	2021	2022 a 2033	Total
3,129,018	10,261,948	5,202,740	10,692,544	113,521,314	142,807,564

	12/31/2022	12/31/2021
Exchange variation - Income	(41,708)	45,480
Exchange variation - PL	128,321	218,117

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Interest rate risk

Book value of financial instruments that represent exposure to interest rate risk:

Interest rate risk	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Active:				
Cash and cash equivalents	48,908	937	401,545	76,454
Securities and securities	16,896	103,381	333,015	582,562
Securities linked	-	-	-	13,295
Loans, financing and debentures	946,492	376,433	4,265,779	4,639,406

Interest rates are disclosed in Notes 5 and 15.

Sensitivity analysis

The Company and its subsidiaries performed sensitivity analysis of the main risks to which their financial instruments are exposed, basically represented by variations in exchange rates and interest rates.

Change in interest rates and exchange rates

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

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

The base date used in the portfolio was December 31, 2022, projecting the indexes for one year and verifying their sensitivity in each scenario. The tables below indicate the indices considered for the feasibility analysis and its effect on the result:

Change in interest rates	Financial instruments	Risk	Rate	Estimated rate			Balance at 12/31/2022	Probable scenario	Possible scenario	Remote scenario	
				Probable scenario	Possible scenario 10%	Remote scenario 15%					
	Securities and securities	CDI	13.65%	12.57%	12.29%	11.60%	214,174	(2,313)	(2,923)	(4,385)	
	Securities and securities	American Treasury	3.88%	0.31%	3.49%	3.30%	110,913	(3,956)	(430)	(646)	
	Securities and securities	Exchange Variation - Ptax 800	5.2177	5.2500	4.6959	4.4350	4,009	25	(401)	(601)	
	Linked financial application	Selic	13.75%	12.00%	12.38%	11.69%	18,877	(330)	(260)	(389)	
	Loans and Financing	TJLP	7.20%	7.11%	7.92%	8.28%	19,698	18	(142)	(213)	
	Loans and Financing	IPCA	5.57%	5.66%	6.13%	6.41%	401,934	(352)	(2,239)	(3,359)	
	Loans and Financing	CDI	13.65%	12.57%	15.02%	15.70%	524,860	5,669	(7,164)	(10,747)	
	Derivative financial instrument	USD	5.2177	5.2500	5.7395	6.0004	27,954	(174)	(2,796)	(4,193)	
							Total	1,322,419	1,413	(16,355)	(24,533)

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Exchange variation

To verify the sensitivity of net foreign exchange exposure to which the Company and its subsidiaries were exposed on December 31, 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 exchange rates observed in the base date of the intermediate accounting information and scenarios II and III consider the increase of 10% and 15%, respectively, in the risk variable considered.

Risk	Rate	Estimated rate			Balance at 12/31/2022	Probable scenario	Possible scenario	Remote scenario	
		Probable scenario	Possible scenario	Remote scenario					
			10%	15%					
Loan - Project financing	USD	5.2177	5.2500	5.7395	6.0004	305	(2)	(31)	(46)
Export credit note	USD	5.2177	5.2500	5.7395	6.0004	188,309	(1,166)	(18,831)	(28,246)
Loan - Bond	USD	5.2177	5.2500	5.7395	6.0004	2,765,278	(17,118)	(276,528)	(414,792)
					Total	2,953,892	(18,286)	(295,390)	(443,084)

27.5 Capital management

The Company's management policy is to maintain a solid capital structure to maintain the confidence of investors, creditors and market customers, ensuring the future development of the business.

The Company's Management seeks to maintain a balance between the highest possible returns with adequate levels of financial leverage (loans) and the advantages and security provided by a balanced capital position.

The Company's net debt for the balance ratio at the end of December 31, 2022 and december 31, 2021 is presented below:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Total current and non-current liabilities	(1,052,698)	(441,215)	(5,032,724)	(5,269,876)
Cash and cash equivalents	48,908	937	401,545	76,454
Securities and securities	16,896	103,381	333,015	582,562
Linked financial application	-	-	18,877	13,295
(Insufficiency) net cash surplus	(986,894)	(336,897)	(4,279,287)	(4,597,565)
Equity	1,330,805	1,247,654	1,330,805	1,247,654
Relationship between equity and (Insufficiency) net surplus of cash	135%	370%	31%	27%

28 Insurance

The Company and its subsidiaries maintain the policy of contracting insurance coverage for assets subject to risks in order to cover any claims, considering the nature of their activities involving their operational facilities, vessels and barges, and also for the risks of engineering and project works, as well as civil liability and for material damage. The insured importance as of December 31, 2022 was:

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Operational risks	12/31/2022
Fire, lightning, explosion, electrical damage, sales and flooding in R\$	96,137
Cyber risks in R\$	10,000
Hull and Machine (bare hull vessels) - policies in R\$	946,076
Hull and Machine (bare hull vessels) - policies in USD	239,005
Hull and Machine (bare hull vessels) - policies in R\$	140,664
Engineering Risks in R\$	229,183

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29 Segment information

The segregation of the Company's operating segments is based on the internal structure of the financial statements and their management, which is carried out through business segmentation. The North corridor includes the operations of HB Vila do Conde and HB Intermediation, the South corridor includes HB Hidrovias del Sur and its subsidiaries, Hidrovias Navegación Fluvial S.A. and Hidrovias South America B.V. and Others includes the parent company Hidrovias do Brasil and HB Luxembourg.

Results by operating segments

	North Corridor 12/31/2022	South Corridor 12/31/2022	Cabotage 12/31/2022	Santos 12/31/2022	Other 12/31/2022	Eliminations* 12/31/2022	Consolidated 12/31/2022
Net service revenue	758,644	779,211	208,815	31,355	-	(10,125)	1,767,900
Operating Revenues	758,562	781,667	228,363	31,355	-	-	1,799,947
Intercompany	82	10,043	-	-	-	(10,125)	-
Revenue - <i>Hedge Accounting</i>	-	(12,499)	(19,548)	-	-	-	(32,047)
Cost of services provided	(285,114)	(470,878)	(126,656)	(16,210)	-	10,125	(888,733)
Operating Costs	(274,990)	(470,878)	(126,655)	(16,210)	-	-	(888,733)
OTM	1	-	(1)	-	-	-	-
Intercompany	(10,125)	-	-	-	-	10,125	-
Operating expenses	(38,883)	(77,107)	(31,915)	(7,015)	(76,327)	-	(231,247)
Depreciation and amortization	(114,370)	(155,912)	(40,190)	(18,511)	(27,489)	-	(356,472)
Depreciation and amortization (cost)	(101,522)	(114,322)	(30,044)	(9,413)	(5,692)	-	(260,993)
Depreciation and amortization (expense)	(12,848)	(41,590)	(10,146)	(9,098)	(21,797)	-	(95,479)
Other Expenses	(24,745)	13,909	22,775	576	(811)	-	11,004
Financial result	(49,551)	(14,534)	(14,194)	(52,807)	(102,361)	-	(233,447)
Equity	(1,146)	18,707	-	-	189,114	(192,635)	14,040
Income tax	(59,952)	(40,391)	(1,876)	(61)	10,372	-	(91,908)
Profit (Loss) for the year	184,883	53,005	16,759	(62,673)	(7,502)	(192,635)	(8,163)

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	Northern Corridor	South Corridor	Cabotage	Santos	Other	Eliminations	Consolidated
	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021
Service revenue	570,874	322,370	211,139	23,276	-	(12,242)	1,115,417
Operating income	566,985	422,890	233,562	23,276	-	-	1,246,713
Intercompany	1,857	10,385	-	-	-	(12,242)	-
OTM	2,032	-	-	-	-	-	2,032
Revenue - <i>Hedge Accounting</i>	-	(110,905)	(22,423)	-	-	-	(133,328)
Cost of services provided	(226,702)	(300,758)	(109,511)	(15,222)	-	12,242	(639,951)
Operating Costs	(213,406)	(300,758)	(109,511)	(15,222)	-	-	(638,897)
OTM Shipping	(1,054)	-	-	-	-	-	(1,054)
Intercompany	(12,242)	-	-	-	-	12,242	-
Operating expenses	(40,564)	(35,827)	(4,264)	(1,076)	(61,531)	-	(143,262)
Depreciation and amortization	(100,732)	(181,343)	(34,133)	(10,347)	(11,443)	-	(337,998)
Depreciation and amortization (cost)	(93,359)	(108,748)	(29,887)	(4,635)	(4,194)	-	(240,823)
Depreciation and amortization (expense)	(7,373)	(72,595)	(4,246)	(5,712)	(7,249)	-	(97,175)
Other expenses	33,657	17,286	12,533	184	32,429	-	96,089
Financial result	(120,300)	(226,907)	(20,983)	(16,444)	(3,635)	-	(388,269)
Equity	502	(1,081)	-	-	(298,516)	298,424	(671)
Income tax	(39,676)	10,501	(15,303)	-	3,991	-	(40,487)
Profit (Loss) for the year	77,059	(395,759)	39,478	(19,629)	(338,705)	298,424	(339,132)

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Equity accounts by operating segments

	Northern Corridor 12/31/2022	South Corridor 12/31/2022	Cabotage 12/31/2022	Santos 12/31/2022	Other 12/31/2022	Eliminations 12/31/2022	Consolidated 12/31/2022
Current assets	411,047	645,323	269,398	63,828	295,715	(395,941)	1,289,370
Non-current assets	1,622,293	2,352,238	569,875	523,781	5,346,202	(5,340,230)	5,074,159
Total asset	2,033,340	2,997,561	839,273	587,609	5,641,917	(5,736,171)	6,363,529
Current liabilities	216,961	339,695	151,374	105,991	173,607	(295,346)	692,282
Non-current liabilities	788,850	1,899,050	495,218	375,544	4,135,033	(3,353,253)	4,340,442
Equity	1,027,529	758,816	192,681	106,074	1,333,277	(2,087,572)	1,330,805
Total liabilities and shareholders' equity	2,033,340	2,997,561	839,273	587,609	5,641,917	(5,736,171)	6,363,529

	Northern Corridor 12/31/2021	South Corridor 12/31/2021	Cabotage 12/31/2021	Santos 12/31/2021	Other 12/31/2021	Eliminations 12/31/2021	Consolidated 12/31/2021
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 asset	2,292,166	2,897,316	913,523	445,910	5,427,326	(5,458,711)	6,517,530
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
Equity	319,006	729,338	191,794	168,749	1,249,189	(1,410,422)	1,247,654
Total liabilities and shareholders' equity	2,292,166	2,897,316	913,523	445,910	5,427,326	(5,458,711)	6,517,530

30 Government subsidy and assistance

The Company enjoys benefits, as can be seen below:

- AFRMM

AFRMM is the Additional freight for Renewal of the Merchant Navy, it is a tax that focuses on the amount of freight charged by Brazilian and foreign shipping companies operating in a Brazilian port, according to the bill of lading and the cargo manifest. The AFRMM is the responsibility of the Internal Revenue Service and is governed by laws no. 2,404/1987 and disciplined by Law No. 10,893/2004, with the changes brought by Laws No. 12,599/2012 and 12,788/2013.

The AFRMM is calculated on the value of the waterway transport, applying the rate of 8% in cabotage navigation. Cabotage services enjoy the non-occurrence of AFRMM until 08/01/2022. However, even with the non-occurrence, Cabotage receives in full the additional fee of 8% on the values of freight practiced, according to recent updates the AFRMM, Law 14.301 - Art. 6 - I.

The use of these resources is restricted and can only be used exclusively in the construction, docking, repairs, maintenance of vessels and amortization of financing granted for the acquisition of vessels.

In the period from 01/01/2022 to 12/31/2022, the Company recognized the benefits of AFRMM in the group operating revenues (expenses) in the amount of R\$ 14,200.

- LDSAM

Hidrovias do Brasil S.A.

Notes to individual and consolidated financial statements

For the years ended December 31, 2022 and 2021

(In thousands of Reais - R\$, except as otherwise indicated)

In 2018, the Company joined the SUDAM Tax Incentive, which provides a 75% reduction in IRPJ through The Profit of Exploration, for the company Hidrovias do Brasil – Vila do Conde S.A. which, in presenting Tax Profit, has the possibility of benefiting from the Government Grant. In the period of December 31, 2022, this benefit resulted in an adjustment of R\$ 8,096 in shareholders' equity in the Tax Incentive Reserve.

- ICMS deferral

The subsidiary Hidrovias do Brasil Cabotagem Ltda. benefits from the deferral of ICMS on the transport service operations in the state of Pará.

31 Items not affecting cash

During the year ended December 31, 2022, the amount of R\$ 20,319 (R\$ 22,954 as of December 31, 2021) refers to suppliers for the acquisition of fixed assets and intangible assets that did not affect the Company's cash and consolidated.

32 Subsequent events

Salt Logistics

The Company had been following initiatives to make possible a potential salt logistics operation in Rio Grande do Norte, due to ANTAQ's refusal to register a floating installation founded for such an operation, which claimed that, according to a decision issued, this operation would remove operation from the terminal public that would be auctioned during the year 2022.

At that time, the Company appealed administratively and, without reversing such decision, having exhausted the administrative sphere, filed a lawsuit with a preliminary injunction to obtain said registration, which also had its request denied.

Faced with such an insurmountable regulatory obstacle for that operation, without a solution also in the judicial sphere, in 2023 the Company assimilated the impracticability of carrying out a salt logistics operation in Rio Grande do Norte in the models initially thought. In this context, it was evident for the Company to direct its efforts and resources towards future and potential projects with more attractive return conditions.

Thus, given the different opportunities present in its operation and in the market, the Company is studying the best way to use the customized asset, which would be directed to the aforementioned operation as a “floating port”, called HB Potiguar.

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. ("Audit Committee") in the exercise of its attributions, examined the individual and consolidated financial statements of Hidrovia do Brasil S.A. ("Company") for the fiscal year ended December 31, 2022, the Management report and the report (opinion of the independent auditors) issued, on this date, without reservations, by KPMG Auditores Independentes ("Independent Auditors").

The Company's Management is responsible for the correct preparation of the Company's individual and consolidated financial statements, as well as for the implementation and maintenance of internal control and risk management systems consistent with the Company's size and structure. Management is also responsible for establishing procedures that guarantee the quality of the processes that generate financial information.

The Independent Auditors are responsible for auditing the financial statements and must ensure that they adequately represent, in all relevant aspects, the Company's equity and financial position, and that they were prepared in accordance with the International Financial Reporting Standards ("*International Financial Reporting Standards - IFRS*"), issued by the "*International Accounting Standards Board - IASB*", and in accordance with accounting practices adopted in Brazil and rules and procedures determined by the Brazilian Securities Commission - CVM.

In fulfilling its attributions, the analyzes and evaluations carried out by the Audit 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 Management and by the Independent Auditors, duly weighted its responsibilities and the limitations arising from the scope of its activities, understands that the individual and consolidated financial statements of Hidrovias do Brasil S.A. referring to the fiscal year ended on December 31, 2022, were prepared in accordance with the accounting practices adopted in Brazil and with the

international financial reporting standards (IFRS), and, therefore, recommends, unanimously and without reservations, their approval by the Company's Board of Directors.

São Paulo, March 21, 2023.

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.
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**SUMMARY ANNUAL REPORT OF THE
COMPANY'S NON-STATUTORY AUDIT COMMITTEE
FOR THE YEAR 2022**

1. INTRODUCTION

The non-statutory Audit Committee ("Committee") of Hidrovias do Brasil S.A. ("Company") is an advisory committee linked to the Company's Board of Directors, to whom it reports, with operational autonomy and its own budget approved by the Board of Directors. The Committee's main responsibilities are to supervise the quality and integrity of financial statements, adherence to legal, statutory and regulatory standards, the adequacy of processes related to risk management and the activities of the internal and independent auditors.

2. HISTORIC

During the year of 2022 to the present date, the Committee had its members reelected, as per described below:

On August 11, 2022, a meeting of the Company's Board of Directors approved the reelection of the members of the Committee, as follows: **(i)** Pedro Jaime Cervatti (Coordinator); **(ii)** Antonio Mary Ulrich; and **(iii)** Ricardo Antonio Weiss; for a term of 2 (two) years.

3. ACTIVITIES OF THE AUDIT COMMITTEE

During the year of 2022 to the present date, the Committee met on 9 occasions with the following purposes:

- i. Evaluation of the results of the work carried out by the **Internal Audit**, validating its plans and guiding its performance;
- ii. Approval of the 2023 **Internal Audit Plan**;
- iii. Examine the presentations related to the activities performed by the Information Security, Internal Controls, Risk Management and Compliance (ethics channel) of the Company;
- iv. Examine the presentations related to specific **corporate risks** of the Company, performed by its respective owners;
- v. Examine and recommend on the proposed **budget of the Committee** for the year of 2023;
- vi. Examine and recommend on the Company's **quarterly financial statements** through 2022 fiscal year, together with the management report and the independent auditors' report;
- vii. Examine and recommend on the Company's **Financial Statements** for the fiscal year ended December 31, 2021, together with the management report and the independent auditors' report; e
- viii. Examine and recommend on the Company's **Financial Statements** for the fiscal year ended December 31, 2022, together with the management report and the independent auditors' report.

4. CONCLUSION

The Committee acted with due governance through meetings, interactions and independent evaluations, as determined by its Internal Regulations, supporting the Company's initiatives to review processes and implement improvements.

The Committee, based on the information received and the activities carried out in the period and considering its responsibilities and limitations resulting from the scope of its activities, believes that the individual and consolidated Financial Statements of Hidrovias do Brasil S.A. referring to the fiscal year ended on December 31, 2022, accompanied by the Management report and the report (opinion of the independent auditors) issued, on this date, without reservations, by KPMG Auditores Independentes, under the terms of article 27, first paragraph, of CVM Resolution nº 80/22, as amended, were prepared in accordance with accounting practices adopted in Brazil and with the international financial reporting standards (IFRS), and therefore recommended, unanimously and without remarks, its approval to the Company's Board of Directors.

São Paulo, March 21, 2023.

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

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NIRE 35.300.383.982

STATEMENT OF THE EXECUTIVE OFFICERS ON THE 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 financial statements and the independent auditors report on the Financial Statements related to the fiscal year ended on December 31, 2022.

São Paulo, March 21, 2023.

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