



3Q23

EARNINGS RELEASE

São Paulo, November 13, 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 results for the third quarter (3Q23) and first nine months of 2023 (9M23). The results presented in this report comply with Brazilian accounting standards and International Financial Reporting Standards (IFRS) and, except where stated otherwise, comparisons are with 3Q22 and 9M22.

Operating result in 9M23 exceeded that registered in entire 2022. Highlights include the strong performance in the main logistics corridors, cash generation and continuous deleveraging.

Highlight 3Q23 / 9M23

Volume: Record volume, with strong performance in all logistics corridors, highlighting the growth of grains and iron ore in the South, as well as the continuous growth of the fertilizer operation in Santos. Throughput was **5.3 million** tons in the quarter (+11.7% vs. 3Q22) and **14.8 million** tons in 9M23 (+14.6% vs. 9M22).

Net Operating Revenue¹: Highest ever in a third quarter despite the negative impact of the exchange rate in the period, growing 7.8% vs. 3Q22 to **R\$539.7 million**, chiefly reflecting the mix of services and cargo transported in the period. In 9M23, Net Operating revenue totaled **~R\$1.6 billion** (+15.8% vs. 9M22), reflecting the strong throughput and higher average tariffs in the period.

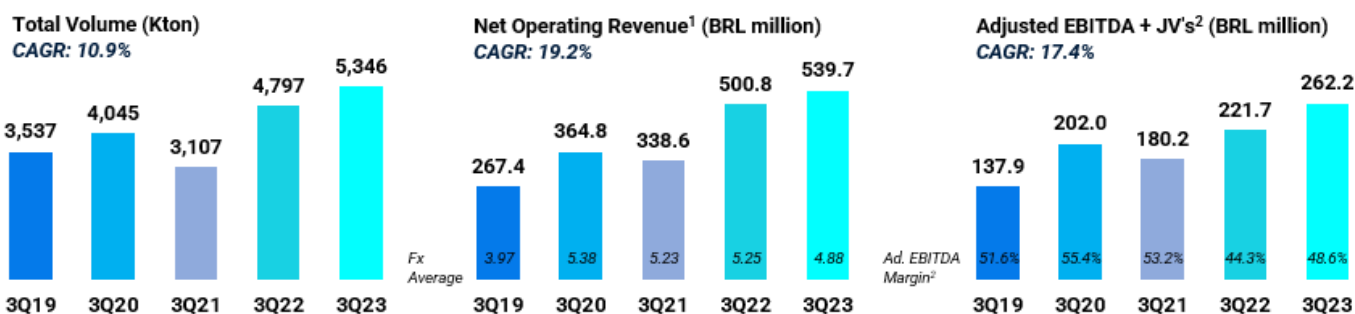
Adjusted EBITDA + EBITDA from joint ventures²: Best operating result ever in a third quarter, totaling **R\$262.2 million** (+18.3% vs. 3Q22) and **R\$772.5 million in 9M23** (+19.5% vs. 9M22), surpassing Adjusted EBITDA + EBITDA from Joint Ventures in the entire year of 2022 (also overcoming the negative effect of the exchange rate, as well as on Revenue).

Capex: R\$59.1 million in 3Q23 (-48.4% vs. 3Q22), with some projects and maintenance to be concentrated in the final quarter of the year for better use of operations, considering the seasonality of the business. In 9M23, consolidated Capex amounted to **R\$201.6 million** (-25.0% vs. 9M22), reflecting both the recurring investments in the business and payments of pushers and barges acquired in the North, and the execution of the rail shipment project in Santos.

Leverage: Reduction of **1.47x** in Net Debt/EBITDA ratio compared to the same period last year and **1.05x** from the end of 2022, mainly due to strong results registered by the Company in the period.

Consolidated Result	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Volume (kt)	5,346	4,788	11.7%	14,813	12,927	14.6%
Volume (South Corridor)	1,703	1,429	19.2%	4,707	4,187	12.4%
Volume (North Corridor)	2,325	2,409	-3.5%	6,537	6,227	5.0%
Volume (Coastal Navigation)	960	821	16.9%	2,579	2,385	8.1%
Volume (Santos)	358	128	-	990	128	-
Net Operating Revenue¹ (BRL million)	539.7	500.8	7.8%	1,580.4	1,364.2	15.8%
Net Operating Revenue (South Corridor)	224.2	211.0	6.3%	653.7	580.9	12.5%
Net Operating Revenue (North Corridor)	233.3	217.7	7.2%	675.0	593.9	13.7%
Net Operating Revenue (Coastal Navigation)	52.0	62.3	-16.5%	167.8	179.7	-6.6%
Net Operating Revenue (Santos)	30.2	9.9	-	83.8	9.7	-
Adjusted EBITDA + JVs² (BRL million)	262.2	221.7	18.3%	772.5	646.3	19.5%
Adjusted EBITDA (South Corridor + JV's)	113.9	71.5	59.3%	322.4	232.8	38.5%
Adjusted EBITDA (North Corridor)	144.3	138.3	4.3%	427.0	380.2	12.3%
Adjusted EBITDA (Coastal Navigation)	18.9	31.0	-39.1%	67.6	100.4	-32.6%
Adjusted EBITDA (Santos)	15.4	4.2	-	42.0	1.8	-
Adjusted EBITDA (Holding)	(30.3)	(23.2)	30.5%	(86.6)	(69.0)	25.5%
CAPEX (BRL million)	59.1	114.5	-48.4%	201.6	268.8	-25.0%
Leverage	3.83x	5.30x	-1.4x	3.83x	5.30x	-1.4x

¹Net Operating Revenue excludes hedge accounting and intercompany effects between the Company's subsidiaries. ²Adjusted EBITDA + Joint Ventures is adjusted by hedge accounting, equity income (loss) and non-recurring or non-cash items and includes EBITDA from the Company's interest in the Joint ventures: Limday, TGM and Baden.





Message from Management

“We ended one more quarter with record results, reflecting the competitive differential of our assets and the strong execution capacity of the entire Hidroviás team, which remains extremely focused, pursuing all market opportunities through accurate commercial strategies combined with the excellence in execution across all logistics corridors where we operate.

Throughput was **5.3 million** tons in the third quarter of 2023, driven by strong grain and iron ore volumes in the South, throughput above the estimated capacity for the period in the North and significant increases in fertilizers in Santos and bauxite in Coastal Navigation. In the nine-month period, throughput was **14.8 million** tons, with growth in all operations.

Net Operating Revenue ex-hedge accounting totaled **R\$539.7 million** in the quarter, despite the depreciation of the Brazilian real in the period, which affected the conversion of results in the South and Cabotage (growth of 7.8% year on year). Adjusted EBITDA + EBITDA from Joint ventures was **R\$262.2 million**, an even higher growth (+18.3% vs. 3Q22), reflecting the control of costs and expenses, and the benefits obtained from higher dilution with significant throughputs.

The numbers for 9M23 are even more remarkable, with throughput of **14.8 million** tons of sundry cargo, Net Operating Revenue ex-hedge accounting of approximately **R\$1.6 billion** and Adjusted EBITDA + EBITDA from Joint ventures of **R\$772.5 million** –exceeding the amount obtained in the whole of 2022.

We continue to pursue higher deleveraging and devote our efforts to seize short-term growth opportunities in order to retain our leadership in all logistics corridors and increasingly consolidate Company’s position as one of the leading players in South America’s logistics sector.

Our goal is to operate in an integrated, sustainable, independent and efficient manner, taking development and shared value to related communities and bringing greater competitiveness to producers across Latin America.

Fabio Schettino

CEO of Hidroviás do Brasil

Performance by Corridor

South Corridor



Volume (kt)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
South Corridor	1,703	1,429	19.2%	4,707	4,187	12.4%
Iron Ore	931	817	13.9%	2,835	2,549	11.2%
Grains	332	248	33.9%	760	593	28.2%
Fertilizers	52	69	-25.0%	173	88	97.1%
Other	-	-	-	-	15	-
Total before JV's	1,315	1,135	15.8%	3,769	3,244	16.2%
Participation in JV's ¹	388	294	32.1%	938	943	-0.5%

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

We ended 3Q23 with the highest throughput ever for the period in the South Corridor since the start of Company's operations, growing 19.2% from 3Q22, totaling **1.7 million** tons.

We shipped 931,000 tons of iron ore (+13.9% vs. 3Q22), 332,000 tons of grains (+33.9% vs. 3Q22) and 52,000 tons of fertilizers (-25.0% vs. 3Q22), while Joint ventures shipped 388,000 tons (+32.1% vs. 3Q22) – reflecting the good navigation conditions in the Paraná-Paraguay Waterway (HPP) and the resumption of grain harvest in Paraguay after a year of significant shortfall.

In 9M23, throughput was **4.7 million** tons (+12.4% vs. 9M22), due to the same effects mentioned above, as well as spot iron ore cargo shipped during 1H23.

Apart from better draft conditions, this strong performance attests to the solidity of the Company's assets, which offer greater flexibility than what the market offers and, hence, place Hidrovias as an important player in waterway transportation across this region, with 36% market share in HPP at the end of September 2023.

South Corridor (BRL million)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Net Revenue¹	175.7	168.7	4.1%	649.4	553.4	17.3%
Operating Net Revenue	224.2	211.0	6.3%	653.7	580.9	12.5%
Hedge Accounting ²	(48.5)	(42.3)	14.7%	(4.3)	(27.6)	-84.5%
Operating Costs	(103.0)	(126.4)	-18.5%	(314.6)	(339.1)	-7.2%
Operating Costs	(103.0)	(126.4)	-18.5%	(314.6)	(339.1)	-7.2%
Operating Expenses (Revenue)	(14.8)	(21.6)	-31.7%	(38.5)	(41.0)	-6.2%
AFRMM, Tax Credits and Other	1.2	(0.7)	-	1.4	0.4	>100%
Equity Accounting	3.3	4.7	-29.9%	10.8	19.6	-45.0%
EBITDA	62.4	24.7	>100%	308.5	193.3	59.6%
EBITDA Margin %	27.8%	11.7%	16.1 p.p.	47.2%	33.3%	13.9 p.p.
Hedge Accounting ²	48.5	42.3	14.7%	4.3	27.6	-84.5%
Equity Accounting	(3.3)	(4.7)	-29.9%	(10.8)	(19.6)	-45.0%
Adjusted EBITDA	107.6	62.3	72.7%	302.0	201.2	50.1%
Adjusted EBITDA Margin %	48.0%	29.5%	18.5 p.p.	46.2%	34.6%	11.6 p.p.
JV's	6.3	9.1	-31.2%	20.4	31.6	-35.5%
Adjusted EBITDA + JV's	113.9	71.5	59.3%	322.4	232.8	38.5%
Adjusted EBITDA Margin + JV's %	50.8%	33.9%	16.9 p.p.	49.3%	40.1%	9.2 p.p.

¹Net Revenue excludes the Intercompany effect for a better understanding of the results. ²Hedge Accounting: the Company's functional currency is the Brazilian real. However, South Corridor 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 has no cash impact.

Net Operating Revenue ex-hedge accounting: **R\$224.2 million** (+6.3% vs. 3Q22), reflecting, on the one hand, the strong volume growth and higher revenue from tariffs and, on the other, adjustments resulting from lower fuel prices than in the same period last year, and the exchange rate impact on the translation of results, since the operation involves contracts denominated in U.S. dollar (-7.0% vs. 3Q22). Net Operating Revenue in USD was US\$46.1 million in 3Q23, compared to US\$40.2 million in 3Q22 (+14.7%).

In 9M23, Net Operating Revenue ex-hedge accounting amounted to **R\$653.7 million** (+12.5% vs. 9M22), equivalent to US\$130.3 million (vs. US\$114.6 million in 9M22).

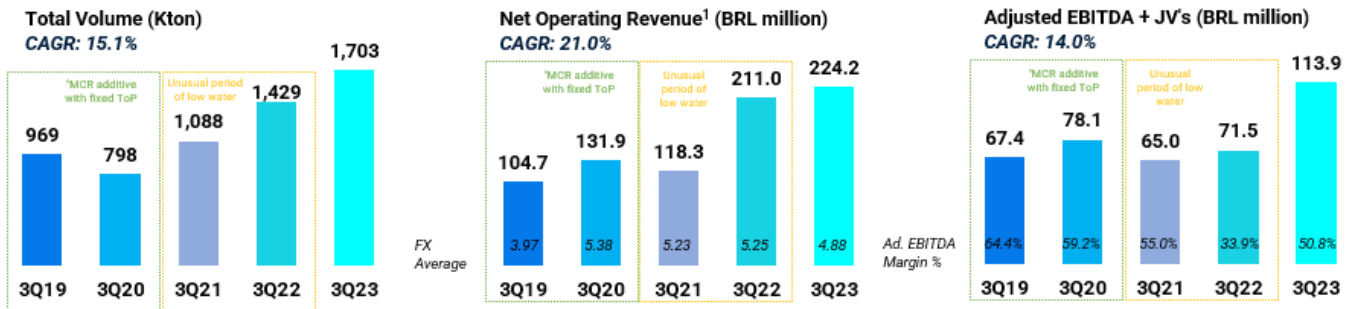
Operating Costs: Reduction of 18.5% vs. 3Q22, totaling **R\$103.0 million**, with a significant drop in variable costs, mainly due to the lower fuel price in the period, as well as savings that will be recurring in the equipment rental and insurance line.

In 9M23, **Operating Costs** totaled **R\$314.6 million** (-7.2% vs. 9M22), showing the effects mentioned above and also the dilutions of costs more compatible with normal operational and water conditions in the region.

Operating Expenses: Totaled R\$14.8 million in 3Q23 (-31.7% vs. 3Q22), with significant gains in third-party line and, mainly lower taxes and fees in the period. In 9M23, Operating Expenses decreased 6.2% year on year to R\$38.5 million, reflecting the continuous efforts to optimize the Company's structures and maximize results.

Adjusted EBITDA + EBITDA from Joint ventures: Highest ever result in a third quarter, reflecting the continuous operational improvements through the use of unique assets, and the economies of scale given the better draft conditions in the region. Adjusted EBITDA + EBITDA from Joint ventures in 3Q23 came to **R\$113.9 million** (+59.3% vs. 3Q22), with a robust margin of 50.8% (vs. +33.9% in 3Q22).

In 9M23, Adjusted EBITDA + EBITDA from Joint ventures totaled **R\$322.4 million** (+38.5% vs. 9M22), with margin of 49.3% (vs. 40.1% in 9M22). Adjusted EBITDA in USD was US\$60.7 million in 9M23 (vs. US\$40.0 million in 9M22).



North Corridor



Volume (kt)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
North Corridor	2,325	2,409	-3.5%	6,537	6,227	5.0%
Grains "Integrated System"	1,709	1,745	-2.1%	4,948	4,531	9.2%
Grains "Direct road" ¹	517	581	-11.1%	1,238	1,508	-17.9%
Fertilizers	99	83	19.9%	351	187	87.6%

¹"Direct Road" grains 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.

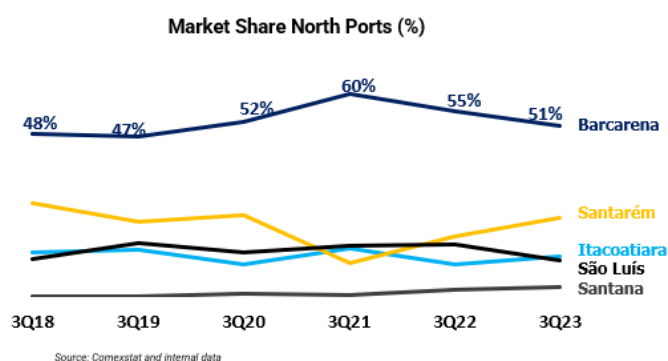
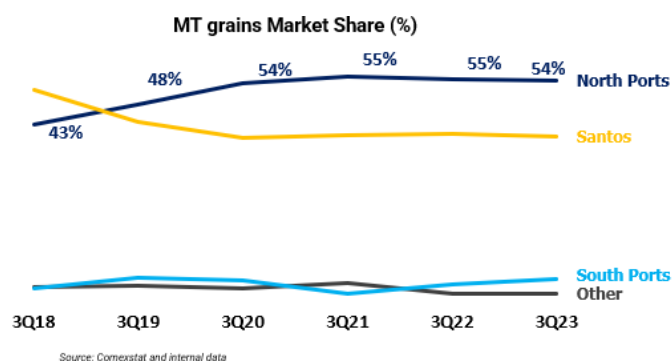
We moved **2.3 million** tons in this third quarter, a volume similar to that of 3Q22, which was a record amidst a scenario of perfect navigation and operating conditions - difficult to replicate - with emphasis on the strong level of grains in the integrated system and for the largest volume of fertilizers received at our own terminal in Barcarena (PA).

Grain throughput in the integrated system remained practically stable compared to the same period last year, totaling ~1.7 million tons, while grain volume received directly at our Private Use Terminal (TUP) in Barcarena, Pará, was 517,000 tons, levels that show the strong growth in production in the Pará and Northeast MT regions, whose main destination is to serve the foreign market.

Backhauling cargo (fertilizers) continued to grow year on year, totaling 99,000 tons, following the uptrend in the crop year projected for Brazil in 2024.

Throughput in the nine-month period of 2023 was so strong that we surpassed the 9M22 record by 5% and came close to the estimated capacity for the operation, totaling **~6.5 million** tons (vs. capacity of 7.2 million in normal conditions).

The Ports of Arco Norte continue to have an isolated leadership position in the export of grains originating in Mato Grosso (MT), representing 54% of all volume handled in 3Q23. Barcarena maintained a prominent position, with a 51% market share in the Arco Norte Ports – with the lower market share compared to 3Q22 being due solely to its capacity being practically taken over since 2022 and, for this reason, it was unable to keep up with the growth of the market.



Hidroviás also continues to be a leading player in the region, accounting for 43% of Barcarena's throughput.

Note that estimates of grains produced in Brazil and destined for exports indicate strong growth in the coming years and, as mentioned above, both Hidroviás do Brasil and other operators in the Barcarena region are operating at full capacity and for that reason, investments to expand capacity are necessary to seize the opportunities brought by the positive scenario expected in Mato Grosso and Pará.

As such, modular solutions at lower investments, in line with the Company's estimated cash generation, will be implemented in the short term, expanding our estimated capacity for port loading services in Barcarena to ~8 million tons in 2024 and ~9 million tons in 2025.

North Corridor (BRL million)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Net Revenue ¹	233.3	217.7	7.2%	675.0	593.9	13.7%
Operating Net Revenue	233.3	217.7	7.2%	675.0	593.9	13.7%
Operating Costs	(83.3)	(74.9)	11.2%	(232.7)	(201.8)	15.3%
Operating Costs	(83.3)	(75.0)	11.2%	(232.7)	(201.8)	15.3%
Operating Costs "OTM" ²	-	0.1	-	-	-	-
Operating Expenses (Revenue)	(12.3)	(7.7)	60.2%	(33.8)	(23.7)	42.5%
AFRMM, Tax Credits and Other	(5.8)	-	-	(5.7)	0.2	-
Equity Accounting	0.0	0.1	>100%	0.0	0.3	>100%
EBITDA	131.8	135.3	-2.6%	402.9	368.9	9.2%
EBITDA Margin %	56.5%	62.1%	-5.6 p.p	59.7%	62.1%	-2.4 p.p
Equity Accounting	(0.0)	(0.1)	>100%	(0.0)	(0.3)	>100%
Non-recurring ³	12.5	3.2	>100%	24.1	11.7	>100%
Adjusted EBITDA	144.3	138.3	4.3%	427.0	380.2	12.3%
Adjusted EBITDA Margin %	61.9%	63.6%	-1.7 p.p	63.3%	64.0%	-0.7 p.p

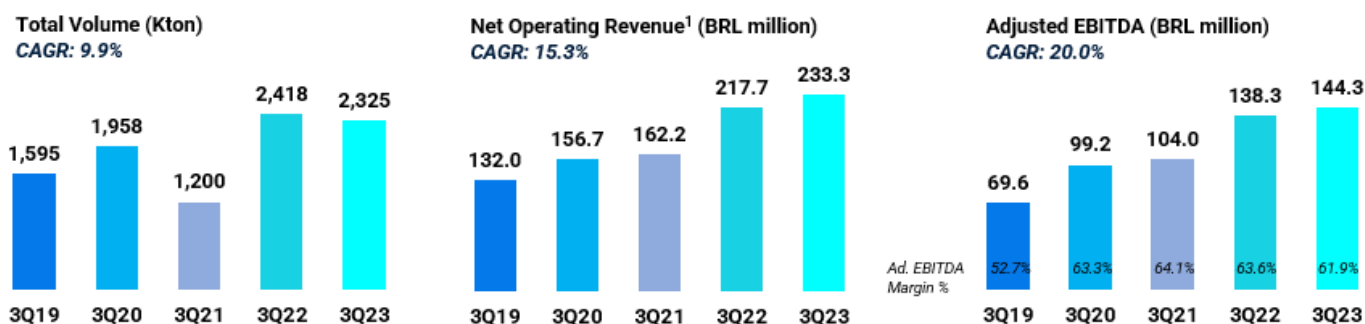
¹Net Revenue excludes the Intercompany effect for a better understanding of the results. ²"OTM – Road Transportation" consists of Net Revenue and Operating Costs related to the subcontracting of road transportation to clients in order to provide an integrated logistics solution ("from MT to ship's hold") – this operation was discontinued by the Company. ³Non-recurring effects are shown in the document attached to this report.

Net Operating Revenue: increased 7.2% from 3Q22 to **R\$233.3 million**, despite slightly lower volume in the period, offset by gains obtained from the mix of services and average tariff. Net Operating Revenue in 9M23 was **R\$675.0 million** (+13.7% vs. 9M22), reflecting the growth in throughput compared to a record base and above the estimated capacity for the period, as well as the better mix of services and higher average tariffs.

Operating Costs: R\$83.3 million in 3Q23 (+11.2% vs. 3Q22), due to higher fixed costs resulting from wage increases under collective bargaining agreement and adjustments in labor for commissioning of new pusher boats, which were offset by lower variable costs due to lower fuel prices in the period. In 9M23, Operating Costs totaled R\$232.7 million (+15.3% vs. 9M22), due to the effects already mentioned above.

Operating Expenses: R\$12.3 million (+60.2% vs. 3Q22), mainly due to one-time and non-recurring costs to start the process of optimizing the Company's assets, with the allocation of two pushers that were used in the North Corridor to the South Corridor. In 9M23, Operating Expenses totaled R\$33.8 million (+42.5% vs. 9M22), due to the impact already mentioned earlier, as well as environmental studies and renewal of licenses during 1H23.

Adjusted EBITDA: One more quarter of EBITDA growth despite record results, attesting to the excellent use of installed capacity in the corridor and the right commercial and operational strategies. Adjusted EBITDA came to **R\$144.3 million** in 3Q23 (+4.3% vs. 3Q22), with EBITDA margin of 61.9% (vs. 63.6% in 3Q22). The result obtained in 2023 is so significant that we reached Adjusted EBITDA of **R\$427.0 million** in the first nine months – which was similar to the Adjusted EBITDA from the whole of 2022 – and which already was a record and the highest result ever registered in this operation, with extremely strong margins of 63.3% (vs. 64.0% in 9M22).



Coastal Navigation



Volume (kt)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Coastal Navigation	960	821	16.9%	2,579	2,385	8.1%
Bauxite	960	821	16.9%	2,579	2,385	8.1%

Bauxite throughput in 3Q23 reached **960,000 tons** (+16.9% vs. 3Q22), in line with historical data, representing the exclusively agreement with Hydro/Alunorte, which, being a 100% “take or pay” agreement, enables high predictability of results.

In 9M23, bauxite throughput was **~2.6 million tons** (+8.1% vs. 9M22).

Coastal Navigation (BRL million)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Net Revenue	47.8	57.1	-16.3%	154.3	165.3	-6.6%
Operating Net Revenue	52.0	62.3	-16.5%	167.8	179.7	-6.6%
Hedge Accounting ¹	(4.2)	(5.2)	-18.8%	(13.5)	(14.3)	-5.4%
Operating Costs	(36.5)	(34.8)	4.9%	(108.9)	(89.6)	21.6%
Operating Costs	(36.5)	(34.8)	4.9%	(108.9)	(89.6)	21.6%
Operating Expenses (Revenue)	(1.1)	(1.1)	2.0%	(3.8)	(3.4)	11.9%
AFRMM, Tax Credits and Other ²	3.6	3.6	-1.1%	9.6	10.3	-7.3%
EBITDA	13.7	24.8	-44.8%	51.1	82.6	-38.1%
EBITDA Margin %	26.3%	39.8%	-13.5 p.p	30.5%	46.0%	-15.5 p.p
Hedge Accounting ¹	4.2	5.2	-18.8%	13.5	14.3	-5.4%
Non-recurring ³	1.0	0.9	6.0%	3.0	3.5	-15.4%
Adjusted EBITDA	18.9	31.0	-39.1%	67.6	100.4	-32.6%
Adjusted EBITDA Margin %	36.3%	49.7%	-13.4 p.p	40.3%	55.9%	-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 has no cash impact. ²AFRMM, Tax Credits and Other in Coastal Navigation includes the positive effect of Additional Freight for Renovation of Merchant Navy (which accounted for around 10% of gross revenue from throughput in 2022 and now represents around 8% in 2023). ³Non-recurring effects are shown in the document attached to this report.

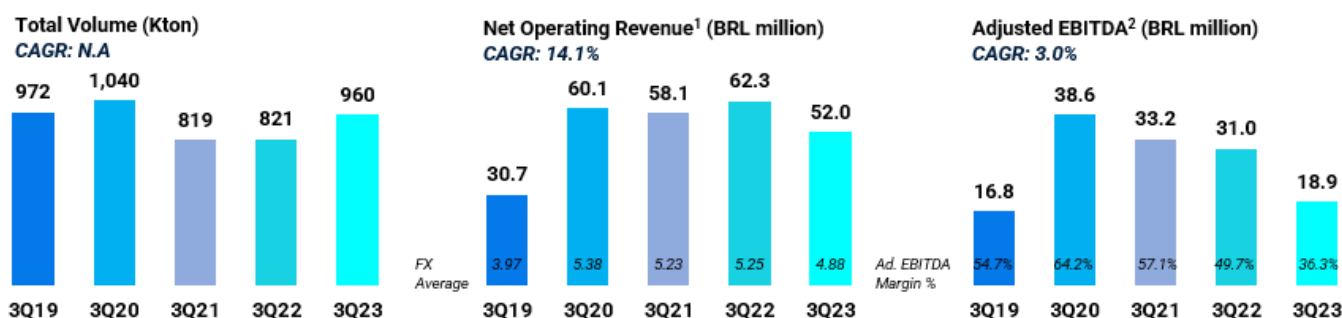
Net Operating Revenue ex-hedge accounting: **R\$52.0 million** in 3Q23 (vs. R\$62.3 million in 3Q22), explained by the lower non-tariff revenue booked in the period, lower fuel prices applied to variable tariff and, mainly, by the effect of exchange rate on translation of the results, since the contract related to this operation is denominated in U.S. dollar. Note that Net Operating Revenue in USD was **US\$10.6 million** in 3Q23 (vs. US\$11.8 million in 3Q22).

In 9M23, Net Operating Revenue ex-hedge accounting totaled **R\$167.8 million** (vs. R\$179.7 million in 9M22), due to the same effects explained above, as well as controversial tariff not booked, which is in arbitration with the client, as already disclosed to the market. Net Operating Revenue in USD was **US\$33.5 million** in 9M23 (vs. US\$35.0 million in 9M22).

Operating Costs: R\$36.5 million in the quarter (+4.9% vs. 3Q22), due to additional costs to sustain the operations during the docking period of one of the dedicated ships, and there was a delay in the estimated period for such maintenance, with an impact on higher costs of chartering a third-party ship and the need to refloat the asset upon its return to Brazil. In 9M23, operating costs totaled R\$108.9 million (+21.6% vs. 9M22).

Operating Expenses: totaled R\$1.1 million, stable in relation to the same period last year, confirming the efforts to control expenses to mitigate the expected impacts of docking. In 9M23, Operating Expenses totaled R\$3.8 million (+11.9% vs. 9M22).

Adjusted EBITDA: R\$18.9 million (-39.1% vs. 3Q22), reflecting the impacts already described in this report, with EBITDA margin still at a very healthy 36.3% (vs. 49.7% in 3Q22). Adjusted EBITDA in USD was US\$3.8 million in 3Q23 (vs. US\$5.9 million in 3Q22). In 9M23, Adjusted EBITDA from this operation was R\$67.6 million (vs. R\$100.4 million in 9M22), with margin of 40.3% (vs. 55.9% in 9M22) and in USD was US\$13.4 million (vs. US\$19.7 million in 9M22).



Santos



Volume (kt)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Santos	358	128	>100%	990	128	>100%
Fertilizers	358	128	>100%	990	128	>100%

We ended 3Q23 with fertilizer throughput of **358,000 tons** at the Port of Santos. Note that this operation is new and still in the growth curve. Also note that we have not yet started receiving salt and that we are in the development phase of the project for shipping by rail, which will increase addressable volume starting from 2024.

In the nine-months period, fertilizer throughput was **990,000 tons**, in line with the Company's expectations, but not comparable with the same period last year because the operation resumed only in August 2022 after a period of renovation and modernization.

Currently, Hidrovias accounts for 17% of total fertilizer throughput at the Port of Santos, which underlines its important role in the sector and the importance within a captive market for supplying to important production centers in Brazil.

Santos (BRL million)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Net Revenue	30.2	9.9	>100%	83.8	9.7	>100%
Operating Net Revenue	30.2	9.9	>100%	83.8	9.7	>100%
Operating Costs	(13.4)	(5.1)	>100%	(36.0)	(6.0)	>100%
Operating Costs	(13.4)	(5.1)	>100%	(36.0)	(6.0)	>100%
Operating Expenses (Revenue)	(2.7)	(0.9)	>100%	(9.4)	(3.0)	>100%
AFRMM, Tax Credits and Other	0.0	-	-	0.0	0.6	-98.0%
EBITDA	14.1	3.9	>100%	38.4	1.4	>100%
EBITDA Margin %	46.5%	39.3%	7.2 p.p.	45.8%	14.4%	314 p.p.
Non-recurring ¹	1.3	0.3	>100%	3.7	0.4	>100%
Adjusted EBITDA	15.4	4.2	>100%	42.0	1.8	>100%
Adjusted EBITDA Margin %	50.9%	42.3%	8.6 p.p.	50.1%	18.5%	316 p.p.

¹Non-recurring effects are shown in the document attached to this report.

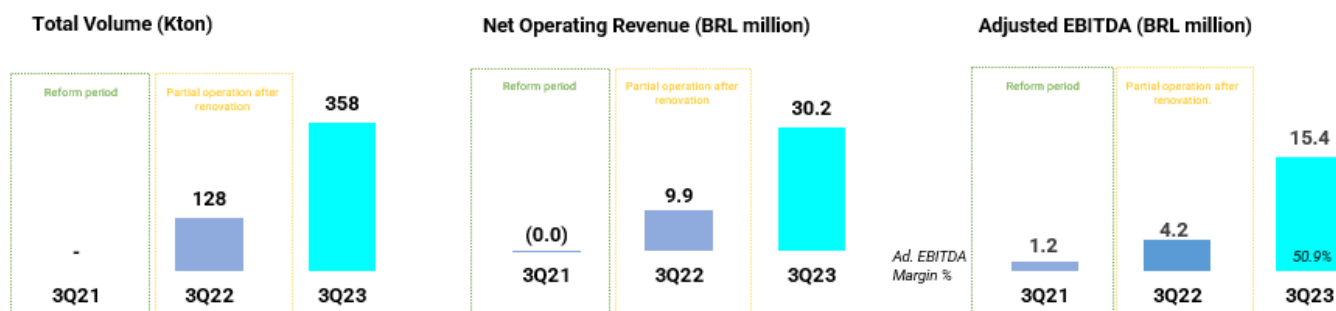
Net Operating Revenue: R\$30.2 million in 3Q23, reflecting strong throughput in the period. In 9M23, Net Operating Revenue amounted to R\$83.8 million.

Operating Costs: R\$13.4 million in 3Q23 (44.3% of Net Operating Revenue in 3Q23 vs. 51.5% in 3Q22), with potential for higher dilution as the use of the terminals' capacity increases. In 9M23, Operating Costs totaled R\$36.0 million (42.9% of Net Operating Revenue in 9M23 vs. 61.8% in 9M22).

Operating Expenses: R\$2.7 million in 3Q23 and R\$9.4 million in 9M23.

Adjusted EBITDA: totaled **R\$15.4 million** in the quarter, with margin of 50.9%. In 9M23, adjusted EBITDA totaled **R\$42.0 million**, with margin of 50.1%.

Note that the amounts shown in the table above for 9M22 show the booking of pre-operating costs and expenses of the terminal that was non-operational until August 2022 and which were mostly classified as Capex following the guidelines of CPC 27 (Ativo imobilizado).



Holding Company

<i>Holding (BRL million)</i>	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Operating Expenses (Revenue)	(23.0)	(21.8)	5.6%	(61.2)	(59.3)	3.1%
AFRMM, Tax Credits and Other	0.0	0.6	-93.2%	0.1	0.5	-75.3%
Equity Accounting	(2.4)	(0.7)	>100%	(4.6)	(2.2)	>100%
EBITDA	(25.4)	(21.9)	15.8%	(65.7)	(61.0)	7.6%
Equity Accounting	2.4	0.7	>100%	4.6	2.2	>100%
Non-recurring ¹	(7.3)	(2.0)	>100%	(25.6)	(10.2)	>100%
Adjusted EBITDA	(30.3)	(23.2)	30.5%	(86.6)	(69.0)	25.5%

¹Non-recurring effects are shown in the document attached to this report.

Adjusted result of the Holding Company was an expense of **R\$30.3 million** in 3Q23 (+30.5% vs. 3Q22), practically stable when compared to the previous quarter (R\$30.0 million in 2Q23), reflecting the effects of annual wage increase under the collective bargaining agreement, adjustments in payroll for adaptation of structures, higher provisions for vacation and expenses with systems – which were previously being capitalized. In 9M23, corporate expenses amounted to **R\$86.6 million** (+25.5% vs. 9M22), compatible with those of industry peers.

Consolidated Result

Consolidated Result (BRL million)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Net Revenue	487.0	453.3	7.4%	1,562.5	1,322.3	18.2%
Net Operating Revenue ¹	539.7	500.8	7.8%	1,580.4	1,364.2	15.8%
Hedge Accounting ²	(52.8)	(47.5)	11.1%	(17.8)	(41.9)	-57.5%
Operating Costs	(236.3)	(241.2)	-2.0%	(692.2)	(636.6)	8.7%
Operating Costs	(236.3)	(241.2)	-2.0%	(692.2)	(636.6)	8.7%
Operating Expenses (Revenues)	(54.0)	(53.0)	1.8%	(146.6)	(130.3)	12.5%
AFRMM, Tax Credits and Other	(1.0)	3.5	-	5.4	12.0	-55.0%
Equity Accounting	0.9	4.2	-78.3%	6.2	17.7	-65.2%
EBITDA	196.6	166.8	17.9%	735.2	585.2	25.6%
EBITDA Margin %	36.4%	33.3%	+3.1p.p	46.5%	42.9%	+3.6p.p
Depreciation & Amortization	(92.2)	(90.8)	1.5%	(261.5)	(258.4)	1.2%
EBIT	104.4	76.0	37.4%	473.8	326.7	45.0%
Financial Result	(32.4)	13.1	-	(251.3)	(144.4)	74.0%
Net Income before Income Tax	72.0	89.1	-19.2%	222.5	182.3	22.1%
Income Tax	(0.7)	3.5	-	(13.3)	(34.4)	-61.3%
Net profit	71.3	92.6	-23.0%	209.2	147.9	41.4%

¹Net Operating Revenue excludes hedge accounting and intercompany effects between the Company's subsidiaries. ²Hedge Accounting: the Company's functional currency is the Brazilian real; however, contracts of the South Corridor and Coastal Navigation are denominated in U.S. dollar. Accordingly, hedge accounting was applied to mitigate this exposure to another currency, with existing debt in US dollars providing protection for long-term contracts in foreign currency. This procedure has no cash impact.

Capex

Consolidated CAPEX (BRL million)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Maintenance	18.1	5.2	>100%	74.6	23.5	>100%
Expansion	41.0	109.2	-62.5%	105.8	228.8	-53.8%
STS20 Grant	-	-	-	21.2	20.1	5.6%
Total CAPEX	59.1	114.5	-48.4%	201.6	272.4	-26.0%

Consolidated Capex in 3Q23 was **R\$59.1 million** (-48.4% vs. 3Q22), of which:

- i) R\$18.1 million went to scheduled maintenance of assets, including docking of the cabotage asset and the need for higher maintenance as the Company has a larger fleet now than in 3Q22.
- ii) R\$41.0 million for expansion: mainly related to the launch of the rail shipment project in Santos, which will increase the operation's addressable volume starting from 2024, the payment of navigation assets that will be used in the North Corridor – such as barges, pusher boats and hybrid shunt pushers, and the investment in the project of floaters that will be used over water surfaces at the public port of Barcarena (CDP), expanding the Company's port loading capacity starting from 2024.

Consolidated Capex in 9M23 totaled **R\$201.6 million** (-26.0% vs. 9M22), reflecting the end of the Company's first investment cycle, which positioned it strategically in all logistics corridors where it operates.

We remain highly diligent in our investments, following our strategy of deleveraging and releasing cash for modular projects that will add capacity in the short term and drive stronger growth in the medium term based on the strong growth of grain production in Brazil and, consequently, the higher demand for fertilizers, always bringing competitiveness to the entire Brazilian agribusiness chain.

Financial Result

Financial Result (BRL million)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Total Financial Income	9.9	75.0	-86.7%	26.5	76.9	-65.5%
Total Recurring Financial Income	9.9	6.0	65.6%	26.5	7.9	>100%
Non-recurring Financial Income	-	69.0	-	-	69.0	-
Total Financial Expense	(54.0)	(77.9)	30.6%	(269.4)	(259.3)	-3.9%
Financial Expense	(52.7)	(60.5)	12.8%	(229.2)	(237.9)	3.6%
Derivative Financial Instruments	(1.3)	(17.4)	92.6%	(40.2)	(21.3)	-88.8%
Fx variation ¹	11.7	15.9	-26.5%	(8.4)	38.0	-
Total Financial Result	(32.4)	13.1	-	(251.3)	(144.4)	-74.0%
Adjusted Financial Result	(32.4)	(55.9)	42.0%	(251.3)	(213.4)	-17.7%

¹To facilitate understanding of information related to Financial Expenses and Exchange Variation, we now present the effects of gains or losses related to investment funds exposed to variation in the U.S. dollar only in the exchange variation line.

The Company ended 3Q23 with Financial Result of **(R\$32.4) million** (vs. 13.1 million in 3Q22), whose main components are:

- i) **Financial Income:** R\$9.9 million (vs. R\$75.0 million in 3Q22), considering that there was a positive non-recurring impact in 3Q22 of R\$69.0 million from gains from the repurchase of bonds in the secondary market. Comparing the recurring Financial Income, there is an improvement of R\$3.9 million vs. 3Q22, reflecting the new investment strategy adopted by the Company, which currently maintains ~50% of its cash in foreign currency investments and 50% in fixed-income investments in Brazil.
- ii) **Financial Expenses:** (R\$54.0) million (vs. (R\$77.9) million in 3Q22), reflecting the Company's new debt profile, with a larger volume of debt in Brazilian real to balance out future cash flows, and the contracting of derivatives that, in combination, will reduce volatility in the results.
- iii) **Exchange Variation:** 11.7 million (vs. 15.9 million in 3Q22), attesting to lower volatility in the results due to the Company's new capital structure.

Adjusting the Financial Result by the non-recurring effect of gains from the repurchase of Bonds, which were discounted in the secondary market, we registered Adjusted Financial Result of (R\$32.4) million in 3Q23, compared to (R\$55.9) million in 3Q22, an improvement of 42.0% in the period.

In 9M23, Financial Result was **(R\$251.3) million** (vs. (R\$144.4) million in 9M22), which is also not comparable as it includes the non-recurring effects of capital structure optimization carried out in 2022. The Adjusted Financial Result in the period would be R\$251.3 million – compared to R\$213.4 million in 9M22.

Net Income

As a result of the above, Hidrovias do Brasil posted **Net Income of R\$71.3 million** in 3Q23 (vs. Net Income of R\$92.6 million in 3Q22), mainly reflecting the strong operating result in the period.

Net Income in 9M23 was **R\$209.2 million** (vs. Net Income of R\$147.9 million in 9M22).

Cash Generation

Cash Flow (BRL million)	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Cash beginning of period	744.6	608.0	22.5%	750.5	672.3	11.6%
(+) EBITDA	196.6	166.8	17.9%	735.2	585.2	25.6%
(+/-) Change in working capital	(45.9)	85.7	-	(242.6)	(75.2)	>100%
(+/-) Hedge Accounting	52.8	47.5	11.1%	17.8	41.9	-57.5%
= Operating Cash Flow (OCF)	203.5	300.1	-32.2%	510.5	551.8	-7.5%
(-) CAPEX	(62.3)	(98.7)	-36.9%	(165.6)	(214.4)	-22.8%
Recurring	(18.1)	(5.2)	>100%	(74.6)	(23.5)	>100%
Expansion	(44.2)	(93.5)	-52.8%	(91.0)	(190.9)	-52.3%
(-) Grant	-	-	-	(21.2)	(20.1)	5.6%
= Investing Cash Flow (ICF)	(62.3)	(98.7)	-36.9%	(186.8)	(234.5)	-20.4%
(+/-) Debt Issuance/Amortization	(13.8)	485.7	-	(24.0)	477.2	-
(-) Payment of Interest on Loans	(121.1)	(98.3)	23.2%	(254.2)	(209.8)	21.2%
(-) Payment of Interest on Derivatives	(12.9)	(2.9)	>100%	(26.3)	(2.9)	>100%
(-) Lease Payments	(13.8)	(20.9)	-33.9%	(38.9)	(48.4)	-19.6%
(+/-) Funding costs/Bond repurchase	0.2	(365.8)	-	-	(366.0)	-
(+/-) Dividends Paid/Received	2.5	-	-	2.5	-	-
= Financing Cash Flow (FCF)	(158.9)	(2.2)	>100%	(340.9)	(149.9)	>100%
Impact of exchange rate variation on cash balances	86.4	48.8	77.1%	80.0	16.2	>100%
= Cash Generation	68.7	248.0	-72.3%	62.9	183.6	-65.8%
Cash end of period	813.4	856.0	-5.0%	813.4	856.0	-5.0%

Operating cash generation totaled R\$203.5 million in 3Q23, explained by the strong EBITDA growth of 17.9% in the period, which more than offset the negative effect of working capital.

Investments made in 3Q23 were lower than the same period last year, reflecting the temporal shift of some expenditures to the last quarter of the year and, in the financing flow, there was higher impact compared to the same period of the previous year due to greater interest due to the new composition of the Company's debt, as well as non-recurring effects in 2022 with the raising of ~R\$500 million, which was carried out for partial repurchase of Bonds in the secondary market.

We ended 3Q23 with **cash generation of R\$68.7 million** (vs. generation of R\$248.0 million in 3Q22) and a closing cash balance of **R\$813.4 million** (vs. R\$856.0 million in 3Q22), which are healthy levels and higher than the Company's short/medium-term cash requirements.

In 9M23, cash generation totaled **R\$62.9 million** (vs. R\$183.6 million in 9M22), which attests to the significant operating improvement, with EBITDA growth of 25.6%, which more than offset the Company's investment and financing flows.

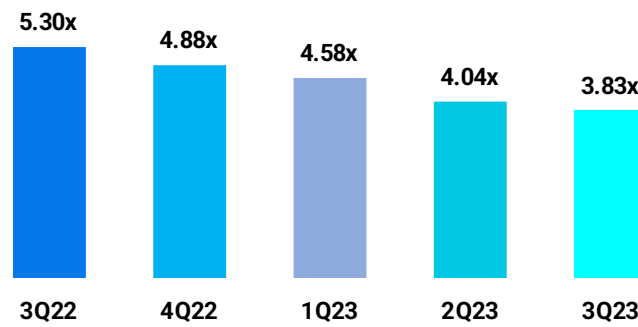
Debt

Indebtedness (BRL million)	3Q23	3Q22	Ch. %
Total in BRL	974.2	928.5	4.9%
Total in USD	3,118.9	3,612.0	-13.7%
Gross Debt	4,093.1	4,540.5	-9.9%
Total in BRL	300.0	140.1	>100%
Total in USD	497.1	696.2	-28.6%
Box and Applications ¹	797.1	836.3	-4.7%
Net Debt	3,296.0	3,704.2	-11.0%
Adjusted EBITDA ex-JV's LTM	861.2	699.5	23.1%
Net Debt/EBITDA ex-JV's LTM	3.83x	5.30x	-1.4x

¹Cash includes Cash and Cash Equivalents and short-term Financial Investments.

Lower net debt compared to the same period of the previous year (-11.0% vs. 3Q22), totaling **R\$3,296.0 million**, reflecting the 9.9% reduction in gross debt with the exchange rate devaluation observed in the period. Leverage considering the Adjusted EBITDA ex-JV's of the last 12 months was **3.83x**, the sixth consecutive reduction when compared to the immediately previous periods, with an improvement of 0.57x compared to the immediately previous quarter and 1.47x compared to the same period last year, reflecting both the operational improvement and the positive effects arising from the capital structure optimization process carried out during 2022.

Leverage evolution
(Net Debt/Adjusted LTM EBITDA¹ ex-JV's)

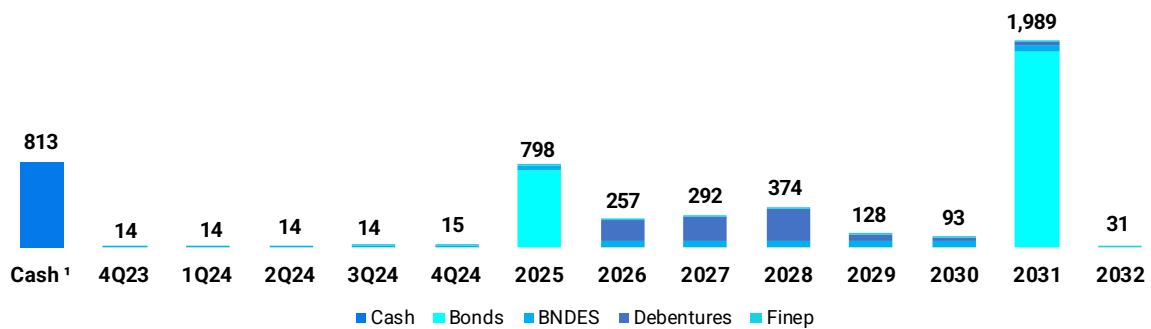


¹Considers Adjusted EBITDA in the last 12 months, excluding the impact of hedge accounting, equity accounting, and non-recurring items in the period.

We continue to devote our efforts to the deleveraging process, but at the same time seizing opportunities to expand capacity in the short term through marginal investments that are aligned with the Company's projected cash flows, to consolidate our leadership in the main corridors where we operate and take advantage of opportunities offered by the market, which is still lacking in infrastructure.

Also note that most of the Company's debt is long term (maturing in 2031) and is very low-cost, thanks to the tremendous resilience and predictability of the results on account of long-term and take-or-pay contracts, as shown in the schedule below:

Debt amortization schedule (R\$ million)



¹Cash includes Cash and Cash Equivalents and short- and long-term Financial Investments.



Sustainability

Just as sustainability has been part of Hidroviás do Brasil since its inception, the commitment to generating a positive social impact and the integral transformation in the communities where it operates is also a priority, being a pillar of the Sustainable Commitment launched by the Company in 2022. Since then, Hidroviás has been putting efforts in dialogue, relationship-building and social investments in regions surrounding its operations, focusing on the following social fronts: Education, Job and Income Generation, and Grassroots Development.

The initiatives, implemented between January and September 2023, were co-created with the communities, with the direct collaboration of the beneficiaries.

On the Education front, we highlight: 1) the 'Aceleraê' program, which offers training to youth in Itaituba, Pará, to enter the job market and helped 47% to get a job during the training period. 52% of the students had access to the project's educational content for the first time; 2) the 'Cine Leitura' project¹, in Itaituba and Barcarena, Pará, which promotes culture among children and adolescents through books and movies; and 3) the 'Musicalidade na Gota' project¹, in Santos, state of São Paulo, focused on culture through music classes.

On the Job and Income Generation front, the "Quintais Produtivos" project offers food safety and extra income by setting up family gardens in Itaituba, Pará, where the 'Tecer' program offers professional education, focused on woman entrepreneurship, enabling an increase of 70% in the household income of the participants. The company also supports Fish Farming in Barcarena, supporting the implementation of projects and training fishers for income generation.

As for Grassroots Development, projects such as "Itupanema mais Forte" (Barcarena), "Sonho Cabano" (Barcarena), "Requalificação de Espaço da Colônia de Pescadores Z-56" (Itaituba) have improved community spaces, providing leisure, income generation and professional training to local communities. In addition, the "Pérola d'Água" project in Itaituba offers continuous access to clean water to residents in the region.

These initiatives have so far positively impacted more than 14,000 people² at a total investment of R\$2.3 million³ until September 2023.

In this regard, the Company formulated a private social investment guideline to leverage its contributions and drive more strategic actions in the communities, in its role as an agent of positive changes that are essential to strengthen HBSA's commitment to social responsibility and sustainable development.

¹Tax break project

²Estimated number, because part of the projects has not been completed yet.

³This amount refers to said projects and other initiatives whose actions started between January and September 2023.



Disclaimer

This report contains forward-looking statements and prospects based on strategies and beliefs related to the 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 an in-depth study of public information 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. As such, the Company does not guarantee the performance mentioned in this document and, therefore, this document does not represent an offer for purchase and/or subscribe to its securities.

Attachments

HIDROVIAS DO BRASIL S.A.

Statements of income

Nine-month periods ended on September 30, 2023 and 2022

(In thousands of reais, except when stated otherwise)

	Consolidated	
	September 30, 2023	September 30, 2022
Net revenue	1,562,545	1,322,289
Cost of services provided	-909,941	-826,771
Gross profit	652,604	495,518
OPERATING EXPENSES		
General and administrative expense	-186,455	-198,114
Estimation of expected losses	-3,940	-
Equity in the results of investees	6,154	17,745
Other revenues and (expenses)	5,422	11,595
Operating income before financial income and taxes	473,785	326,744
Financial income	30,927	114,601
Financial expenses	-282,207	-258,996
Financial income (loss)	-251,280	-144,395
Income (loss) before income tax and social contribution	222,505	182,349
Income tax and social contribution		
Current	-75,252	-52,032
Deferred	61,936	17,609
Profit for the period	209,189	147,926
Profit per share (expressed in Reais per share)		
Basic	0.2751	0.1945
Diluted	0.2698	0.1908

HIDROVIAS DO BRASIL S.A.

Statement of financial position on September 30 and December 31
(In thousands of reais)

	Consolidado			Consolidado	
	30/09/2023	31/12/2022		30/09/2023	31/12/2022
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
Current assets			Current liabilities		
Cash and cash equivalents	648,792	401,545	Accounts payable	131,704	190,603
Financial investments	148,318	333,015	Loans, financing, and debentures	146,201	192,819
Trade accounts receivable	209,324	212,572	Employee benefits	63,431	55,529
Inventories	109,704	106,443	Contingencies	22,708	32,020
Recoverable Taxes	168,014	129,164	Taxes payable	41,034	33,734
Advances to suppliers and prepayments	39,179	36,048	Income tax and social contribution	92,169	80,295
Transactions with related parties	-	-	Accounts payable with related parties	-	-
Dividends receivable	1,873	-	Advances from customers	4,747	16,785
Other credits	70,944	70,609	Lease liabilities	15,356	30,692
			Obligation with concession grant	18,234	17,231
Total current assets	1,396,148	1,289,396	Other accounts payable	36,965	42,574
			Total current liabilities	572,549	692,282
Non-current assets			Non-current liabilities		
Other credits	29,106	-	Loans, financing, and debentures	3,946,897	4,072,960
Financial investments	16,247	18,877	Transactions with related parties	-	-
Transactions with related parties	5,208	5,369	Derivative financial instruments	41,831	27,954
Trade accounts receivable	4,000	4,800	Lease liabilities	210,383	199,832
Judicial deposits	93,457	68,761	Obligation with concession grant	19,451	36,722
Deferred Income tax and social contribution	172,641	131,100	Other accounts payable	32,063	2,974
Recoverable Taxes	46,178	82,454	Total non-current liabilities	4,250,625	4,340,442
Prepayments	30,182	26,099			
Investments	107,034	109,592	Shareholders' equity		
Fixed assets	3,959,580	4,091,335	Capital	1,334,584	1,334,584
Right-of-use assets	216,795	193,399	Capital reserve	41,394	39,629
Intangible assets	331,995	342,347	Accumulated losses	-135,070	-344,259
			Other reserves	344,489	300,851
Total non-current assets	5,012,423	5,074,133	Total shareholders' equity	1,585,397	1,330,805
Total assets	6,408,571	6,363,529	Total liabilities and shareholders' equity	6,408,571	6,363,529

HIDROVIAS DO BRASIL S.A.
Statements of cash flows

Nine-month periods ended on September 30, 2023 and 2022

(In thousands of reais)

	Consolidado	
	30/09/2023	30/09/2022
Cash flows from operating activities		
Profit for the period	209,189	147,926
Net cash generated by (used in) operating activities:		
Provisions for bonuses and gratuities	24,411	12,231
Income and social contribution taxes – current and deferred (note 24)	13,316	34,423
Derivative financial instruments (note 23)	40,223	18,419
Provision (Provision Reversal) for contingencies (note 15)	725	6,216
Interest incurred on loans	253,409	194,312
Reversal of borrowing costs (note 13)	8,312	10,132
Monetary and exchange rate adjustment on loans	- 129	25,918
Interest and inflation adjustment – leasing (note 10 and 11)	16,876	11,266
Long-term incentive plan with restricted shares	- 1,096	5,357
(Gain) losses from securities	- 15,090	11,928
Depreciation and amortization (note 22)	237,437	211,396
Amortization of right-of-use assets (note 22)	24,027	47,040
Equity in the results of investees (note 8)	- 6,154	- 17,745
Estimated expected losses (note 22.1)	3,940	-
Gain on bond repurchase – Bond	-	- 69,012
Revenue earned from hedge (note 28)	17,816	41,897
Write-off of lease (note 10)	- 2	- 898
Write-off of assets due to loss (note 9 and 11)	3,948	-
(Increase) decrease in operating assets:		
Accounts receivable	108	- 34,312
Inventories	- 3,261	- 27,622
Recoverable taxes	2,765	- 16,703
Advances to suppliers and prepayments	- 7,214	27,266
Judicial deposits	- 24,696	- 12,795
Other receivables	- 31,314	9,262
Increase (decrease) in operating liabilities:		
Accounts payable	- 73,756	- 26,688
Social and labor charges	- 16,509	8,527
Taxes payable	7,300	- 2,396
Advances from customers	- 12,038	26,464
Other accounts payable	- 38,206	43,995
Payment of interest on loans and financing	- 254,228	- 209,796
Income and social contribution taxes paid	- 65,926	- 65,569
Net cash generated by (used in) operating activities	314,183	410,439

Cash flows from investing activities

Acquisition of fixed assets	-	159,944	-	189,736
Acquisition of intangible assets	-	5,642	-	24,692
Financial investments	-	641,325	-	1,521,929
Redemptions of financial investments		811,131		1,765,026
Dividends received		2,529		-
Loan granted between related parties		161		-
Capital increase (decrease) in subsidiaries		-		-
Net cash used in investing activities		6,910		28,669

Cash flows from financing activities

Borrowings and Funding cost		17,691		515,763
Concession lease	-	21,176	-	20,054
Lease paid	-	38,882	-	48,374
Amortization of principal - loans	-	41,703	-	42,570
Long term financial investments		-		361,971
Bond repurchase – Bond	-	2,361	-	5,242
Loan granted between related parties		-		215
Net cash generated by (used in) financing activities		- 86,431		37,767

Effects of exchange rate changes on the cash balance held in foreign currency		12,585		52,742
---	--	--------	--	--------

Increase (Decrease) in cash and cash equivalents		247,247		424,133
Cash and cash equivalents in the beginning of the period		401,545		76,454
Cash and cash equivalents at the end of the period		648,792		500,587
Increase (Decrease) in cash and cash equivalents		247,247		424,133

North Corridor (BRL million)

Non-recurring	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Apportionment of corporate expenses for comparison with the past	6.2	3.2	94.7%	17.8	11.7	52.4%
Adjustments to long-standing outstanding balances	6.3	-	-	6.3	-	-
Total	12.5	3.2	>100%	24.1	11.7	>100%

Coastal Navigation (BRL million)

Non-recurring	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Apportionment of corporate expenses for comparison with the past	1.0	0.9	6.0%	3.0	3.5	-15.4%
Total	1.0	0.9	6.0%	3.0	3.5	-15.4%

Santos (BRL million)

Non-recurring	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Apportionment of corporate expenses for comparison with the past	1.3	0.3	>100%	3.7	0.4	>100%
Total	1.3	0.3	>100%	3.7	0.4	>100%

Holding (BRL million)

Non-recurring	3Q23	3Q22	Ch. %	9M23	9M22	Ch. %
Apportionment of corporate expenses for comparison with the past	(8.3)	(4.4)	88.3%	(24.5)	(15.6)	57.3%
Stock Compensation Plan	1.0	2.4	-59.6%	(1.1)	5.4	-
Total	(7.3)	(2.0)	>100%	(25.6)	(10.2)	>100%



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A free translation from Portuguese into English of Independent auditor's review report on parent company and consolidated Interim financial information prepared in Brazilian currency, in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on interim financial information

To the Shareholders of
Hidrovias do Brasil S.A.
São Paulo - SP

Introduction

We have reviewed the parent company and consolidated interim financial information of Hidrovias do Brasil S.A. (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2023 which comprises the statement of financial position as at September 30, 2023 the statement of income and the statement of comprehensive income for the three- and nine-month periods then ended, and the statement of changes in equity and statement of cash flows for the nine-month period then ended, including the explanatory information.

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated Statements of Value Added (SVA) for the nine-month period ended September 30, 2023, prepared under the responsibility of Company management and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the interim financial information to conclude whether they are reconciled with the parent company and consolidated interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been prepared, in all material respects, in accordance with the criteria defined in referred to Standard and consistently with the parent company and consolidated interim financial information taken as a whole.


Audit and review of corresponding figures

The parent company and consolidated financial statements for the year ended December 31, 2022 were audited by other independent auditors, who issued an unqualified opinion thereon dated March 21, 2023.

The parent company and consolidated interim financial information for the three- and nine-month periods ended September 30, 2022 was reviewed by other independent auditors, who issued an unqualified conclusion thereon dated November 10, 2022.

São Paulo, November 13, 2023

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC- SP034519/O


Carlos Augusto Amado Junior
CRC SP-292320/O-0

Hidroviás do Brasil S.A

Interim financial information (ITR) on
September 30, 2023
and report on the review of
interim financial information

HIDROVIAS DO BRASIL S.A.Statement of financial position on September 30 and December 31
(In thousands of reais)

ASSETS	Note	Parent company		Consolidated	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Current assets					
Cash and cash equivalents	4	16,138	48,908	648,792	401,545
Financial investments	5	3,132	16,896	148,318	333,015
Trade accounts receivable	6.1	-	-	209,324	212,572
Inventories		-	-	109,704	106,443
Recoverable Taxes	7	10,755	10,290	168,014	129,164
Advances to suppliers and prepayments		2,403	1,218	39,179	36,048
Transactions with related parties	16	16,058	23,249	-	-
Dividends receivable	16	14,872	57,236	1,873	-
Other credits		3,949	3,434	70,944	70,609
Total current assets		67,307	161,231	1,396,148	1,289,396
Non-current assets					
Other credits		-	-	29,106	-
Financial investments	5	-	-	16,247	18,877
Transactions with related parties	16	-	5,218	5,208	5,369
Trade accounts receivable	6.1	-	-	4,000	4,800
Judicial deposits		32,383	32,383	93,457	68,761
Deferred Income tax and social contribution	24	90,476	25,925	172,641	131,100
Recoverable Taxes	7	4	-	46,178	82,454
Prepayments		92	160	30,182	26,099
Investments	8	2,497,482	2,113,283	107,034	109,592
Fixed assets	9	4,231	3,983	3,959,580	4,091,335
Right-of-use assets	10	1,755	2,498	216,795	193,399
Intangible assets	11	33,267	38,822	331,995	342,347
Total non-current assets		2,659,690	2,222,272	5,012,423	5,074,133
Total assets		2,726,997	2,383,503	6,408,571	6,363,529

HIDROVIAS DO BRASIL S.A.Statement of financial position on September 30 and December 31
(In thousands of reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent company		Consolidated	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Current liabilities					
Accounts payable	12	9,360	11,790	131,704	190,603
Loans, financing, and debentures	13	66,213	58,394	146,201	192,819
Employee benefits	14	20,914	19,976	63,431	55,529
Contingencies	15	7,205	6,808	22,708	32,020
Taxes payable		4,742	4,952	41,034	33,734
Income tax and social contribution		-	-	92,169	80,295
Accounts payable with related parties	16	3,821	2,965	-	-
Advances from customers		-	-	4,747	16,785
Lease liabilities	10	878	665	15,356	30,692
Obligation with concession grant	11	-	-	18,234	17,231
Other accounts payable		6,685	9,008	36,965	42,574
Total current liabilities		119,818	114,558	572,549	692,282
Non-current liabilities					
Loans, financing, and debentures	13	907,951	888,098	3,946,897	4,072,960
Transactions with related parties	16	70,905	20,255	-	-
Derivative financial instruments	25	41,831	27,954	41,831	27,954
Lease liabilities	10	1,095	1,833	210,383	199,832
Obligation with concession grant	11	-	-	19,451	36,722
Other accounts payable		-	-	32,063	2,974
Total non-current liabilities		1,021,782	938,140	4,250,625	4,340,442
Shareholders' equity					
Capital	17	1,334,584	1,334,584	1,334,584	1,334,584
Capital reserve		41,394	39,629	41,394	39,629
Accumulated losses		(135,070)	(344,259)	(135,070)	(344,259)
Other reserves		344,489	300,851	344,489	300,851
Total shareholders' equity		1,585,397	1,330,805	1,585,397	1,330,805
Total liabilities and shareholders' equity		2,726,997	2,383,503	6,408,571	6,363,529

The Management's accompanying notes are an integral part of the parent company and consolidated interim financial information

HIDROVIAS DO BRASIL S.A.

Statements of income

Nine-month periods ended on September 30, 2023 and 2022

(In thousands of reais, except when stated otherwise)

	Note	Parent Company		Consolidated	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net revenue	21	-	-	1,562,545	1,322,289
Cost of services provided	22.1	-	-	(909,941)	(826,771)
Gross profit		-	-	652,604	495,518
OPERATING EXPENSES					
General and administrative expense	22.1	(69,915)	(77,372)	(186,455)	(198,114)
Estimation of expected losses		-	-	(3,940)	-
Equity in the results of investees	8	350,011	246,101	6,154	17,745
Other revenues and (expenses)		136	(11)	5,422	11,595
Operating income before financial income and taxes		280,232	168,718	473,785	326,744
Financial income	23	2,749	4,952	30,927	114,601
Financial expenses	23	(138,343)	(70,529)	(282,207)	(258,996)
Financial income (loss)		(135,594)	(65,577)	(251,280)	(144,395)
Income (loss) before income tax and social contribution		144,638	103,141	222,505	182,349
Income tax and social contribution					
Current	24	-	-	(75,252)	(52,032)
Deferred	24	64,551	44,785	61,936	17,609
Profit for the period		209,189	147,926	209,189	147,926
Profit per share (expressed in Reais per share)					
Basic	18	0.2751	0.1945	0.2751	0.1945
Diluted	18	0.2698	0.1908	0.2698	0.1908

The Management's accompanying notes are an integral part of the parent company and consolidated interim financial information

HIDROVIAS DO BRASIL S.A.

Statements of income

Three-month periods ended on September 30, 2023 and 2022

(In thousands of reais, except when stated otherwise)

	Note	Parent company		Consolidated	
		July 01, to September 30, 2023	July 01, to September 30, 2022	July 01, to September 30, 2023	July 01, to September 30, 2022
Net revenue	21	-	-	486,973	453,312
Cost of services provided	22.1	-	-	(314,309)	(305,985)
Gross profit		-	-	172,664	147,327
OPERATING EXPENSES					
General and administrative expense	22.1	(24,843)	(33,175)	(64,194)	(78,584)
Estimation of expected losses		-	-	(3,940)	-
Equity in the results of investees	8	109,245	132,333	910	4,174
Other revenues and (expenses)		45	101	(1,031)	3,085
Operating income before financial income and taxes		84,447	99,259	104,409	76,002
Financial income	23	633	5,321	21,624	101,696
Financial expenses	23	(32,835)	(31,313)	(54,039)	(88,576)
Financial income (loss)		(32,202)	(25,992)	(32,415)	13,120
Income (loss) before income tax and social contribution		52,245	73,267	71,994	89,122
Income tax and social contribution					
Current	24	-	-	(25,236)	2,647
Deferred	24	19,013	19,383	24,500	881
Profit for the period		71,258	92,650	71,258	92,650
Profit per share (expressed in Reais per share)					
Basic	18	0.0937	0.1218	0.0937	0.1218
Diluted	18	0.0919	0.1195	0.0919	0.1195

The Management's accompanying notes are an integral part of the parent company and consolidated interim financial information

HIDROVIAS DO BRASIL S.A.

Statements of comprehensive income

Nine and three-month periods ended on September 30, 2023 and 2022

(In thousands of reais)

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Profit for the period	209,189	147,926	209,189	147,926
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit of loss:				
Foreign exchange difference in the translation of foreign operations in subsidiaries	(26,655)	(20,422)	(22,405)	(18,603)
Foreign exchange difference in the translation of foreign currency in investees	-	-	(4,250)	(1,819)
Hedge accounting of non-derivative financial instruments	90,688	106,457	90,688	106,457
Deferred income tax and social contribution	(20,395)	(23,050)	(20,395)	(23,050)
Total	43,638	62,985	43,638	62,985
Comprehensive income for the period	252,827	210,911	252,827	210,911

	Parent company		Consolidated	
	July 01, to September 30, 2023	July 01, to September 30, 2022	July 01, to September 30, 2023	July 01, to September 30, 2022
Profit for the period	71,258	92,650	71,258	92,650
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit of loss:				
Foreign exchange difference in the translation of foreign operations in subsidiaries	29,855	21,126	25,857	17,622
Foreign exchange difference in the translation of foreign currency in investees	-	-	3,998	(11,391)
Hedge accounting of non-derivative financial instruments	(11,190)	(11,391)	(11,190)	3,504
Deferred income tax and social contribution	4,260	4,085	4,260	4,085
Total	22,925	13,820	22,925	13,820
Comprehensive income for the period	94,183	106,470	94,183	106,470

The Management's accompanying notes are an integral part of the parent company and consolidated interim financial information

HIDROVIAS DO BRASIL S.A.

Statements of changes in shareholders' equity

Nine-month periods ended on September 30, 2023 and 2022

(In thousands of reais)

	Share capital		Capital reserves			Other reserves			Total
	Capital	Cost of issuance of shares	Share premium	Options granted	Accumulated losses	Accumulated translation adjustments	Gain/loss with investment in the group	Adjustment of non-derivative financial instruments (*)	
BALANCES ON JANUARY 1, 2022	1,359,469	(24,885)	4,401	30,470	(336,096)	569,272	-	(354,977)	1,247,654
Long-term incentive plan	-	-	-	3,527	-	-	-	-	3,527
Profit for the period	-	-	-	-	147,926	-	-	-	147,926
Loss of relative shareholding	-	-	-	-	-	-	(322)	-	(322)
Other comprehensive income	-	-	-	-	-	(20,422)	-	83,407	62,985
BALANCES ON SEPTEMBER 30, 2022	1,359,469	(24,885)	4,401	33,997	(188,170)	548,850	(322)	(271,570)	1,461,770
BALANCES ON JANUARY 1, 2023	1,359,469	(24,885)	4,401	35,228	(344,259)	529,623	-	(228,772)	1,330,805
Long-term incentive plan	-	-	-	1,765	-	-	-	-	1,765
Profit for the period	-	-	-	-	209,189	-	-	-	209,189
Other comprehensive income	-	-	-	-	-	(26,655)	-	70,293	43,638
BALANCES ON SEPTEMBER 30, 2023	1,359,469	(24,885)	4,401	36,993	(135,070)	502,968	-	(158,479)	1,585,397

(*) The effect is net of income tax and social contribution deferred.

The Management's accompanying notes are an integral part of the parent company and consolidated interim financial information

HIDROVIAS DO BRASIL S.A.

Statements of cash flows

Nine-month periods ended on September 30, 2023 and 2022

(In thousands of reais)

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Cash flows from operating activities				
Profit for the period	209,189	147,926	209,189	147,926
Net cash generated by (used in) operating activities:				
Provisions for bonuses and gratuities	11,037	9,699	24,411	12,231
Income and social contribution taxes – current and deferred (note 24)	(64,551)	(44,785)	13,316	34,423
Derivative financial instruments (note 23)	40,223	18,419	40,223	18,419
Provision (Provision Reversal) for contingencies (note 15)	397	1,121	725	6,216
Interest incurred on loans	93,171	45,644	253,409	194,312
Reversal of borrowing costs (note 13)	1,502	890	8,312	10,132
Monetary and exchange rate adjustment on loans	-	-	(129)	25,918
Interest and inflation adjustment – leasing (note 10 and 11)	211	48	16,876	11,266
Long-term incentive plan with restricted shares	(1,096)	5,357	(1,096)	5,357
(Gain) losses from securities	(816)	(2,079)	(15,090)	11,928
Depreciation and amortization (note 22)	8,609	17,558	237,437	211,396
Amortization of right-of-use assets (note 22)	743	594	24,027	47,040
Equity in the results of investees (note 8)	(350,011)	(246,101)	(6,154)	(17,745)
Estimated expected losses (note 22.1)	-	-	3,940	-
Gain on bond repurchase – Bond	-	-	-	(69,012)
Revenue earned from hedge (note 28)	-	-	17,816	41,897
Write-off of lease (note 10)	-	-	(2)	(898)
Write-off of assets due to loss (note 9 and 11)	1,765	-	3,948	-
(Increase) decrease in operating assets:				
Accounts receivable	-	-	108	(34,312)
Inventories	-	-	(3,261)	(27,622)
Recoverable taxes	(469)	(406)	2,765	(16,703)
Advances to suppliers and prepayments	(1,117)	4,580	(7,214)	27,266
Judicial deposits	-	-	(24,696)	(12,795)
Other receivables	(515)	(3,258)	(31,314)	9,262
Increase (decrease) in operating liabilities:				
Accounts payable	(3,120)	1,834	(73,756)	(26,688)
Social and labor charges	(10,099)	(6,587)	(16,509)	8,527
Taxes payable	(210)	(14)	7,300	(2,396)
Advances from customers	-	-	(12,038)	26,464
Other accounts payable	(25,808)	(184)	(38,206)	43,995
Payment of interest on loans and financing	(84,692)	(10,241)	(254,228)	(209,796)
Income and social contribution taxes paid	-	-	(65,926)	(65,569)
Net cash generated by (used in) operating activities	(175,657)	(59,985)	314,183	410,439
Cash flows from investing activities				
Acquisition of fixed assets	(1,000)	(742)	(159,944)	(189,736)
Acquisition of intangible assets	(3,377)	(14,180)	(5,642)	(24,692)
Financial investments	(41,820)	(168,200)	(641,325)	(1,521,929)
Redemptions of financial investments	56,400	218,982	811,131	1,765,026
Dividends received	52,364	-	2,529	-
Loan granted between related parties	63,915	5,516	161	-
Capital increase (decrease) in subsidiaries	(550)	(450,360)	-	-
Net cash used in investing activities	125,932	(408,984)	6,910	28,669
Cash flows from financing activities				
Borrowings and Funding cost	17,691	515,763	17,691	515,763
Concession lease	-	-	(21,176)	(20,054)
Lease paid	(736)	(959)	(38,882)	(48,374)
Amortization of principal - loans	-	-	(41,703)	(42,570)
Long term financial investments	-	-	-	(361,971)
Bond repurchase – Bond	-	-	(2,361)	(5,242)
Loan granted between related parties	-	347	-	215
Net cash generated by (used in) financing activities	16,955	515,151	(86,431)	37,767
Effects of exchange rate changes on the cash balance held in foreign currency	-	-	12,585	(52,742)
Increase (Decrease) in cash and cash equivalents	(32,770)	46,182	247,247	424,133
Cash and cash equivalents in the beginning of the period	48,908	937	401,545	76,454
Cash and cash equivalents at the end of the period	16,138	47,119	648,792	500,587
Increase (Decrease) in cash and cash equivalents	(32,770)	46,182	247,247	424,133

The Management's accompanying notes are an integral part of the parent company and consolidated interim financial information

HIDROVIAS DO BRASIL S.A.

Statements of Added value

Nine-month periods ended on September 30, 2023 and 2022

(In thousands of reais)

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
FINANCIAL INCOME				
Net revenue from services	-	-	1,648,597	1,382,888
Revenue related to the construction of own assets	4,471	3,699	175,426	46,326
Other revenue	-	-	4,581	11,594
Inputs acquired from third parties:				
Cost of services provided	-	-	(507,226)	(481,812)
Materials, electricity, third-party services and others	(22,752)	(16,064)	(112,725)	(64,513)
Construction of own assets	(4,471)	(3,699)	(175,426)	(46,326)
Gross (consumed) added value	(22,752)	(16,064)	1,033,227	848,157
Depreciation and amortization	(9,352)	(18,152)	(261,465)	(258,436)
Net added value (consumed) generated	(32,104)	(34,216)	771,762	589,721
Added value received (consumed) in transfer:				
Equity in the results of investees	350,011	246,101	6,154	17,745
Financial income	2,749	4,952	30,927	114,601
Total added value (consumed) distributable	320,656	216,837	808,843	722,067
Added value (consumed) distribution	320,656	216,837	808,843	722,067
Personnel:	31,353	43,044	203,577	220,331
Direct compensation	13,918	30,279	154,433	205,091
Benefits	15,517	4,198	41,671	5,296
Unemployment Compensation Fund - FGTS	1,918	8,567	7,473	9,944
Other	-	-	-	-
Taxes:	(58,229)	(44,785)	113,870	95,022
Federal	(58,243)	(44,785)	88,674	77,061
State	14	-	4,602	17,961
Municipal	-	-	20,594	-
Remuneration of third-party capital:	138,343	70,652	282,207	258,788
Interest on loans, grants and others	95,791	45,644	229,496	194,312
Monetary and exchange rate updates	322	(1,365)	12,765	38,050
Other financial expenses	42,230	26,373	39,946	26,426
Remuneration of equity:	209,189	147,926	209,189	147,926
Withheld profit for the period	209,189	147,926	209,189	147,926

Hidrovias do Brasil S.A.

Management's notes to the parent company and consolidated interim financial information as of September 30, 2023

(In thousands of reais, except when stated otherwise)

1 Operating context

Hidrovias do Brasil S.A. jointly with its subsidiaries (“Company” or collectively “Hidrovias”) is a publicly held corporation headquartered in the capital of the state of São Paulo, Brazil, located at Fradique Coutinho St, nº 30 - 7th floor, Pinheiros.

Hidrovias' shares are traded on B3 S.A. (Brasil, Bolsa, Balcão - B3), listed in the Novo Mercado segment under the code HBSA3, which was constituted on August 18, 2010, being able, by resolution of the Board of Directors, to open branches, agencies and establishments in any part of the Brazil or abroad.

The Company directly and indirectly controls privately held companies and its corporate purpose is to carry out waterway, highway and multimodal logistics and infrastructure activities in Brazil and abroad, including those listed below:

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

The Company and its subsidiaries operate in four port terminals, with a total loading capacity of 20,5 million tons per year, and a transshipment station, strategically located, in addition to the current waterway fleet, which has - with 458 cargo barges, 22 main tugboats, 6 auxiliary tugboats and 2 cabotage vessels, fleet distributed to meet the specific needs of customers and, simultaneously, have operational flexibility of allocation for different routes and loads, giving greater flexibility for adaptations according to market conditions and with the demand for the cargo transported.

Hidroviás do Brasil S.A.

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(In thousands of reais, except when stated otherwise)

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

Subsidiaries	Main activity	Country	Consolidation type	September 30, 2023 % Interest		December 31, 2022 % Interest	
				Direct	Indirect	Direct	Indirect
Hidroviás do Brasil - Holding Norte S.A. ("HB Holding Norte")	Equity interest held in other companies	Brazil	Full	100.00%	-	100.00%	-
Hidroviás do Brasil - Vila do Conde S.A. ("HB Vila do Conde")	Storage and lifting of cargo and river 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 Intermediação")	Services intermediation and agency	Brazil	Full	99.99%	0.01%	99.99%	0.01%
Hidroviás do Brasil - Cabotagem Ltda. ("HB Cabotagem")	Maritime coastal transport	Brazil	Full	99.99%	0.01%	99.99%	0.01%
Hidroviás do Brasil - Administração Portuária de Santos S.A. ("HB Santos")	Handling and storage	Brazil	Full	-	100.00%	-	100.00%
Obrinel S.A. ("Obrinel")	Specialized cargo terminal	Uruguay	Equity Method	-	49.00%	-	49.00%
Hidroviás del Sur S.A. ("Hidroviás del Sur")	Equity interest held in other companies	Uruguay	Full	100.00%	-	100.00%	-
Baloto S.A. ("Baloto")	Equity interest held in 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%
Pricolpar S.A. ("Pricolpar")	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 Method	-	44.77%	-	44.77%
Resflir S.A. ("Resflir")	Lease of navigation assets	Uruguay	Full	-	100.00%	-	100.00%
Hidroviás Internacional Finance S.à.r.l. ("Finance")	Financial transactions agency	Luxembourg	Full	100.00%	-	100.00%	-
Hidroviás Navegación Fluvial S.A. ("Navegación")	River transport	Paraguay	Full	95.00%	5.00%	95.00%	5.00%
Hidroviás South America BV ("Hidroviás South America")	River transport	The Netherlands	Full	100.00%	-	100.00%	-
Baden S.A. ("Baden")	Port administration	Paraguay	Equity Method	50.00%	-	50.00%	-
Via Grãos S.A. ("Via Grãos")	Construction of roads and railways	Brazil	Full	100.00%	-	100.00%	-

Hidrovias do Brasil S.A.

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2 Preparation basis and presentation of financial statements

The Company's individual and consolidated interim condensed financial information was prepared in accordance with technical pronouncement CPC 21 (R1) - Interim Statements and in accordance with International Financial Reporting Standards (IFRS), IAS 34, issued by the International Accounting Standards Board (IASB). In addition, the information is presented in accordance with the rules and instructions issued by the Brazilian Securities and Exchange Commission ("CVM"), and show all the relevant information specific to the financial information, and only these, which are consistent with those used by the Administration in its management.

The condensed individual and consolidated interim financial information is expressed in thousands of reais (R\$), which represents the Company's presentation currency, and the disclosures of amounts in other currencies, when necessary, were also made in thousands, unless otherwise stated otherwise.

The preparation of the quarterly information requires Management to make judgments, use estimates and adopt assumptions in the application of accounting policies, which affect the presented amounts of revenues, expenses, assets and liabilities, including the disclosure of assumed contingent liabilities. As a result, the Company continually reviews its judgments, estimates and assumptions, as disclosed in the financial statements for the year ended December 31, 2022 (explanatory note 2, c), filed with the Brazilian Securities Commission (CVM) and on the Company's website on March 21, 2023. No significant changes were observed in such judgments, estimates and assumptions in relation to that disclosed on December 31, 2022.

The quarterly information was prepared considering the continuity of its operating activities,

Management affirms that all relevant information specific to the interim financial information, and only this, is evidenced, and corresponds to those used by it in its management,

The issuance of individual and consolidated interim financial information for the period ended September 30, 2023 was authorized by the Company's Executive Office on November 13, 2023.

3 Significant accounting policies

The condensed quarterly financial information was prepared using information from the Company and its subsidiaries on the same base date, as well as consistent accounting policies and practices,

This quarterly information should be read in conjunction with the Company's individual and consolidated financial statements for the year ended December 31, 2022, as its purpose is to provide an update of significant activities, events and circumstances in relation to those individual financial statements and consolidated. As a result, they focus on new activities, events and circumstances and do not duplicate previously disclosed information, except when Management deems it relevant to maintain certain information.

Accounting policies were uniformly applied across all consolidated companies, consistent with those used in the parent company. There were no significant changes of any nature in relation to such policies and estimation calculation methods.

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(In thousands of reais, except when stated otherwise)

4 Cash and cash equivalents

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Cash and cash equivalents – Registered in companies in Brazil	16,138	48,908	243,123	305,363
Cash and cash equivalents - Registered in companies abroad	-	-	405,669	96,182
Total	16,138	48,908	648,792	401,545

The Company notes that the balances held in cash and cash equivalents are profitable through automatic, committed, and time deposit contracted in operation banks, with daily liquidity and low probability of significant changes in value.

5 Financial investments

	Transaction nature	Profitability	Parent company		Consolidated	
			September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
JP Morgan	U.S treasury	5.34% p.y.	-	-	89,910	110,913
Itaú FICFI 311 Fund	Variation of the U.S dollar	(0.83%)	-	16,445	-	124,817
Itaú PP Portfolio Fund	CDI Fund	102.15% do CDI	3,132	451	56,284	89,357
Santander Vip Cambial	Variation of the U.S dollar	-	-	-	-	1,824
Credit Rights Investment Fund (FIDC)	Credit Rights Investment Fund	(31.85%)	-	-	1,485	2,185
Bank of Brazil	Several investments Funds	84.26% do CDI	-	-	639	3,919
BNP Paribas FIC FIFund	BNP Paribas Selic	97.65% da SELIC	-	-	16,247	18,877
Total			3,132	16,896	164,565	351,892
Current assets			3,132	16,896	148,318	333,015
Non-current assets			-	-	16,247	18,877

6 Trade accounts receivable

6.1 Breakdown of balances

	Consolidated	
	September 30, 2023	December 31, 2022
Accounts receivable from subsidiaries abroad	91,682	109,115
Accounts receivable from subsidiaries in Brazil	149,046	131,958
Subtotal	240,728	241,073
Estimated expected credit losses	(27,404)	(23,701)
Total	213,324	217,372

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Current assets	209,324	212,572
Non-current assets	4,000	4,800

6.2 Aging list of accounts receivable

The estimate of expected losses is known on a prospective basis, through analysis of the credit risk of customers with low probability of realization, as disclosed in the accounting policies in explanatory note 3. j) iv) of the financial statements for the year ended on December 31, 2022.

	Consolidated	
	September 30, 2023	December 31, 2022
Falling due	170,805	169,538
Overdue up to 30 days	16,997	40,683
Overdue between 31 and 60 days	10,934	-
Overdue between 61 and 90 days	6,095	541
Overdue between 91 and 120 days	-	3,475
Overdue between 121 and 180 days	7,677	476
Overdue for more than 180 days	28,220	26,360
Total	240,728	241,073

Map of movements of estimated expected losses with bad debts:

	Consolidated	
	September 30, 2023	December 31, 2022
Opening balance	(23,701)	(2,254)
Constitution	(3,940)	(21,565)
Write-offs	155	-
Translation adjustment	82	118
Closing balance	(27,404)	(23,701)

7 Recoverable Taxes

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
IRPJ / CSLL (a)	7,914	7,914	162,526	138,961
Income Tax (IRRF) on financial investments (b)	2,823	2,366	12,017	7,770
PIS / COFINS (c)	21	10	32,962	60,237
ISS	1	-	694	538
VAT	-	-	5,993	4,112
Total	10,759	10,290	214,192	211,618
Current assets	10,755	10,290	168,014	129,164
Non-current assets	4	-	46,178	82,454

- (a) Income tax and social contribution are presented in assets according to prepayments made under current tax laws, regarding taxable income, as well as withholdings incurred as a result of payment for services provided by the Company and its subsidiaries. Part of the IRPJ and CSLL credit results from advance payment of taxes in previous years, which were greater than the taxes owed, calculated at the end of each year, thus generating a balance of assets to be offset with other federal taxes or to be returned, as per the legislation in force. Negative balances of previous years are offset with other federal taxes, with criteria previously established by the legislation in force, and are the object of redress/return requests.

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- (b) Income tax withholdings, as a result of earnings from financial investments made by the Company and its subsidiaries, are recognized in the asset according to information provided by financial institutions on a periodic basis.
- (c) PIS and COFINS contributions arise from credits on fuel purchases and on the contracting of services, rent, among others. Credits are offset monthly with debts in the provision of services or quarterly with debts of other federal taxes through offset via PER/DCOMP within a maximum period of five years. In recent months, the Company benefited from PIS/COFINS credits from previous years.

8 Investments

The composition and movement of investments on September 30, 2023 and December 31, 2022:

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Breakdown of investments				
Ownership interest valued under equity method	2,483,721	2,095,195	94,024	95,203
Lease contract	5,077	5,382	5,077	5,382
Surplus value of assets	8,684	12,706	-	-
Goodwill		-	7,933	9,007
Total	2,497,482	2,113,283	107,034	109,592

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Changes in investments as of September 30, 2023 is presented below:

	December 31, 2022	Capital increase/decrease	Equity valuation adjustment - Hedge	Equity valuation adjustment - Currency Translation Adjustments (CTA)	Dividends	Equity in the results of investees	Parent company September 30, 2023
Baloto S.A.	2,449	-	-	101	-	119	2,669
Hidroviás Del Sur S.A.	563,811	-	-	(33,472)	-	55,649	585,988
Hidroviás do Brasil - Marabá S.A.	9,171	550	-	-	-	(266)	9,455
Hidroviás do Brasil - Holding Norte S.A.	1,089,913	-	47,175	-	-	167,454	1,304,542
Hidroviás do Brasil - Cabotagem Ltda.	192,680	-	23,118	-	-	11,927	227,725
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda.	34,518	-	-	-	(10,000)	2,360	26,878
Pricolpar S.A.	15	-	-	-	-	(1)	14
Hidroviás International Finance S.à.r.l.	1,684	-	-	(280)	-	8,731	10,135
Hidroviás South America B.V.	82,210	-	-	(5,071)	-	35,142	112,281
Hidroviás Navegación Fluvial S.A.	107,331	-	-	12,650	-	73,161	193,142
Baden S.A.	10,623	-	-	(583)	-	116	10,156
Via Grãos	790	-	-	-	-	(54)	736
Subtotal	2,095,195	550	70,293	(26,655)	(10,000)	354,338	2,483,721
Lease contract	5,382	-	-	-	-	(305)	5,077
Baden S.A. – Added value of assets	2,341	-	-	-	-	(124)	2,217
Hidroviás South America B.V. – Added value	10,365	-	-	-	-	(3,898)	6,467
Total	2,113,283	550	70,293	(26,655)	(10,000)	350,011	2,497,482

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(In thousands of reais, except when stated otherwise)

Changes in joint ventures subsidiaries as of September 30, 2023 is presented below:

	Consolidated				
	December 31, 2022	Currency Translation Adjustments (CTA)	Equity in the results of investees	Dividends	September 30, 2023
Limday S.A.	13,900	(564)	3,426	(4,462)	12,300
Obrinel S.A.	70,680	(2,736)	3,624	-	71,568
Baden S.A.	10,623	(582)	115	-	10,156
Subtotal	95,203	(3,882)	7,165	(4,462)	94,024
Lease contract	5,382	-	(305)	-	5,077
Goodwill (a)	9,007	(368)	(706)	-	7,933
Total	109,592	(4,250)	6,154	(4,462)	107,034

Changes in investments as of December 31, 2022 is presented below:

	Parent company								
	December 31, 2021	Capital increase/decrease	Equity valuation adjustment - Hedge	Equity valuation adjustment - Currency Translation Adjustments (CTA)	Adequacy of equity interest	Dividends	Amortization	Equity in the results of investees	December 31, 2022
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 Grãos	-	800	-	-	-	-	-	(10)	790
Subtotal	1,421,483	453,095	126,205	(39,649)	1,250	(56,303)	-	189,114	2,095,195
Lease contract	5,788	-	-	-	-	-	(406)	-	5,382

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Baden S.A. – Added value of assets	2,506	-	-	-	-	-	(165)	-	2,341
Hidrovias South America B.V. – 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

Changes in joint ventures subsidiaries as of December 31, 2022 is presented below:

	December 31, 2021	Currency Translation Adjustments (CTA)	Equity in the results of investees	Consolidated		December 31, 2022
				Dividends	Amortization	
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
Lease contract	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

Dividends received are presented in the statement of cash flows in the investing activities.

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

- (a) Share premium generated on the acquisition of 44.55% of the shares representing the share capital of Limday, based on studies carried out on the future profitability of operations.

The main information on direct, indirect and joint venture subsidiaries is presented below:

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	September 30, 2023					
	Number of shares	Total assets	Total liabilities	Shareholders' equity	Profit (Loss) of companies in the period	Net revenue
Direct subsidiaries						
Hidroviás del Sur S.A.	4,330,646,746	2,759,833	2,161,643	598,190	55,649	-
Hidroviás Internacional Finance S.à r.l.	12,000	3,102,343	3,092,031	10,312	8,731	-
Hidroviás do Brasil - Marabá S.A.	20,000,000	9,683	228	9,455	(266)	-
Hidroviás do Brasil - Cabotagem Ltda. (c)	220,475,382	758,697	530,972	227,725	11,927	154,315
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda.	2,500,000	28,461	1,583	26,878	2,360	11,933
Hidroviás South America B.V.	1,000,000	151,201	38,920	112,281	35,142	128,720
Hidroviás Navegación Fluvial S.A.(d)	442	206,974	19,563	187,411	73,161	166,882
Hidroviás do Brasil - Holding Norte S.A.	512,989,094	1,306,888	642	1,306,246	167,454	-
Via Grãos S.A.	800,000	737	1	736	(54)	-
Indirect subsidiaries						
Baloto S.A.	599,999,999	73,065	2,553	70,512	3,440	-
Girocantex S.A.	2,442,140,008	1,770,106	1,122,059	648,047	43,550	406,930
Hidroviás del Paraguay S.A.	266,377	226,450	44,150	182,300	127,497	257,368
Pricolpar S.A.	17,910	213,026	69,460	143,566	(1,299)	43,686
Cikelsol S.A.	800,000	800,805	867,790	(66,985)	(11,906)	138,105
Resflir S.A.	20,000	76,594	61,824	14,770	(2,469)	3,645
Hidroviás do Brasil - Vila do Conde S.A.	519,596,445	2,494,975	1,269,455	1,225,520	249,267	627,898
Hidroviás do Brasil - Administração Portuária de Santos S.A.	43,904,863	590,074	510,705	79,369	(26,706)	83,815
Joint venture subsidiaries (e)						
Limday S.A.	42,902,541	16,898	4,598	12,300	3,425	12,554
Obrinel S.A.	587,999,999	233,615	162,047	71,568	3,406	27,756
Baden	175,000,000	10,448	115	10,333	117	1,623
December 31, 2022						
	Number of shares	Total assets	Total liabilities	Shareholders' equity	Profit (Loss) of companies in the period	Net revenue
Direct subsidiaries						
Hidroviás del Sur S.A.	4,330,646,746	681,228	117,417	563,811	(66,488)	-
Hidroviás Internacional 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 - Administração Portuária de Santos S.A.	43,904,863	587,609	481,535	106,074	(62,674)	31,355
Joint venture subsidiaries (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	426	10,787	(670)	-

(c) Revenue is being presented net of *hedge accounting* in the amount of BRL 13,527 (BRL 14,347 on September 30, 2022).

(d) The amounts presented in the tables of assets, liabilities, shareholders' equity and income are net of the

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elimination of lease agreements for assets acquired in the business combination.

(e) The amounts presented are proportional to the percentage of the Company's interest in these investees (see accompanying note no. 1).

Key information on joint venture investments:

	Baden		Limday		Obrinel	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Current	6,787	5,766	25,056	22,481	30,452	43,026
Non-current	14,108	16,660	12,874	13,568	446,313	742,446
Total assets	20,895	22,426	37,930	36,049	476,765	785,472
Current	230	411	2,506	3,719	52,488	64,451
Non-current	-	-	7,815	-	278,220	571,553
Shareholders' Equity	20,665	22,015	27,609	32,330	146,057	149,468
Total liabilities	20,895	22,426	37,930	36,049	476,765	785,472

	Baden		Limday		Obrinel	
	September 30, 2023	September, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net revenue	3,245	(515)	28,180	28,651	56,644	72,364
Costs and Expenses	(3,012)	-	(20,491)	(20,382)	(49,694)	(43,138)
Profit (loss) for the period	233	(515)	7,689	8,269	6,950	29,226

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9 Fixed assets

The composition and movement of fixed assets on September 30, 2023 and December 31, 2022:

	Installations and improvements	Furniture and fixtures	Machinery and equipment	Electronic and computer equipment	Fixed Assets in progress	Parent company Total
Balance as of December 31, 2022	-	-	88	2,228	1,667	3,983
Additions	-	-	-	559	441	1,000
Transfers	582	509	-	1,234	(2,108)	217
Depreciation	(64)	(100)	(28)	(777)	-	(969)
Balance as of September 30, 2023	518	409	60	3,244	-	4,231

Historical cost	582	511	395	8,034	-	9,522
Accumulated depreciation	(64)	(102)	(335)	(4,790)	-	(5,291)
Annual depreciation rate - %	10-15	10-20	10-15	20-25	-	

	Plots of land	Buildings	Installations and improvements	Furniture and fixtures	Machinery and equipment	Electronic and computer equipment	Vehicles	Pushers, barges, ships (a)	Fixed Assets in progress (b)	Consolidated Total
Balance as of December 31, 2022	85,452	556,609	79,218	1,434	356,948	13,730	435	2,528,671	468,838	4,091,335
Additions	-	-	382	135	2,733	1,267	-	464	167,332	172,313
Write-offs	-	-	-	(96)	(2,219)	(14)	-	(13)	159	(2,183)
Transfers	-	18,367	26,652	616	21,062	8,797	-	378,368	(467,314)	(13,452)
Depreciation	-	(22,075)	(13,633)	(269)	(50,620)	(3,973)	(236)	(116,585)	-	(207,391)
Translation adjustment	-	-	(1,597)	(78)	(1,055)	(23)	(18)	(91,271)	13,000	(81,042)
Balance as of September 30, 2023	85,452	552,901	91,022	1,742	326,849	19,784	181	2,699,634	182,015	3,959,580

Historical cost	85,452	732,004	123,516	2,350	652,963	33,380	1,529	3,636,017	182,015	5,449,226
Accumulated depreciation	-	(179,103)	(32,494)	(608)	(326,114)	(13,596)	(1,348)	(936,383)	-	(1,489,646)
Annual depreciation rate - %	-	4-5	10-15	10-20	10-15	20-25	25-40	4-6	-	-

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	Parent company					Total
	Installations and improvements	Furniture and fixtures	Machinery and equipment	Electronic and computer equipment	Fixed Assets in progress	
Balance as of December 31, 2021	631	1,630	134	3,707	151	6,253
Additions	-	-	-	-	1,666	1,666
	(307)		(1)	-	(150)	(1,894)
Write-offs		(1,436)				
Transfers	(29)	-	-	29		-
Depreciation	(295)	(194)	(45)	(1,508)	-	(2,042)
Balance as of December 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	-	

	Consolidated									Total
	Plots of land	Buildings	Installations and improvements	Furniture and fixtures	Machinery and equipment	Electronic and computer equipment	Vehicles	Pushers, barges, ships	Fixed Assets in progress (b)	
Balance as of December 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-offs	-	-	(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)
Translation adjustment	-	-	(1,824)	(42)	(1,171)	(60)	(73)	(124,840)	(14,379)	(142,389)
Balance as of December 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	-	-

(a) With regard to Fixed Assets in progress, the decreases come from the completed projects of the vessels HB Poraquê, HB Dourada, HB Mapará and Potiguar that began operations.

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10 Right-of-use asset and lease liability

a) Right-of-use

The composition and movement of the right-of-use asset on September 30, 2023 and December 31, 2022 is presented below:

	Real properties	Parent company Total
Net balance on December 31, 2022	2,498	2,498
Amortization	(743)	(743)
Net balance on September 30, 2023	1,755	1,755

	Real properties	Vessels	Consolidated Total
Net balance on December 31, 2022	165,959	27,440	193,399
New agreements	941	1,644	2,585
Temporary admission (*)	-	28,171	28,171
Remeasurement of agreements	19,823	-	19,823
Write-offs	-	(114)	(114)
Amortization	(10,535)	(16,100)	(26,635)
Translation adjustment	(121)	(313)	(434)
Net balance on September 30, 2023	176,067	40,728	216,795

(*) This is the permission for foreign goods to remain in the country, for a specified period, with tax suspension or proportional payment thereof, in relation to the length of stay.

	Real properties	Parent company Total
Net balance on December 31, 2021	1,182	1,182
New agreements	2,498	2,498
Amortization	(1,182)	(1,182)
Net balance on December 31, 2022	2,498	2,498

	Real properties	Vessels	Consolidated Total
Net balance on December 31, 2021	135,001	72,579	207,580
New agreements	25,594	12,653	38,247
Remeasurement of agreements	16,563	-	16,563
Write-offs	(255)	(3,038)	(3,293)
Amortization	(11,035)	(50,857)	(61,892)
Translation adjustment	91	(3,897)	(3,806)
Net balance on December 31, 2022	165,959	27,440	193,399

b) Lease liabilities:

Below is the movement in lease liabilities on September 30, 2023 and December 31, 2022:

	Parent company	Consolidated
Balance as of December 31, 2022	2,498	230,524
New agreements	-	2,585
Remeasurement of agreements	-	19,823
Interest and inflation adjustment	211	12,549
Payment of the principal	(736)	(38,882)
Write-offs	-	(116)
Translation adjustment	-	(744)
Balance as of September 30, 2023	1,973	225,739

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Current assets	878	15,356
Non-current assets	1,095	210,383

	Parent company	Consolidated
Balance as of December 31, 2021	1,227	231,578
New agreements	2,498	38,247
Remeasurement of agreements	-	16,563
Interest and inflation adjustment	52	33,427
Payment of the principal	(1,279)	(71,797)
Write-offs	-	(12,784)
Translation adjustment	-	(4,710)
Balance as of December 31, 2022	2,498	230,524

Current assets	665	30,692
Non-current assets	1,833	199,832

Lease maturity schedule:

Year	Parent company	Consolidated
2023	259	10,140
2024	1,035	30,731
2025	902	27,751
2026	-	24,319
2027 onwards	-	378,793
Subtotal	2,196	471,734
Interest and present value adjustment	(223)	(245,995)
Lease liabilities	1,973	225,739

11 Intangible assets

The composition and movement of intangible assets on September 30, 2023 and December 31, 2022:

	Parent company			
	Software	Contracts	Intangible Assets in progress	Total
Balance as of December 31, 2022	17,347	753	20,722	38,822
Additions	36	-	4,031	4,067
Write-offs	-	-	(1,765)	(1,765)
Transfers	13,312	-	(13,529)	(217)
Amortization	(7,517)	(123)	-	(7,640)
Balance as of September 30, 2023	23,178	630	9,459	33,267
Annual amortization rate - %	20	(*)	-	-
Historical cost	75,613	1,645	9,459	86,717
Accrued amortization	(52,435)	(1,015)	-	(53,450)

	Consolidated				
	Software	Contracts (b)	Goodwill (a)	Intangible Assets in progress	Total
Balance as of December 31, 2022	30,112	204,115	73,121	34,999	342,347
Additions	36	-	-	8,094	8,130
Write-offs	-	-	-	(1,765)	(1,765)
Transfers	32,623	7,022	-	(26,193)	13,452
Amortization	(13,281)	(16,765)	-	-	(30,046)
Amortization AVP (**)	-	581	-	-	581
Exchange rate variation	(218)	(472)	-	(14)	(704)
Balance as of September 30, 2023	49,272	194,481	73,121	15,121	331,995
Annual amortization rate - %	20-50	(*)	-	-	-
Historical cost	120,173	287,977	73,121	15,121	496,392
Accrued amortization	(70,901)	(93,496)	-	-	(164,397)

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	Parent company			
	Software	Contracts	Intangible Assets in progress	Total
Balance as of 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 as of 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
Accrued amortization	(44,918)	(892)	-	(45,810)

	Consolidated					
	Software	Contracts (b)	Goodwill (a)	Intangible Assets in progress	Other	Total
Balance as of 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
Translation adjustment	(279)	-	-	(10)	(5)	(294)
Balance as of 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
Accrued amortization	(57,798)	(76,615)	-	-	(94)	(134,507)

(*) Amortization for those contracts is incurring by the average of 5 to 25 years.

(**) Refers to the amortization of the adjustment to present value of the Port of Santos concession, accounted for in the financial result.

(a) Goodwill

Goodwill represented above is using the assumption of calculation on the projected future cash flows, in the period of the concession agreement and, applying the discount rate, the need to record a provision for *impairment* was not identified, Management believes to have the premise that a market participant would use and understands that the premises were not changed for September 30, 2023.

(b) Contracts

Pusher agreement and GNL barge acquired by the Girocantex S.A., beginning on June 30, 2023 and with an exclusive duration of 5 anos, which at maturity may be an asset of the company or sold to a third party in the amount of USD 1,331 (BRL 6,414).

Alunorte agreement acquired by the subsidiary Hidroviás do Brasil – Cabotagem LTDA, on December 30, 2017, with a duration of 18 years in the amount of BRL 161,293.

Lease agreement acquired by the subsidiary Hidroviás do Brasil – Participação Administração Portuária de Santos S.A., with a duration of 25 years from the date of assumption of March 3, 2020, in the amount of BRL 112,500, referring to the grant and the adjustment to value present in the amount of BRL 19,379, for the handling and storage of mineral solid bulk, especially fertilizers and salts, located within the Port of Santos. The average discount rate for these assets varied between 9.4% and 8.7% for the year ended December 31, 2022, with the contract value being amortized based on the term of the contract, The table below shows the movement of the constituted obligation, due to the obligation with the National Water Transport Agency (ANTAQ):

	Consolidated
Balance as of December 31, 2022	53,953
Payment	(21,176)
Interest and inflation adjustment	4,908

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Balance as of September 30, 2023		37,685
Current assets		18,234
Non-current assets		19,451
		Consolidated
Balance as of December 31, 2021		66,273
Payment		(20,054)
Interest and inflation adjustment		9,045
Reclassification		(1,311)
Balance as of December 31, 2022		53,953
Current assets		17,231
Non-current assets		36,722

12 Accounts payable

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
National suppliers	9,289	11,790	111,109	174,633
Foreign suppliers	71	-	20,595	15,970
Total	9,360	11,790	131,704	190,603

13 Loans, financing and debentures

	Type	Final due date	Exposure	Interest rate - p.a.	Parent company		Consolidated	
					September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Hidrovias do Brasil	1st issue of debentures	Oct/31	BRL	IPCA+ 6.0%	424,858	401,934	424,858	401,934
	2nd issue of debentures	Jul/29	BRL	CDI + 2.2%	511,652	524,860	511,652	524,860
	FINEP	Mar/32	BRL	TJLP + 1%	37,654	19,698	37,654	19,698
HB International Finance	Bond 2025	Jan/25	USD	5.95%	-	-	762,649	806,113
	Bond 2031	Feb/31	USD	4.95%	-	-	1,866,159	1,959,065
Hidrovias do Brasil - Cabotagem Ltda.	Bank loan agreement	Mar/33	USD	2.5% / 3.9%	-	-	490,024	553,804
Hidrovias do Brasil - Vila do Conde S.A.	Project financing	Feb/26	BRL	4.99%	-	-	102	305
Total					974,164	946,492	4,093,098	4,265,779
Current assets					66,213	58,394	146,201	192,819
Non-current assets					907,951	888,098	3,946,897	4,072,960

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

	Parent company (a)	Luxemburgo (b)	Vila do Conde (c)	Cabotagem (d)	Total
Balance as of December 31, 2021	376,433	3,608,438	475	654,060	4,639,406
Funding	519,800	-	-	-	519,800
Interest	75,432	176,794	389	19,196	271,811
Addition of funding cost	(4,037)	-	-	-	(4,037)
Amortization of funding cost	1,348	37,745	-	-	39,093
Principal payment	-	-	-	(56,926)	(56,926)
Payment of interest	(22,484)	(183,560)	(1,182)	(19,520)	(226,746)
Repurchase of bonds	-	(644,677)	-	-	(644,677)
Translation adjustment	-	(229,562)	623	-	(228,939)
Hedge effect	-	-	-	(41,708)	(41,708)
Exchange rate variation	-	-	-	(1,298)	(1,298)
Balance as of December 31, 2022	946,492	2,765,178	305	553,804	4,265,779
Funding	17,919	-	-	-	17,919
Interest	93,171	121,354	163	12,807	227,495
Addition of funding cost	(228)	-	-	-	(228)
Amortization of funding cost	1,502	6,810	-	-	8,312
Principal payment	-	-	-	(41,703)	(41,703)
Payment of interest	(84,692)	(155,917)	(659)	(12,960)	(254,228)
Translation adjustment	-	(108,617)	293	-	(108,324)
Hedge effect	-	-	-	(21,501)	(21,501)
Exchange rate variation	-	-	-	(423)	(423)
Balance as of September 30, 2023	974,164	2,628,808	102	490,024	4,093,098

- (a) On October 15, 2021, the Company made its first issue of simple, non-convertible, unsecured Debentures, in two series, for public distribution with restricted distribution efforts, in the total amount of BRL 380,000, as an issue of Incentivized Debentures held pursuant to art. 2 of Law 12,431, and a maturity of 7 years from the issue date for the first series debentures and 10 years from the issue date for the second series debentures. The funds raised with the issuance will be used for the project to implement and adapt the infrastructure of the STS20 Terminal in the Port of Santos/SP.

In December 2021, the Company, as the financed party, and its subsidiary Hidrovias do Brasil – Vila do Conde S.A., as the executing intervening party, entered into a financing agreement with the Financiadora de Estudos e Projetos (“Finep”), whose object is the financing of a technological innovation project, in the total amount of BRL 37,719, approved at a meeting of the Company's Board of Directors, held on December 30, 2021. The Company delivered the applicable guaranteed instrument and other necessary information and documentation to Finep and, on April 26, 2022, received the first installment of said financing, in the total net amount of BRL 19,548 and in May 26, 2023 received of second payment in the total net amount of R\$ 17,691.

On July 20, 2022, the Company carried out its 2nd issue of simple, non-convertible, unsecured debentures, in two series, for public distribution with restricted distribution efforts, in the total amount of BRL 500,000, and a term of maturity of five years from the issue date for the first series debentures and seven years from the issue date for the second series debentures. The funds raised with the issuance were used to optimize the Company's capital structure.

- (b) On January 24, 2018, the Company raised, through its subsidiary in Luxembourg, a Bond in the amount of USD 600,000 thousand, maturing on January 24, 2025. The amount accounted for is net of the funding cost of USD 5,100 thousand and will be amortized over the term of the agreement. Part of this issuance was repurchased with proceeds from a new issuance as reported below.

On February 8, 2021, the Company, through its subsidiary in Luxembourg, issued a Bond in the amount of USD 500,000 thousand, maturing on February 8, 2031. Proceeds from this issuance were used to repurchase approximately 75% of Bond 2025, issued on 24 January 2018. The accounted amount is net of the funding cost and will be amortized over the term of the contract.

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- (c) On March 22, 2018, the Company raised, through its subsidiaries Hidrovias do Brasil – Vila do Conde S.A., NCEs (Export Credit Note) with Santander Bank, in the total amount of BRL 1,120,734 (BRL 932,918 on September 30, 2023 and BRL 982,540 on December 31, 2022), whose note pays semiannual interest of 6.3% p.a., maturing on January 21, 2025 (the amount shown in the table is net of the respective financial investment in the amount of BRL 932,817 on September 30, 2023 (BRL 982,235 on December 31, 2022), In May 2021, the Company amended this agreement, and the note began to bear interest of 4.99% p.a. and the due date is on February 4, 2026.

Such an operation is structured so that, at any moment, by mere liberality, it can be settled with securities, bonds or other assets given in the guarantee. Said note is fully guaranteed by a linked credit note of equal value, term and maturity, against the same consideration. Both instruments can be redeemed in a binding manner and at any time by the Company.

- (d) On December 23, 2016, the Company assumed, through its indirect subsidiary HB Cabotagem, in negotiation with Log-In, the Financing agreement through the opening of credit with the BNDES, in the total amount of USD 144,644 thousand, which were equivalent to BRL 491,601, referring to the acquisition of two bulk carriers, whose payments occur monthly with the final settlement scheduled for March 10, 2033, The acquired assets named Tucunaré and Tambaqui are pledged as collateral.

Guarantees

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

The Bonds are guaranteed by Hidrovias do Brasil S.A., Hidrovías del Sur S.A., Cikelsol S.A., Pricolpar S.A., Hidrovias del Paraguay S.A., Girocantex S.A., Hidrovias do Brasil – Vila do Conde S.A., and Hidrovias do Brasil – Holding Norte S.A.

Covenants

The Company has contractual financial covenants linked to the fundraising with BNDES that may, in the event of default, lead to early maturity of the debt, and contractual financial covenants pegged to the Debentures and Bonds that do not accelerate the debt in the event of default, but which restrict the Company from issuing new debts and distributing dividends. In addition to the financial covenants, the Company also has non-financial covenants pegged to its Loans and Financing agreements.

- **Financial Covenant linked to the agreement with the BNDES**

Subsidiary HB Cabotagem has the following financial covenants calculated based on the Financial Statements of the subsidiary: (i) maintain the capitalization ratio greater than or equal to 25%. The capitalization ratio is given by adjusted net worth over total assets. Adjusted shareholders' equity is Shareholders equity excluding assets and liabilities exchange variations; and (ii) maintain the debt service coverage ratio equal to or greater than 1.3x. The ICSD is calculated based on the EBITDA excluding the effects of IR and CSLL and the working capital variation (excluding cash and debt) on the debt service and has annual measurement.

On December 31, 2022, the clauses of the subsidiary HB Cabotagem were fully met.

- **Financial Covenant linked to the Debenture and Bond agreements**

The Company has, through the loans (i) 1st and 2nd Issues of Debentures carried out by the Parent Company and (ii) Bond 2031 issued by subsidiary Hidrovias Internacional Finance, a leverage financial covenant ("net debt over EBITDA") calculated in a Consolidated manner and which shall be lower than (a) 4,5x in 2022, (b) 4,0x between January 1st, 2023 and December 2023 and (c) 3,5x from January 1st, 2024 to the maturity date of the respective issues,

On September 30, 2023, the Company did not reach the mentioned ratios since the leverage was 4,2x, The failure to comply with the covenant does not accelerate debt repayment and is not considered a default, However, the Company now has restrictions to raise new debts beyond those allowed by the restrictive

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clauses of the Deeds of Issuance and is limited to the payment of minimum mandatory dividends established by the Bylaws. Despite not reaching the covenant, the Company does not expect impacts in the short and medium term on its operations and believes that it will not need loans or working capital additional to those already allowed by the restrictive clauses of the Debenture Issue Deeds, to fulfill its obligations.

With the repurchase of the Bonds carried out in the process of liability management of 2021, Bond 2025 no longer has financial covenants.

Bond Buyback

The Company carried out two buyback programs of its Bonds in appropriate times, when its bonds had a reduced price in the secondary market. These programs do not constitute a repurchase offer on the market and provides an opportunity for bondholders that may need liquidity.

1. Buyback carried out in 2020:

As approved at a meeting of the Board of Directors of the Company held on June 27, 2018, Hidrovias approved a Bond 2025 buyback program in a total amount of up to USD 50,000 thousand.

During the year ended on December 31, 2020, the Company repurchased, through its Uruguayan subsidiary, the aggregate amount of USD 24,850 thousand of the outstanding principal of the Bond 2025.

These bonds 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.

2. Buyback carried out in 2022:

As approved at a meeting of the Board of Directors of the Company held on May 25, 2022, the Company approved a new buyback program, carried out with funds originating from the 2nd Issue of Debentures.

During the year ended on December 31, 2022, the Company repurchased, through its subsidiary in Luxembourg (Hidrovias International Finance):

- 1) The aggregate amount of USD 1,081 thousand of the outstanding principal of the Bond 2025, This amount was fully canceled in the market.
- 2) The aggregate amount of USD 121,396 thousand of the outstanding principal of the Bond 2031, Out of this amount, USD 57,796 thousand were cancelled in the market and USD 63,600 thousand remain in the Group's treasury, for which reason, but for presentation purposes, this amount does not compose the balance of loans and financing.

Maturity of long-term installments

As of September 30, 2023, long-term maturities are as follows:

	Parent company	Consolidated
13 to 24 months	-	805,974
25 to 36 months	190,653	246,185
37 to 48 months	225,389	280,822
49 to 60 months	23,207	78,640
On or after 61 months	468,702	2,535,276
Total	907,951	3,946,897

14 Social charges and labor obligations

Parent company		Consolidated	
September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022

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Provision for bonuses and gratuities	11,772	13,584	27,444	31,505
Vacation and charges	4,838	4,324	17,665	16,388
	2,009	-	10,251	-
INSS payable	1,469	854	5,846	3,952
IRRF payable	575	931	1,383	2,569
FGTS payable	251	283	842	993
Other	-	-	-	122
Total	20,914	19,976	63,431	55,529

15 Contingencies

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

On September 30, 2023, provisions for probable contingencies were recognized in the amount of BRL 7,205 in the Parent Company (BRL 6,808 on December 31, 2022) and BRL 22,708 in the Consolidated (BRL 32,020 on December 31, 2022). The composition of the provision for contingencies are detailed below:

	Parent company	Consolidated			Total
	Tax	Labor	Tax	Civil	
Balance as of December 31, 2022	6,808	24,273	6,862	885	32,020
Additions	75	7,321	-	50	7,371
Adjustment	322	1,628	311	59	1,998
Payments	-	(10,036)	-	-	(10,036)
Writ-offs	-	(8,580)	(55)	(9)	(8,644)
Translation adjustment	-	(1)	-	-	(1)
Balance as of September 30, 2023	7,205	14,605	7,118	985	22,708

	Parent company	Consolidated			Total
	Tax	Labor	Tax	Civil	
Balance as of December 31, 2021	5,479	16,447	5,479	408	22,334
Additions	-	8,677	162	497	9,336
Adjustment	1,749	3,109	1,748	5	4,862
Writ-offs	(420)	(3,937)	(527)	(25)	(4,489)
Translation adjustment	-	(23)	-	-	(23)
Balance as of December 31, 2022	6,808	24,273	6,862	885	32,020

The labor lawsuits represent claims of various natures (additional navigation, wage differences, severance pay, among other indemnities).

15.1 Possible lawsuits

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

	Consolidated	
	September 30, 2023	December 31, 2022
Trabalhista	12,472	12,055
Cível	39,948	25,988

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Tributário	262,094	220,049
	<u>314,514</u>	<u>248,092</u>

Labor:

Labor claims of various natures, referring to actions such as navigation premium pay, salary differences, severance payments, among other indemnities, which are in the judicial or administrative sphere, in different procedural stages.

Civil:

Represented by collection suits and indemnities, the main process has a value of BRL 38,887, which occurred in 2023 and refers to request for granting the protection of evidence to the company being responsible for returning goods as compensation to the counterparty.

Tax:

- a) Administrative proceedings relating to Assessment Notices No, 062017510000118-0/042020510000039-5/042020510000040-9/042020510000037-9/042020510000041-7, drawn up by SEFA/PA, SEFA/PA avers that the collection of ICMS debts on the provision of transport services is due because it does not recognize the right to enjoy the tax benefit of deferral provided for in Art, 1 of Resolution No, 014/15. The Company argues that the Superior Justice Tribunal (STJ) issued Precedent No, 649, in 2021, which confirmed the exemption applicable to the transport of goods destined abroad: "ICMS is not levied on the interstate transport service of goods destined abroad". The aggregate values amount to BRL 150,472 on September 30, 2023.
- b) Writ of Mandamus against the Municipal Government of Itaituba No, 0803412-32,2021,8,14,0024 with an injunction requesting the suspension of the enforceability of the tax for traffic and circulation of large vehicles in the municipality and presentation of a monthly Analytical Report on the movement of loaded trucks in the municipality (Municipal Law No, 3,534/2020) proposed on October 18, 2021, with deposit of the disputed amount worth of BRL 2,407. The Company's subsidiary argues that the taxpayer referred to in the legislation is the individual or legal entity that uses large vehicles to transport goods within the municipal territory, that is, the owner of the cargo, considering the charge by the Company's subsidiary to be unwarranted. The injunction was granted on October 27, 2021, in relation to the amount deposited and the presentation of the report. Irrespective of the suspension of enforceability of the debts due to the writ of mandamus granted, the Municipal Government of Itaituba remains drawing up assessment notices, which are duly challenged. Administrative proceedings relating to Assessment Notices No, 489/21; 492/21;490/21;491/21;493/21;613/21;614/21;635/21;2-1251141-11;14/22;24/22;40/22;46/22;56/22;76/22;77/22;85/22;102/22;170/22;183/22;13/23;18/23;55/23;56/23100/23;143/23;97/23;98/23;99/23, the aggregate value of which amounts to BRL 24,242 on September 30, 2023.
- c) Tax-Collection Action filed by the State of Pará against the former branch of the Appellant for the requirement of debts in the historic amount of BRL 5,089, constituted as ICMS/PA and fine by the Deficiency Notice No, 042016510003825-0 and subsequently registered in Overdue Tax Liability under No, 2016,570218785-2. On September 30, 2023, the adjusted value at risk is BRL 12,338, which value is guaranteed in the proceedings in full and with suspended enforceability.

The Company and its subsidiaries have other tax proceedings, classified as a possible loss, whose estimated amount is BRL 72,635 on September 30, 2023.

15.2 Judicial Deposits

On September 30, 2023 and December 31, 2022 the Company and its subsidiaries disclosed its main judicial deposits:

	Consolidated	
Tax Deposits	69,300	46,897
Civil Deposits	24,125	21,853
Labor Deposits	32	11

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Total	93,457	68,761
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16 Related Parties

Compensation of the Key Management Personnel

On September 30, 2023, the compensation of the Key Management Personnel, which includes the Executive Board and Board Members, totaled BRL 13,190 (BRL 11,989 on September 30, 2022), referring to salaries and variable benefits of which BRL 12,900 refer to short-term employee benefits (BRL 11,695 as of September 30, 2022) and BRL 290 to medical assistance benefits (BRL 294 as of September 30, 2022).

Transactions between related parties

Related party amounts 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			
	Assets		Liabilities	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Girocantex S.A. (a)	-	-	288	-
Hidrovias del Sur S.A. (b)	3,473	3,473	-	-
Hidrovias do Brasil – Interm, e Agenc, Serv, Ltda. (c)	8	33	-	-
Hidrovias do Brasil - Vila do Conde S.A. (c)	4,883	8,050	1,143	1,143
Hidrovias do Brasil - Marabá S.A.	161	161	-	-
Hidrovias do Brasil – Cabotagem Ltda.	363	435	175	175
Hidrovias do Brasil – Participação Administração Portuária de Santos S.A. (d)	6,440	10,366	94	94
Hidrovias del Paraguay S.A.	523	523	1	1
Pricolpar S.A.	-	-	2	2
Cikelsol S.A.	-	-	100	104
Resflir S.A.	207	207	-	-
Dividends (e)	14,872	57,236	-	-
Loan (f)	-	5,219	72,923	21,701
Total	30,930	85,703	74,726	23,220
Current assets	30,930	80,485	3,821	2,965
Non-current assets	-	5,218	70,905	20,255

	Consolidated Assets	
	September 30, 2023	December 31, 2022
Credits with a joint venture		
Obrinel	5,208	5,369
Dividends receivable - Limday	1,873	-
Total	7,081	5,369
Current assets	1,873	-
Non-current assets	5,208	5,369

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022

Revenue (expenses):

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Exchange variation on security deposit (g)	-	(107)	-	(107)
Reimbursement of expenses (h)	245	-	-	-
Exchange variation and interest on loan	99	525	99	(461)
Total	344	418	99	(568)

- (a) Refers to reimbursable expenses with financing structuring for the Vale Project with the indirect subsidiary Girocantex in Brazil.
- (b) Refers to reimbursable expenses with its subsidiary Hidroviás Del Sur relating to the acquisition of a stake in Baloto.
- (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) processing of invoice, accounting and auditing, which are passed on between the companies of the Group.
- (d) Refers to expenses with the management project of its subsidiary Hidroviás do Brasil – Participação Administração Portuária de Santos S.A.
- (e) The amount of R\$21,110 on March 31, 2023 and R\$21,110 on April 14, 2023 was paid as dividends by Cabotage to the Company.
- (f) No asset refers to a loan with the subsidiary Resflir S.A., and no liability refers to a loan with Luxembourg due in February 2031, interest is presented in the result of operations with related parties.
- (g) Refer to financial resources granted to Obrinel without charging interest, which were settled after the performance of the assets was proven and the port facilities were completed of December 31, 2022, Financial results arising from foreign exchange change are recognized in income for the period.
- (h) During the period of September 30, 2023 and 2022, the Company recorded cost recovery related to shared expenses detailed above.

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17 Capital

On September 30, 2023, the Company's share capital is represented by 760.382.643 (760,382,643 on December 31, 2022) registered common shares, with no par value, its capital of R\$ 1,359,469 reduced by expenses with the issuance of shares in the amount of R\$ (24,885), thus totaling the amount of R\$ 1,334,584, as follows:

Capital	1,359,469
Cost of issuance of shares	(24,885)
Capital (net with cost of issuance of shares)	1,334,584

The shareholding structure on September 30, 2023, and December 31, 2022 is detailed below:

Shareholders	September 30, 2023		December 31, 2022	
	Common shares	%	Common shares	%
Pátria Infraestrutura - Fundo de Investimento em Participações Multiestratégia	76,257,729	10.1	153,484,062	20.2
Patria Infraestrutura Brasil Fundo de Investimento em Participações Multiestratégia	4,345,320	0.6	8,745,834	1.2
Pátria Infraestrutura IV FIP Multiestratégia	78,500,846	10.3	78,500,846	10.3
Sommerville Investments B,V,	-	-	63,517,842	8.4
HBSA Co-Investimento – Fundo de Investimento em Participações Multiestratégia	16,207,941	2.1	32,621,750	4.3
TPE Gestora de Recursos LTDA	79,932,500	10.5	61,977,469	8.2
Morgan Stanley	38,216,589	5.0	-	-
Outros (*)	466,921,718	61.4	361,534,840	47.4
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

In accordance with the provisions of Art, 193 of Law 6,404/76, 5% of net income for the year must be used to set up a legal reserve, which cannot exceed 20% of the share capital.

Tax incentive reserve

According to the Company's Bylaws, the tax incentive is recorded as described in accompanying note 28.

Cost of issuance of shares

The balance of costs in the issue of shares on September 30, 2023 is BRL 24,885 (BRL 24,885 on December 31, 2022), as presented in the statement of changes in shareholders' equity.

Dividends

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

18 Earnings per share

Basic and diluted earnings per share were calculated based on the income for the period attributable to the Company's shareholders on September 30, 2023, and 2022 and the respective average number of common shares outstanding in the period, as shown in the table below:

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	July 01, 2023 to September 30, 2023	July 01, 2022 to September 30, 2022	September 30, 2023	September 30, 2022
Net income for the period	71,258	92,650	209,189	147,926
Weighted average of basic shares	760,383	760,383	760,383	760,383
Net income for the period per lot of one thousand basic shares	0.0937	0.1218	0.2751	0.1945

	July 01, 2023 to September 30, 2023	July 01, 2022 to September 30, 2022	September 30, 2023	September 30, 2022
Net income for the period	71,258	92,650	209,189	147,926
Weighted average of diluted shares	775,266	775,266	775,266	775,266
Net income for the period per lot of one thousand diluted shares	0.0919	0.1195	0.2698	0.1908

Diluted income per share adjusts the amounts used in determining basic earnings per share to account for the weighted average number of additional common shares that would be outstanding, assuming the conversion of all dilutive potential common shares.

19 Long-term incentive plan

The Company has two long-term share-based compensation programs: (i) a stock option program and (ii) a long-term incentive program with restricted shares.

In the financial statements for the fiscal year ended December 31, 2022 (explanatory note 21) disclosed on March 21, 2023, the characteristics and measurement criteria of each plan offered by the Company were disclosed, which did not change during the period nine-month period ended September 30, 2023.

19.1 Stock option program

The movement is shown below:

Plan/program	Vesting	Final date for year	Year price (in BRL (***) (**))	Granted	Canceled/expired	Exercised on September 1, 2020	Outstanding	Fair value (in BRL (**))
2010	12/07/2011	03/31/2024	1.00 (*)	500,000	-	259,500	240,500	1.13
2010	12/07/2012	03/31/2024	1.00 (*)	500,000	-	259,500	240,500	1.27
2010	12/07/2013	03/31/2024	1.00 (*)	500,000	-	259,500	240,500	1.43
2010	12/07/2014	03/31/2024	1.00 (*)	500,000	-	259,500	240,500	1.61
2011	05/10/2012	03/31/2024	1.00 (*)	25,000	-	12,975	12,025	1.17
2011	05/10/2013	03/31/2024	1.00 (*)	25,000	-	12,975	12,025	1.31
2011	05/10/2014	03/31/2024	1.00 (*)	25,000	-	12,975	12,025	1.47
2011	05/10/2015	03/31/2024	1.00 (*)	25,000	-	12,975	12,025	1.65
2012	05/26/2013	03/31/2024	1.14 (*)	338,750	125,000	82,593	131,157	1.37
2012	05/26/2014	03/31/2024	1.14 (*)	338,750	125,000	82,593	131,157	1.54
2012	05/26/2015	03/31/2024	1.14 (*)	338,750	125,000	82,594	131,156	1.73
2012	05/26/2016	03/31/2024	1.14 (*)	338,750	157,500	82,595	98,655	1.93
2012	08/10/2013	03/31/2024	1.28 (*)	100,000	-	60,000	40,000	1.56
2012	08/10/2014	03/31/2024	1.28 (*)	100,000	-	60,000	40,000	1.75
2012	08/10/2015	03/31/2024	1.28 (*)	100,000	-	60,000	40,000	1.98
2012	08/10/2016	03/31/2024	1.28 (*)	100,000	-	60,000	40,000	2.23
2013	03/31/2014	03/31/2024	1.41 (*)	275,234	30,090	93,460	151,684	1.77
2013	03/31/2015	03/31/2024	1.41 (*)	275,234	30,090	93,460	151,684	2.01
2013	03/31/2016	03/31/2024	1.41 (*)	275,233	35,400	93,460	146,373	2.25
2013	03/31/2017	03/31/2024	1.41 (*)	275,233	76,110	93,360	105,763	2.54
2014	03/31/2015	03/31/2024	1.68 (*)	555,750	-	219,034	336,716	2.20
2014	03/31/2016	03/31/2024	1.68 (*)	555,750	4,500	219,034	332,216	2.47
2014	03/31/2017	03/31/2024	1.68 (*)	555,750	58,500	218,884	278,366	2.80
2014	03/31/2018	03/31/2024	1.68 (*)	555,750	58,500	218,884	278,366	3.15
2016 A/1 ^a	07/27/2016	03/31/2024	3.64 (*)	889,295	-	386,076	503,219	0.00

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2016 A/1 ^a		03/31/2017	03/31/2024	3.64 (*)	889,295	78,642	385,976	424,677	0.93
2016 A/1 ^a		03/31/2018	03/31/2024	3.64 (*)	889,295	78,642	385,976	424,677	1.06
2016 A/1 ^a		03/31/2019	03/31/2024	3.64 (*)	889,295	134,520	382,993	371,782	1.14
2016 B/1 ^a		03/31/2017	03/31/2024	3.48 (*)	720,330	55,675	305,281	359,374	1.06
2016 B/1 ^a		03/31/2018	03/31/2024	3.48 (*)	720,330	55,675	305,281	359,374	1.17
2016 B/1 ^a		03/31/2019	03/31/2024	3.48 (*)	720,330	86,206	304,420	329,704	1.24
2016 B/1 ^a		03/31/2020	03/31/2024	3.48 (*)	720,330	122,125	292,370	305,835	1.30
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	-	737,500	1.66
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% upon liquidity event		03/31/2024	4.70 (***)	2,800,000	125,000	1,375,563	1,299,437	1.33
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
2019	50% upon liquidity event		03/31/2024	4.70 (***)	3,000,000	-	1,477,542	1,522,458	1.37
Total					28,392,434	1,737,175	11,771,978	14,883,281	

(*) Exercise value on the grant date. The yearly price is restated by the IPCA plus 7% per annum.

(**) Fair value at grant date.

(*) Exercise value on the grant date. The yearly price is restated by the IPCA.

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 September 30, 2023.

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

19.2 Long-term incentive program with restricted shares

The movement is shown below:

Block	Batch	Share price	Gain delta calculation parameter	Volatility	Risk-free interest rate (p.a.)	Grace date	Expiration date
1	1	R\$ 2.82	R\$ 7.56	45.60%	11.72%	09/28/2022	09/28/2022
1	2	R\$ 2.82	R\$ 7.56	45.60%	11.72%	09/28/2023	09/28/2023
1	3	R\$ 2.82	R\$ 7.56	45.60%	11.72%	09/28/2024	09/28/2024
2	1	R\$ 2.82	R\$ 7.56	44.81%	12.33%	09/28/2023	09/28/2023
2	2	R\$ 2.82	R\$ 7.56	44.81%	12.33%	09/28/2024	09/28/2024
2	3	R\$ 2.82	R\$ 7.56	44.81%	12.33%	09/28/2025	09/28/2025
3	1	R\$ 2.82	R\$ 7.56	42.11%	12.17%	09/28/2024	09/28/2024
3	2	R\$ 2.82	R\$ 7.56	42.11%	12.17%	09/28/2025	09/28/2025
3	3	R\$ 2.82	R\$ 7.56	42.11%	12.17%	09/28/2026	09/28/2026
4	1	R\$ 2.82	R\$ 7.56	42.22%	12.08%	09/28/2025	09/28/2025
4	2	R\$ 2.82	R\$ 7.56	42.22%	12.08%	09/28/2026	09/28/2026
4	3	R\$ 2.82	R\$ 7.56	42.22%	12.08%	09/28/2027	09/28/2027
5	1	R\$ 2.82	R\$ 7.56	42.31%	12.03%	09/28/2026	09/28/2026
5	2	R\$ 2.82	R\$ 7.56	42.31%	12.03%	09/28/2027	09/28/2027
5	3	R\$ 2.82	R\$ 7.56	42.31%	12.03%	09/28/2022	09/28/2022
1	1	R\$ 2.20	R\$ 7.56	44.68%	13.38%	09/28/2022	09/28/2022
1	2	R\$ 2.20	R\$ 7.56	44.68%	13.38%	09/28/2023	09/28/2023
1	3	R\$ 2.20	R\$ 7.56	44.68%	13.38%	09/28/2024	09/28/2024
2	1	R\$ 2.20	R\$ 7.56	42.95%	13.69%	09/28/2023	09/28/2023
2	2	R\$ 2.20	R\$ 7.56	42.95%	13.69%	09/28/2024	09/28/2024
2	3	R\$ 2.20	R\$ 7.56	42.95%	13.69%	09/28/2025	09/28/2025
3	1	R\$ 2.20	R\$ 7.56	42.18%	12.84%	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%	12.81%	09/28/2025	09/28/2025
4	2	R\$ 2.20	R\$ 7.56	42.40%	12.81%	09/28/2026	09/28/2026
4	3	R\$ 2.20	R\$ 7.56	42.40%	12.81%	09/28/2027	09/28/2027
5	1	R\$ 2.20	R\$ 7.56	42.18%	12.86%	09/28/2026	09/28/2026
5	2	R\$ 2.20	R\$ 7.56	42.18%	12.86%	09/28/2027	09/28/2027

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The Company recognized the effects of the ILP on its Shareholders' Equity, with a corresponding entry in the income for the period, The recognition took place proportionally to the effectiveness of the respective periods of vesting (grace period), recording the accumulated amount of BRL 786.

20 Commitments and warranties

As part of our business strategy, we entered into long-term contracts with some of our customers, with pre-agreed minimum volume and tariff requirements and adjusted according to the contract. Executing a new long-term contract with customers tends to have a significant positive effect on our net income 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 customers:

Customers	Operating segment	Expiration date
MCR	South Corridor	Valid for 25 years from May 2014.
Sodru	South Corridor	Valid for 13 years from March 2014, extended to 2026.
Cofco	South Corridor	With an initial validity of 5 years from February 2014, extended to December 2024,
Sodru	North Corridor	Valid for 10 years from February 2017, extended to 2029.
Cofco	North Corridor	Valid for 10 years from 2016, extended to 2031.
Alunorte	North Corridor	Valid for 25 years from 2010, acquired in 2016.
Viterra (*)	North Corridor	Valid for 4 years from 2021.
Adufertil	Santos	Valid for 10 years from August 2022.
Siderar	South Corridor	Agreement I – valid 10 years from 2013, until December 31, 2023. Agreement II – valid 10 years from 2014, until to December 31, 2024.
Vetorial	South Corridor	Valid 3 years from January 2021, until December, 2023.
Eurochem	North Corridor	Valid 3 years from 2022 (renewal of contract 2018-2021).
Rumo	Santos	Valid 5 years in November 2023.

(*) Formerly a Gavilon client, which was incorporated by Viterra.

On September 17, 2018, the former HB Navegação Norte, now incorporated into the indirect subsidiary Hidrovias do Brasil - Vila do Conde S.A., entered into operating lease agreements for the tugboats Don Antonio and HB Draco, respectively owned by the indirect subsidiaries Pricolpar S.A. and Cikelso S.A., for a period of 64 months, as of February 11, 2019.

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

On January 9, 2023, Hidrovias do Brasil - Vila do Conde S.A. entered into operating lease agreements for the tugboats HB Dourada and HB Mapará, owned by the indirect subsidiary Cikelso S.A., for a period of 100 months, as of February 10, 2023.

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

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21 Net revenue

	Consolidated			
	July 01, to September 30, 2023	July 01, to September 30, 2022	September 30, 2023	September 30, 2022
Southern Corridor:				
Transport services	224,204	212,009	653,703	580,204
Northern Corridor:	243,410	248,401	708,732	636,575
Lifting services	120,746	105,271	245,274	217,654
Transfer services	18,039	25,209	52,026	69,885
Transport services	100,168	114,804	362,345	302,413
Intermediation services	4,457	3,117	13,916	9,939
Other revenue	-	-	35,171	36,684
Cabotage:				
Cabotage services	56,631	57,607	181,095	197,880
Santos:				
Lifting services, docks and storage	35,250	10,126	98,214	10,126
Total gross revenue	559,495	528,143	1,641,744	1,424,785
ISS	(7,491)	(6,447)	(20,594)	(15,784)
PIS	(2,048)	(3,074)	(7,608)	(7,007)
COFINS	(9,672)	(17,511)	(28,936)	(35,631)
ICMS	(557)	(262)	(4,245)	(2,177)
Tax subtotal	(19,768)	(27,294)	(61,383)	(60,599)
Realization of Hedge accounting	(52,754)	(47,537)	(17,816)	(41,897)
Total net revenue	486,973	453,312	1,562,545	1,322,289

For the period ended September 30, 2023, the Company's largest customers by revenue are represented by i) A 24.3% (27.1% on September 30, 2022); ii) B 22.5% (25.9% on September 30, 2022); iii) C 8.9% (17.1% on September 30, 2022); and represent in their entirety approximately 60.9% of total net revenue (70.1% on September 30, 2022). No other customer represents more than 10% of consolidated net revenue.

22 Costs and expenses

22.1 Costs of services provided and general and administrative expenses per nature

	Parent company			
	July 01, to September 30, 2023	July 01, to September 30, 2022	September 30, 2023	September 30, 2022
Salaries, charges and benefits	(14,694)	(14,281)	(37,649)	(43,043)
Depreciations and amortizations (*)	(1,994)	(11,666)	(9,352)	(18,275)
Computer services	(2,413)	(637)	(6,904)	(2,065)
Maintenance	(11)	(13)	(45)	(39)
Third-party services	(3,752)	(3,595)	(8,741)	(8,461)
Rent amounts	(57)	(190)	(185)	(295)
Travel and tickets	(1,147)	(941)	(2,735)	(2,140)
Pantry and kitchen	(18)	(17)	(44)	(29)
Miscellaneous fees	(502)	(118)	(880)	(383)
Contingencies	(42)	(1,541)	(93)	(1,541)
Insurance	(33)	(96)	(55)	(418)
Other expenses	(180)	(80)	(3,232)	(683)
Total	(24,843)	(33,175)	(69,915)	(77,372)
Classified as:				
General and administrative	(24,843)	(33,175)	(69,915)	(77,372)

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	Consolidated			
	July 01, to September 30, 2023	July 01, to September 30, 2022	September 30, 2023	September 30, 2022
Salaries, charges and benefits	(86,889)	(76,598)	(246,244)	(220,331)
Depreciations and amortizations (*)	(92,168)	(90,749)	(261,465)	(258,436)
Computer services	(5,694)	(1,581)	(17,415)	(4,691)
Maintenance	(11,768)	(17,466)	(40,981)	(45,685)
Fuel	(73,929)	(116,087)	(235,826)	(275,256)
Third-party services	(16,028)	(13,781)	(47,983)	(40,585)
Rent amounts	(11,061)	(2,267)	(34,890)	(11,105)
Travel and tickets	(3,223)	(2,326)	(8,095)	(5,785)
Mooring	(5,348)	(6,102)	(17,814)	(17,818)
Pantry and kitchen	(3,500)	(2,961)	(9,040)	(9,394)
Agents	(7,429)	(5,088)	(16,941)	(15,314)
Operational and security	(9,224)	(5,244)	(23,657)	(12,386)
Miscellaneous fees	(6,645)	(11,841)	(23,250)	(22,615)
Estimated expected losses	(3,940)	-	(3,940)	-
Contingencies	(2,504)	(2,578)	(3,614)	(4,046)
Outside pilotage	(9,528)	(7,674)	(26,217)	(18,657)
Insurance	(9,490)	(7,039)	(21,002)	(26,580)
Other expenses	(24,075)	(15,187)	(61,962)	(36,201)
Total	(382,443)	(384,569)	(1,100,336)	(1,024,885)

Classified as:

Cost of services provided	(314,309)	(305,985)	(909,941)	(826,771)
General and administrative	(64,194)	(78,584)	(186,455)	(198,114)
Estimated expected losses	(3,940)	-	(3,940)	-
Total	(382,443)	(384,569)	(1,100,336)	(1,024,885)

(*) Adjustments referring to tax credits (Pis/Cofins in Brazil and VAT in Paraguay and Uruguay), resulting from the payment of lease installments, are recorded as a credit to depreciation expenses of the right of use and financial expenses. In this sense, during the period ended September 30, 2023, the amounts recorded under depreciation and amortization are net of the tax credits in the amount of BRL 2,605 in the Consolidated.

23 Financial income (loss)

	Parent company			
	July 01, to September 30, 2023	July 01, to September 30, 2022	September 30, 2023	September 30, 2022
Financial income:				
Financial investments revenue	663	3,261	1,977	3,360
(-) Taxes on financial income	(31)	(34)	(107)	(615)
Monetary restatement and exchange updates	-	-	738	-
Gains from investments ⁽¹⁾	-	2,094	-	1,924
Others	1	-	141	283
Total	633	5,321	2,749	4,952
Financial expenses:				
Interest on loan, grant and loan	(30,083)	(11,623)	(95,791)	(45,643)
Derivative financial instruments ⁽²⁾	(1,289)	(17,397)	(40,223)	(21,355)
Amortization of funding cost	(610)	(168)	(1,520)	(998)
Monetary restatement and exchange updates	(679)	(900)	(322)	(1,365)
Tax on financial transactions (IOF)	(2)	(31)	(12)	(74)
Investment losses ⁽¹⁾	-	-	(62)	-
Others	(172)	(1,194)	(413)	(1,094)
Total	(32,835)	(31,313)	(138,343)	(70,529)
Net financial loss	(32,202)	(25,992)	(135,594)	(65,577)

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	Consolidated			
	July 01, to September 30, 2023	July 01, to September 30, 2022	September 30, 2023	September 30, 2022
Financial income:				
Financial investments revenue	9,881	6,720	27,804	9,983
(-) Taxes on financial income	(7,359)	(676)	(8,849)	(2,752)
Monetary restatement and exchange updates	11,686	15,914	-	38,050
Gains from investments ⁽¹⁾	7,381	10,719	11,781	-
Bond repurchase gains	-	69,012	-	69,012
Others	35	7	191	308
Total	21,624	101,696	30,927	114,601
Financial expenses:				
Interest on loan, grant and loan	(47,960)	(61,208)	(215,304)	(194,312)
Derivative financial instruments ⁽²⁾	(1,289)	(17,397)	(40,223)	(21,355)
Amortization of funding cost	(2,826)	(3,110)	(9,220)	(10,132)
Monetary restatement and exchange updates	-	-	(12,765)	-
Tax on financial transactions (IOF)	(1,481)	(637)	(2,344)	(1,802)
Investment losses ⁽¹⁾	-	-	-	(15,719)
Others	(483)	(6,224)	(2,351)	(15,676)
Total	(54,039)	(88,576)	(282,207)	(258,996)
Net financial loss	(32,415)	13,120	(251,280)	(144,395)

⁽¹⁾ Gains or losses related to investment funds exposed to variations in the United States Dollar.

⁽²⁾ Loss with swap derivative financial instruments, as mentioned in accompanying note 25.3.

24 Income tax and social contribution

The taxation on the profit comprises income tax and social contribution. Income tax is computed on taxable income at the nominal rate of 15%, plus an additional 10% for profits that exceed BRL 240 thousand, in a 12-month period, while social contribution is computed at the nominal rate of 9% on taxable income, recognized on an accrual basis.

In 2018, the Company joined the SUDAM Tax Incentive, which provides a 75% reduction in income tax through Profit from Exploration, for the company Hidrovias do Brasil – Vila do Conde S.A. which, when presenting Tax Profit, has the possibility of benefit from the Government Subsidy,

Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) are recognized in the statements of income, except to the extent that they are related to items recognized directly in shareholders' equity or comprehensive income. In this case, the tax is also recognized in shareholders' equity or comprehensive income,

Current income tax and social contribution are calculated based on tax laws enacted, or substantially enacted, on the balance sheet date. Management periodically evaluates the positions taken by the Company in the income tax returns, in relation to situations in which the applicable tax regulations give rise to interpretations. The Company establishes provisions, where appropriate, based on estimated amounts of payment to tax authorities.

Prepayments or amounts subject to offsetting are stated in current assets in accordance with the expected realization.

For the 2023 calendar year, the Company opted to calculate the Taxable Income using the Annual methodology, as presented in the Declarations of Federal Tax Debts and Credits forwarded to the Federal Revenue Service of Brazil and, for this reason, the table below presents the statements of income tax and

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social contribution calculations referring to the consolidation of the first nine months of the calendar year in question.

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Profit (Loss) before income tax and social contribution	131,413	103,141	209,280	182,349
Nominal rate	34%	34%	34%	34%
Income tax and social contribution at the nominal rate	(44,680)	(35,068)	(71,155)	(61,999)
Permanent adjustments:				
Equity method	115,979	83,675	(1,258)	7,971
Non-deductible expenses	(6,748)	(3,822)	(8,416)	(10,699)
Government Subsidy	-	-	21,934	7,514
Results from controlled companies	-	-	-	14,102
Other adjustments:				
Compensation of tax losses from previous years	-	-	(9)	-
Deferred tax without non-recognized differences	-	-	(8,997)	(5,426)
Difference over rate in measuring taxes	-	-	56,449	29,425
Tax incentives	-	-	601	616
Taxes Abroad	-	-	(2,471)	(15,936)
Other	-	-	6	9
Income tax and social contribution	64,551	44,785	(13,316)	(34,423)
Current taxes	-	-	(75,252)	(52,032)
Deferred taxes	64,551	44,785	61,936	17,609
	64,551	44,785	(13,316)	(34,423)
Effective tax rate	49.12%	43.42%	6.36%	18.88%

The Company and its subsidiaries believe the provision for income tax and social contribution, in the liabilities, are adequate with respect to the period of this financial statement, in the assessment of various factors, including interpretations of the tax laws and past experiences.

Deferred income tax and social contribution were recognized in 2023 on the accumulated balances of temporary differences and tax loss, until September 30, 2023, for the company Hidrovias do Brasil – Holding S.A., which is the parent company, and for the companies Hidrovias do Brasil – Vila do Conde S.A. Hidrovias do Brasil – Intermediação e Agenciamento de Serviços Ltda. and Hidrovias do Brasil - Cabotagem Ltda., which are subsidiaries of this Company.

Deferred income tax and social contribution are measured by temporary differences, tax loss and negative social contribution calculation basis, at the rate of 6.25% of income tax (75% reduction) and 9% of social contribution, totaling a nominal rate of 15.25%, based on the exploration profit, which is a tax incentive from the Amazon Development Superintendence (SUDAM), claimed for the company Hidrovias do Brasil – Vila do Conde S.A.

For other companies of the group, the company understand that in this moment those companies have tax losses and negative CSLL calculation bases, as well as temporary adjustments, making it impossible to recognize deferred IRPJ and CSLL.

The Exchange Variation item is presented as a result of the adoption of the taxation of exchange variations on an accrual basis, except in relation to Hidrovias do Brasil – Vila do Conde S.A., for which the effect of such adjustments on LALUR/LACS is the recognition of an asset deferred, due to the adoption of the cash basis for the purpose of tolerating exchange variations.

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Part of the Deferred Taxes, in the amount of BRL 8,489, was not recognized in income, as the Company and its subsidiaries have a non-derivative financial instrument, whereby the corresponding portion of deferred income tax and social contribution is accounted for in Other Comprehensive Income, in shareholders' equity.

For the other companies in the group, the Company understands that, at this moment, they hold tax losses and negative CSLL calculation bases, as well as temporary adjustments, do not yet have a history of tax offsets, making it not yet possible to recognize of deferred income tax and social contribution.

Assets and liabilities of deferred income tax and social contribution are reviewed monthly, being moved according to their respective offsets or if their realization is no longer probable.

	Parent company	
	September 30, 2023	December 31, 2022
	Deferred tax asset	Deferred tax asset
Bonus provision	4,003	4,419
Provision for suppliers	1,059	947
Other operating provisions	143	402
Labor and judicial contingencies	53	2,314
Provision for charges - ILP	2,397	209
Pis - Suspended eligibility	242	242
Cofins - Suspended liability	1,300	1,300
Loss in variable income	537	537
Net operating loss	58,492	11,973
Negative basis	22,557	5,031
Derivatives-Hedge/ Swap	10,576	9,505
Financial leasing	98	27
Discount - Gain from advantageous purchase	(10,981)	(10,981)
Tax assets (liabilities) before offsetting	90,476	25,925

	Consolidated			Consolidated
	September 30, 2023			December 31, 2022
	Net value	Deferred tax asset	Deferred tax liabilities	Net value
Bonus provision	5,479	5,479	-	5,876
Provision for suppliers	1,476	1,476	-	1,506
Fuel provision	285	285	-	605
Other provisions	2,043	2,043	-	2,427
Judicial contingencies	4,422	4,422	-	5,846
Estimated expected losses with bad debts	7,332	7,332	-	7,332
Asset impairment reduction	1,470	1,470	-	1,470
Provision for charges - ILP	-	-	-	209
Pis - Suspended eligibility	242	242	-	242
Cofins - Suspended liability	1,300	1,300	-	1,300
Loss in variable income	537	537	-	537
Net operating loss	58,492	58,492	-	11,973
Negative basis	22,566	22,566	-	5,029
Exchange rate variation	53,319	53,319	-	63,889
Derivatives-Hedge/ Swap	64,832	64,832	-	75,669
Financial leasing	498	498	-	328
Interest to be capitalized	(4,278)	-	(4,278)	(4,293)
Discount - Gain from advantageous purchase	(10,981)	-	(10,981)	(10,981)
Property damage	(36,393)	-	(36,393)	(37,864)
Tax assets (liabilities) before offsetting	172,641	224,293	(51,652)	131,100
Tax compensation		(51,652)	51,652	
Net balances presented in assets/liabilities		172,641		

The changes in the net balance of deferred income tax and social contribution are presented below:

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	September 30, 2023	December 31, 2022
Opening balance	131,100	177,885
Deferred income tax and social contribution recognized in statements of income for the period	61,936	(10,524)
Deferred income tax and social contribution recognized in other comprehensive income	(20,395)	(36,261)
Closing balance	172,641	131,100

25 Financial instruments

25.1 Financial instruments per 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		
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	
Assets					
Fair value through profit or loss:					
Financial investments	Level 2	3,132	16,896	148,318	333,015
Amortized cost					
Cash and cash equivalents		16,138	48,908	648,792	401,545
Long term financial statements	Level 2	-	-	16,247	18,877
Guarantees and pledge deposits	Level 2	-	12	-	26
Accounts receivable	Level 2	-	-	213,324	217,372
Transactions with related parties	Level 2	16,058	28,467	5,208	5,369
Dividends receivable	Level 2	14,872	57,236	1,873	-
Liabilities					
Liabilities at amortized cost:					
Accounts payable	Level 2	9,360	11,790	131,704	190,603
Transactions with related parties	Level 2	74,726	23,220	-	-
Loans, financing and debentures	Level 2	974,164	946,492	4,093,098	4,265,779
Lease liabilities	Level 2	1,973	2,498	225,739	230,524
Derivative financial instruments	Level 2	41,831	27,954	41,831	27,954

When measuring the fair value of an asset or a liability, the Company uses observable market data whenever possible, Fair values are categorized into different levels in a fair value hierarchy based on the information (inputs) used in the valuation techniques, as follows:

- **Level 1:** Prices quoted (not adjusted) in active markets for identical assets and liabilities.
- **Level 2:** Inputs, except for 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 (non-observable inputs).

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25.2 Criteria, assumptions and limitations used in the calculation of fair value

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

The fair values of these financial instruments approximate the carrying values on September 30, 2023 and December 31, 2022, except for loans, financing and debentures that have hedge accounting and are presented below,

		Fair value		Carrying value	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Assets					
Cash and cash equivalents		16,138	401,545	648,792	401,545
Financial investments	Level 2	3,132	333,015	148,318	333,015
Long term financial investments	Level 2	-	18,877	16,247	18,877
Accounts receivable	Level 2	-	217,372	213,324	217,372
Transactions with related parties	Level 2	16,058	5,369	5,208	5,369
Liabilities					
Accounts payable	Level 2	9,360	190,603	131,704	190,603
Loans, financing and debentures	Level 2	974,164	4,108,297	4,093,098	4,265,779
Lease liabilities	Level 2	1,973	230,524	225,739	230,524
Derivative financial instruments	Level 2	41,831	27,954	41,831	27,954

25.3 Derivative financial instruments

The Management of these instruments is carried out through operational strategies, aiming at the predictability of operations and the minimization of possible mismatches 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 contracted rates versus those prevailing in the market, and the Company and its subsidiaries do not carry out operations of a speculative nature in derivatives or any other risky financial instruments.

On June 23, 2022, and June 28, 2022, the Company entered into two swap contracts in the amount of USD 25,000 thousand each, totaling USD 50,000 thousand. These contracts allow the Company to fix the Dollar and exchange it for a percentage of the CDI in order to protect its cash flow against exchange volatility in exposures and exchange rate fluctuations in the market. The result of this contract resulted in a loss in the period ended September 30, 2023, of BRL 40,223 in the financial result (in the period ended September 30, 2022, of BRL 21,355), as per accompanying note 23.

Risk management

Financial risk management

Overview

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

Below we present information on the exposure of the Company and its subsidiaries to each of these risks, the objectives, practices and processes for measuring and managing risk, as well as capital management.

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Risk management structure

Credit risk

The carrying values of the financial instruments that represent maximum exposure to credit risk in the year ended September 30, 2023, were:

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Cash and cash equivalents	16,138	48,908	648,792	401,545
Accounts receivable	-	-	213,324	217,372
Financial investments	3,132	16,896	148,318	333,015
Long term financial investments	-	-	16,247	18,877
Transactions with related parties	16,058	28,467	5,208	5,369
Dividends receivable	14,872	57,236	1,873	-
Total	50,200	151,507	1,033,762	976,204

Liquidity risk

The Company and its subsidiaries work by aligning availability and generation of resources in order to fulfill their obligations within the agreed terms,

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

	Consolidated September 30, 2023			
	Next 12 months	From 13 to 24 years	From 25 to 36 years	37 months onwards
Liquidity risk				
Accounts payable (Note 12)	131,704	-	-	-
Loans, financing and debentures (Note 13) (*)	319,633	1,028,984	463,600	4,051,798
Lease liabilities (Note 10) (*)	15,356	30,990	27,751	397,638
Derivative financial instrument	-	-	-	41,831

	Consolidated December 31, 2022			
	Next 12 months	From 13 to 24 years	From 25 to 36 years	37 months onwards
Liquidity risk				
Accounts payable (Note 12)	190,603	-	-	-
Loans, financing and debentures (Note 13) (*)	276,096	283,223	1,036,138	5,227,360
Lease liabilities (Note 12) (*)	75,785	31,037	20,550	320,200
Derivative financial instrument	-	-	-	27,954

(*) The amount bears contractual interest as explained in Accompanying Notes 10 and 13.

Foreign exchange risk

It arises from the possibility of fluctuations in the exchange rates of foreign currencies used by the Company and its subsidiaries. The transactions that suffer fluctuations are the portion of the Bond intended for the operation of the north corridor and the operations and financing of HB Cabotagem.

The Management analyzes and monitors its exposures in order to decide on contracting hedging instruments for the respective exposures in foreign currency. The hedging instruments used to manage exposures are established by the Management, shared and approved by the Board of Directors, so that these instruments are not speculative in nature and may eventually generate any additional risk to those inherent to their original purposes.

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As determined by IFRS 9 (equivalent to Accounting Pronouncements Committee [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 to which hedge accounting should be applied in order to allow understanding of their purposes and effects.

Hedge Accounting – Vila do Conde

- Structuring of the *hedge accounting* operation.

To structure the operation, the Company defined as a risk to be protected, the exchange variation of part of its future revenue from a maritime charter contract in the *Take or Pay* modality, fixed in United States Dollars, originated by its indirect subsidiary Girocantex.

The Company is also exposed, through its subsidiary Hidrovias do Brasil – Vila do Conde S.A., to exchange variation arising from the Export Credit Notes (NCEs) issued by Banco Santander on March 22, 2018, in the original amount of USD 342,000 thousand (USD 188,622 on September 30, 2023 and USD 186,289 thousand on December 31, 2022), with contractual interest of 4.99% p.a. and expires on February 4, 2026. This transaction originated from the issuance of Bond 2025 in the original amount of USD 600,000 thousand and term of maturity of seven years, as from May 2, 2018, and it was amended as from the buyback of Bond 2025 (Tender Offer) upon issuance of Bond 2031 in February 2021.

Both revenue in foreign currency and the debt arising from the NCEs mentioned above are exposed to risk of the same nature and, therefore, the exchange rate risk of future revenues would naturally be covered by the exchange rate risk of the debts. However, despite the economic coverage of the exchange variation risk, the Company's result is impacted by the time mismatch between the accounting recognition of revenue and debt. Accordingly, the Company used part of the principal amount of the 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

Expected and highly probable future revenues from the *Take or Pay* operation of Girocantex exposes the Company to market risks involving fluctuations in the real (BRL) against United States Dollars (USD) exchange rate, since the Company's functional currency is the real (BRL).

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

In order to comply with the risk strategy, the Management decided to designate, as a hedge accounting instrument, part of the principal amount of the debt in foreign currency (NCE) in order to protect the counterparty from exchange rate 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, with the nature of the hedged risk being exchange variation.

- Nature of protected risk

Risk of foreign currency variation: variability of the exchange rates of expected revenues in US Dollar, referring to the contract in the *Take or Pay* model by Girocantex.

- Hedging object (item) identification

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

- Identification of the hedging instrument

The hedge accounting instrument is part of the principal amount of the NCE issued by Banco Santander, with the following characteristics:

Type	NCE
Contract start date	March 22, 2018
Maturity date	January 24, 2026
Designated amount in USD	244,520,320
Initial Parity USD x REAIS	3,5424
Hedging start date	May 02, 2018

- Effectiveness of the hedge ratio

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

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

For an economic relationship to exist means that the hedging instrument and the hedged item must have values that generally move in opposite directions due to the same risk, which is the hedged risk,

The hedging instrument and the hedged item have values that move in opposite directions.

The increase in the exchange rate generates an appreciation in the recognition of revenue in income, which is recognized upon delivery of the transported product at its destination. In the same direction, the increase in the exchange rate leads to an increase in the debt represented by the NCE, generating an expense as the result. Likewise, a decrease in the exchange rate generates an opposite movement between the hedging instrument and the protected item. These movements take place at different times, since debt is an item recognized in the balance sheet and revenue, up to the date of its recognition, is an off-balance sheet item. With the benefit of hedge accounting, the foreign exchange variation of the debt will be recognized in other comprehensive income, in the 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 hedged affect the result, that is, the effective recognition of revenue,

Hedge accounting Cabotagem

- Structuring of the hedge accounting operation

To structure the operation, the Company defined as a risk to be hedged, the exchange variation of part of its future revenues arising from a service agreement, fixed in US Dollars, with Alunorte.

The Company is also exposed to exchange rate changes arising from loans in foreign currency in the amount of USD 121,541 (BRL 402.349) and USD 97,482 (BRL 488.151) on September 30, 2023.

Both revenues in foreign currency and debt are exposed to risks of the same nature and, therefore, the exchange rate risk of future revenues would naturally be covered by the exchange rate risk of debts. However, despite the economic coverage of the exchange variation risk, the Company's result is impacted by the time mismatch between the accounting recognition of revenue and debt. Accordingly, the Company will use the principal amount of the loan in USD as a hedging instrument to protect part of its future revenue in USD, which is considered highly probable.

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- Risk management strategy

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

- Risk management objectives

The purpose of HB Cabotagem is to protect the exchange variation risk of at least 6% of the receipt flow, arising from the service provision agreement with Alunorte, Protected receipt flows start on April 2, 2018, and are expected to end in February 2033.

The Company will use the principal amount of the loan in foreign currency, contracted with the Brazilian National Bank for Economic and Social Development (BNDES) as an instrument to protect the expected revenues.

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

Type	Foreign currency debt (*)
Contract start date	December 23, 2016
Maturity date	March 15, 2033
Amount USD	142,807,564
Initial parity USD x REAIS	3.3104
Hedging start date	April 02, 2018

(*) Contracted with BNDES

- Effectiveness of the hedge ratio

The effectiveness of the hedge is measured based on changes in the fair value or cash flows of the hedging instrument that offset changes in the fair value or cash flows of the hedged item, The non-effectiveness of the hedge will occur to the extent that changes in the fair value or cash flows of the hedging instrument are greater or less 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 hedging instrument and the hedged item must have values that generally move in opposite directions due to the same risk, which is the hedged risk.

The hedging instrument and the hedged item must have values that move in opposite directions. The increase in the exchange rate generates an appreciation in the recognition of revenue in income, which is recognized upon delivery of the transported product at its destination. In the same direction, the increase in the exchange rate leads to an increase in the debt represented by the loan, generating an expense as the result, In the same way that a decrease in the exchange rate generates an opposite movement between the hedging instrument and the protected item. These movements take place at different times, since debt is an item recognized in the balance sheet and revenue, up to the date of its recognition, is an off-balance sheet item. With the benefit of hedge accounting, the foreign exchange variation of the debt will be recognized in other comprehensive income, in the 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 hedged affect the result, that is, the effective recognition of revenue.

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Bond related hedge accounting

Hedging object	Protected risk	Period of protection	Principal amount in USD	Value of the protection instrument	
Exchange variation of part of its future revenues	Real - USD exchange rate	May 2, 2018 to May 2, 2025	244,520,320	244,520,320	
		Realization expectation – USD			
2018 to 2021	2022	2023	2024	2025	Total
132,825,854	36,225,233	36,225,233	36,225,233	3,018,767	244,520,320
			September 30, 2023	September 30, 2022	
Exchange variation – P&L			(51,374)	(42,522)	
Exchange variation - Equity			358,271	455,834	

Hedge Accounting Cabotage

Hedging object	Protected risk	Period of protection	Principal amount in USD	Value of the protection instrument	
Exchange variation of part of its future revenues	Real - USD exchange rate	April 2, 2018 to February 2033	142,807,564	142,807,564	
		Realization expectation - USD			
2018 to 2021	2022	2023	2024	2025 to 2033	Total
29,286,250	10,692,544	10,692,589	10,692,604	81,443,577	142,807,564
			September 30, 2023	September 30, 2022	
Exchange variation – P&L			(21,501)	(22,049)	
Exchange variation - Equity			105,203	144,728	

Interest rate risk

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

Interest rate risk	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Assets:				
Cash and cash equivalents	16,138	48,908	648,792	401,545
Financial investments	3,132	16,896	148,318	333,015
Long term financial statements	-	-	16,247	18,877
Loans, financing and debentures	974,164	946,492	4,093,098	4,265,779
Derivative financial instruments	41,831	27,954	41,831	27,954

Interest rates are disclosed in Accompanying Notes 5 and 13.

Sensitive analysis

In order to verify the sensitivity of the indexes in the investments to which the Company and its subsidiaries were exposed on the base date of September 30, 2023, and December 31, 2022, three different scenarios were defined.

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

The base date used for the portfolio was September 30, 2023, projecting the indexes for one year and verifying the respective sensitivity in each scenario. The tables below indicate the indexes considered for the feasibility analysis and its effect on the result:

Financial instruments	Risk	Rate	Estimated rate			Balance as of September 30, 2023	Probable scenario	Possible scenario	Remote scenario
			Probable scenario	Possible scenario 10%	Remote scenario 15%				
Bonds and securities	CDI	12.65%	11.72%	11.39%	10.75%	58,409	(543)	(739)	(1,108)
Bonds and securities	US Treasury	0.37%	0.33%	0.34%	0.32%	89,909	(42)	(34)	(51)
Long term financial statements	Selic	12.75%	11.75%	11.48%	10.84%	16,247	(162)	(207)	(311)
Loans and financing	IPCA	5.37%	4.95%	5.91%	6.18%	424,858	1,803	(2,281)	(3,422)
Loans and financing	TJLP	7.00%	6.76%	7.70%	8.05%	37,654	92	(264)	(395)
Loans and financing	CDI	12.65%	11.72%	13.92%	14.55%	511,652	4,753	(6,472)	(9,709)
Derivative financial instrument	USD	5.0076	5.1000	5.5084	5.7587	41,831	(772)	(4,183)	(6,275)
						1,180,560	5,129	(14,180)	(21,271)

Exchange rate variation

In order to verify the sensitivity of the net foreign exchange exposure to which the Company and its subsidiaries were exposed on September 30, 2023, 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 on the base date of the interim financial inputs and scenarios II and III consider the increase of 10% and 15%, respectively, in the considered risk variable.

	Risk	Rate	Estimated rate			Balance as of September 30, 2023	Probable scenario	Possible scenario	Remote scenario
			Probable scenario	Possible scenario 10%	Remote scenario 15%				
Loan - Project finance	USD	5.0076	5.1000	5.5084	5.7587	104	(2)	(10)	(16)
Export credit note	USD	5.0076	5.1000	5.5084	5.7587	490,025	(9,042)	(49,003)	(73,504)
Loan - Bond	USD	5.0076	5.1000	5.5084	5.7587	2,628,805	(48,507)	(262,881)	(394,321)
Derivative financial instrument	USD	5.0076	5.1000	5.5084	5.7587	41,831	(772)	(4,183)	(6,275)
						3,160,765	(58,323)	(316,077)	(474,116)

25.4 Capital management

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 liquid liability at the end of September 30, 2023, and December 31, 2022 is presented below:

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Total current and non-current liabilities	(1,141,600)	(1,052,698)	(4,823,174)	(5,032,724)
Cash and cash equivalents	16,138	48,908	648,792	401,545
Financial investments	3,132	16,896	148,318	333,015

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Long term financial statements	-	-	16,247	18,877
(Insufficiency) net cash surplus	(1,122,330)	(986,894)	(4,009,817)	(4,279,287)
Shareholders' Equity	1,585,397	1,330,805	1,585,397	1,330,805
Ratio between equity and (Insufficient) net cash surplus	(141%)	(135%)	(40%)	(31%)

26 Insurance Coverage

The Company and its subsidiaries maintain the policy of contracting insurance coverage for assets subject to risk, to cover possible accidents, considering the nature of their activities involving their operating facilities, vessels and barges, and also for engineering and works of the projects, as well as environmental damage and civil liability for property damage, bodily injury and/or moral damage. The amount insured on September 30, 2023 was:

Operating risks	September 30, 2023
Fire, lightning, explosion, electrical damage, windstorms and flooding in BRL	134,099
Cyber risks in BRL	10,000
Hull and Engine (bare hull vessels) - policies in BRL	2,449,295
Hull and Engine (bare hull vessels) – policies in USD	244,682
Hull and Engine (bare hull vessels) – policies in EUR	140,664

Civil Liability	September 30, 2023
P&I Insurance in USD	6,000,000
Operational civil liability insurance in BRL	165,000
Operational civil liability insurance in USD	114,850
Environmental civil liability insurance in BRL	30,000

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27 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 controlling shareholder Hidrovias do Brasil and HB Luxemburgo.

Result by operating segments

Below we detail the Company's result per segment:

	September 30, 2023 and 2022												Consolidated	
	North corridor		South corridor		Cabotage		Santos		Other		Eliminations*			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net revenue from services	675,002	593,934	669,673	560,835	154,315	165,335	83,815	9,726	-	-	(20,260)	(7,541)	1,562,545	1,322,289
Operating income	675,002	593,852	653,703	580,926	167,842	179,682	83,815	9,726	-	-	-	-	1,580,362	1,364,186
Related Parties	-	82	20,260	7,459	-	-	-	-	-	-	(20,260)	(7,541)	-	-
Revenue - Hedge Accounting	-	-	(4,290)	(27,550)	(13,527)	(14,347)	-	-	-	-	-	-	(17,817)	(41,897)
Cost of services provided	(239,975)	(209,386)	(314,608)	(339,136)	(108,913)	(89,585)	(36,048)	(5,992)	-	-	7,318	7,541	(692,226)	(636,558)
Operating Costs	(232,657)	(201,845)	(314,608)	(339,136)	(108,913)	(89,585)	(36,048)	(5,992)	-	-	-	-	(692,226)	(636,558)
Related Parties	(7,318)	(7,541)	-	-	-	-	-	-	-	-	7,318	7,541	-	-
Operating expenses	(33,779)	(23,684)	(38,461)	(40,976)	(3,806)	(3,426)	(9,424)	(2,958)	(61,175)	(59,279)	-	-	(146,645)	(130,323)
Depreciation and amortization	(103,057)	(84,457)	(98,538)	(119,857)	(27,833)	(25,705)	(28,313)	(9,365)	(9,352)	(19,052)	5,628	-	(261,465)	(258,436)
Depreciation and amortization (cost)	(90,019)	(75,504)	(89,125)	(83,318)	(21,929)	(22,470)	(21,374)	(4,542)	(4,213)	(4,811)	8,945	-	(217,715)	(190,645)
Depreciation and amortization (expense)	(13,038)	(8,953)	(9,413)	(36,539)	(5,904)	(3,235)	(6,939)	(4,823)	(5,139)	(14,241)	(3,317)	-	(43,750)	(67,791)
Other expenses	(5,693)	198	1,410	418	9,552	10,274	12	622	141	515	-	-	5,422	12,027
Financial income (loss)	(17,037)	(32,704)	(64,949)	(85,659)	(9,562)	(10,673)	(36,747)	(16,874)	(126,307)	1,515	3,322	-	(251,280)	(144,395)
Equity method	-	337	10,781	19,638	-	-	-	-	350,011	246,101	(354,638)	(248,331)	6,154	17,745
Income tax	(73,215)	(50,274)	(2,825)	(14,638)	(1,828)	(12,515)	-	(61)	64,552	43,065	-	-	(13,316)	(34,423)
Profit (Loss) for the period	202,246	193,964	162,483	(19,375)	11,925	33,705	(26,705)	(24,902)	217,870	212,865	(358,630)	(248,331)	209,189	147,926

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	July 01, 2022 to September 30, 2023												Consolidated	
	North corridor		South corridor		Cabotage		Santos		Other		Eliminations*			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net revenue from services	233,274	217,676	182,368	171,180	47,779	57,117	30,247	9,856	-	-	(6,695)	(2,516)	486,973	453,313
Operating income	233,274	217,676	224,204	210,995	52,003	62,323	30,247	9,856	-	-	-	-	539,728	500,850
Related Parties	-	-	6,695	2,516	-	-	-	-	-	-	(6,695)	(2,516)	-	-
Revenue - <i>Hedge</i>	-	-	(48,531)	(42,331)	(4,224)	(5,206)	-	-	-	-	-	-	(52,755)	(47,537)
<i>Accounting</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of services provided	(85,698)	(77,424)	(103,031)	(126,362)	(36,522)	(34,762)	(13,440)	(5,124)	-	-	2,392	2,516	(236,299)	(241,156)
Operating Costs	(83,305)	(74,958)	(103,031)	(126,362)	(36,522)	(34,762)	(13,440)	(5,124)	-	-	(1)	-	(236,299)	(241,206)
OTM	-	51	-	-	-	-	-	-	-	-	-	-	-	51
Related Parties	(2,393)	(2,517)	-	-	-	-	-	-	-	-	2,393	2,516	-	(1)
Operating expenses	(12,338)	(7,664)	(14,759)	(21,593)	(1,123)	(1,085)	(2,738)	(862)	(23,030)	(21,844)	1	-	(53,987)	(53,048)
Depreciation and amortization	(36,566)	(29,133)	(35,002)	(36,689)	(9,036)	(8,601)	(9,609)	(4,189)	(1,993)	(12,186)	38	-	(92,168)	(90,798)
Depreciation and amortization (cost)	(32,308)	(25,411)	(31,775)	(28,268)	(7,315)	(7,470)	(8,556)	(2,182)	(1,411)	(1,931)	3,355	-	(78,010)	(65,262)
Depreciation and amortization (expense)	(4,258)	(3,722)	(3,227)	(8,421)	(1,721)	(1,131)	(1,053)	(2,007)	(582)	(10,255)	(3,317)	-	(14,158)	(25,536)
Other expenses	(5,850)	46	1,208	(709)	3,560	3,558	4	5	58	617	-	-	(1,020)	3,517
Financial income (loss)	8,141	5,061	(3,333)	(24,759)	(4,082)	(2,907)	(13,849)	(5,871)	(25,939)	41,596	6,647	-	(32,415)	13,120
Equity method	-	110	3,293	4,733	-	-	-	-	109,245	132,333	(111,628)	(133,002)	910	4,174
Income tax	(21,041)	(2,682)	27	(8,304)	1,264	(3,152)	-	-	19,014	17,666	-	-	(736)	3,528
Profit (Loss) for the period	79,922	105,990	30,771	(42,503)	1,840	10,168	(9,385)	(6,185)	77,355	158,182	(109,245)	(133,002)	71,258	92,650

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Balance sheet accounts by operating segments

	September 30, 2023						
	North corridor	South corridor	Cabotage	Santos	Other	Eliminations	Consolidated
Current assets	492,757	871,336	172,196	54,265	255,540	(449,946)	1,396,148
Non-current assets	2,042,360	2,246,672	586,501	535,808	5,561,312	(5,960,230)	5,012,423
Total assets	2,535,117	3,118,008	758,697	590,073	5,816,852	(6,410,176)	6,408,571
Current liabilities	210,415	381,918	97,839	74,546	139,133	(331,302)	572,549
Non-current liabilities	1,061,492	1,838,208	433,133	436,158	4,094,499	(3,612,865)	4,250,625
Shareholders' Equity	1,263,210	897,882	227,725	79,369	1,583,220	(2,466,009)	1,585,397
Total liabilities and shareholders' equity	2,535,117	3,118,008	758,697	590,073	5,816,852	(6,410,176)	6,408,571
	December 31, 2022						
	North corridor	South corridor	Cabotage	Santos	Other	Eliminations	Consolidated
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 assets	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
Shareholders' 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

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28 Government subsidies and other benefits

According to the financial statements of December 31, 2022, the company enjoys benefits, as can be seen below:

- Additional Freight for the Renewing of the Merchant Marine (“AFRMM”)

The AFRMM is the Additional Freight for the Renewal of the Merchant Marine, that is levied on the amount of freight charged by Brazilian and foreign shipping companies that operate in a Brazilian port, according to the bill of lading and the manifest of charge. The AFRMM is the responsibility of the Federal Revenue Service and is governed by Law No, 2,404/1987 and disciplined by Law No, 10,893/2004, with the amendments brought by Laws No, 12,599/2012 and 12,788/2013.

The AFRMM is calculated on the value of water transport, applying the rate of 8% in Cabotage navigation, Cabotage services enjoy the non-levy of AFRMM until January 8, 2022, However, even with the non-incidence, Cabotage fully receives the additional fee of 8% on the freight values practiced, according to recent updates to the AFRMM, Law 14,301 - Art, 6 – I.

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

In the period ended on September 30, 2023, the Company recognized the benefits of the AFRMM in the operating income (expenses) group in the amount of BRL 9,231 (BRL 10,558 on September 30, 2022).

- Superintendency of Development of the Amazonia (“SUDAM”)

The Company has the tax incentive granted to legal entities that own projects for the implementation of infrastructure projects that promote the economy, as well as those that are fully established in the states covered by the Superintendency of Development of the Amazonia – SUDAM. This benefit grants a reduction of 75% of Income Tax and its surcharges (25% to 6.25%), with fruition of 10 years.

In 2018, the Company joined the SUDAM Tax Incentive, which provides a 75% reduction in income tax through Profit from Exploration, for the company Hidrovias do Brasil – Vila do Conde S.A. which, when presenting Tax Profit, has the possibility of benefit from the Government Subsidy, In the period ended September 30, 2023, this benefit resulted in an adjustment of BRL 18,795 to shareholders' equity in the Tax Incentive Reserve (BRL 9,380 on September 30, 2022).

- VAT (ICMS deferral)

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

29 Non-cash items

During the period ended September 30, 2023, the amounts that did not affect the Company's and Consolidated Cash are BRL 14,857 (BRL 20,319 on December 31, 2022), relating to suppliers for the acquisition of fixed and intangible assets, and BRL 50,579 (BRL 54,810 on December 31, 2022), relating to additions of the leases for right of use.

HIDROVIAS DO BRASIL S.A.

Publicly-Held Company

CNPJ/ME nº 12.648.327/0001-53

NIRE 35.300.383.982

OPINION OF THE SUPERVISORY BOARD

The members of the Supervisory Board of Hidrovias do Brasil S.A. ("**Company**") reviewed the Company's quarterly accounting information for the quarter ended 09.30.2023, which was reviewed by Ernst & Young Auditores Independentes S.S ("**EY**"), as independent auditors of the Company.

The Supervisory Board verified the accuracy of all appreciated elements and, considering the report issued by EY without any reservations, the Supervisory Board understand that these documents adequately reflect the equity situation, financial position and activities developed by the Company in the period.

Sao Paulo, November 09, 2023.

Felipe Moreira Caram

President of the Supervisory Board

Rafael Macedo

Vice-President of the Supervisory Board

Valmir Pedro Rossi

Member of the Supervisory Board

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OPINION OF THE NON-STATUTORY AUDIT COMMITTEE

The non-statutory Audit Committee of Hidrovias do Brasil S.A. ("Committee") in the exercise of its duties, examined the quarterly accounting information of Hidrovias do Brasil S.A. ("Company") for the period ended September 30, 2023, accompanied by the Management's report and the draft report of the independent auditors issued, without reservations, by Ernst & Young Auditores Independentes ("Independent Auditors").

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

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

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

The Audit Committee, based on the examined documents described in the first paragraph and the information provided by the Management and the Independent Auditors, duly weighted their responsibilities and the limitations arising from the scope of their action, understands that the quarterly accounting information of Hidrovias do Brasil S.A. for the period ended on September 30, 2023, were prepared in accordance with the accounting practices adopted in Brazil (CPC 21 – R1 and IAS 34) and with international financial reporting standards (IFRS), and therefore recommend their approval by the Company's Board of Directors.

Sao Paulo, November 09, 2023.

PEDRO JAIME CERVATTI

Member and Coordinator of the Audit
Committee

ANTONIO MARY ULRICH

Member of the Audit Committee

RICARDO RIBEIRO SEBASTIÃO

Member of the Audit Committee

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

As members of the Executive Office of Hidrovias do Brasil S.A., we declare, in compliance with article 27, paragraph 1, items V and VI of CVM Resolution nº 80 of March 29, 2022, as amended, that we have reviewed, discussed and agreed with the terms of the interim financial statements and the independent auditors report on the interim financial statements related to the period ended on September 30, 2023.

São Paulo, November 13, 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