



2Q23

EARNINGS RELEASE

São Paulo, August 14, 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 second quarter (2Q23) and first six months of 2023 (1H23). 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 2Q22 and 1H22.

Hidroviás do Brasil reports one more record result: highest volume, revenue and Adjusted EBITDA ever in a single quarter, in addition to strong cash generation and continuous deleveraging.

2023 and 1H23 Highlights

Volume: New record in volume since the Company's foundation, with expansion across all logistics corridors despite very strong comparison base, totaling **5.1 million** tons in 2Q23 (+10.3% vs. 2Q22). In 1H23, throughput was **9.4 million** tons (+16.3% vs. 1H22), attesting to the North Corridor's strength and competitiveness, the strong recovery of South Corridor, which started operating in regular navigation conditions, and the ramp-up of operations at Santos.

Net Operating Revenue¹: Highest Revenue ever in a single quarter, growing 12.7% from 2Q22 to **R\$567.0 million**, reflecting both the record volume and higher average tariffs at the main logistics corridors. In 1H23, Revenue surpassed **R\$1.0 billion**, increasing 20.5% from the same period in 2022.

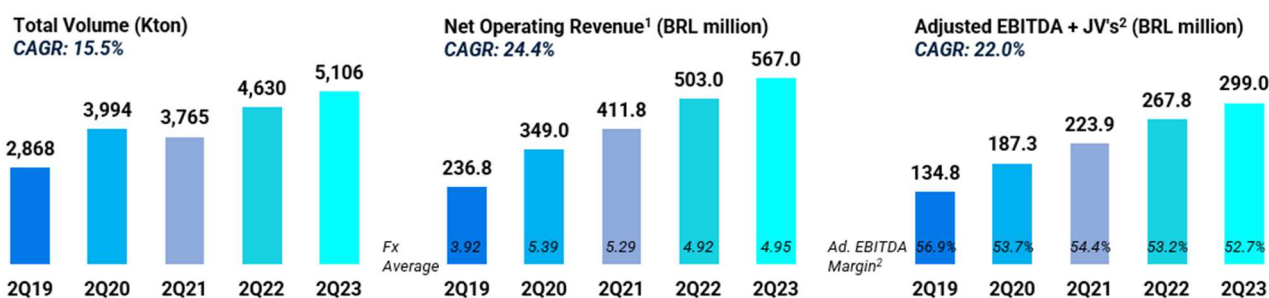
Adjusted EBITDA + EBITDA from Joint ventures²: Fifth straight quarter of growth compared to the same periods in previous years. Adjusted EBITDA, including EBITDA from Joint Ventures, totaled **R\$299.0 million** in 2Q23 (+11.7% vs. 2Q22) and **R\$510.3 million** in 1H23 (+20.2% vs. 1H22).

CAPEX: **R\$59.5 million** in 2Q23 (-33.5% vs. 2Q22), with some disbursements postponed to the second half of the year without affecting the estimated amount for the year. In 1H23, CAPEX totaled **R\$142.5 million** (-9.8% vs. 1H22), mainly due to the payment of installments related to the construction of new pusher boats to be used in North and the docking process carried out in the cabotage asset.

Leverage: Significant reduction of 1.7x in Net Debt/EBITDA ratio compared to the same period last year and 0.54x compared to the immediately previous quarter, totaling **4.04x**, positively impacted by the robust operating result presented in the period.

Consolidated Result	2023	2022	Ch. %	1H23	1H22	Ch. %
Volume (kt)	5,106	4,630	10.3%	9,467	8,139	16.3%
Volume (South Corridor)	1,755	1,706	2.9%	3,004	2,757	9.0%
Volume (North Corridor)	2,197	2,179	0.8%	4,211	3,818	10.3%
Volume (Coastal Navigation)	837	745	12.3%	1,619	1,564	3.5%
Volume (Santos)	317	-	-	632	-	-
Net Operating Revenue¹ (BRL million)	567.0	503.0	12.7%	1,040.6	863.3	20.5%
Net Operating Revenue (South Corridor)	257.0	244.7	5.0%	429.5	369.9	16.1%
Net Operating Revenue (North Corridor)	228.0	200.4	13.8%	441.7	376.2	17.4%
Net Operating Revenue (Coastal Navigation)	56.0	58.1	-3.5%	115.8	117.4	-1.3%
Net Operating Revenue (Santos)	26.0	(0.1)	-	53.6	(0.1)	-
Adjusted EBITDA + JVs² (BRL million)	299.0	267.8	11.7%	510.3	424.6	20.2%
Adjusted EBITDA (South Corridor + JV's)	150.8	126.4	19.3%	208.5	161.4	29.2%
Adjusted EBITDA (North Corridor)	146.5	133.6	9.6%	282.7	241.9	16.9%
Adjusted EBITDA (Coastal Navigation)	19.2	36.0	-46.7%	48.8	69.5	-29.8%
Adjusted EBITDA (Santos)	12.5	(1.9)	-	26.6	(2.4)	-
Adjusted EBITDA (Holding)	(30.0)	(26.3)	14.0%	(56.3)	(45.8)	23.1%
CAPEX (BRL million)	59.5	89.5	-33.5%	142.5	157.9	-9.8%
Leverage	4.0x	5.7x	-1.7x	4.0x	5.7x	-1.7x

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



Message from Management

“We ended the second quarter of 2023, once again with record volume and the highest result ever posted by the Company in a single quarter, which, though quite significant, is still below our installed capacity since Santos is in the development phase, underscoring our strong and solid fundamentals.

Throughput in the period was **5.1 million** tons, fueled by growth across all logistics corridors, despite the strong comparison base, since the 2Q22 result was already a record. Net Operating Revenue ex-hedge accounting totaled **R\$567.0 million**, reflecting the growing volume and better average tariffs, while Adjusted EBITDA including EBITDA from Joint Ventures totaled **R\$299.0 million**, up 11.7% year on year, and adjusted EBITDA came to a strong 53%.

This result reflects the excellence of our team – which tirelessly seeks alternatives and options that add value to our business, as well as favorable external conditions with better draft in rivers where we navigate in the South Corridor and the bumper grain harvest in Brazil, with a significant volume destined for export in the North Corridor.

In addition to our operations, we are also focused on concluding the Company’s first major investment cycle, with the conclusion of payment for new pusher boats and hybrid shunt pushers, which will be used in the North Corridor, and investments in developing rail shipments in Santos so that, starting from 2024, we can generate significant cash flows that will be used for deleveraging, without passing up growth opportunities in the short term.

On the sustainability front – one of our main strategic pillars – it is worth highlighting the publication in early August of Hidrovias’ first Integrated Report for 2022, prepared in accordance with the guidelines of the International Integrated Reporting Council (IIRC) and the standards issued by the Global Reporting Initiative (GRI). The report, which has external assurance, represents another milestone in our Commitment to Sustainability, helping Hidrovias do Brasil to be a reference and play a significant role in the development of a more competitive and efficient logistics matrix in Brazil and South America.

The first six months of 2023 gave us the confidence that we are moving in the right direction and that our strategic priorities are correct, unlocking value for shareholders and placing us in an increasingly important position in the sector with tremendous opportunities in the future.

Fabio Schettino

CEO of Hidrovias do Brasil

Performance by *Corridor*

South Corridor

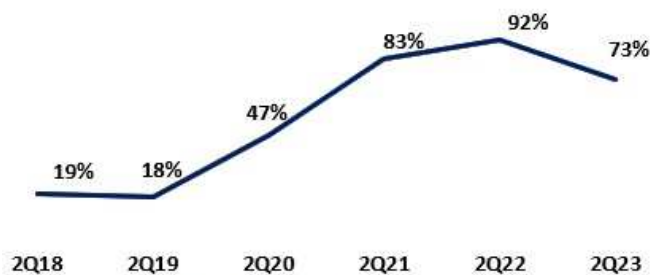


Volume (kt)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
South Corridor	1,755	1,706	2.9%	3,004	2,757	9.0%
Iron Ore	1,095	1,087	0.7%	1,904	1,731	10.0%
Grains	273	200	36.7%	428	345	24.2%
Fertilizers	67	11	>100%	122	18	>100%
Other	-	15	-	-	15	-
Total before JV's	1,435	1,313	9.3%	2,454	2,109	16.4%
Participation in JV's ¹	319	393	-18.7%	550	648	-15.1%

¹Interest 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 2Q23 with record volume of ~**1.7 million** tons in the South Corridor (+2.9% vs. 2Q22), driven by improved navigation conditions in the region and better grain harvest in Paraguay destined for exports. In 1H23, total throughput was ~**3.0 million** tons (+9.0% vs. 1H22).

Market Share - Iron ore in Corumbá(%)



Source: Comexstat, Antaq and internal data

We shipped ~**1.1 million** tons of iron ore (+0.7% vs. 2Q22), in line with the historical seasonality of the Parana-Paraguay basin (HPP) whose draft is higher during the period, mainly driven by the volume established in the long-term agreement with MCR and spot agreements with other mining companies in the region.

Volume of iron ore shipped in 1H23 was ~**1.9 million** tons (+10.0% vs. 1H22). Our differentiated agreements and assets have consolidated our leadership position in this cargo. We ended 2Q23 with market share of 73% (vs. 92% in 2Q22 and 83% in 2Q21, when we were one of the few players capable of operating in a scenario of restricted navigation).

Grain volume in the quarter was ~**273,000** tons (+36.7% vs. 2Q22), thanks to the better grain harvest in Paraguay, which returned to historical levels after a year of significant shortfall. In 1H23, total grain throughput was **428,000** tons (+24.2% vs. 1H22).

As such, we ended the quarter in a prominent position and as absolute leaders in the Paraná-Paraguay Waterway, with market share of 32%.

We remain very positive about navigation conditions in the region, which should follow the historical seasonality curve. The latest weather forecasts indicate influence of the El Niño phenomenon of strong intensity starting from October and last through at least 1Q24, bringing above-average rainfall and raising river draft to higher levels than those registered in the same periods in 2022.

South Corridor (BRL million)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Net Revenue¹	291.9	158.4	84.3%	473.7	384.7	23.1%
Operating Net Revenue	257.0	244.7	5.0%	429.5	369.9	16.1%
Hedge Accounting ²	35.0	(86.3)	-	44.2	14.8	>100%
Operating Costs	(105.6)	(124.7)	-15.3%	(211.6)	(212.8)	-0.6%
Operating Costs	(105.6)	(124.7)	-15.3%	(211.6)	(212.8)	-0.6%
Operating Expenses (Revenue)	(11.5)	(11.0)	4.7%	(23.7)	(19.4)	22.3%
AFRMM, Tax Credits and Other	(0.0)	0.8	-	0.2	1.1	-82.1%
Equity Accounting	7.7	13.1	-41.3%	7.5	14.9	-49.8%
EBITDA	182.5	36.7	>100%	246.2	168.6	46.0%
EBITDA Margin %	71.0%	15.0%	56.0 p.p.	57.3%	45.6%	11.7 p.p.
Hedge Accounting ²	(35.0)	86.3	-	(44.2)	(14.8)	>100%
Equity Accounting	(7.7)	(13.1)	-41.3%	(7.5)	(14.9)	-49.8%
Adjusted EBITDA	139.9	109.9	27.3%	194.4	138.9	40.0%
Adjusted EBITDA Margin %	54.4%	44.9%	9.5 p.p.	45.3%	37.5%	7.7 p.p.
JV's	11.0	16.5	-33.5%	14.1	22.4	-37.2%
Adjusted EBITDA + JV's	150.8	126.4	19.3%	208.5	161.4	29.2%
Adjusted EBITDA Margin + JV's %	58.7%	51.6%	7.1 p.p.	48.6%	43.6%	4.9 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 is non-cash.

Net Operating Revenue ex-hedge accounting: **R\$257.0 million** (+5.0% vs. 2Q22), mainly due to higher throughput and higher average tariffs in the period, with no impact of exchange rate variation on the translation of the result (+0.6% vs. 2Q22). Net Operating Revenue in USD was US\$52.0 million in 2Q23, compared to US\$50.2 million in 2Q22 (+3.6%).

In 1H23, Net Operating Revenue ex-hedge accounting amounted to **R\$429.5 million** (+16.1% vs. 1H22). In 1H23, Net Operating Revenue in USD was US\$85.2 million (vs. US\$74.4 million in 1H22).

Operating Costs: Decreased 15.3% from 2Q22 to R\$105.6 million, reflecting the higher dilution of fixed costs, down 10% year on year, resulting from better operating efficiency and the reduction in insurance line after efficient negotiations, as well the reduction in certain variable costs such as lower fuel prices and consumption and lower equipment rentals, thanks to the resumption of operations to regular draft levels.

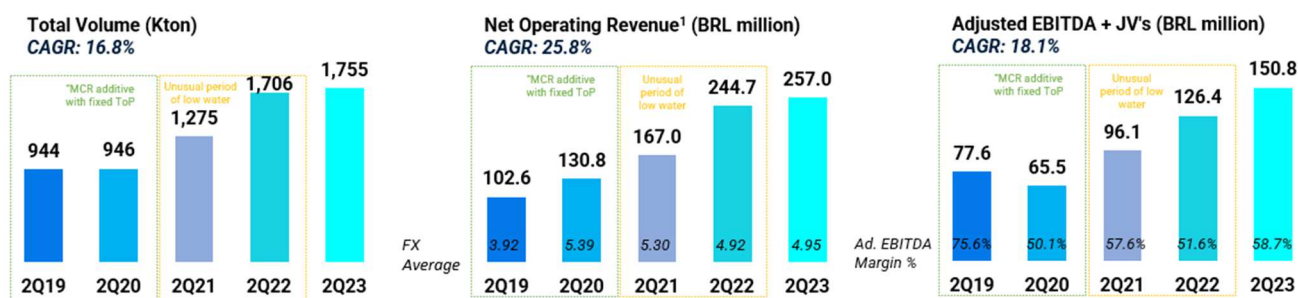
In 1H23, Operating Costs totaled R\$211.6 million (-0.6% vs. 1H22).

Operating Expenses: Totaled R\$11.5 million in 2Q23 (+4.7% vs. 2Q22), explained by higher rents due to annual adjustments, which were partially offset by a decrease in third-party expenses, and total growth was in line with Revenue growth.

In 1H23, Operating Expenses totaled R\$23.7 million (+22.3% vs. 1H22), explained by the effects mentioned above and higher deferred taxes (IVA) than in the previous periods, especially in 1Q23.

Adjusted EBITDA + EBITDA from Joint ventures: Our operations continue to grow, which benefited from normal draft conditions in mid-February this year. We ended 2Q23 with the highest Adjusted EBITDA, including EBITDA from Joint Venture, in a single quarter, totaling **R\$150.8 million** (+19.3% vs. 2Q22). Adjusted EBITDA margin, including Joint Ventures, also recovered strongly to 58.7% (+7.1 p.p. vs. 2Q22). Adjusted EBITDA + Joint Ventures in USD was US\$30.5 million in 2Q23 (vs. US\$25.7 million in 2Q22).

In 1H23, Adjusted EBITDA, including EBITDA from Joint Ventures, totaled **R\$208.5 million** (+29.2% vs. 1H22), with Adjusted EBITDA margin of 48.6% (+4.9 p.p. vs. 1H22). Adjusted EBITDA in USD was US\$41.5 million in 1H23 (vs. US\$32.5 million in 1H22).



North Corridor



Volume (kt)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
North Corridor	2,197	2,179	0.8%	4,211	3,818	10.3%
Grains "Integrated System"	1,765	1,529	15.4%	3,239	2,787	16.2%
Grains "Direct road" ¹	330	605	-45.5%	721	927	-22.2%
Fertilizers	103	45	>100%	251	104	>100%

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.

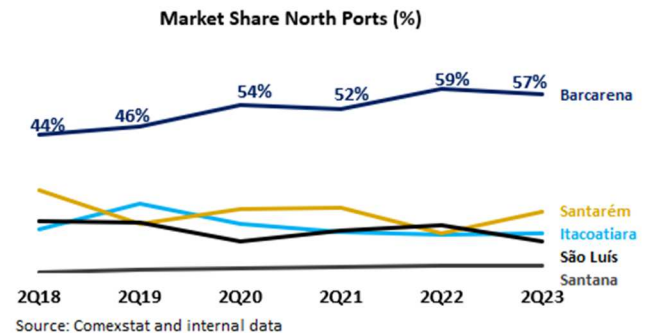
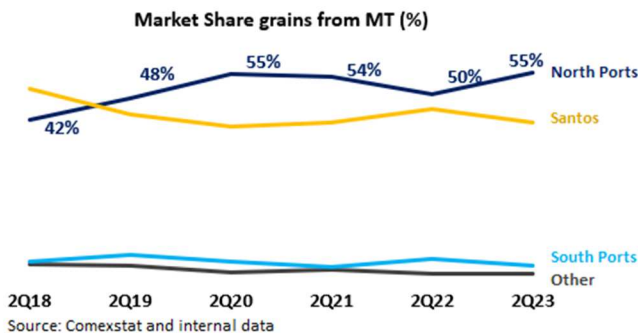
The North Corridor once again registered volume growth despite the strong comparison base, when actual throughput exceeded the Company's estimated capacity throughout 2022.

Grain throughput in the integrated system totaled **~1.8 million** tons in 2Q23, up 15.4% from 2Q22, amid collection of tolls across all toll plazas on the BR-163 Highway, which attests to the strong competitiveness of the North system. In 1H23, total grain throughput was **~3.2 million** tons in the integrated system (+16.2% vs. 1H22).

The significant volume was also driven by grains received directly at our Private Use Terminal (TUP) in Barcarena, mostly originating in Pará, totaling **330,000 tons** in 2Q23 (-45.5% vs. 2Q22) and **721,000 tons** in 1H23 (-22.2% vs. 1H22). Volume from "direct road" was not higher in the periods due to the lack of capacity to meet the strong demand since the Company gives priority to volumes originating from the more profitable integrated system.

Backhauling cargo (fertilizers) totaled **103,000 tons** in 2Q23 and **251,000 tons** in 1H23, returning to historical levels and in line with the bumper harvest projected for Brazil.

The North Arch Ports continued to gain market share in exports of grains originating from Mato Grosso, accounting for 55% of total throughput in 2Q23 (+5 p.p. vs. 2Q22), while the Port of Santos declined 3 p.p. in the same period. Barcarena retains its leadership position among the North Arch Ports, with market share of 57% (vs. 59% in 2Q22).



Estimates of grains produced in Brazil and destined for exports remain strong. There was little investment in additional capacity for the short term in diverse logistics corridors, which resulted in a very positive scenario for all players in 2024, more so for Hidroviás do Brasil, which, in line with its pioneering and leadership position in the sector, made marginal investments in line with its correct strategy of operating additional volume through the "asset light solution" as early as next year.

North Corridor (BRL million)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Net Revenue¹	228.0	200.4	13.8%	441.7	376.2	17.4%
Operating Net Revenue	228.0	200.4	13.8%	441.7	376.2	17.4%
Operating Costs	(78.5)	(64.6)	21.6%	(149.4)	(126.9)	17.7%
Operating Costs	(78.5)	(64.5)	21.6%	(149.4)	(126.9)	17.7%
Operating Costs "OTM" ²	-	(0.0)	-	-	(0.1)	-
Operating Expenses (Revenue)	(8.9)	(7.8)	14.8%	(21.4)	(16.0)	33.8%
AFRMM, Tax Credits and Other	0.1	0.2	-38.0%	0.2	0.2	3.3%
Equity Accounting	(0.0)	0.2	-	0.0	0.2	>100%
EBITDA	140.6	128.4	9.5%	271.1	233.6	16.1%
EBITDA Margin %	61.7%	64.1%	-2.4 p.p	61.4%	62.1%	-0.7 p.p
Equity Accounting	0.0	(0.2)	-	(0.0)	(0.2)	>100%
Non-recurring ³	5.8	5.5	6.8%	11.6	8.5	36.3%
Adjusted EBITDA	146.5	133.6	9.6%	282.7	241.9	16.9%
Adjusted EBITDA Margin %	64.3%	66.7%	-2.4 p.p	64.0%	64.3%	-0.3 p.p

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

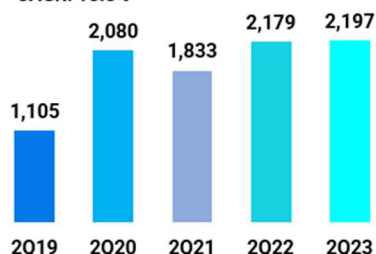
Net Operating Revenue: increased 13.8% from 2Q22 to **R\$228.0 million**, notably due to the more profitable service mix in the period (80% volume originating from the integrated system vs. 70% in 2Q22) and higher average tariffs. In 1H23, Net Operating Revenue was **R\$441.7 million** (+17.4% vs. 1H22), due to the effects mentioned above.

Operating Costs: R\$78.5 million in 2Q23 (+21.6% vs. 2Q22), impacted by non-recurring effects of commissioning and preparation of new pusher boats, which will be subsequently used for large convoys, and new hybrid shunt pushers, which will be used in this operation to support our decarbonization plan. In 1H23, Operating Costs totaled R\$149.4 million (+17.7% vs. 1H22).

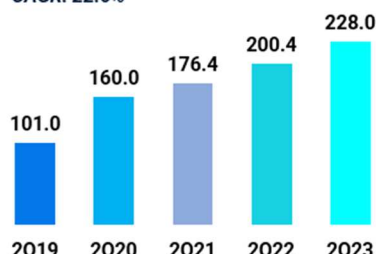
Operating Expenses: R\$8.9 million (+14.8% vs. 2Q22), mainly reflecting the non-recurring impacts related to environmental studies and license renewals. In 1H23, Operating Expenses totaled R\$21.4 million (+33.8% vs. 1H22).

Adjusted EBITDA: One more quarter of record result despite strong comparison bases and the use of 100% of estimated capacity. Adjusted EBITDA in 2Q23 came to **R\$146.5 million** (+9.6% vs. 2Q22), with a robust margin of 64.3% (vs. 66.7% vs. 2Q22). In 1H23, Adjusted EBITDA came to **R\$282.7 million** (+16.9% vs. 1H22), with EBITDA margin of 64.0% (vs. 64.3% in 1H22).

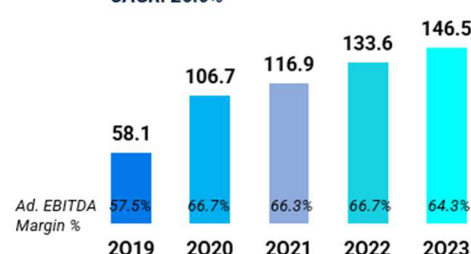
Total Volume (Kton)
CAGR: 18.8%



Net Operating Revenue¹ (BRL million)
CAGR: 22.6%



Adjusted EBITDA (BRL million)
CAGR: 26.0%



Coastal Navigation



Volume (kt)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Coastal Navigation	837	745	12.3%	1,619	1,564	3.5%
Bauxite	837	745	12.3%	1,619	1,564	3.5%

Bauxite throughput in 2Q23 reached **837,000 tons** (+12.3% vs. 2Q22), in line with historical data, representing the dedicated agreement with Hydro/Alunorte, which is 100% in the "take or pay" model and, hence, enables predictability of revenues.

In 1H23, bauxite throughput was **~1.6 million tons**, up 3.5% year on year.

Coastal Navigation (BRL million)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Net Revenue	51.6	53.7	-3.9%	106.5	108.2	-1.6%
Operating Net Revenue	56.0	58.1	-3.5%	115.8	117.4	-1.3%
Hedge Accounting ¹	(4.4)	(4.4)	0.6%	(9.3)	(9.1)	1.8%
Operating Costs	(39.8)	(25.2)	57.7%	(72.4)	(54.8)	32.0%
Operating Costs	(39.8)	(25.2)	57.7%	(72.4)	(54.8)	32.0%
Operating Expenses (Revenue)	(1.2)	(1.5)	-18.7%	(2.7)	(2.3)	14.6%
AFRMM, Tax Credits and Other ²	3.2	3.0	5.8%	6.0	6.7	-10.7%
EBITDA	13.8	30.0	-54.0%	37.5	57.8	-35.2%
EBITDA Margin %	24.6%	51.6%	-27.0 p.p	32.3%	49.2%	-16.9 p.p
Hedge Accounting ¹	4.4	4.4	0.6%	9.3	9.1	1.8%
Non-recurring ³	0.9	1.6	-40.6%	2.0	2.6	-21.4%
Adjusted EBITDA	19.2	36.0	-46.7%	48.8	69.5	-29.8%
Adjusted EBITDA Margin %	34.2%	61.9%	-27.7 p.p	42.1%	59.2%	-17.1 p.p

¹Hedge Accounting: The Company's functional currency is the Brazilian real. However, Coastal Navigation agreements are denominated in U.S. dollar. Therefore, hedge accounting was used to mitigate foreign exchange exposure, with the existing dollar-denominated debt hedging a part of long-term agreements in foreign currency. This procedure is non-cash. ²AFRMM, Tax Credits and Other in Coastal Navigation includes the positive effect 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.

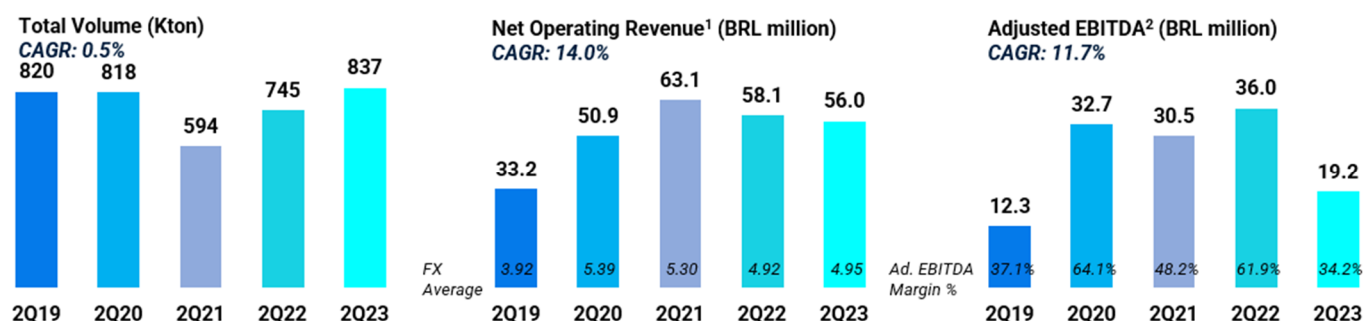
Net Operating Revenue ex-hedge accounting: **R\$56.0 million** in 2Q23 (vs. R\$58.1 million in 2Q22), explained by lower non-tariff revenue booked in the period and the non-booking of the marginal difference in tariff being negotiated with a client. During the period, there was practically no effect of exchange variation, which remained stable. In 2Q23, Net Operating Revenue in USD was US\$11.4 million (vs. US\$11.7 million in 2Q22).

In 1H23, Net Operating Revenue ex-hedge accounting totaled **R\$115.8 million** (vs. R\$117.4 million in 1H22). Net Operating Revenue in USD was US\$22.9 million in 1H23 (vs. US\$23.2 million in 1H22).

Operating Costs: R\$39.8 million in the quarter (+57.7% vs. 2Q22), mainly explained by the impact of additional costs to sustain operations during the docking period of one of the dedicated ships – with rental of third-party ship during the scheduled maintenance of the ship, which totaled around R\$9.0 million in the period, in addition to higher operating costs since the third-party ship is less productive. In 1H23, operating costs totaled R\$72.4 million (+32.0% vs. 1H22). Note that the impact of docking is in line with the Company's expectations for the year, already considering higher payments related to the current lack of capacity of specialized shipyards.

Operating Expenses: totaled R\$1.2 million (-18.7% vs. 2Q22), explained by the efforts to control and reduce expenses to mitigate the already expected impacts of docking. In 1H23, Operating Expenses totaled R\$2.7 million (+14.6% vs. 1H22).

Adjusted EBITDA: R\$19.2 million (-46.7% vs. 2Q22), reflecting the impacts mentioned above, with Adjusted EBITDA margin remaining at a healthy 34.2% (vs. 61.9% in 2Q22 – higher than historical levels due to higher booking of non-tariff revenue in the period). Adjusted EBITDA in USD was US\$3.9 million in 2Q23 (vs. US\$7.2 million in 2Q22). In 1H23, Adjusted EBITDA from this operation was R\$48.8 million (vs. R\$69.5 million in 1H22), with Adjusted EBITDA margin of 42.1% (vs. 59.2% in 1H22) and in USD was US\$9.6 million (vs. US\$13.8 million in 1H22).



Santos



Volume (kt)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Santos	317	-	n/a	632	-	n/a
Fertilizers	317	-	n/a	632	-	n/a

We ended 2Q23 with fertilizer throughput of **317,000 tons** in the STS20 area at the Port of Santos. This operation is still in the volume growth phase after a period of shutdown for renovation and modernization.

In 1H23, fertilizer throughput was **632,000 tons**, in line with the Company's expectations and within the estimated growth curve, with the start of salt throughput during 2023 and rail shipments in 2024.

Note that this operation has become very important in the region and Hidrovias do Brasil already accounts for 19% of total fertilizer throughput at the Port of Santos.

Santos (BRL million)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Net Revenue	26.0	(0.1)	-	53.6	(0.1)	-
Operating Net Revenue	26.0	(0.1)	-	53.6	(0.1)	-
Operating Costs	(11.8)	(0.8)	>100%	(22.6)	(0.9)	>100%
Operating Costs	(11.8)	(0.8)	>100%	(22.6)	(0.9)	>100%
Operating Expenses (Revenue)	(3.0)	(1.7)	78.8%	(6.7)	(2.1)	>100%
AFRMM, Tax Credits and Other	0.0	0.6	-99.3%	0.0	0.6	-98.7%
EBITDA	11.2	(2.0)	-	24.3	(2.5)	-
EBITDA Margin %	43.2%	-	-	45.3%	-	-
Non-recurring ¹	1.3	0.1	>100%	2.4	0.1	>100%
Adjusted EBITDA	12.5	(1.9)	-	26.6	(2.4)	-
Adjusted EBITDA Margin %	48.0%	-	-	49.7%	-	-

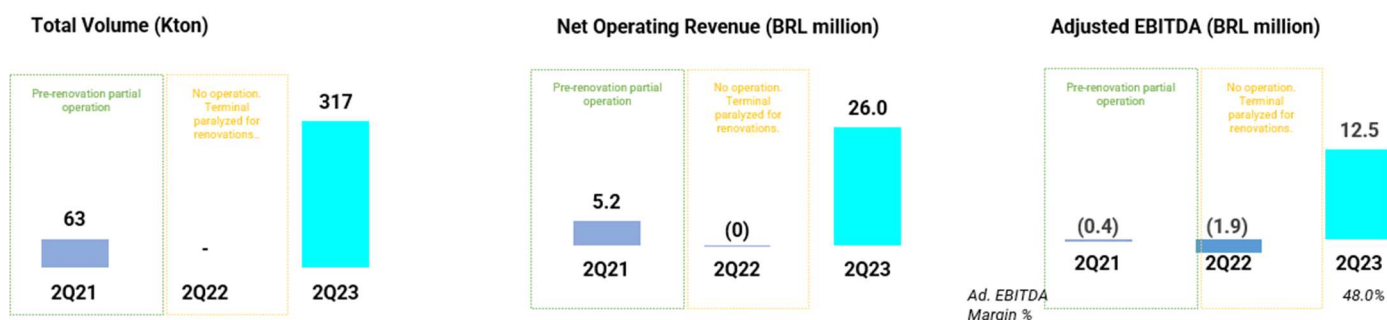
¹Non-recurring effects are shown in the document attached to this report.

Net Operating Revenue: R\$26.0 million in 2Q23, reflecting fertilizer throughput during the quarter and in line with the Company's estimates. In 1H23, Net Operating Revenue amounted to **R\$53.6 million**.

Operating Costs: R\$11.8 million in 2Q23, of which around 70% are fixed costs and will be diluted as the operation grows. In 1H23, operating costs totaled R\$22.6 million.

Operating Expenses: R\$3.0 million in 2Q23 and R\$6.7 million in 1H23.

Adjusted EBITDA: totaled **R\$12.5 million** in the quarter, with Adjusted EBITDA margin of 48.0%. In 1H23, adjusted EBITDA totaled **R\$26.6 million**, with margin of 49.7%. Also note that the amounts shown in the table above for the second quarter of 2022 and the first half of 2022 show the booking of pre-operating costs and expenses of the non-operating terminal that were classified mostly as CAPEX following the guidelines of CPC 27 (Property, plant and equipment).



Holding Company

Holding (BRL million)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Operating Expenses (Revenue)	(19.7)	(20.4)	-3.5%	(38.1)	(37.4)	2.0%
AFRMM, Tax Credits and Other	0.0	0.0	-11.6%	0.1	(0.1)	-
Equity Accounting	(1.1)	(1.1)	1.7%	(2.2)	(1.6)	43.8%
EBITDA	(20.7)	(21.4)	-3.2%	(40.3)	(39.1)	3.1%
Equity Accounting	1.1	1.1	1.7%	2.2	1.6	43.8%
Non-recurring ¹	(10.4)	(6.0)	73.0%	(18.3)	(8.2)	>100%
Adjusted EBITDA	(30.0)	(26.3)	14.0%	(56.3)	(45.8)	23.1%
% Consolidated Net Operating Revenue	(5.3%)	(5.2%)	-0.1p.p	(5.4%)	(5.3%)	-0.1p.p

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

Adjusted result of the Holding Company was an expense of **R\$30.0 million** in 2Q23 (+14.0% vs. 2Q22), impacted by the need to develop systems to enhance internal controls and governance practices. Also worth highlighting is that the main account, related to people, remained stable in relation to the same period last year, and that corporate expenses continue to represent around 5% of consolidated Net Operating Revenue, very competitive level when compared to other players in the industry. In 1H23, the adjusted result of the Holding Company was an expense of **R\$56.3 million** (+23.1% vs. 1H22).

Consolidated Result

Consolidated Result (BRL million)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Net Revenue	597.5	412.3	44.9%	1,075.6	869.0	23.8%
Net Operating Revenue ¹	567.0	503.0	12.7%	1,040.6	863.3	20.5%
Hedge Accounting ²	30.5	(90.7)	-	34.9	5.6	>100%
Operating Costs	(235.7)	(215.3)	9.5%	(455.9)	(395.4)	15.3%
Operating Costs	(235.7)	(215.2)	9.5%	(455.9)	(395.4)	15.3%
Operating Expenses (Revenues)	(44.3)	(42.3)	4.7%	(92.7)	(77.3)	19.9%
AFRMM, Tax Credits and Other	3.3	4.6	-28.7%	6.4	8.5	-24.3%
Equity Accounting	6.6	12.3	-46.0%	5.2	13.6	-61.4%
EBITDA	327.5	171.6	90.8%	538.7	418.4	28.8%
EBITDA Margin %	57.8%	34.1%	+23.6p.p	51.8%	48.5%	+3.3p.p
Depreciation & Amortization	(84.3)	(81.5)	3.4%	(169.3)	(167.6)	1.0%
EBIT	243.2	90.2	>100%	369.4	250.7	47.3%
Financial Result	(118.8)	(71.6)	66.0%	(218.9)	(157.5)	39.0%
Net Income before Income Tax	124.3	18.5	>100%	150.5	93.2	61.5%
Income Tax	(6.5)	3.5	-	(12.6)	(38.0)	-66.9%
Net profit	117.9	22.0	>100%	137.9	55.3	>100%

¹Net Operating Revenue excludes the effect of hedge accounting and intercompany between the Company's subsidiaries. ²Hedge Accounting: the Company's functional currency is the Brazilian Real, however the Southern Corridor and Coastal Shipping contracts are denominated in US dollars. 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 movement has no cash impact.

CAPEX

Consolidated CAPEX (BRL million)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Maintenance	42.1	12.7	>100%	56.5	18.3	>100%
Expansion	17.4	76.8	-77.3%	64.8	119.6	-45.8%
STS20 Grant	-	-	-	21.2	20.1	5.4%
Total CAPEX	59.5	89.5	-33.5%	142.5	157.9	-9.8%

Consolidated CAPEX in 2Q23 was **R\$59.5 million** (-33.5% vs. in 2Q22), of which:

- i) R\$42.1 million went to scheduled maintenance of assets: with recurring maintenance and greater concentration of the impact of the docking of the cabotage ship, which was taken to a shipyard in Portugal early this year.
- ii) R\$17.4 million for expansion: for payment of pusher boats, which will help increase the navigation capacity of the North operation due to their ability to move large convoys, and hybrid shunt pushers, which are aligned with our decarbonization goal, thus supporting the development of a cleaner and more sustainable transport. In this context,

also note that a portion of these investments in expansion were postponed to the second half of 2023, without changing the plan for the year.

Consolidated CAPEX in 1H23 totaled **R\$142.5 million** (-9.8% vs. 1H22) and is related to the end of the major investment cycle initially made by the Company.

We remain highly diligent in our investments, following our strategy of pursuing avenues for strong cash generation starting from 2024, which will enable the Company to deleverage continuously without missing opportunities to increase its capacity in the short term, thus consolidating its leadership of the logistics market and making it more competitive through innovative solutions for South American producers.

Financial Result

Financial Result (BRL million)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Total Financial Income	10.0	26.2	-61.7%	16.6	27.7	-40.1%
Total Financial Expense	(112.3)	(74.8)	50.2%	(215.4)	(207.3)	3.9%
Financial Expense	(85.0)	(70.8)	19.9%	(176.5)	(203.4)	-13.2%
Derivative Financial Instruments	(27.4)	(4.0)	>100%	(38.9)	(4.0)	>100%
Fx variation ¹	(16.5)	(23.1)	-28.3%	(20.1)	22.1	-
Total Financial Result	(118.8)	(71.6)	66.0%	(218.9)	(157.5)	39.0%

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 2Q23 with Financial Result of **(R\$118.8) million** (+66.0% vs. 2Q22), whose main components are:

- i) **Total Financial Income:** R\$10.0 million (vs. R\$26.2 million in 2Q22), due to the change in the Company's investment portfolio that reduced its exposure to foreign exchange funds and increased its investments in domestic fixed-income funds, which resulted in less effects of exchange variation on the result.
Note that financial income in 2Q22 was positively affected by the appreciation of USD against BRL in the period (which generated investment gains of R\$25.2 million) and, if the Company not made said allocation in 2Q23, it would have incurred investment losses of around R\$8.0 million (compared to Income of R\$10.0 million reported).
- ii) **Total Financial Expenses:** (R\$112.3) million (+19.9% vs. 2Q22), due to the new capital structure that now includes derivative instruments contracted since June 2022.
- iii) **Exchange Variation:** (R\$16.5) million (vs. (R\$23.1) million in 2Q22), slight improvement caused by the appreciation of the Brazilian real in cash flow lines.

Financial Result in 1H23 was **(R\$218.9) million** (vs. (R\$157.5) million in 1H22).

Net Income

As a result of the above, Hidrovias do Brasil posted **record Net Income of R\$117.9 million** in 2Q23 (vs. Net Income of R\$22.0 million in 2Q22), mainly reflecting the solid operating result from all logistics corridors, which more than offset the effect on Financial Result and taxes.

Net Income in 1H23 was **R\$137.9 million** (vs. Net Income of R\$55.3 million in 1H22).

Cash Generation

Cash Flow (BRL million)	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Cash beginning of period	561.3	550.7	1.9%	753.4	672.3	12.1%
(+) EBITDA	327.5	171.6	90.8%	538.7	418.4	28.8%
(+/-) Change in working capital	(40.5)	(142.4)	71.6%	(204.6)	(161.0)	27.1%
(+/-) Hedge Accounting	(30.5)	90.7	-	(34.9)	(5.6)	>100%
= Operating Cash Flow (OCF)	256.4	120.0	>100%	299.1	251.7	18.8%
(-) CAPEX	(57.9)	(87.1)	33.6%	(103.3)	(115.7)	-10.7%
Recurring	(42.1)	(12.7)	>100%	(56.5)	(18.3)	>100%
Expansion	(15.8)	(74.4)	78.8%	(46.8)	(97.5)	-52.0%
(-) Grant	-	-	-	(21.2)	(20.1)	5.6%
= Investing Cash Flow (ICF)	(57.9)	(87.1)	-33.6%	(124.5)	(135.8)	-8.3%
(+/-) Debt Issuance/Amortization	4.2	6.0	-30.1%	(10.2)	(8.4)	21.1%
(-) Interest Payments	(17.3)	(14.6)	17.8%	(133.1)	(111.5)	19.4%
(-) Lease Payments	(15.4)	(14.2)	8.6%	(25.1)	(27.5)	-8.9%
(+/-) Funding costs/Bond repurchase	(0.2)	(0.3)	-9.2%	(0.2)	(0.3)	-9.2%
= Financing Cash Flow (FCF)	(28.7)	(23.1)	24.3%	(168.7)	(147.7)	14.2%
Impact of exchange rate variation on cash balances	13.4	47.5	-71.8%	(14.8)	(32.6)	-54.5%
= Cash Generation	183.3	57.3	>100%	(8.8)	(64.4)	-86.3%
Cash end of period	744.6	608.0	22.5%	744.6	608.0	22.5%

Operating cash generation in 2Q23 totaled R\$256.4 million, reflecting both the strong EBITDA growth of 90.8% in the period and the significant improvement in the working capital line, in which accounts receivable were more regular and in consonance with the historical seasonality of the business.

Investments in 2Q23 were lower year on year due to the postponement of some expenses to the second half of the year but without affecting the estimated amount for the year, partially offsetting the increase in interest payments caused by the Company's new capital structure.

As a result, we registered **strong cash flow of R\$183.3 million** in 2Q23 (vs. R\$57.3 million in 2Q22) and ended the accounting period with **R\$744.6 million in cash** (vs. R\$608.0 million in 2Q22) - a solid and extremely healthy position to cover the Company's short and medium-term requirements, which gives us greater assurance that no fresh funding will be needed in the short term.

However, in 1H23 the Company recorded cash burn of **(R\$8.8) million** (vs. cash burn of R\$64.4 million in 1H22) explained, on the one hand, by operational improvements, with EBITDA 28.8% higher year on year, and on the other, by the decline in working capital and higher interest payments.

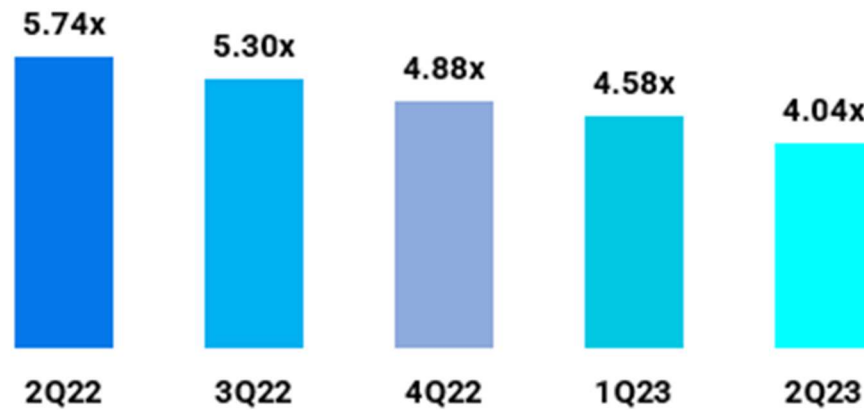
Debt

Indebtedness (BRL million)	2Q23	2Q22	Ch. %
Total in BRL	983.9	420.0	>100%
Total in USD	3,043.7	3,978.5	-23.5%
Gross Debt	4,027.6	4,398.5	-8.4%
Total in BRL	330.2	82.6	>100%
Total in USD	395.9	511.5	-22.6%
Box and Applications ¹	726.2	594.1	22.2%
Net Debt	3,301.5	3,804.4	-13.2%
Adjusted EBITDA ex-JV's LTM	817.9	662.8	23.4%
Net Debt/EBITDA ex-JV's LTM	4.04x	5.74x	-1.7x

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

We ended 2Q23 with a significant reduction of 13.2% in net debt, which totaled **R\$3,301 million** (vs. R\$3,804 million in 2Q22), mainly reflecting the effect of exchange variation on USD-denominated debt, as well as higher cash balance and investments in BRL. Leverage, considering Adjusted EBITDA ex-Joint Ventures in the last 12 months, stood at **4.04x**, the fourth straight reduction compared to previous periods, also improving 0.54x in relation to the previous quarter and 1.7x from the same period last year, reflecting both better operating results and the positive effects of the optimization of capital structure in 2022.

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

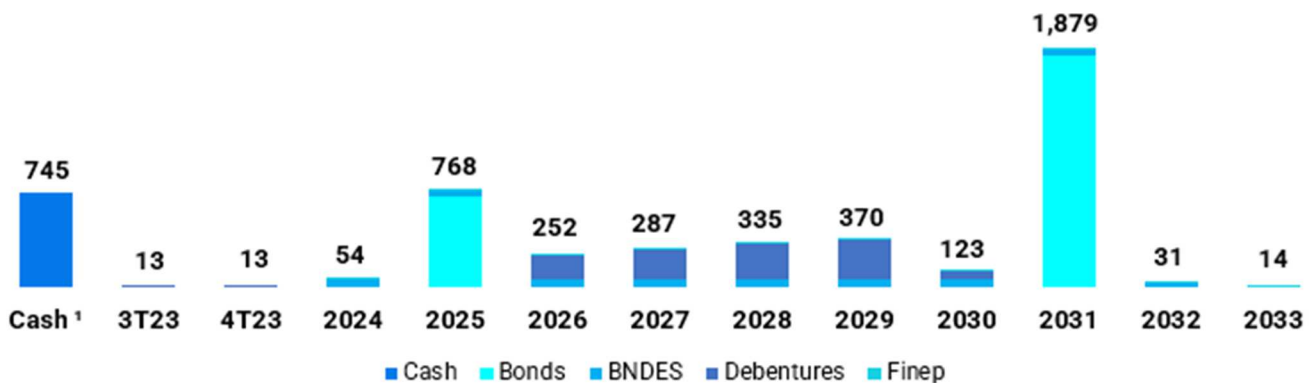


¹Considers Adjusted EBITDA for the last 12 months, excluding the impact of hedge accounting, equity accounting and non-recurring items in the period.

We remain focused on the Company's deleveraging process without losing sight of growth opportunities in the short term, thus consolidating our competitive position in the main logistics corridors where we operate.

Also note that the Company's current debt is "low cost", averaging 5% in U.S. dollar and with an extremely lengthy profile, as shown in the schedule:

Debt amortization schedule (BRL million)



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

Sustainability

On August 1, 2023, we published our first Integrated Report related to 2022, further reinforcing transparent communication with our stakeholders. The report was prepared in accordance with the guidelines of the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI) standards, and submitted to external assurance, representing a milestone for the Company in its journey of Commitment to Sustainability, by updating its goals and explaining its environmental, social, economic and governance initiatives.

The Report addresses themes considered material by Hidrovias do Brasil and its stakeholders, such as Corporate Governance, Strategic Management, Human Capital Development, Social, Environmental and Territorial Management, Responsibility in the Value Chain, Climate Strategy and Business Development.

“We are very proud to unveil our first integrated report, which reflects our ambition to build an increasingly sustainable future with shared value for all,” said Fabiana Gomes, Chief Sustainability Officer. “Here at the Company, we believe that no one can practice sustainability alone and the report is a transparent reflection of how we manage our operations, execute the business strategy and create value for all stakeholders in a balanced and sustainable manner.”

Disclaimer

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

Attachments

HIDROVIAS DO BRASIL S.A.

Statements of income

Six-month periods ended on June 30, 2023 and 2022

(In thousands of reais, except when stated otherwise)

	Consolidated	
	June 30, 2023	June 30, 2022
Net revenue	1,075,572	868,977
Cost of services provided	(595,632)	(520,786)
Gross profit	479,940	348,191
OPERATING EXPENSES		
General and administrative expense	(122,261)	(119,530)
Equity in the results of investees	5,244	13,571
Other revenues and (expenses)	6,453	8,510
Operating income before financial income and taxes	369,376	250,742
Financial income	20,989	23,959
Financial expenses	(239,854)	(181,474)
Financial income (loss)	(218,865)	(157,515)
Income (loss) before income tax and social contribution	150,511	93,227
Income tax and social contribution		
Current	(50,016)	(54,679)
Deferred	37,436	16,728
Profit for the period	137,931	55,276
Profit per share (expressed in Reais per share)		
Basic	0.1814	0.0727
Diluted	0.1814	0.0727

HIDROVIAS DO BRASIL S.A.

Statement of financial position on June 30 and December 31

(In thousands of reais)

ASSETS	Consolidated		LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated	
	June 30, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Current assets			Current liabilities		
Cash and cash equivalents	404,253	401,545	Accounts payable	135,686	190,603
Financial investments	321,897	333,015	Loans, financing, and debentures	207,248	192,819
Trade accounts receivable	212,656	212,572	Employee benefits	48,272	55,529
Inventories	102,629	106,443	Contingencies	21,603	32,020
Recoverable Taxes	142,824	129,164	Taxes payable	31,479	33,734
Advances to suppliers and prepayments	39,909	36,048	Income tax and social contribution	66,775	80,295
Transactions with related parties	-	-	Accounts payable with related parties	-	-
Dividends receivable	2,491	-	Advances from customers	4,989	16,785
Other credits	67,151	70,609	Lease liabilities	21,136	30,692
			Obligation with concession grant	18,359	17,231
			Other accounts payable	53,170	42,574
Total current assets	1,293,810	1,289,396	Total current liabilities	608,717	692,282
			Non-current liabilities		
Non-current assets			Loans, financing, and debentures	3,820,369	4,072,960
Other credits	18,856	-	Transactions with related parties	-	-
Financial investments	18,459	18,877	Derivative financial instruments	53,474	27,954
Transactions with related parties	4,959	5,369	Lease liabilities	213,183	199,832
Trade accounts receivable	4,000	4,800	Obligation with concession grant	18,241	36,722
Judicial deposits	92,797	68,761	Other accounts payable	21,669	2,974
Deferred Income tax and social contribution	143,881	131,110	Total non-current liabilities	4,126,936	4,340,442
Recoverable Taxes	46,548	82,454			
Prepayments	27,128	26,099	Shareholders' equity		
Investments	103,733	109,592	Capital	1,334,584	1,334,584
Fixed assets	3,904,297	4,091,335	Capital reserve	40,415	39,629
Right-of-use assets	225,295	193,399	Accumulated losses	(206,328)	(344,259)
Intangible assets	342,125	342,347	Other reserves	321,564	300,851
Total non-current assets	4,932,078	5,074,133	Total shareholders' equity	1,490,235	1,330,805
Total assets	6,225,888	6,363,529	Total liabilities and shareholders' equity	6,225,888	6,363,529

HIDROVIAS DO BRASIL S.A.

Statements of cash flows

Six-month periods ended on June 30, 2023 and 2022

(In thousands of reais)

	Consolidated	
	June 30, 2023	June 30, 2022
Cash flows from operating activities		
Profit for the period	137,931	55,276
Net cash generated by (used in) operating activities:		
Provisions for bonuses and gratuities	14,545	11,197
Income and social contribution taxes – current and deferred (note 24)	12,580	37,951
Derivative financial instruments (note 23)	38,934	3,958
Provision (Provision Reversal) for contingencies (note 15)	(10,391)	4,018
Interest incurred on loans (note 13)	155,972	131,994
Reversal of borrowing costs (note 13)	5,513	6,638
Monetary and exchange rate adjustment on loans	(1,345)	(19,826)
Interest and inflation adjustment – leasing (note 10 and 11)	10,992	7,636
Long-term incentive plan with restricted shares	(2,075)	2,935
(Gain) losses from securities	(10,017)	23,967
Depreciation and amortization (note 22)	153,091	133,234
Amortization of right-of-use assets (note 22)	16,206	34,453
Equity in the results of investees (note 8)	(5,244)	(13,571)
Revenue earned from hedge (note 28)	(34,938)	(5,640)
Write-off of lease (note 10)	(2)	(898)
Write-off of assets due to loss (note 9 and 10)	3,935	-
(Increase) decrease in operating assets:		
Accounts receivable	(12,145)	(105,134)
Inventories	1,351	(35,827)
Recoverable taxes	933	3,637
Advances to suppliers	(8,506)	7,844
Prepayments	(24,120)	(855)
Judicial deposits	(18,225)	7,952
Other credits		
Increase (decrease) in operating liabilities:		
Accounts payable	(20,965)	(2,838)
Employee benefits	(2,165)	(6,705)
Taxes payable	(11,749)	15,456
Advances from customers	(7,804)	33,329
Other accounts payable	(133,149)	(111,514)
Payment of interest on loans and financing	(39,400)	(60,435)
Net cash generated by (used in) operating activities	147,673	147,746

Cash flows from investing activities

Acquisition of fixed assets	(102,844)	(103,372)
Acquisition of intangible assets	(452)	(12,339)
Financial investments	(521,330)	(1,193,587)
Redemptions of financial investments	531,101	1,285,893
Dividends received	-	-
Loan granted between related parties	-	-
Capital increase (decrease) in subsidiaries	-	-
Net cash used in investing activities	(93,525)	(23,405)

Cash flows from financing activities

Borrowings and Funding cost	17,691	19,550
Concession lease	(21,176)	(20,054)
Lease paid	(25,064)	(27,510)
Amortization of principal - loans	(28,138)	(28,242)
Long term financial investments	(2,361)	-
Loan granted between related parties	410	388
Net cash generated by (used in) financing activities	(58,638)	(55,868)

Effects of exchange rate changes on the cash balance held in foreign currency	7,198	(20,998)
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Increase (Decrease) in cash and cash equivalents	2,708	47,475
Cash and cash equivalents in the beginning of the period	401,545	76,454
Cash and cash equivalents at the end of the period	404,253	123,929
Increase (Decrease) in cash and cash equivalents	2,708	47,475

North Corridor (BRL million)

Non-recurring	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Apportionment of corporate expenses for comparison with the past	5.8	5.5	8.2%	11.6	8.5	36.3%
Total	5.8	5.5	8.2%	11.6	8.5	36.3%

Coastal Navigation (BRL million)

Non-recurring	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Apportionment of corporate expenses for comparison with the past	0.9	1.6	-40.6%	2.0	2.6	-21.4%
Total	0.9	1.6	-40.6%	2.0	2.6	-21.4%

Santos (BRL million)

Non-recurring	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Apportionment of corporate expenses for comparison with the past	1.3	0.1	-	2.4	0.1	-
Total	1.3	0.1	-	2.4	0.1	-

Holding (BRL million)

Non-recurring	2Q23	2Q22	Ch. %	1H23	1H22	Ch. %
Apportionment of corporate expenses for comparison with the past	(8.3)	(7.1)	16.9%	(16.2)	(11.2)	44.6%
Stock option plan	(2.1)	1.1	-	(2.1)	2.9	-
Total	(10.4)	(6.0)	73.0%	(18.3)	(8.2)	>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 June 30, 2023 which comprises the statement of financial position as at June 30, 2023 the statement of income and the statement of comprehensive income for the three- and six-month periods then ended, and the statement of changes in equity and statement of cash flows for the six-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 six-month period ended June 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 six-month periods ended June 30, 2022 was reviewed by other independent auditors, who issued an unqualified conclusion thereon dated August 12, 2022.

São Paulo, August 14, 2023

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

Hector Ezequiel Rodriguez Padilla
CRC-1SP299427/O-9

Hidroviás do Brasil S.A

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

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

ASSETS	Note	Parent company		Consolidated	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Current assets					
Cash and cash equivalents	4	14,653	48,908	404,253	401,545
Financial investments	5	13,369	16,896	321,897	333,015
Trade accounts receivable	6.1	-	-	212,656	212,572
Inventories		-	-	102,629	106,443
Recoverable Taxes	7	10,588	10,290	142,824	129,164
Advances to suppliers and prepayments		2,793	1,218	39,909	36,048
Transactions with related parties	16	16,057	23,249	-	-
Dividends receivable	16	15,016	57,236	2,491	-
Other credits		12	3,434	67,151	70,609
Total current assets		72,488	161,231	1,293,810	1,289,396
Non-current assets					
Other credits		-	-	18,856	-
Financial investments	5	-	-	18,459	18,877
Transactions with related parties	16	4,819	5,218	4,959	5,369
Trade accounts receivable	6.1	-	-	4,000	4,800
Judicial deposits		32,383	32,383	92,797	68,761
Deferred Income tax and social contribution	24	71,463	25,925	143,881	131,100
Recoverable Taxes	7	-	-	46,548	82,454
Prepayments		115	160	27,128	26,099
Investments	8	2,372,426	2,113,283	103,733	109,592
Fixed assets	9	4,342	3,983	3,904,297	4,091,335
Right-of-use assets	10	1,958	2,498	225,295	193,399
Intangible assets	11	35,245	38,822	342,125	342,347
Total non-current assets		2,522,751	2,222,272	4,932,078	5,074,133
Total assets		2,595,239	2,383,503	6,225,888	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.Statement of financial position on June 30 and December 31
(In thousands of reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent company		Consolidated	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Current liabilities					
Accounts payable	12	8,737	11,790	135,686	190,603
Loans, financing, and debentures	13	77,081	58,394	207,248	192,819
Employee benefits	14	15,553	19,976	48,272	55,529
Contingencies	15	7,305	6,808	21,603	32,020
Taxes payable		4,942	4,952	31,479	33,734
Income tax and social contribution		-	-	66,775	80,295
Accounts payable with related parties	16	3,380	2,965	-	-
Advances from customers		-	-	4,989	16,785
Lease liabilities	10	857	665	21,136	30,692
Obligation with concession grant	11	-	-	18,359	17,231
Other accounts payable		6,771	9,008	53,170	42,574
Total current liabilities		124,626	114,558	608,717	692,282
Non-current liabilities					
Loans, financing, and debentures	13	906,794	888,098	3,820,369	4,072,960
Transactions with related parties	16	18,788	20,255	-	-
Derivative financial instruments	25	53,474	27,954	53,474	27,954
Lease liabilities	10	1,322	1,833	213,183	199,832
Obligation with concession grant	11	-	-	18,241	36,722
Other accounts payable		-	-	21,669	2,974
Total non-current liabilities		980,378	938,140	4,126,936	4,340,442
Shareholders' equity					
Capital	17	1,334,584	1,334,584	1,334,584	1,334,584
Capital reserve		40,415	39,629	40,415	39,629
Accumulated losses		(206,328)	(344,259)	(206,328)	(344,259)
Other reserves		321,564	300,851	321,564	300,851
Total shareholders' equity		1,490,235	1,330,805	1,490,235	1,330,805
Total liabilities and shareholders' equity		2,595,239	2,383,503	6,225,888	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

Six-month periods ended on June 30, 2023 and 2022

(In thousands of reais, except when stated otherwise)

	Note	Parent Company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net revenue	21	-	-	1,075,572	868,977
Cost of services provided	22.1	-	-	(595,632)	(520,786)
Gross profit		-	-	479,940	348,191
OPERATING EXPENSES					
General and administrative expense	22.1	(45,072)	(44,197)	(122,261)	(119,530)
Equity in the results of investees	8	240,766	113,768	5,244	13,571
Other revenues and (expenses)		91	(112)	6,453	8,510
Operating income before financial income and taxes		195,785	69,459	369,376	250,742
Financial income	23	2,920	115	20,989	23,959
Financial expenses	23	(106,312)	(39,700)	(239,854)	(181,474)
Financial income (loss)		(103,392)	(39,585)	(218,865)	(157,515)
Income (loss) before income tax and social contribution		92,393	29,874	150,511	93,227
Income tax and social contribution					
Current	24	-	-	(50,016)	(54,679)
Deferred	24	45,538	25,402	37,436	16,728
Profit for the period		137,931	55,276	137,931	55,276
Profit per share (expressed in Reais per share)					
Basic	18			0.1814	0.0727
Diluted	18			0.1814	0.0727

HIDROVIAS DO BRASIL S.A.

Statements of income

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

(In thousands of reais, except when stated otherwise)

	Note	Parent company		Consolidated	
		April 01, to June 30, 2023	April 01, to June 30, 2022	April 01, to June 30, 2023	April 01, to June 30, 2022
Net revenue	21	-	-	597,479	412,288
Cost of services provided	22.1	-	-	(306,807)	(277,229)
Gross profit		-	-	290,672	135,059
OPERATING EXPENSES					
General and administrative expense	22.1	(22,936)	(23,571)	(57,443)	(61,809)
Equity in the results of investees	8	172,650	46,179	6,621	12,267
Other revenues and (expenses)		49	39	3,308	4,634
Operating income before financial income and taxes		149,763	22,647	243,158	90,151
Financial income	23	1,717	7,759	10,033	26,221
Financial expenses	23	(58,921)	(23,595)	(128,861)	(97,868)
Financial income (loss)		(57,204)	(15,836)	(118,828)	(71,647)
Income (loss) before income tax and social contribution		92,559	6,811	124,330	18,504
Income tax and social contribution					
Current	24	-	-	(25,749)	(23,902)
Deferred	24	25,304	15,228	19,282	27,437
Profit for the period		117,863	22,039	117,863	22,039
Profit per share (expressed in Reais per share)					
Basic	18			0.1550	0.0290
Diluted	18			0.1550	0.0290

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

Six and three-month periods ended on June 30, 2023 and 2022

(In thousands of reais)

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Profit for the period	137,931	55,276	137,931	55,276
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	(56,510)	(41,548)	(48,262)	(36,225)
Foreign exchange difference in the translation of foreign currency in investees	-	-	(8,248)	(5,323)
Hedge accounting of non-derivative financial instruments	101,878	117,848	101,878	117,848
Deferred income tax and social contribution	(24,655)	(27,135)	(24,655)	(27,135)
Total	20,713	49,165	20,713	49,165
Comprehensive income for the period	158,644	104,441	158,644	104,441

	Parent company		Consolidated	
	April 01, to June 30, 2023	April 01, to June 30, 2022	April 01, to June 30, 2023	April 01, to June 30, 2022
Profit for the period	117,863	22,039	117,863	22,039
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	(39,139)	64,671	(33,601)	55,146
Foreign exchange difference in the translation of foreign currency in investees	-	-	(5,538)	9,525
Hedge accounting of non-derivative financial instruments	58,871	(85,917)	58,871	(85,917)
Deferred income tax and social contribution	(14,596)	22,523	(14,596)	22,523
Total	5,136	1,277	5,136	1,277
Comprehensive income for the period	122,999	23,316	122,999	23,316

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

Six-month periods ended on June 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	-	-	-	1,897	-	-	-	-	1,897
Profit for the period	-	-	-	-	55,276	-	-	-	55,276
Loss of relative shareholding	-	-	-	-	-	-	(322)	-	(322)
Other comprehensive income	-	-	-	-	-	(41,548)	-	90,713	49,165
BALANCES ON JUNE 30, 2022	1,359,469	(24,885)	4,401	32,367	(280,820)	527,724	(322)	(264,264)	1,353,670
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	-	-	-	786	-	-	-	-	786
Profit for the period	-	-	-	-	137,931	-	-	-	137,931
Other comprehensive income	-	-	-	-	-	(56,510)	-	77,223	20,713
BALANCES ON JUNE 30, 2023	1,359,469	(24,885)	4,401	36,014	(206,328)	473,113	-	(151,549)	1,490,235

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

HIDROVIAS DO BRASIL S.A.

Statements of cash flows

Six-month periods ended on June 30, 2023 and 2022

(In thousands of reais)

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Cash flows from operating activities				
Profit for the period	137,931	55,276	137,931	55,276
Net cash generated by (used in) operating activities:				
Provisions for bonuses and gratuities	7,102	9,425	14,545	11,197
Income and social contribution taxes – current and deferred (note 24)	(45,538)	(25,402)	12,580	37,951
Derivative financial instruments (note 23)	38,934	3,958	38,934	3,958
Provision (Provision Reversal) for contingencies (note 15)	497	913	(10,391)	4,018
Interest incurred on loans (note 13)	64,907	33,381	155,972	131,994
Reversal of borrowing costs (note 13)	917	551	5,513	6,638
Monetary and exchange rate adjustment on loans	-	-	(1,345)	(19,826)
Interest and inflation adjustment – leasing (note 10 and 11)	158	38	10,992	7,636
Long-term incentive plan with restricted shares	(2,075)	2,935	(2,075)	2,935
(Gain) losses from securities	(657)	89	(10,017)	23,967
Depreciation and amortization (note 22)	6,818	6,076	153,091	133,234
Amortization of right-of-use assets (note 22)	540	533	16,206	34,453
Equity in the results of investees (note 8)	(240,766)	(113,768)	(5,244)	(13,571)
Revenue earned from hedge (note 28)	-	-	(34,938)	(5,640)
Write-off of lease (note 10)	-	-	(2)	(898)
Write-off of assets due to loss (note 9 and 10)	1,765	-	3,935	-
(Increase) decrease in operating assets:				
Accounts receivable	-	-	(12,145)	(105,134)
Inventories	-	-	1,351	(35,827)
Recoverable taxes	(298)	33	933	3,637
Prepayments and advances to suppliers	(1,530)	4,688	(8,506)	7,844
Judicial deposits	-	-	(24,120)	(855)
Other credits	3,422	(3,489)	(18,225)	7,952
Increase (decrease) in operating liabilities:				
Accounts payable	(4,799)	(66)	(62,070)	(10,486)
Employee benefits	(11,525)	(9,825)	(20,965)	(2,838)
Taxes payable	(10)	268	(2,165)	(6,705)
Advances from customers	-	-	(11,749)	15,456
Other accounts payable	(12,790)	(77)	(7,804)	33,329
Payment of interest on loans and financing	(46,132)	(9,905)	(133,149)	(111,514)
Income and social contribution taxes paid	-	-	(39,400)	(60,435)
Net cash generated by (used in) operating activities	(103,129)	(44,368)	147,673	147,746
Cash flows from investing activities				
Acquisition of fixed assets	(654)	(289)	(102,844)	(103,372)
Acquisition of intangible assets	(79)	(8,339)	(452)	(12,339)
Financial investments	(41,820)	(130,500)	(521,330)	(1,193,587)
Redemptions of financial investments	46,004	164,545	531,101	1,285,893
Dividends received	42,220	-	-	-
Loan granted between related parties	7,591	4,338	-	-
Capital increase (decrease) in subsidiaries	(550)	(360)	-	-
Net cash used in investing activities	52,712	29,395	(93,525)	(23,405)
Cash flows from financing activities				
Borrowings and Funding cost	17,691	19,550	17,691	19,550
Concession lease	-	-	(21,176)	(20,054)
Lease paid	(477)	(639)	(25,064)	(27,510)
Amortization of principal - loans	-	-	(28,138)	(28,242)
Long term financial investments	-	-	(2,361)	-
Loan granted between related parties	(1,052)	(639)	410	388
Net cash generated by (used in) financing activities	16,162	18,272	(58,638)	(55,868)
Effects of exchange rate changes on the cash balance held in foreign currency	-	-	7,198	(20,998)
Increase (Decrease) in cash and cash equivalents	(34,255)	3,299	2,708	47,475
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	14,653	4,236	404,253	123,929
Increase (Decrease) in cash and cash equivalents	(34,255)	3,299	2,708	47,475

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

Six-month periods ended on June 30, 2023 and 2022

(In thousands of reais)

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
FINANCIAL INCOME				
Net revenue from services	-	-	1,088,666	902,282
Revenue related to the construction of own assets	2,263	3,699	119,671	46,326
Other revenue	(174)	-	5,615	8,502
Inputs acquired from third parties:				
Cost of services provided	-	-	(334,478)	(294,668)
Materials, electricity, third-party services and others	(14,482)	(8,938)	(25,826)	(34,220)
Construction of own assets	(2,263)	(3,699)	(119,671)	(46,326)
Gross (consumed) added value	(14,656)	(8,938)	733,977	581,896
Depreciation and amortization	(7,358)	(6,609)	(169,297)	(167,687)
Net added value (consumed) generated	(22,014)	(15,547)	564,680	414,209
Added value received (consumed) in transfer:				
Equity in the results of investees	240,766	113,768	5,244	13,571
Financial income	2,920	115	20,989	23,959
Total added value (consumed) distributable	221,672	98,336	590,913	451,739
Added value (consumed) distribution	221,672	98,336	590,913	451,739
Personnel:	18,854	28,762	130,905	143,733
Direct compensation	9,030	20,259	100,800	133,589
Benefits	8,572	2,780	25,233	3,548
Unemployment Compensation Fund - FGTS	1,252	5,723	4,872	6,596
Other	-	-	-	-
Taxes:	(41,425)	(25,402)	82,223	71,256
Federal	(41,428)	(25,402)	65,270	60,034
State	3	-	3,850	1,915
Municipal	-	-	13,103	9,307
Remuneration of third-party capital:	106,312	39,700	239,854	181,474
Interest on loans, grants and others	65,708	639	167,344	88,881
Monetary and exchange rate updates	447	465	24,451	(22,136)
Other financial expenses	40,157	38,596	48,059	114,729
Remuneration of equity:	137,931	55,276	137,931	55,276
Withheld profit for the period	137,931	55,276	137,931	55,276

Hidrovias do Brasil S.A.

Management's notes to the parent company and consolidated interim financial information as of June 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 Rua Fradique Coutinho, 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.

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

(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	June 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	4,26%	95,74%	4,26%	95,74%
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	-	44,55%	-	44,55%
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.

Management's accompanying notes to the parent company and consolidated interim financial information as of June 30, 2023
(In thousands of reais, except when stated otherwise)

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 June 30, 2023 was authorized by the Company's Executive Office on August 14, 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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Management's accompanying notes to the parent company and consolidated interim financial information as of June 30, 2023
(In thousands of reais, except when stated otherwise)

4 Cash and cash equivalents

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Cash and cash equivalents – Registered in companies in Brazil	14,653	48,908	129,936	305,363
Cash and cash equivalents - Registered in companies abroad	-	-	274,317	96,182
Total	14,653	48,908	404,253	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	
			June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
JP Morgan	U.S treasury	5.10% a.a.	-	-	115,728	110,913
Itaú FICFI 311 Fund	Variation of the U.S dollar	-6.98%	-	16,445	3,429	124,817
Itaú PP Portfolio Fund	CDI Fund	99.98% do CDI	13,369	451	200,441	89,357
Santander Vip Cambial	Variation of the U.S dollar	-	-	-	-	1,824
Credit Rights Investment Fund (FIDC)	Credit Rights Investment Fund	-23.33%	-	-	1,676	2,185
Bank of Brazil	Several investments Funds	84.60% do CDI	-	-	623	3,919
BNP Paribas FIC FI RF Fund	BNP Paribas Selic	97.61% da SELIC	-	-	18,459	18,877
Total			13,369	16,896	340,356	351,892
Current assets			13,369	16,896	321,897	333,015
Non-current assets			-	-	18,459	18,877

6 Trade accounts receivable

6.1 Breakdown of balances

	Consolidated	
	June 30, 2023	December 31, 2022
Accounts receivable from subsidiaries abroad	144,087	109,115
Accounts receivable from subsidiaries in Brazil	96,302	131,958
Subtotal	240,389	241,073
Estimated expected credit losses	(23,733)	(23,701)
Total	216,656	217,372
Current assets	212,656	212,572
Non-current assets	4,000	4,800

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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	
	June 30, 2023	December 31, 2022
Falling due	166,410	169,538
Overdue up to 30 days	36,754	40,683
Overdue between 61 and 90 days	7,388	541
Overdue between 91 and 120 days	-	3,475
Overdue between 121 and 180 days	682	476
Overdue for more than 180 days	29,155	26,360
Total	240,389	241,073

Map of movements of estimated expected losses with bad debts:

	Consolidated	
	June 30, 2023	December 31, 2022
Opening balance	(23,701)	(2,254)
Constitution	-	(21,565)
Translation adjustment	(32)	118
Closing balance	(23,733)	(23,701)

7 Recoverable Taxes

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
IRPJ / CSLL (a)	7,914	7,914	135,846	138,961
Income Tax (IRRF) on financial investments (b)	2,673	2,366	10,547	7,770
PIS / COFINS (c)	-	10	37,627	60,237
ISS	1	-	606	538
VAT	-	-	4,746	4,112
Total	10,588	10,290	189,372	211,618
Current assets	10,588	10,290	142,824	129,164
Non-current assets	-	-	46,548	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.
- (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

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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 June 30, 2023 and December 31, 2022:

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Breakdown of investments				
Ownership interest valued under equity method	2,357,224	2,095,195	90,534	95,203
Lease contract	5,178	5,382	5,178	5,382
Surplus value of assets	10,024	12,706	-	-
Goodwill	-	-	8,021	9,007
Total	2,372,426	2,113,283	103,733	109,592

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

(In thousands of reais, except when stated otherwise)

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

	Parent company						
	December 31, 2022	Capital increase/ decrease	Equity valuation adjustment - <i>Hedge</i>	Equity valuation adjustment - Currency Translation Adjustments (CTA)	Amortization	Equity in the results of investees	June 30, 2023
Baloto S.A.	2,449	-	-	50	-	90	2,589
Hidroviás Del Sur S.A.	563,811	-	-	(44,776)	-	13,671	532,706
Hidroviás do Brasil - Marabá S.A.	9,171	550	-	-	-	(180)	9,541
Hidroviás do Brasil - Holding Norte S.A.	1,089,913	-	45,088	-	-	140,689	1,275,690
Hidroviás do Brasil - Cabotagem Ltda.	192,680	-	32,135	-	-	10,085	234,900
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda.	34,518	-	-	-	-	1,880	36,398
Pricolpar S.A.	15	-	-	-	-	(2)	13
Hidroviás International Finance S.à.r.l.	1,684	-	-	(382)	-	2,631	3,933
Hidroviás South America B.V.	82,210	-	-	(5,716)	-	26,163	102,657
Hidroviás Navegación Fluvial S.A	107,331	-	-	(4,886)	-	45,713	148,158
Baden S.A.	10,623	-	-	(800)	-	73	9,896
Via Grãos	790	-	-	-	-	(47)	743
Subtotal	2,095,195	550	77,223	(56,510)	-	240,766	2,357,224
Lease contract	5,382	-	-	-	(204)	-	5,178
Baden S.A. – Added value of assets	2,341	-	-	-	(83)	-	2,258
Hidroviás South America B.V. – Added value	10,365	-	-	-	(2,599)	-	7,766
Total	2,113,283	550	77,223	(56,510)	(2,886)	240,766	2,372,426

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

(In thousands of reais, except when stated otherwise)

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

	Consolidated					
	December 31, 2022	Currency Translation Adjustments (CTA)	Equity in the results of investees	Dividends	Amortization	June 30, 2023
Limday S.A.	13,900	(1.177)	2,412	(2,491)	-	12,644
Obrinel S.A.	70,680	(5.445)	2,759	-	-	67,994
Baden S.A.	10,623	(800)	73	-	-	9,896
Subtotal	95,203	(7.422)	5,244	(2,491)	-	90,534
Lease contract	5,382	-	-	-	(204)	5,178
Goodwill (a)	9,007	(826)	-	-	(160)	8,021
Total	109,592	(8.248)	5,244	(2,491)	(364)	103,733

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
Baden S.A. – Added value of assets	2,506	-	-	-	-	-	(165)	-	2,341
Hidroviás 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

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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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	June 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	2,690,320	2,155,355	534,965	13,671	-
Hidroviás Internacional Finance S.à r.l.	12,000	3,016,166	3,012,233	3,933	2,631	-
Hidroviás do Brasil - Marabá S.A.	20,000,000	9,783	242	9,541	(180)	-
Hidroviás do Brasil - Cabotagem Ltda. (c)	220,475,382	761,755	526,856	234,899	10,085	106,536
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda.	2,500,000	38,706	2,308	36,398	1,880	8,111
Hidroviás South America B.V.	1,000,000	151,107	48,450	102,657	26,163	86,959
Hidroviás Navegación Fluvial S.A(d)	442	179,302	28,559	150,743	45,713	117,749
Hidroviás do Brasil - Holding Norte S.A.	512,989,094	1,283,185	640	1,282,545	140,689	-
Via Grãos S.A.	800,000	788	45	743	(47)	-
Indirect subsidiaries						
Baloto S.A.	599,999,999	69,431	2,429	67,002	2,601	-
Girocantex S.A.	2,442,140,008	1,391,821	1,129,114	262,707	12,321	263,797
Hidroviás del Paraguay S.A.	266,377	183,637	54,384	129,253	80,698	163,820
Pricolpar S.A.	17,910	204,457	71,598	132,859	(6,634)	24,129
Cikelsol S.A.	800,000	780,991	830,630	(49,639)	3,041	93,676
Resflir S.A.	20,000	79,735	64,841	14,894	(1,778)	2,448
Hidroviás do Brasil - Vila do Conde S.A.	519,596,445	2,378,062	1,185,599	1,192,463	209,907	398,447
Hidroviás do Brasil - Administração Portuária de Santos S.A.	43,904,863	586,286	497,532	88,754	(17,320)	53,568
Joint venture subsidiaries (e)						
Limday S.A.	42,902,541	16,351	3,707	12,644	2,444	8,346
Obrinel S.A.	587,999,999	346,724	278,730	67,994	2,541	18,576
Baden	175,000,000	10,025	129	9,896	73	1,069
	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 9,303 (BRL 5,640 on June 30, 2022).

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

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(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	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Current	6,056	5,766	25,535	22,481	32,937	43,026
Non-current	13,994	16,660	11,167	13,568	674,662	742,446
Total assets	20,050	22,426	36,702	36,049	707,599	785,472

Current	259	411	445	3,719	47,360	64,451
Non-current	-	-	7,876	-	521,476	571,553
Shareholders' Equity	19,791	22,015	28,381	32,330	138,763	149,468
Total liabilities	20,050	22,426	36,702	36,049	707,599	785,472

	Baden		Limday		Obrinel	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net revenue	2,137	1,686	18,733	18,796	37,910	50,357
Costs and Expenses	(1,991)	(1,967)	(13,247)	(13,580)	(32,724)	(26,819)
Profit (loss) for the period	146	(281)	5,486	5,216	5,186	23,538

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9 Fixed assets

The composition and movement of fixed assets on June 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	-	-	-	179	475	654
Write-offs	-	-	-	-	-	-
Transfers	220	414	-	815	(1,235)	214
Depreciation	(33)	(63)	(19)	(394)	-	(509)
Balance as of June 30, 2023	187	351	69	2,828	907	4,342
Historical cost	220	416	395	7,229	907	9,167
Accumulated depreciation	(33)	(65)	(326)	(4,401)	-	(4,825)
Annual depreciation rate - %	10-15	10-20	10-15	20-25	-	

	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, 2021	631	1,630	134	3,707	151	6,253
Additions	-	-	-	-	1,666	1,666
Write-offs	(307)	(1,436)	(1)	-	(150)	(1,894)
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	-	

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(In thousands of reais, except when stated otherwise)

	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	-	-	-	96	581	461	-	465	115,357	116,960
Write-offs	-	-	-	(96)	(2,219)	(14)	-	-	159	(2,170)
Transfers	-	18,367	16,838	437	13,562	6,091	-	195,629	(266,225)	(15,301)
Depreciation	-	(14,626)	(8,505)	(173)	(33,963)	(2,087)	(166)	(75,594)	-	(135,114)
Translation adjustment	-	-	(2,625)	(100)	(1,755)	(43)	(24)	(147,135)	269	(151,413)
Balance as of June 30, 2023	85,452	560,350	84,926	1,598	333,154	18,138	245	2,502,036	318,398	3,904,297

Historical cost	85,452	732,004	111,864	2,097	642,139	29,780	1,480	3,372,378	318,398	5,295,592
Accumulated depreciation	-	(171,654)	(26,938)	(499)	(308,985)	(11,642)	(1,235)	(870,342)	-	(1,391,295)
Annual depreciation rate - %	-	4-5	10-15	10-20	10-15	20-25	25-40	4-6	-	-

	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)	Consolidated Total
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 increase comes from projects with the Santos terminal and assets necessary for the use of barges, such as, for example, the tops.

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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 June 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	(540)	(540)
Net balance on June 30, 2023	1,958	1,958

	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	(7,279)	(10,706)	(17,985)
Translation adjustment	(211)	(373)	(584)
Net balance on June 30, 2023	179,233	46,062	225,295

(*) 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 June 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	158	7,557
Payment of the principal	(477)	(25,064)
Write-offs	-	(116)
Translation adjustment	-	(990)
Balance as of June 30, 2023	2,179	234,319

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Current assets	857	21,136
Non-current assets	1,322	213,183

	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	2,498	30,692
Non-current assets	-	199,832

Lease maturity schedule:

Year	Parent company	Consolidated
2023	516	24,195
2024	1,035	30,731
2025	902	27,751
2026	-	24,319
2027 onwards	-	373,318
Subtotal	2,453	480,314
Interest and present value adjustment	(274)	(245,995)
Lease liabilities	2,179	234,319

11 Intangible assets

The composition and movement of intangible assets on June 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	-	1,789	1,825
Write-offs	-	-	(1,765)	(1,765)
Transfers	9,957	-	(10,171)	(214)
Amortization	(3,341)	(82)	-	(3,423)
Balance as of June 30, 2023	23,999	671	10,575	35,245
Annual amortization rate - %	20-50	(*)	-	-
Historical cost	72,258	1,645	10,575	84,478
Accrued amortization	(48,259)	(974)	-	(49,233)

	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)

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

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	Software	Contracts (b)	Goodwill (a)	Intangible Assets in progress	Trademarks and Patents	Consolidated Total
Balance as of December 31, 2022	30,112	204,115	73,121	34,999	-	342,347
Additions	36	-	-	4,314	-	4,350
Write-offs	-	-	-	(1,765)	-	(1,765)
Transfers	20,872	7,022	-	(12,593)	-	15,301
Amortization	(6,535)	(11,078)	-	-	-	(17,613)
Amortization AVP (**)	-	388	-	-	-	388
Exchange rate variation	(266)	(597)	-	(20)	-	(883)
Balance as of June 30, 2023	44,219	199,850	73,121	24,935	-	342,125
Annual amortization rate - %	20-50	(*)	-	-	-	-
Historical cost	108,177	287,532	73,121	24,935	87	493,852
Accrued amortization	(63,958)	(87,682)	-	-	(87)	(151,727)

	Software	Contracts (b)	Goodwill (a)	Intangible Assets in progress	Other	Consolidated 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 over the term of the respective contracts.

(**) 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 June 30, 2023.

(b) Contracts

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	3,823
Balance as of June 30, 2023	36,600
Current assets	18,359
Non-current assets	18,241

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	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	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
National suppliers	8,682	11,790	114,587	174,633
Foreign suppliers	55	-	21,099	15,970
Total	8,737	11,790	135,686	190,603

13 Loans, financing and debentures

	Type	Final due date	Exposure	Interest rate - p.a.	Parent company		Consolidated	
					June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Hidrovias do Brasil	1st issue of debentures	Oct/31	BRL	IPCA+6.0%	416,062	401,934	416,062	401,934
	2nd issue of debentures	Jul/29	BRL	CDI + 2.2%	530,263	524,860	530,263	524,860
	FINEP	Mar/32	BRL	TJLP + 1%	37,550	19,698	37,550	19,698
HB International Finance	Bond 2025	Jan/25	USD	5.95%	-	-	745,678	806,113
	Bond 2031	Feb/31	USD	4.95%	-	-	1,812,957	1,959,065
Hidrovias do Brasil - Cabotagem Ltda.	Bank loan agreement	Mar/33	USD	2.5% / 3.9%	-	-	484,851	553,804
Hidrovias do Brasil - Vila do Conde S.A.	Project financing	Feb/26	BRL	4.99%	-	-	256	305
Total					983,875	946,492	4,027,617	4,265,779
Current assets					77,081	58,394	207,248	192,819
Non-current assets					906,794	888,098	3,820,369	4,072,960

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

	Balance as of December 31, 2022	Funding	Interest	Addition of funding cost	Amortization of funding cost	Principal payment	Payment of interest	Translation adjustment	Hedge effect	Exchange rate variation	Balance as of June 30, 2023
Parent company (a)	946,492	17,919	64,907	(228)	917	-	(46,132)	-	-	-	983,875
Luxemburgo (b)	2,765,178	-	81,994	-	4,596	-	(77,812)	(215,321)	-	-	2,558,635
Vila do Conde (c)	305	-	368	-	-	-	(349)	(68)	-	-	256
Cabotagem (d)	553,804	-	8,703	-	-	(28,138)	(8,856)	-	(39,385)	(1,277)	484,851
Total	4,265,779	17,919	155,972	(228)	5,513	(28,138)	(133,149)	(215,389)	(39,385)	(1,277)	4,027,617

	Balance as of December 31, 2021	Funding	Interest	Addition of funding cost	Amortization of funding cost	Principal payment	Payment of interest	Repurchase of bonds	Translation adjustment	Hedge effect	Exchange rate variation	Balance as of December 31, 2022
Parent company (a)	376,433	519,800	75,432	(4,037)	1,348	-	(22,484)	-	-	-	-	946,492
Luxemburgo (b)	3,608,438	-	176,794	-	37,745	-	(183,560)	(644,677)	(229,562)	-	-	2,765,178
Vila do Conde (c)	475	-	389	-	-	-	(1,182)	-	623	-	-	305
Cabotagem (d)	654,060	-	19,196	-	-	(56,926)	(19,520)	-	-	(41,708)	(1,298)	553,804
Total	4,639,406	519,800	271,811	(4,037)	39,093	(56,926)	(226,746)	(644,677)	(228,939)	(41,708)	(1,298)	4,265,779

- (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.

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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.

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.

- (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 909.007 on June 30, 2023 and BRL 1,005,569 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 908.751 on June 30, 2023 (BRL 1,005,427 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.
- (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.

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- **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 June 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 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 Internacional 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.

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- 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 June 30, 2023, long-term maturities are as follows:

	Parent company	Consolidated
13 to 24 months	-	786,236
25 to 36 months	-	53,604
37 to 48 months	151,565	221,043
49 to 60 months	182,404	253,667
On or after 61 months	572,825	2,505,819
Total	906,794	3,820,369

14 Social charges and labor obligations

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Provision for bonuses and gratuities	7,440	13,584	16,836	31,505
Vacation and charges	5,057	4,324	17,664	16,388
INSS payable	1,201	854	5,482	3,952
IRRF payable	566	931	1,390	2,569
FGTS payable	-	283	164	993
13th salary and charges	1,289	-	6,736	-
Other	-	-	-	122
Total	15,553	19,976	48,272	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 June 30, 2023, provisions for probable contingencies were recognized in the amount of BRL 7.305 in the Parent Company (BRL 6,808 on December 31, 2022) and BRL 21.603 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	50	4,728	-	37	4,765
Adjustment	447	1,110	447	1	1,558
Writ-offs	-	(16,681)	(27)	(7)	(16,715)
Translation adjustment	-	(25)	-	-	(25)
Balance as of June 30, 2023	7,305	13,405	7,282	916	21,603

	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)

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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).

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:

Proceedings	Type
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. As of June 30, 2023, the total number of possible labor claims is BRL 12,987 (BRL 12,055 as of December 31, 2022).
Civil	As of June 30, 2023, the Company and its subsidiaries had a total amount of BRL 40,576 in possible civil proceedings, represented by collection suits and indemnities (BRL 26,004 as of December 31, 2022).
Tax	<p>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 155.201 on June 30, 2023.</p> <p>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;2-1251141-1-1;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;56/23 100/23;143/23;97/23;98/23;99/23, the aggregate value of which amounts to BRL 20.103 on June 30, 2023.</p> <p>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 June 30, 2023, the adjusted value at risk is BRL 11,860, which value is guaranteed in the proceedings in full and with suspended enforceability.</p> <p>The Company and its subsidiaries have other tax proceedings, classified as a possible loss, whose estimated amount is BRL 68.178 on June 30, 2023</p>

On June 30, 2023, the Company and its subsidiaries disclosed its main judicial deposits relating to discussions on PIS/COFINS on demurrage revenue, in the amount of BRL 5,393 (BRL 5,062 on December 31, 2022); judicial deposit relating to the discussion on the levy of PIS/COFINS on financial income in the amount of BRL 6,889 (BRL 6,807 on December 31, 2022); ICMS relating to goods for export BRL 8,067

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(BRL 7,807 on December 31, 2022); and discussions on payments of ICMS at the time of construction of the cargo transshipment station in the amount of BRL 13,015 (effected deposit on March 30, 2023). There are also BRL 33,161 (BRL 31,475 on December 31, 2022) relating to IR and INSS in an action that discusses the enforceability of the taxes within the scope of an option relating to the Stock Option program. BRL 2,690 (BRL 2,612 on December 31, 2022) relating to a Writ of Mandamus against the Municipal Government of Itaituba with a claim for preliminary injunction to suspend the enforceability of the fee on traffic and circulation of large-sized vehicles in the municipality. There is also a judicial deposit in the amount of R\$ 9,252 referring to the annulment action of the tax infraction notice that discusses the application of tax deferral in bill of lading and BRL 6,486 relating to other judicial deposits of civil proceedings and labor claims.

16 Related Parties

Compensation of the Key Management Personnel

On June 30, 2023, the compensation of the Key Management Personnel, which includes the Executive Board and Board Members, totaled BRL 9,060 (BRL 8,083 on June 30, 2022), referring to salaries and variable benefits of which BRL 8,657 refer to short-term employee benefits (BRL 7.878 as of June 30, 2022) and BRL 403 to medical assistance benefits (BRL 205 as of June 30, 2022).

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			
	June 30, 2023	Assets December 31, 2022	June 30, 2023	Liabilities December 31, 2022
Girocantex S.A. (a)	-	-	(277)	-
Hidrovias del Sur S.A. (b)	3,473	3,473	-	-
Hidrovias do Brasil – Interm. e Agenc. Serv. Ltda. (c)	3	33	-	-
Hidrovias do Brasil - Vila do Conde S.A (c)	4,919	8,050	(1,143)	(1,143)
Hidrovias do Brasil - Marabá S.A.	161	161	-	-
Hidrovias do Brasil – Cabotagem Ltda.	323	435	(175)	(175)
Hidrovias do Brasil – Participação Administração Portuária de Santos S.A. (d)	6,448	10,366	(94)	(94)
Hidrovias del Paraguay S.A	523	523	(1)	(1)
Picolpar S.A.	-	-	(2)	(2)
Cikelsol S.A.	-	-	(96)	(104)
Resflir S.A.	207	207	-	-
Dividends (e)	15,016	57,236	-	-
Loan (f)	4,819	5,219	(20,380)	(21,701)
Total	35,892	85,703	(22,168)	(23,220)
Current assets	31,073	80,485	(3,380)	(2,965)
Non-current assets	4,819	5,218	(18,788)	(20,255)
			Consolidated Assets	
			June 30, 2023	December 31, 2022
Credits with a joint venture				
Obrinel			4,959	5,369
Dividends receivable			2,491	-
Total			7,450	5,369

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	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Current assets			2,491	-
Non-current assets			4,959	5,369
Revenue (expenses):				
Exchange variation on security deposit (g)	-	(45)	-	(45)
Reimbursement of expenses (h)	(7,192)	(3,989)	(7,192)	(3,989)
Exchange variation and interest on loan	(2,879)	(273)	(2,879)	(273)
Total	(10,071)	(4,307)	(10,071)	(4,307)

- (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 Hidrovias 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 Hidrovias 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 June 30, 2023 and 2022, the Company recorded cost recovery related to shared expenses detailed above.

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17 Capital

On June 30, 2023 and December 31, 2022, 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 June 30, 2023, and December 31, 2022 is detailed below:

Shareholders	June 30, 2023		December 31, 2022	
	Common shares	%	Common shares	%
Pátria Infraestrutura - Fundo de Investimento em Participações Multiestratégia	153,484,062	20.2	153,484,062	20.2
Patria Infraestrutura Brasil Fundo de Investimento em Participações Multiestratégia	8,745,834	1.2	8,745,834	1.2
Pátria Infraestrutura IV FIP Multiestratégia	78,500,846	10.3	78,500,846	10.3
Sommerville Investments B.V.	63,517,842	8.4	63,517,842	8.4
HBSA Co-Investimento – Fundo de Investimento em Participações Multiestratégia	32,621,750	4.3	32,621,750	4.3
TPE Gestora de Recursos LTDA	71,446,834	9.4	61,977,469	8.2
Other (*)	352,065,475	46.2	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 June 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 June 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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	April 01, 2023 to June 30, 2023	April 1st, 2022 to June 30, 2022	June 30, 2023	June 30, 2022
Net income for the period	117,863	22,039	137,931	55,276
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	0.1550	0.0290	0.1814	0.0727

	April 01, 2023 to June 30, 2023	April 1st, 2022 to June 30, 2022	June 30, 2023	June 30, 2022
Net income for the period	117,863	22,039	137,931	55,276
Weighted average of basic shares	760,383	760,383	760,383	760,383
Weighted average of diluted shares	760,383	760,383	760,383	760,383
Net income for the period per lot of one thousand diluted shares	0.1550	0.0290	0.1814	0.0727

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.

Although the Company has a stock option program, the value of the shares corresponding to the future year was estimated at values lower than the year value, thus, it was considered anti-dilution, which is why the earnings per diluted share is equal to the basic. Potential shares and transactions that could generate a dilution effect in the calculation were not exercised during the period ended June 30, 2023.

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 six-month period ended June 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

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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
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 June 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%	12.84%	09/28/2025	09/28/2025
3	3	R\$ 2,20	R\$ 7,56	42.18%	12.84%	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

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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

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.
Gavilon	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.

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 Cikelsol 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 Cikelsol 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			
	April 01, to June 30, 2023	April 01, to June 30, 2022	June 30, 2023	June 30, 2022
Southern Corridor:				
Transport services	288,824	242,780	429,499	368,195
Northern Corridor:				
Lifting services	72,049	61,144	124,528	112,383
Transfer services	15,037	24,687	33,987	44,676
Transport services	106,215	111,884	262,177	187,609
Intermediation services	4,566	2,547	9,459	6,822
Other revenue	-	-	35,171	36,684
Cabotage:				
Cabotage services	66,427	75,300	124,464	140,273
Santos:				
Lifting services, docks and storage	30,379	-	62,964	-
Total gross revenue	583,497	518,342	1,082,249	896,642
ISS	(6,968)	(5,490)	(13,103)	(9,337)
PIS	(1,846)	35	(5,560)	(3,933)
COFINS	(7,080)	(9,760)	(19,264)	(18,120)
ICMS	(641)	(98)	(3,688)	(1,915)
Tax subtotal	(16,535)	(15,313)	(41,615)	(33,305)
Realization of Hedge accounting	30,517	(90,741)	34,938	5,640
Total net revenue	597,479	412,288	1,075,572	868,977

For the period ended June 30, 2023, the Company's largest customers by revenue are represented by: i) A 24.2% (26.5% on June 30, 2022); ii) B 21.5% (22.9% on June 30, 2022); iii) C 11.6% (22.1% on June 30, 2022); and represent in their entirety approximately 57.3% of total net revenue (71.5% on June 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			
	April 01, to June 30, 2023	April 01, to June 30, 2022	June 30, 2023	June 30, 2022
Salaries, charges and benefits	(11,575)	(14,845)	(22,955)	(28,762)
Depreciations and amortizations (*)	(3,624)	(3,133)	(7,358)	(6,609)
Computer services	(2,455)	(403)	(4,491)	(1,233)
Maintenance	(16)	(19)	(34)	(26)
Third-party services	(2,151)	(3,597)	(4,989)	(6,294)
Rent amounts	(55)	(52)	(128)	(105)
Travel and tickets	(832)	(7)	(1,588)	(1,199)
Pantry and kitchen	(19)	(52)	(26)	(12)
Miscellaneous fees	(244)	(114)	(378)	(265)
Contingencies	(50)	420	(51)	420
Insurance	(22)	-	(22)	-
Other expenses	(1,893)	(1,769)	(3,052)	(112)
Total	(22,936)	(23,571)	(45,072)	(44,197)
Classified as:				
General and administrative	(22,936)	(23,571)	(45,072)	(44,197)

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	Consolidated			
	April 01, to June 30, 2023	April 01, to June 30, 2022	June 30, 2023	June 30, 2022
Salaries, charges and benefits	(81,659)	(75,807)	(159,355)	(143,733)
Depreciations and amortizations (*)	(84,298)	(81,648)	(169,297)	(167,687)
Maintenance	(13,785)	(13,498)	(29,213)	(28,219)
Fuel	(76,901)	(94,707)	(161,897)	(159,169)
Third-party services	(15,589)	(17,184)	(31,955)	(29,914)
Rent amounts	(15,776)	(4,949)	(23,829)	(8,838)
Computer services	(6,494)	(1,512)	(11,721)	(3,122)
Freight	(9)	(28)	(20)	(51)
Travel and tickets	(2,661)	(2,005)	(4,872)	(3,459)
Mooring	(6,908)	(5,579)	(12,466)	(11,716)
Pantry and kitchen	(3,059)	(3,853)	(5,540)	(6,433)
Agents	(5,325)	(5,879)	(9,512)	(10,226)
Operational and security	(7,945)	(3,711)	(14,433)	(7,142)
Miscellaneous fees	(7,962)	(6,564)	(16,605)	(10,774)
Contingencies	930	(563)	(1,110)	(1,468)
Outside pilotage	(9,130)	(3,367)	(16,689)	(10,983)
Insurance	(7,540)	(10,253)	(11,512)	(19,541)
Other expenses	(20,139)	(7,931)	(37,867)	(17,841)
Total	(364,250)	(339,038)	(717,893)	(640,316)
Classified as:				
Cost of services provided	(306,807)	(277,229)	(595,632)	(520,786)
General and administrative	(57,443)	(61,809)	(122,261)	(119,530)
Total	(364,250)	(339,038)	(717,893)	(640,316)

(*) 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 June 30, 2023, the amounts recorded under depreciation and amortization are net of the tax credits in the amount of BRL 1,779 in the Consolidated.

23 Financial income (loss)

	Parent company			
	April 01, to June 30, 2023	April 01, to June 30, 2022	June 30, 2023	June 30, 2022
Financial income:				
Financial investments revenue	704	34	1,314	99
(-) PisCofins on financial income	(33)	(520)	(76)	(581)
Monetary restatement and exchange updates	1,046	-	1,542	-
Gains from investments ⁽¹⁾	-	7,100	-	-
Others	-	1,145	140	597
Total	1,717	7,759	2,920	115
Financial expenses:				
Interest on loan, grant and loan	(30,421)	(17,696)	(65,708)	(34,020)
Derivative financial instruments ⁽²⁾	(27,371)	(3,958)	(38,934)	(3,958)
Amortization of funding cost	(510)	(522)	(910)	(830)
Monetary restatement and exchange updates	(447)	(1,407)	(447)	(465)
Tax on financial transactions (IOF)	(9)	(10)	(10)	(43)
Investment losses ⁽¹⁾	(10)	-	(62)	(170)
Others	(153)	(2)	(241)	(214)
Total	(58,921)	(23,595)	(106,312)	(39,700)
Net financial loss	(57,204)	(15,836)	(103,392)	(39,585)

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	Consolidated			
	April 01, to June 30, 2023	April 01, to June 30, 2022	June 30, 2023	June 30, 2022
Financial income:				
Financial investments revenue	10,815	1,752	17,923	3,263
(-) PisCofins on financial income	(786)	(1,906)	(1,490)	(2,076)
Monetary restatement and exchange updates	-	-	-	22,136
Gains from investments ⁽¹⁾	-	25,849	4,400	-
Others	4	526	156	636
Total	10,033	26,221	20,989	23,959
Financial expenses:				
Interest on loan, grant and loan	(80,585)	(65,485)	(167,344)	(133,104)
Derivative financial instruments ⁽²⁾	(27,371)	(3,958)	(38,934)	(3,958)
Amortization of funding cost	(2,753)	(3,411)	(6,394)	(7,022)
Monetary restatement and exchange updates	(16,012)	(23,079)	(24,451)	-
Tax on financial transactions (IOF)	(660)	(446)	(863)	(1,165)
Investment losses ⁽¹⁾	(525)	-	-	(26,438)
Others	(955)	(1,489)	(1,868)	(9,787)
Total	(128,861)	(97,868)	(239,854)	(181,474)
Net financial loss	(118,828)	(71,647)	(218,865)	(157,515)

⁽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

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

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Profit (Loss) before income tax and social contribution	92,393	29,874	150,511	93,227
Nominal rate	34%	34%	34%	34%
Income tax and social contribution at the nominal rate	(31,414)	(10,157)	(51,174)	(31,697)
Permanent adjustments:				
Equity method	81,860	38,681	(2,930)	4,614
Non-deductible expenses	(4,908)	(3,122)	(6,439)	(12,259)
Other adjustments:				
Government subsidy	-	-	14,184	11,503
Compensation of tax losses from previous years	-	-	(6)	-
Deferred tax without non-recognized differences	-	-	(5,804)	(10,891)
Difference over rate in measuring taxes	-	-	41,660	6,410
Tax incentives	-	-	425	655
Taxes Abroad	-	-	(2,499)	(6,338)
Other	-	-	3	52
Income tax and social contribution	45,538	25,402	(12,580)	(37,951)
Current taxes	-	-	(50,016)	(54,679)
Deferred taxes	45,538	25,402	37,436	16,728
	45,538	25,402	(12,580)	(37,951)
Effective tax rate	(49.29%)	(85.03%)	8.36%	40.71%

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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 June 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 the companies Hidrovias do Brasil – Holding S.A., Hidrovias do Brasil – Intermediação e Agenciamento de Serviços Ltda. and Hidrovias do Brasil - Cabotagem Ltda., deferred income tax and social contribution are recognized at the rate of 25% of income tax and 9% of social contribution, totaling 34%, in line with current legislation.

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.

Part of the Deferred Taxes, in the amount of BRL 8,113, 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, on June 30, 2023 in the amount of R\$ 23,230.

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

	June 30, 2023	Parent company December 31, 2022
	Deferred tax asset	Deferred tax asset
Bonus provision	2,530	4,419
Provision for suppliers	1,211	947
Other operating provisions	162	402
Labor and judicial contingencies	2,483	2,314
Provision for charges - ILP	-	209
Pis - Suspended eligibility	242	242
Cofins - Suspended liability	1,300	1,300
Loss in variable income	537	537
Net operating loss	45,482	11,973
Negative basis	17,818	5,031
Derivatives-Hedge/ Swap	10,577	9,505
Financial leasing	102	27
Discount - Gain from advantageous purchase	(10,981)	(10,981)
Tax assets (liabilities) before offsetting	71,463	25,925

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	Consolidated June 30, 2023			Consolidated December 31, 2022
	Net value	Deferred tax asset	Deferred tax liabilities	Net value
Bonus provision	3,363	3,363	-	5,876
Provision for suppliers	1,719	1,719	-	1,506
Fuel provision	134	134	-	605
Other provisions	2,760	2,760	-	2,427
Judicial contingencies	4,281	4,281	-	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	45,482	45,482	-	11,973
Negative basis	17,829	17,829	-	5,029
Exchange rate variation	48,688	48,688	-	63,889
Derivatives-Hedge/ Swap	60,187	60,187	-	75,669
Financial leasing	704	704	-	328
Interest to be capitalized	(4,283)	-	(4,283)	(4,293)
Discount - Gain from advantageous purchase	(10,981)	-	(10,981)	(10,981)
Property damage	(36,883)	-	(36,883)	(37,864)
Tax assets (liabilities) before offsetting	143,881	196,028	(52,147)	131,100
Tax compensation		(52,147)	52,147	
Net balances presented in assets/liabilities		143,881	-	

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

	Consolidated	
	June 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	37,436	(10,524)
Deferred income tax and social contribution recognized in other comprehensive income	(24,655)	(36,261)
Closing balance	143,881	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	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Assets					
Fair value through profit or loss:					
Financial investments	Level 2	13,369	16,896	321,897	333,015
Amortized cost					
Cash and cash equivalents		14,653	48,908	404,253	401,545
Long term financial statements	Level 2	-	-	18,459	18,877

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Guarantees and pledge deposits	Level 2	12	12	12	26
Accounts receivable	Level 2	-	-	216,656	217,372
Transactions with related parties	Level 2	20,876	28,467	4,959	5,369
Dividends receivable	Level 2	15,016	57,236	2,491	-
Liabilities					
Liabilities at amortized cost:					
Accounts payable	Level 2	8,737	11,790	135,686	190,603
Transactions with related parties	Level 2	22,168	23,220	-	-
Loans, financing and debentures	Level 2	983,875	946,492	4,027,617	4,265,779
Lease liabilities	Level 2	2,179	2,498	234,319	230,524

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)

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 June 30, 2023 and December 31, 2022, except for loans, financing and debentures that have hedge accounting and are presented below.

		Fair value		Carrying value	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Assets					
Cash and cash equivalents		404,253	401,545	404,253	401,545
Financial investments	Level 2	321,897	333,015	321,897	333,015
Long term financial investments	Level 2	18,459	18,877	18,459	18,877
Guarantees and pledge deposits	Level 2	12	26	12	26
Accounts receivable	Level 2	252,216	217,372	216,656	217,372
Transactions with related parties	Level 2	4,959	5,369	4,959	5,369
Liabilities					
Accounts payable	Level 2	173,551	190,603	135,686	190,603
Loans, financing and debentures	Level 2	3,610,169	4,108,297	4,027,617	4,265,779
Lease liabilities	Level 2	234,319	230,524	234,319	230,524
Derivative financial instruments	Level 2	53,474	27,954	53,474	27,954

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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 June 30, 2023, of BRL 38,934 in the financial result (in the period ended June 30, 2022, of BRL 3,958), 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.

Risk management structure

Credit risk

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

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Cash and cash equivalents	14,653	48,908	404,253	401,545
Accounts receivable	-	-	216,656	217,372
Financial investments	13,369	16,896	321,897	333,015
Long term financial investments	-	-	18,459	18,877
Transactions with related parties	20,876	28,467	4,959	5,369
Guarantees and pledge deposits	12	12	12	26
Dividends receivable	15,016	57,236	2,491	-
Total	63,926	151,519	968,727	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:

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	Consolidated June 30, 2023			
	Next 12 months	From 13 to 24 years	From 25 to 36 years	37 months onwards
Liquidity risk				
Accounts payable (Note 12)	135,686	-	-	-
Loans, financing and debentures (Note 13) (*)	323,566	1,025,686	268,675	4,420,810
Lease liabilities (Note 10) (*)	21,136	30,731	27,751	397,638
Derivative financial instrument	-	-	-	53,474

	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.

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.

Bond related hedge accounting

- 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 June 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

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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

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.

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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 Cabotage

- 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 change arising from loans in foreign currency in the amount of USD 121,541 thousand (USD 97,482 thousand on June 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.

- 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

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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.

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
			June 30, 2023	June 30, 2022	
Exchange variation – P&L			(97,441)	(83,748)	
Exchange variation - Equity			312,204	553,104	

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

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2018 to 2021	2022	Realization expectation - USD		2025 to 2033	Total
		2023	2024		
29,286,250	10,692,544	10,692,589	10,692,604	81,443,577	142,807,564
				June 30, 2023	June 30, 2022
Exchange variation – P&L				(39,385)	(39,740)
Exchange variation - Equity				96,187	178,376

Interest rate risk

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

Interest rate risk	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Assets:				
Cash and cash equivalents	14,653	48,908	404,253	401,545
Financial investments	13,369	16,896	321,897	333,015
Long term financial statements	-	-	18,459	18,877
Loans, financing and debentures	983,875	946,492	4,027,617	4,265,779
Derivative financial instruments	53,474	27,954	53,474	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 June 30, 2023, and December 31, 2022, three different scenarios were defined.

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 June 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:

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Financial instruments	Risk	Rate	Estimated rate			Balance as of June 30, 2023	Probable scenario	Possible scenario	Remote scenario
			Probable scenario	Possible scenario 10%	Remote scenario 15%				
Bonds and securities	CDI	13.65%	12.36%	12.29%	11.60%	202,740	(2,619)	(2,767)	(4,151)
Bonds and securities	US Treasury	0.31%	0.31%	0.28%	0.27%	115,728	(6)	(36)	(54)
Bonds and securities	Exchange variation - Ptax 800	4.819	5.250	4.337	4.096	3,429	307	(343)	(514)
Long term financial statements	Selic	13.75%	12.25%	12.38%	11.69%	18,459	(277)	(254)	(381)
Loans and financing	IPCA	3.36%	5.29%	3.70%	3.86%	416,062	(8,032)	(1,398)	(2,097)
Loans and financing	TJLP	7.28%	6.76%	8.01%	8.37%	37,550	197	(273)	(410)
Loans and financing	CDI	13.65%	12.36%	15.02%	15.70%	530,263	6,851	(7,238)	(10,857)
Derivative financial instrument	USD	4.819	5.250	5.301	5.542	53,474	(4,780)	(5,348)	(8,022)
						1,377,705	(8,359)	(17,657)	(26,486)

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 June 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 March 31, 2023	Probable scenario	Possible scenario	Remote scenario
			Probable scenario	Possible scenario 10%	Remote scenario 15%				
Loan - Project finance	USD	4.8192	5.2500	5.3011	5.5421	256	(23)	(26)	(38)
Export credit note	USD	4.8192	5.2500	5.3011	5.5421	484,851	(43,342)	(48,483)	(72,730)
Loan - Bond	USD	4.8192	5.2500	5.3011	5.5421	2,558,635	(228,722)	(255,865)	(383,793)
Derivative financial instrument	USD	4.8192	5.2500	5.3011	5.5421	53,474	(4,780)	(5,348)	(8,022)
						3,097,216	(276,867)	(309,722)	(464,583)

25.4 Capital management

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

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

The Company's liquid liability at the end of June 30, 2023, and December 31, 2022 is presented below:

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Total current and non-current liabilities	(1,105,004)	(1,052,698)	(4,735,653)	(5,032,724)
Cash and cash equivalents	14,653	48,908	404,253	401,545
Financial investments	13,369	16,896	321,897	333,015
Long term financial statements	-	-	18,459	18,877
(Insufficiency) net cash surplus	(1,076,982)	(986,894)	(3,991,044)	(4,279,287)
Shareholders' Equity	1,490,235	1,330,805	1,490,235	1,330,805
Ratio between equity and (Insufficient) net cash surplus	(138%)	135%	(37%)	31%

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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 June 30, 2023 was:

Operating risks	June 30, 2023
Fire, lightning, explosion, electrical damage, windstorms and flooding in BRL	96,137
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	June 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:

	June 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		
Net revenue from services	441,728	376,258	487,305	389,655	106,536	108,218	53,568	(130)	-	-	(13,565)	(5,025)	1,075,572	868,976
Operating income	441,728	376,176	429,499	369,931	115,839	117,359	53,568	(130)	-	-	-	-	1,040,634	863,336
Related Parties	-	82	13,565	4,943	-	-	-	-	-	-	(13,565)	(5,025)	-	-
Revenue - Hedge	-	-	44,241	14,781	(9,303)	(9,141)	-	-	-	-	-	-	34,938	5,640
<i>Accounting</i>														
Cost of services provided	(154,277)	(131,962)	(211,577)	(212,774)	(72,391)	(54,823)	(22,608)	(868)	-	-	4,926	5,025	(455,927)	(395,402)
Operating Costs	(149,352)	(126,887)	(211,577)	(212,774)	(72,391)	(54,823)	(22,608)	(868)	-	-	1	-	(455,927)	(395,352)
OTM	-	(51)	-	-	-	-	-	-	-	-	-	-	-	(51)
Related Parties	(4,925)	(5,024)	-	-	-	-	-	-	-	-	4,925	5,025	-	1
Operating expenses	(21,441)	(16,020)	(23,702)	(19,383)	(2,683)	(2,341)	(6,686)	(2,096)	(38,145)	(37,435)	(1)	-	(92,658)	(77,275)
Depreciation and amortization	(66,491)	(55,324)	(63,536)	(83,168)	(18,797)	(17,104)	(18,704)	(5,176)	(7,359)	(6,866)	5,590	-	(169,297)	(167,638)
Depreciation and amortization (cost)	(57,711)	(50,093)	(57,350)	(55,050)	(14,614)	(15,000)	(12,818)	(2,360)	(2,802)	(2,880)	5,590	-	(139,705)	(125,383)
Depreciation and amortization (expense)	(8,780)	(5,231)	(6,186)	(28,118)	(4,183)	(2,104)	(5,886)	(2,816)	(4,557)	(3,986)	-	-	(29,592)	(42,255)
Other expenses	157	152	202	1,127	5,992	6,716	8	617	83	(102)	-	-	6,442	8,510
Financial income (loss)	(25,178)	(37,765)	(61,616)	(60,900)	(5,480)	(7,766)	(22,898)	(11,003)	(100,368)	(40,081)	(3,325)	-	(218,865)	(157,515)
Equity method	-	227	7,488	14,905	-	-	-	-	240,766	113,768	(243,010)	(115,329)	5,244	13,571
Income tax	(52,174)	(47,592)	(2,852)	(6,334)	(3,092)	(9,363)	-	(61)	45,538	25,399	-	-	(12,580)	(37,951)
Profit (Loss) for the period	122,324	87,974	131,712	23,128	10,085	23,537	(17,320)	(18,717)	140,515	54,683	(249,385)	(115,329)	137,931	55,276

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	April 1st, 2022 to June 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	227,980	200,435	299,362	160,809	51,595	53,677	25,966	(130)	-	-	(7,424)	(2,504)	597,479	412,287
Operating income	227,980	200,353	256,979	244,712	56,036	58,093	25,966	(130)	-	-	-	-	566,961	503,028
Related Parties	-	82	7,424	2,422	-	-	-	-	-	-	(7,424)	(2,504)	-	-
Revenue - <i>Hedge Accounting</i>	-	-	34,959	(86,325)	(4,441)	(4,416)	-	-	-	-	-	-	30,518	(90,741)
Cost of services provided	(80,944)	(67,060)	(105,596)	(124,673)	(39,792)	(25,231)	(11,756)	(812)	-	-	2,429	2,504	(235,659)	(215,272)
Operating Costs	(78,515)	(64,506)	(105,596)	(124,673)	(39,792)	(25,231)	(11,757)	(812)	-	-	1	-	(235,659)	(215,222)
OTM	-	(51)	-	-	-	-	-	-	-	-	-	-	-	(51)
Related Parties	(2,429)	(2,503)	-	-	-	-	1	-	-	-	2,428	2,504	-	1
Operating expenses	(8,911)	(7,762)	(11,517)	(10,996)	(1,196)	(1,472)	(3,009)	(1,683)	(19,650)	(20,361)	(1)	-	(44,284)	(42,274)
Depreciation and amortization	(34,348)	(28,072)	(31,499)	(39,063)	(8,912)	(8,531)	(9,268)	(2,593)	(3,625)	(3,232)	3,356	-	(84,296)	(81,491)
Depreciation and amortization (cost)	(31,842)	(25,363)	(28,640)	(26,504)	(7,312)	(7,479)	(7,544)	(1,175)	(1,400)	(1,435)	5,590	-	(71,148)	(61,956)
Depreciation and amortization (expense)	(2,506)	(2,709)	(2,859)	(12,559)	(1,600)	(1,052)	(1,724)	(1,418)	(2,225)	(1,797)	(2,234)	-	(13,148)	(19,535)
Other expenses	95	153	(12)	817	3,173	3,001	4	617	37	46	-	-	3,297	4,634
Financial income (loss)	(11,411)	(24,861)	(29,499)	(27,726)	(1,874)	968	(12,045)	(4,487)	(59,032)	(15,541)	(4,967)	-	(118,828)	(71,647)
Equity method	-	207	7,705	13,125	-	-	-	-	172,650	46,179	(173,734)	(47,244)	6,621	12,267
Income tax	(29,598)	(4,334)	(1,938)	(3,531)	(236)	(3,828)	-	-	25,305	15,228	-	-	(6,467)	3,535
Profit (Loss) for the period	62,863	68,706	127,006	(31,238)	2,758	18,584	(10,108)	(9,088)	115,685	22,319	(180,341)	(47,244)	117,863	22,039

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Balance sheet accounts by operating segments

	June 30, 2023						
	North corridor	South corridor	Cabotage	Santos	Other	Eliminations	Consolidated
Current assets	498,443	820,118	171,817	49,793	249,930	(496,291)	1,293,810
Non-current assets	1,948,932	2,200,612	589,938	536,493	5,362,258	(5,706,155)	4,932,078
Total assets	2,447,375	3,020,730	761,755	586,286	5,612,188	(6,202,446)	6,225,888
Current liabilities	190,923	441,423	100,197	69,960	181,935	(375,721)	608,717
Non-current liabilities	1,016,721	1,790,941	426,658	427,572	3,935,344	(3,470,300)	4,126,936
Shareholders' Equity	1,239,731	788,366	234,900	88,754	1,494,909	(2,356,425)	1,490,235
Total liabilities and shareholders' equity	2,447,375	3,020,730	761,755	586,286	5,612,188	(6,202,446)	6,225,888
	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 June 30, 2023, the Company recognized the benefits of the AFRMM in the operating income (expenses) group in the amount of BRL 4,808 (R\$ 6,058 on June 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 June 30, 2023, this benefit resulted in an adjustment of BRL 12,549 to shareholders’ equity in the Tax Incentive Reserve (R\$ 9,227 on June 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 June 30, 2023, the amounts that did not affect the Company's and Consolidated Cash are BRL 18,014 (BRL 20,319 on December 31, 2022), relating to suppliers for the acquisition of fixed and intangible assets, and BRL 48,934 (BRL 54,810 on December 31, 2022), relating to additions of the leases for right of use.

30 Subsequent events

Secondary Offering of Shares - Follow On

As disclosed in a material fact on July 18, 2023, the Company closed the public offering of secondary distribution of common shares, in which 130,000,000 common shares issued by the Company were acquired

Hidroviás do Brasil S.A.

Management's accompanying notes to the parent company and consolidated interim financial information as of June 30, 2023
(In thousands of reais, except when stated otherwise)

and settled, all registered, book-entry, with no par value, free and clear of any encumbrances or encumbrances, carried out in the Federative Republic of Brazil, in an unorganized over-the-counter market, with placement efforts abroad ("Offer"), intended exclusively for Professional Investors (as defined in CVM Resolution No. , of May 11, 2021), at the price of R\$ 3.40 per share, totaling R\$ 442,000.

As a result of the Offering, Patria Infraestrutura Fundo de Investimento em Participações Multiestratégia, Patria Infraestrutura Brasil Fundo de Investimento em Participações Multiestratégia and HBSA Co-Investimento – Fundo de Investimentos em Participações Multiestratégia, jointly sold 98,040,656 common shares of issued by the Company and owned by it, now holding a stake corresponding to 12.73% of the Company's share capital, and Sommerville Investments B.V., a company constituted and existing under the laws of the Netherlands, registered with the CNPJ/MF under No. 10.364.849/0001-06, disposed of 31,959,344 common shares issued by the Company and owned by it, now holding a stake corresponding to 4.15% of the Company's capital stock

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 June 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, August 11, 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

HIDROVIAS DO BRASIL S.A.
Publicly-Held Company
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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 June 30, 2023, accompanied by the Management's report and the draft of the 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 June 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, August 10, 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 June 30, 2023.

São Paulo, August 11, 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