FitchRatings

Corporates
Transportation
Brazil

Hidrovias do Brasil S.A.

Hidrovias do Brasil S.A. (Hidrovias)'s ratings reflect its controlling ownership by Ultrapar Participacoes S.A.'s (Ultrapar) and the legal and operational incentives for support from Ultrapar under the Parent and Subsidiary Linkage Rating Criteria. Ultrapar Group has a stronger credit profile than Hidrovias. The latter´s standalone credit profile reflects its strong market position in Brazil's North and South Corridor waterway systems, supported by take-or-pay contracts, and adequate liquidity. The ratings are constrained by hydrological risks, crop volatility and client concentration.

The Stable Outlook incorporates Fitch Ratings' expectation that Hidrovias will preserve moderate leverage, with adjusted net debt to EBITDAR at approximately 2.5x.

Key Rating Drivers

Support of the Parent: Hidrovias' credit profile benefits from Ultrapar's 60% stake and stronger legal incentive to provide support. Ultrapar guarantees Hidrovias' BRL1.4 billion debenture issuance, equal to about 39% of adjusted debt, as of March 31, 2026. Operational and strategic incentives are low to moderate, reflecting Hidrovias' growth prospects and common board members. These factors are offset by Hidrovias' limited contribution to the group and low integration with other Ultrapar businesses.

Ultrapar has a stronger credit profile than Hidrovias. The group benefits from diversified operations in Brazil's energy and infrastructure sectors through subsidiaries including Ipiranga, Ultragaz, Ultracargo and Hidrovias. Its business profile is supported by scale, market position and operating expertise. Its financial profile benefits from revenue diversification, conservative leverage and strong liquidity.

EBITDAR Margins Close to 42%: Fitch forecasts EBITDAR of BRL900 million and cash flow from operations (CFO) of BRL459 million in 2026, from BRL1.0 billion and BRL563 million in 2025. Results should be driven by 0.7% consolidated volume growth, including a 0.7% decline in the North Corridor, related to logistics bottlenecks, and a 3.7% increase in the South Corridor. For 2027, EBITDAR should rise to BRL960 million and CFO to BRL525 million, assuming total volumes increase 5%. Base case scenario does not incorporate potential impact from El Niño in navigation condition in the North and South corridors.

Investments to Pressure Free Cash Flow (FCF): Hidrovias should generate positive FCF of about BRL190 million in 2026, supported by lower capex of BRL270 million and no dividends. Fitch's base case assumes annual capex will rise to about BRL600 million on average from 2027 to 2029, including the expansion in the North Corridor. Higher capex, along with 25% dividends pay-out, should lead to neutral to slightly negative FCF over the period. The expansion should strengthen its position in Brazil's North Corridor agricultural and fertilizer transport markets.

Stable Leverage: Hidrovias' capital structure should remain adequate, with adjusted net debt/EBITDAR at about 2.5x over the rating horizon, despite higher capex. Fitch forecasts net leverage at 2.7x in 2026 and 2.5x in 2027. In 2025, net leverage significantly improved to 2.6% from 7.1x in 2024. The increase was supported by a BRL700 million cash inflow that year related to a BRL1.2 billion capital increase, the sale of the cabotage business, and higher EBITDAR generation.

Client Concentration: Hidrovias faces portfolio concentration risk because its main clients are large commodity producers and trading companies operating in Brazil's North corridor and iron ore producers, in South corridor. In 2025, 42% of the revenues were related to two main clients. EBITDAR by corridor was North 64%, South 41%, and Santos operation 6%, while holding and other segments reported negative EBITDAR. In the same year, 58% of net revenue came from Brazil and 41% from Uruguay.

Ratings

Hidrovias do Brasil S.A.

Long-Term IDR	BB+
Long-Term Local-Currency IDR	BB+
National Long-Term Rating	AAA(bra)

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable
National Long-Term Rating	Stable

Hidrovias International Finance S.a.r.l.

Senior Unsecured Debt - Long-Term Rating	BB+

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores

Environmental	4
Social	3
Governance	3
2035 Climate Vulnerability Signal	41
Transition (Climate.VSt)	39
Physical (Climate.VSp)	20

Applicable Criteria

National Scale Rating Criteria (December 2020)

Parent and Subsidiary Linkage Rating Criteria (June 2025)

Corporate Rating Criteria (January 2026)

Sector Navigators – Addendum to the Corporate Rating Criteria (January 2026)

Related Research

Global Corporates Sector Forecasts Monitor: April 2026 (April 2026)

Global Corporates Sector Forecasts Monitor - Quarterly Insights: May 2026 (May 2026)

Global Emerging Markets Credit Snapshot: 2Q26 (May 2026)

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Hydrological Risk: Fitch views the company's operating performance as structurally exposed to hydrological risk, which may periodically constrain revenue and cash flow generation. Hidrovias' businesses in both the South and North corridors are highly dependent on rainfall patterns, an external factor not managed by the company. In the South Corridor, the risk has been amplified by the low draft of the Paraná-Paraguay River, which can restrict navigability during periods of drought, as occurred during 2024. This risk is partially mitigated by the company's take-or-pay contract structure and the government's ongoing investments in waterway infrastructure.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

- Weakening of legal and operational ties between Hidrovias and Ultrapar;
- Deterioration of Ultrapar's credit profile;
- Gross and net adjusted debt to EBITDAR ratio consistently above 4.0x and 3.5x on a sustained basis;
- Deterioration of its liquidity position, with increasing short- to medium-term refinancing risks;
- Large debt-funded mergers and acquisitions transactions or entering a new business in the logistics sector that adversely affects its capital structure on a sustained basis or increases business risk exposure.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

- Higher legal, strategic and operational ties between Hidrovias and Ultrapar may positively impact Hidrovias' Issuer Default Rating (IDR);
- Positive actions on the National Scale Long-Term Rating are not possible, as the rating is at the top of the national scale.

Issuer Profile

Hidrovias is an integrated logistics provider focused on waterways logistics services. It has an end-to-end infrastructure, including transshipment, port terminals, as well as a fleet of barges and pusher tugs. Ultrapar is the main shareholder and holds a 60% stake.

Financial Summary

(BRL Mil.)	2023	2024	2025	2026F	2027F	2028F
Gross revenue	1,924	1,352	2,241	2,126	2,272	2,467
EBITDAR margin (%)	40.5	42.1	45.2	42.3	42.3	45.2
EBITDAR	779	570	1,012	900	961	1,114
FCF margin (%)	6.7	-18.3	14.7	—	—	—
EBITDAR net leverage (x)	4.4	7.1	2.6	2.7	2.5	2.2

Source: Fitch Ratings, Fitch Solutions

Corporate Rating Tool Inputs and Scores

Fitch scored the issuer as follows, using its Corporate Rating Tool (CRT) to produce the Standalone Credit Profile (SCP):

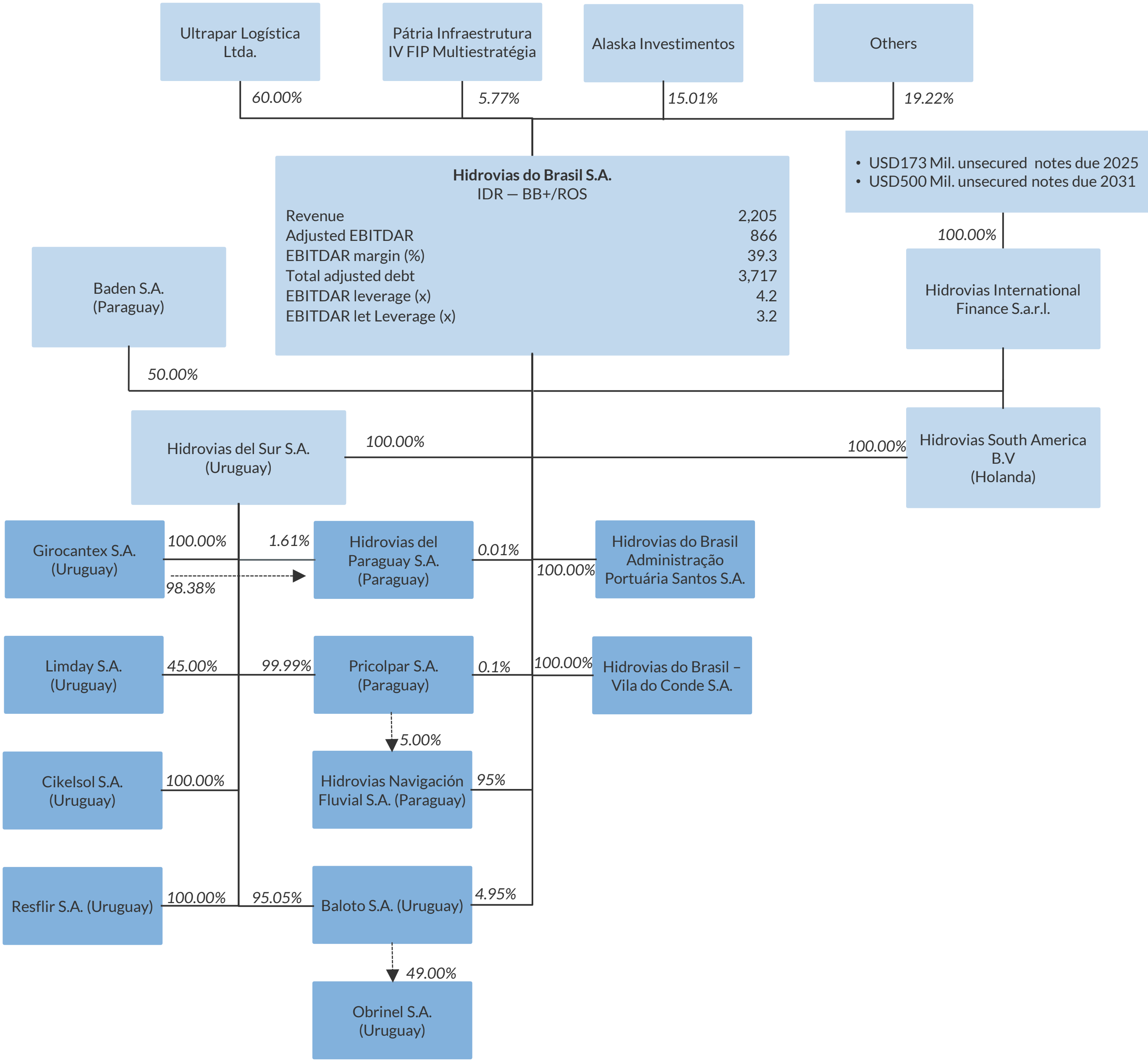
- business and financial profile factors (assessment, relative importance): management ('bbb', lower), sector characteristics ('bb', moderate), market and competitive positioning ('bb-', moderate), diversification and asset quality ('b+', higher), company operational characteristics ('bb+', moderate), profitability ('bb+', moderate), financial structure ('bb', moderate), and financial flexibility ('bb', moderate).
- the quantitative financial subfactors are based on custom CRT financial period parameters: 10% weight for the historical year 2025, 30% for the forecast year 2026, 30% for the forecast year 2027 and 30% for the forecast year 2028.
- the governance assessment of 'good' has no impact.
- the operating environment assessment of 'bb' has no impact.
- the SCP is 'bb-'.

To derive the Long-Term IDR:

- application of Fitch's Parent Subsidiary Linkage Rating Criteria results in an unconstrained approach.
- Fitch made adjustments to the SCP, due to its linkage to its parent company, Ultrapar Participações S.A.'s (Ultrapar), resulting in a Local and Foreign Currency IDRs of 'BB+'.

Simplified Group Structure Diagram

Organizational Structure — Hidrovias do Brasil S.A.
(BRL Mil., as of LTM Mar. 31, 2026)



IDR – Issuer Default Rating.
Source: Fitch Ratings, Fitch Solutions, Hidrovias do Brasil S.A.

Ratings Navigator

Shipping

Additional Adjustments to the Standalone Credit Profile

	Assessment	Impact
Weakest link considerations	Not applied	0
Additional sector considerations	Not applied	0
B+ to CC considerations	Not applied	0
Governance	Good	0
Operating environment	bb	0
Other risk elements	Not applied	0
Calibration	Not applied	0
Standalone Credit Profile		bb-
Parent subsidiary linkage	Unconstrained	BB+
Government related entities	Not applied	—
Other criteria considerations	Not applied	0
Country Ceiling considerations	Not applied	0

Factor / Subfactor	Score / Outlook / Importance	Description
Management	bbb / stable / lower	
Risk tolerance	bbb / moderate	Management committed to conservative risk profile. Only modest/short-term deviations from strategy allowed.
Management strategy	bbb / moderate	Good track record of implementing coherent and stable strategy.
Management quality	bbb / moderate	Experienced management or proven track record. Management composition is broadly stable. No evidence of material risk management weaknesses.

Factor / Subfactor	Score / Outlook / Importance	Description
Sector characteristics	bb / stable / moderate	
Growth potential	bbb / moderate	Mature industry. Traditional markets may be under some pressure but opportunities arise in new markets.
Competition	bb- / moderate	Larger number of competitors with some track record of price/capacity discipline in downturns.
Cyclicality	bb / moderate	Cyclical industry demand and capacity that may be difficult to predict. Overcapacity may prolong competitive pricing pressures
Fleet portfolio position	bb / moderate	Relatively young and/or well maintained fleet with average age in line with the sector average.

Factor / Subfactor	Score / Outlook / Importance	Description
Market and competitive positioning	bb- / stable / moderate	
Position on key routes	bb+ / moderate	Moderate presence on key cash flow-generative and/or growth trading lanes.
Scale - EBITDAR	b / moderate	<$150 million.
Scale - fleet (#)	bbb / lower	More than 300 vessels.

Factor / Subfactor	Score / Outlook / Importance	Description
Diversification and asset quality	b+ / stable / higher	
Network diversification	bb / moderate	Moderate and relatively geographically diversified trading lanes network.
Customer diversification	b / higher	Customer concentration.
Sub-sector diversification	bb / moderate	Some exposure to more stable and cash flow-generative sub-sectors.
Network optimization	N/A / n/a	Subfactor not relevant to the issuer.

Factor / Subfactor	Score / Outlook / Importance	Description
Company operational characteristics	bb+ / stable / moderate	
Cost competitiveness	bb / moderate	Some track record of successful cost-containment measures compared to peers.
Cost structure	bb / moderate	Manageable level of fixed costs in the cost structure.
Hedging strategy	bb+ / moderate	Conservative fuel hedging policy.
Company revenue visibility	bbb / moderate	Large share of revenue (above 40%) from long-term contracts with strong counterparties.
Compliance with maritime regulations	N/A / n/a	Subfactor not relevant to the issuer.

Factor / Subfactor	Score / Outlook / Importance	Description
Profitability	bb+ / stable / moderate	
EBITDAR margin (container shipping) (%)	N/A / n/a	Subfactor not relevant to the issuer.
EBITDAR margin (other segments) (%)	bbb- / moderate	45.0
FCF margin (%)	bbb / moderate	3.0
Volatility of profitability	bb / higher	Higher volatility of profits than industry average.

Factor / Subfactor	Score / Outlook / Importance	Description
Financial structure	bb / stable / moderate	
EBITDAR leverage (x)	bb- / moderate	3.3
EBITDAR net leverage (x)	bb+ / moderate	2.8
Unencumbered assets to unsecured debt (x)	N/A / n/a	Subfactor not relevant to the issuer.

Factor / Subfactor	Score / Outlook / Importance	Description
Financial flexibility	bb / stable / moderate	
Financial access	bb / moderate	Unequivocal access through the cycle to: Local financial markets with FMD of 'bb', or International financial markets with (primarily) FMD of 'bb'. If the issuer is an infrequent / untested issuer, the issuer must be very likely to be able to freely access these markets through the cycle. Alternatively, limited access to international financial markets of 'bbb' and above.
Cash as % of total assets (%)	bbb+ / moderate	10.0
EBITDAR fixed charge coverage (x)	b+ / moderate	2.0
FX exposure	bbb / lower	Some FX exposure on profitability and/or debt/cash flow matching. Effective hedging in place.

Factor / Subfactor	Score / Outlook / Importance	Description
Governance	Good / — / moderate	
Ownership and decision-making concentration	Good / moderate	No concentration in ownership and/or decision-making. Presence of effective checks and balances. Key person risk is immaterial. Decision-making is defensible from a governance perspective.
Group structure transparency and contagion risk	Good / moderate	Transparent group structure. No contagion risks.
Information quality/transparency	Good / moderate	Timely and good provision of financial and operational information, facilitating the analysis of the credit profile.

Fitch's Key Rating-Case Assumptions

- Consolidated volumes increase by 0.7% in 2026 and 5.0% in 2027;
- Average tariffs decline by 5.8% in 2026 and increase by 1.8% in 2027;
- Capex of BRL270 million in 2026 and average annual capex around BRL600 million from 2027 to 2029, with the expansion project accounting for BRL360 million annually from 2027 to 2029;
- Dividends of 25% of net income from 2027 onwards.

Liquidity and Debt Structure

Hidrovias has consistently maintained strong cash balances. As of March 31, 2026, the company's cash position was BRL918 million, with short-term debt at BRL89 million. Total debt stood at BRL3.7 billion, mainly comprising international bonds of 27%, maturing in 2031, local debentures of 65% and leasing obligations of 7%.

Liquidity and Debt Maturities

Liquidity Analysis

(BRL 000)	2026F	2027F	2028F	2029F
Available liquidity				
Beginning cash balance	1,112,531	1,235,569	1,061,973	369,603
Rating case FCF after acquisitions and divestitures	190,097	-7,721	-62,509	-31,681
Total available liquidity (A)	**1,302,628**	**1,227,848**	**999,464**	**337,922**
Liquidity uses				
Debt maturities	-67,059	-165,875	-629,861	-300,940
Total liquidity uses (B)	**-67,059**	**-165,875**	**-629,861**	**-300,940**
Liquidity calculation				
Ending cash balance (A+B)	1,235,569	1,061,973	369,603	36,982
Revolver availability	—	—	—	—
Ending liquidity	**1,235,569**	**1,061,973**	**369,603**	**36,982**
Liquidity score (x)	19.4	7.4	1.6	1.1

Source: Fitch Ratings, Fitch Solutions, Hidrovias do Brasil S.A.

Scheduled Debt Maturities

(BRL 000)	Dec. 31, 2025
2026	67,059
2027	165,875
2028	629,861
2029	300,940
2030	134,414
Thereafter	2,182,848
Total	**3,480,997**

Source: Fitch Ratings, Fitch Solutions, Hidrovias do Brasil S.A.

Financial Data

(BRL Mil.)	2023	2024	2025	2026F	2027F	2028F
Summary income statement						
Gross revenue	1,924	1,352	2,241	2,126	2,272	2,467
Revenue growth (%)	8.8	-29.7	65.7	-5.1	6.9	8.5
EBITDA before income from associates	727	486	955	846	904	1,052
EBITDA margin (%)	37.8	36.0	42.6	39.8	39.8	42.6
EBITDA after associates and minorities	739	489	964	846	904	1,052
EBITDAR	779	570	1,012	900	961	1,114
EBITDAR margin (%)	40.5	42.1	45.2	42.3	42.3	45.2
EBIT	391	-401	539	488	532	655
EBIT margin (%)	20.3	-29.6	24.1	22.9	23.4	26.5
Gross interest expense	-281	-298	-266	-394	-338	-326
Pretax income including associate income/loss	70	-562	192	154	254	379
Summary balance sheet						
Readily available cash and equivalents	814	1,053	1,113	1,236	1,056	1,360
Debt	4,020	4,804	3,481	3,414	3,242	3,609
Net debt	3,206	3,751	2,368	2,178	2,186	2,249
Lease-adjusted debt	4,257	5,097	3,728	3,630	3,473	3,859
Summary cash flow statement						
EBITDA	727	486	955	846	904	1,052
Cash interest paid	-271	-279	-354	-394	-338	-326
Cash tax	-75	-84	-1	-58	-95	-142
Dividends received less dividends paid to minorities (inflow/outflow)	12	3	9	—	—	—
Other items before FFO	-52	29	-115	—	—	—
FFO	368	192	554	455	531	634
FFO margin (%)	19.1	14.2	24.7	21.4	23.4	25.7
Change in working capital	34	-128	10	6	-7	-9
CFO (Fitch-defined)	402	65	564	460	524	625
Total non-operating/nonrecurring cash flow	—	—	81	—	—	—
Capex	-274	-312	-317	—	—	—
Capital intensity (capex/revenue) (%)	14.2	23.0	14.1	—	—	—
Common dividends	—	—	—	—	—	—
FCF	128	-247	328	—	—	—
FCF margin (%)	6.7	-18.3	14.7	—	—	—
Net acquisitions and divestitures	20	—	193	—	—	—
Other investing and financing cash flow items	172	133	-510	—	—	—
Net debt proceeds	-38	-62	-617	-67	-172	367
Net equity proceeds	—	500	700	—	—	—
Total change in cash	262	325	95	123	-180	304
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-254	-312	-42	-270	-532	-687
FCF after acquisitions and divestitures	149	-247	522	190	-8	-63
FCF margin after net acquisitions (%)	7.7	-18.3	23.3	8.9	-0.3	-2.5
Gross leverage ratios (x)						
EBITDAR leverage	5.4	8.9	3.7	4.0	3.6	3.5
(CFO-capex)/debt (%)	3.2	-5.1	7.1	5.6	0.5	-0.6
Net leverage ratios (x)						
EBITDAR net leverage	4.4	7.1	2.6	2.7	2.5	2.2

(BRL Mil.)	2023	2024	2025	2026F	2027F	2028F
(CFO-capex)/net debt (%)	4.0	-6.6	10.4	8.7	0.7	-1.0
Coverage ratios (x)						
EBITDAR fixed-charge coverage	2.5	1.6	2.5	2.0	2.4	2.9
EBITDAR net fixed-charge coverage	2.7	1.8	2.9	2.3	2.9	3.3

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Summary of Financial Adjustments

- Lease expenses were adjusted back to operating expenses, reducing EBITDA;
- The leasing obligation reported on the balance sheet is considered debt.

Fitch Adjusted Financials

(BRL 000, as of Mar. 31, 2026)	Notes and formulas	Standardized values	Cash adjustment	Lease treatment	Other adjustments	Adjusted values
Income statement summary						
Revenue		445,163	—	—	—	445,163
EBITDAR	(a) = (c-b)	181,511	—	—	-2,596	178,915
Lease expense for capitalized leased assets	(b)	—	—	-10,076	—	-10,076
EBITDA	(c)	181,511	—	-10,076	-2,596	168,839
Depreciation and amortization		-91,794	—	8,505	—	-83,289
EBIT		101,717	—	-1,571	-2,596	97,550
Balance sheet summary						
Debt	(d)	3,466,679	—	—	—	3,466,679
Of which other off-balance-sheet debt		—	—	—	—	—
Lease-equivalent debt	(e)	250,319	—	—	—	250,319
Lease-adjusted debt	(f) = (d+e)	3,716,998	—	—	—	3,716,998
Readily available cash and equivalents	(g)	885,053	33,545	—	—	918,598
Not readily available cash and equivalents		—	—	—	—	—
Cash flow summary						
EBITDA	(c)	181,511	—	-10,076	-2,596	168,839
Dividends received from associates less dividends paid to minorities	(h)	—	—	—	—	—
Interest paid	(i)	-67,671	—	—	—	-67,671
Interest received	(j)	—	—	—	14,688	14,688
Preferred dividends paid	(k)	—	—	—	—	—
Cash tax paid		-231	—	—	—	-231
Other items before FFO		-104,275	—	1,571	-12,092	-114,796
FFO	(l)	-57,500	—	-8,505	—	-66,005
Change in working capital		-36,424	—	—	—	-36,424
CFO	(m)	-93,924	—	-8,505	—	-102,429
Non-operating/nonrecurring cash flow		—	—	—	—	—
Capex	(n)	-39,754	—	—	—	-39,754
Common dividends paid		—	—	—	—	—
FCF		-133,678	—	-8,505	—	-142,183
Gross leverage (x)						
EBITDAR leverage	f / (a+h)	4.2	—	—	—	4.2
(CFO-capex)/debt (%)	(m+n) / d	7.3	—	—	—	7.1
Net leverage (x)						
EBITDAR net leverage	(f-g) / (a+h)	3.2	—	—	—	3.2
(CFO-capex)/net debt (%)	(m+n) / (d-g)	9.8	—	—	—	9.6
Coverage (x)						
EBITDAR fixed-charge coverage	(a+h) / (-i-b)	2.6	—	—	—	2.5

CFO – Cash flow from operations
Notes: The standardized items presented above are based on Fitch's taxonomy for the given sector and region. Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Debt in the standardized values column excludes lease liabilities of BRL250,319 thousand.
Source: Fitch Ratings, Fitch Solutions, Hidrovias do Brasil S.A.

Peer Analysis

Hidrovias' ratings are the same as Brazilian transportation peers Rumo S.A. (Rumo; Local Currency IDR: BB+/RWN) and VLI S.A. (VLI; AAA[bra]/Stable) and lower than MRS Logistica S.A. (MRS Logistica; Local Currency IDR: BBB-/Stable). Although Hidrovias' Standalone Credit Profile is lower than its railroad peers, the ratings benefit from the support of its parent, Ultrapar.

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (BRL Mil.)	EBITDAR margin (%)	EBITDAR (BRL Mil.)	FCF margin (%)	EBITDAR net leverage (x)
Hidrovias do Brasil S.A.	BB+						
	BB+	2025	2,241	45.2	1,012	14.7	2.6
	BB-	2024	1,352	42.1	570	-18.3	7.1
	BB-	2023	1,924	40.5	779	6.7	4.4
MRS Logistica S.A.	BB+						
	BB+	2025	7,585	52.7	3,994	2.8	2.0
	BB+	2024	7,025	51.5	3,615	-3.1	1.7
	BB+	2023	6,449	53.8	3,473	21.4	1.5
Rumo S.A.	BB+						
	BB+	2025	13,848	56.1	7,764	-16.3	2.5
	BB+	2024	13,936	56.3	7,840	1.2	1.9
	BB+	2023	10,938	50.8	5,559	-1.1	2.4

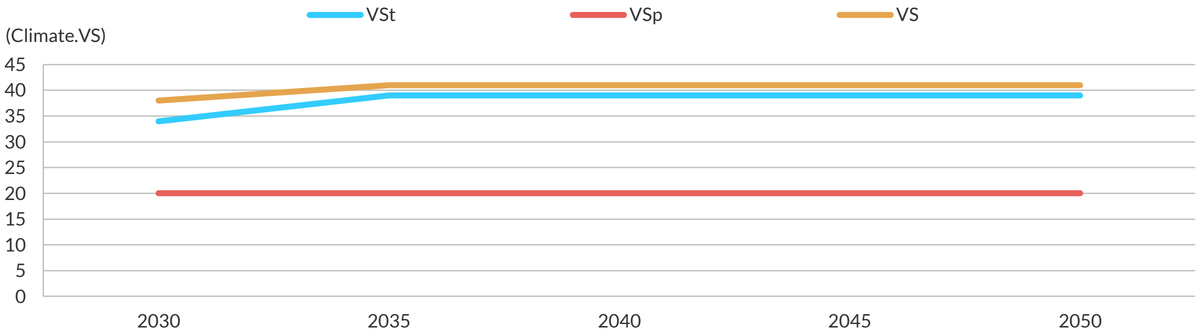
Source: Fitch Ratings, Fitch Solutions

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify credits with higher exposure to climate-related risks. If Fitch identifies an entity as higher risk (i.e. its Climate.VS in 2035 is 50 or higher), the entity receives additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Fitch's latest Climate Vulnerability Signals for Non-Financial Corporate Sectors report.

The Climate.VS for 2035 is 41 out of 100. This reflects a VSp of 20 and a VSt of 39.

Climate Vulnerability Signals

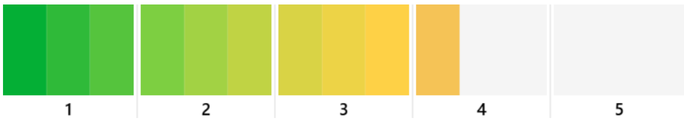


Source: Fitch Ratings

ESG Considerations

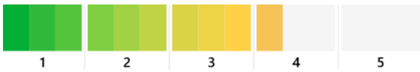
Hidrovias do Brasil S.A. has an ESG Relevance Score of '4' for Exposure to Environmental Impacts due to the significant impact that hydrological risks have on the company's operations, which has a negative impact on the credit profile, and is relevant to the rating[s] in conjunction with other factors.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.



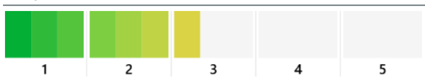
Environmental Relevance Scores

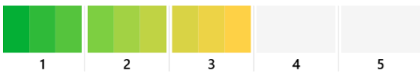
General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	Emissions from operations	Company Operational Characteristics
Energy Management	3	Fuel use in operations	Company Operational Characteristics; Profitability; Financial Structure
Water & Wastewater Management	2	Water usage in operations	Company Operational Characteristics
Waste & Hazardous Materials Management; Ecological Impacts	3	Management of ship-generated waste and cargo residue; cargo spills; operations in marine protected areas	Company Operational Characteristics
Exposure to Environmental Impacts	4	Extreme weather conditions' effect on operations	Financial Flexibility



Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	1	n.a.	n.a.
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Company Operational Characteristics; Profitability; Financial Structure
Employee Wellbeing	2	Worker safety and accident prevention	Management; Company Operational Characteristics; Profitability; Financial Structure
Exposure to Social Impacts	1	n.a.	n.a.





ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

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For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

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