



Hidroviás do Brasil



1Q23

Earnings Release

São Paulo, May 11, 2023 – Hidrovias 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 first quarter of 2023 (1Q23). The results presented in this report comply with Brazilian accounting standards and the International Financial Reporting Standards (IFRS), and except where stated otherwise, comparisons are with 1Q22.

Hidrovias do Brasil starts 2023 with record results, showing a reduction in leverage and Net Income of R\$20.1 million.

Highlights 1Q23

Volume: The highest throughput ever in a first quarter ever since the Company was founded, with double-digit growth in the two main logistics corridors, totaling **4.4 million** tons in 1Q23 (+24.7% vs. 1Q22). The North Corridor stood out for its excellent performance, growing 23.0% on the strong comparison base of 1Q22, while the South Corridor continues to recover (+20.2% vs. 1Q22), after beginning to operate without navigation restrictions in February 2023.

Net Operating Revenue¹: Increased 31.5% from 1Q22 to **R\$473.7 million**, driven by higher throughput and increasing average tariffs in the Company's two main logistics corridors.

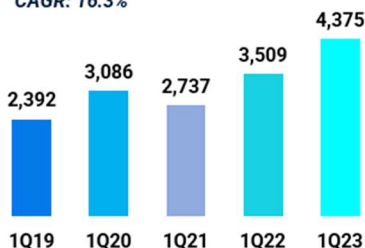
Adjusted EBITDA + Joint ventures²: Fifth straight quarter of growth compared to the same periods in previous years, driven by the growth of the North and South corridors and the positive result from the fertilizer operation in Santos – whose throughput is still in its growth curve. Adjusted EBITDA, including the results of joint ventures, totaled **R\$211.3 million** in 1Q23 (+34.8% vs. 1Q22), with Adjusted EBITDA margin, including the results of joint ventures, standing at **44.6%** (+1.1 p.p. vs. 1Q22).

CAPEX: R\$83.0 million in 1Q23, in line with plans for the period and went to conclude the projects related to the Company's first investment cycle.

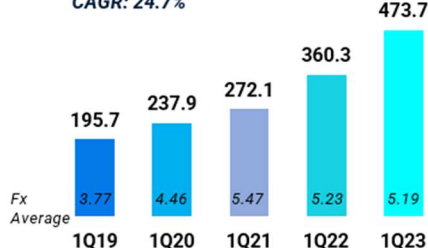
Leverage: Deleverage of 0.89x compared to the same period last year and 0.30x in relation to the end of 2022, totaling **4.58x**, mainly reflecting the best operating performance of the last 12 months.

Consolidated Result	1Q23	1Q22	Ch. %
Volume (kt)	4,375	3,509	24.7%
Volume (South Corridor)	1,265	1,052	20.2%
Volume (North Corridor)	2,014	1,638	23.0%
Volume (Coastal Navigation)	782	819	-4.5%
Volume (Santos)	314	-	-
Net Operating Revenue¹ (BRL million)	473.7	360.3	31.5%
Net Operating Revenue (South Corridor)	172.5	125.2	37.8%
Net Operating Revenue (North Corridor)	213.7	175.8	21.6%
Net Operating Revenue (Coastal Navigation)	59.8	59.3	0.9%
Net Operating Revenue (Santos)	27.6	-	-
Adjusted EBITDA + JVs² (BRL million)	211.3	156.8	34.8%
Adjusted EBITDA (South Corridor + JV's)	57.7	35.0	65.0%
Adjusted EBITDA (North Corridor)	136.2	108.2	25.8%
Adjusted EBITDA (Coastal Navigation)	29.6	33.5	-11.6%
Adjusted EBITDA (Santos)	14.2	(0.4)	-
Adjusted EBITDA (Holding)	(26.4)	(19.5)	35.4%
CAPEX (BRL million)	83.0	68.4	21.4%
Leverage	4,58x	5,47x	-0,89x

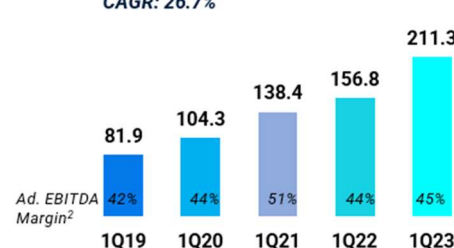
Total Volume (Kton)
CAGR: 16.3%



Net Operating Revenue¹ (BRL million)
CAGR: 24.7%



Adjusted EBITDA + JV's² (BRL million)
CAGR: 26.7%



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

Message from Management

"The strong results in the first quarter of 2023 are now approaching the potential of Hidrovias do Brasil's installed capacity, as external challenges are being overcome and operations are returning to a normalized operational scenario.

Throughput was almost 4.4 million tons, driven by significant growth in the main logistics corridors and a strong operational startup at Santos, marked by record Net Operating Revenue and Adjusted EBITDA during the period: R\$473.7 million and R\$211.3 million, respectively.

We are gradually nearing the end of the first cycle of investments planned for the Company, which focused on rolling out innovative and special projects that consolidated our position as one of Brazil's - and South America's - preeminent logistics players in less than 13 years of operation.

In order to connect the South American continent efficiently and sustainably, we established new logistics corridors and started operating efficiently in waterway transport in an integrated manner, deploying modern assets that bring greater competitiveness to producers and lower the impact on the environment compared to other transport options commonly used across our continent.

Thanks to our team's tireless and resilient efforts in recent years, we are in a unique and strategic position in all corridors, and have become absolute leaders in grain exports in Barcarena (North Corridor) and iron ore transport in Corumbá (South Corridor).

Our focus is now squarely on operational excellence and on optimizing business results in order to capture the full cash generation potential starting from 2024, which will enable us to quickly deleverage and, subsequently, seize opportunities in the future, given that there still exists much untapped potential in the logistics sector across our continent through waterway transport, coastal navigation, port integration and/or customized solutions for prime clients."

Fabio Schettino

CEO of Hidrovias do Brasil

Performance by Corridor

South Corridor

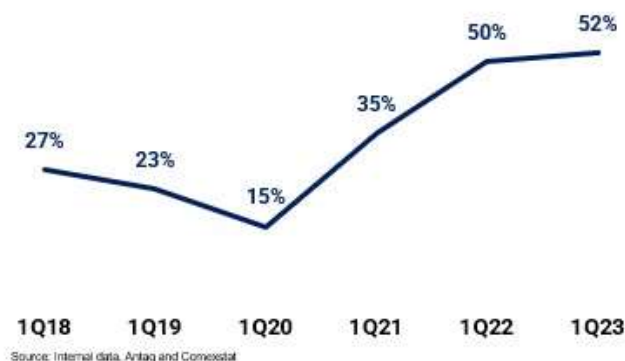


Volume (kt)	1Q23	1Q22	Ch. %
South Corridor	1,265	1,052	20.2%
Iron Ore	728	644	13.0%
Grains	155	145	6.9%
Fertilizers	54	8	>100%
Other	82	-	-
Total before JVs	1,019	797	27.9%
Participation in JV's ¹	246	255	-3.7%

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 started 2023 with significant operational restrictions in the South Corridor caused by the delay in summer rains, which occurred only in late January. Nevertheless, rainfall in the first quarter was heavier than estimates for the period and enabled us to operate regularly during most of February and March, partially offsetting the January situation.

Market Share HBSA - Corumbá iron ore (%)



We handled **1.3 million** tons in 1Q23 (+20.2% vs. 1Q22), mainly driven by the strong iron ore volume, which totaled 728,000 tons (+13.0% vs. 1Q22), under a long-term agreement with MCR (controlled by J&F) and the spot volume contracted with other mining companies in the Corumbá region.

This volume consolidates Hidroviás do Brasil's position as the principal logistics player for transporting iron ore produced in Corumbá, ending 1Q23 with 52% market share.

Grain throughput increased 6.9% from 1Q22 to 155,000 tons, reflecting the recovery of grain production in Paraguay (one year after the country's worst ever crop shortfall).

Navigation conditions on the Paraná-Paraguay Waterway (HPP) remain within normal parameters and on a positive trend, giving us

greater assurance that the atypical and non-recurring challenges observed in recent years are being overcome and, consequently, we can optimize the operations in this region, gaining scale and diluting fixed and variable costs in order to deliver results closer to the full potential of this corridor in 2023.

It is always worth noting that the Company has more flexible assets in the South Corridor, which give it greater competitive and strategic advantage vis-à-vis its clients, consolidating its leadership position also in grain transport (~15% market share) and, consequently, retaining its absolute leadership in the Paraná-Paraguay Waterway as a whole (37% market share).

South Corridor (BRL million)	1Q23	1Q22	Ch. %
Net Revenue¹	181.8	226.3	-19.7%
Operating Net Revenue	172.5	125.2	37.8%
Hedge Accounting ²	9.3	101.1	-90.8%
Operating Costs	(106.0)	(88.1)	20.3%
Operating Costs	(106.0)	(88.1)	20.3%
Operating Expenses (Revenue)	(12.2)	(8.4)	45.3%
AFRMM, Tax Credits and Other	0.2	0.3	-31.0%
Equity Accounting	(0.2)	1.8	-
EBITDA	63.6	131.9	-51.8%
EBITDA Margin %	36.9%	105.4%	-68.5 p.p.
Hedge Accounting ²	(9.3)	(101.1)	-90.8%
Equity Accounting	0.2	(1.8)	-
Adjusted EBITDA	54.6	29.0	87.9%
Adjusted EBITDA Margin %	31.6%	23.2%	8.4 p.p.
JV's	3.1	5.9	-47.4%
Adjusted EBITDA + JV's	57.7	35.0	65.0%
Adjusted EBITDA Margin + JV's %	33.4%	27.9%	5.5 p.p.

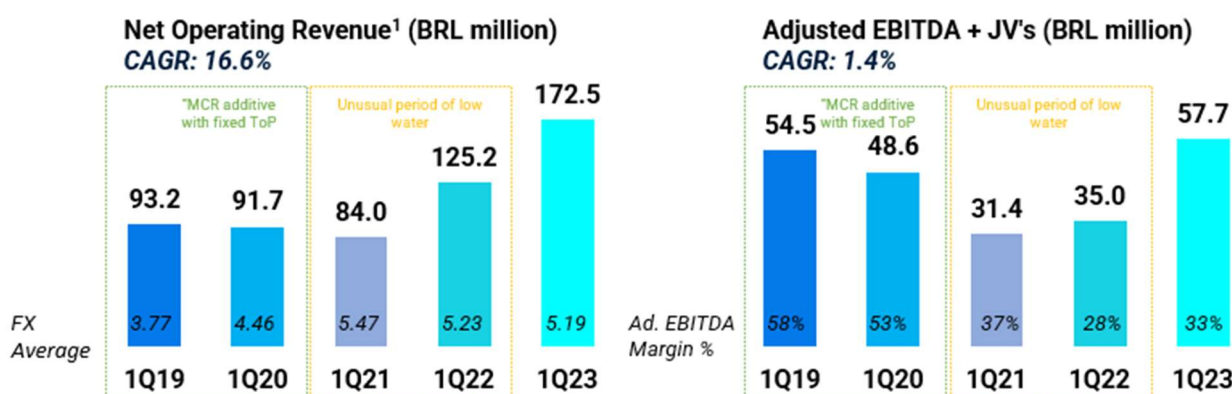
¹Net Revenue excludes the Intercompany effect for a better understanding of the results. ²Hedge Accounting: the Company's functional currency is the Brazilian real. However, South Corridor agreements are denominated in U.S. dollar. Therefore, hedge accounting was used to mitigate foreign exchange exposure, with the existing dollar-denominated debt hedging a part of long-term agreements in foreign currency. This procedure is non-cash.

Net Operating Revenue: Increased 37.8% from 1Q22 to **R\$172.5 million**, mainly due to higher throughput in the period and higher average tariff in the system. There was little impact from exchange rate variation, since average U.S. dollar remained practically stable in both periods (5.19 in 1Q23 vs. 5.23 in 1Q22) and NOR in U.S. dollar in 1Q23 was US\$33.2 million, compared to US\$23.9 million in 1Q22 (+38.9%).

Operating Costs: Increased 20.3% in relation to 1Q22 to R\$106.0 million – lagging revenue growth and, thus, reflecting greater dilution of fixed costs and economies of scale as the operation returns to normality.

Operating Expenses: Totalled R\$12.2 million in 1Q23 (+45.3% vs. 1Q22), due to the rebuilding of teams for a scenario of more regular operations and higher withholding taxes compared to the same period last year (IVA).

Adjusted EBITDA + Joint ventures: Better navigation conditions along the Paraná-Paraguay Waterway resulted in the highest adjusted EBITDA ever registered by the Company in a first quarter, even though January was less than ideal, totaling **R\$57.7 million** (+65.0% vs. 1Q22). Adjusted EBITDA margin + Joint ventures was 33.4% (+5.5 p.p. vs. 1Q22), still below the corridor's full potential, but is already showing the trend of continuous improvement (+9.5 p.p. vs. 4Q22).



North Corridor



Volume (kt)	1Q23	1Q22	Ch. %
North Corridor	2,014	1,638	23.0%
Grains "Integrated System"	1,474	1,257	17.3%
Grains "Direct road" ¹	391	323	21.1%
Fertilizers	148	59	>100%

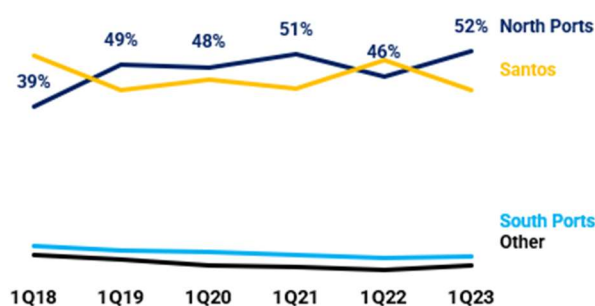
¹ "Direct Road" grains refers to the grain volume transported by road directly to the Barcarena TUP, which is presented separately as it is not part of the Company's integrated system.

North Corridor presented the sixth successive quarter of volume and market share growth despite the strong comparison bases, showing that "North Arch" and Hidrovias do Brasil remain the most competitive option to transport grains produced in Brazil, especially in Mato Grosso, for export.

Grain throughput in the integrated system totaled **~1.5 million** tons in the quarter, up 17.3% from 1Q22, despite the start of toll collection at some stretches of the BR-163 Highway in February, attesting that the improvements made along the highway are important to ensure the North Arch's leadership position besides creating value for the productive chain, without affecting the competitive dynamic among different logistics corridors.

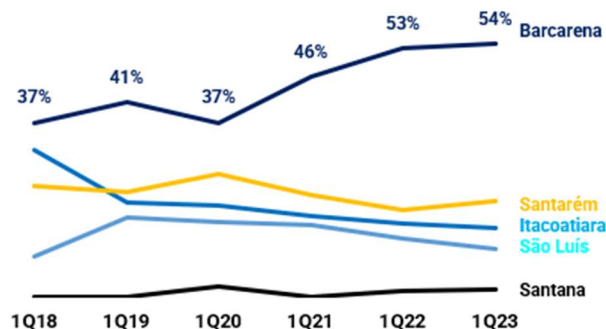
This fact is evident as the Northern Ports continued to gain market share in exports of grains originating in Mato Grosso compared to the Port of Santos, accounting for 52% of the volume exported in 1Q23 (vs. 46% in 1Q22), a significant gain of 6 p.p. Barcarena remains the main hub in the region, accounting for 54% of North ports (vs. 53% in 1Q22) and Hidrovias do Brasil maintained its leadership position, ending 1Q23 with 48% of market share in Barcarena.

Market Share: Grain exports from MT (%)



Source: Internal Data and Comexstat

Market Share: North ports (%)



Source: Internal Data and Comexstat

Fertilizer volume totaled 148,000 tons (vs. 59,000 tons in 1Q22), with greater allocation of cargo to the North Ports, given the logistics bottlenecks and extensive line-up at the Ports of Santos and Paranaguá.

Volume estimates of grain (soybean and corn) produced in Brazil, especially in Mato Grosso, and allocated for export follow the trend of representing one more year of record and, this fact, combined with the limited capacity and shipment in different logistics corridors across Brazil, led to early contracting by trading companies. In this context, over 95% of our integrated system's capacity has already been negotiated for 2023.

Still on the scenario of limited capacity and shipments, we continued our modular growth strategy in the North Corridor and, as disclosed in a Notice to the Market on April 28, 2023, we won Simplified Selection Process (PSS) no. 03/23 for the APT12-VDC area, whose purpose is the bulk transshipment of solid vegetable and mineral over water surfaces.

This will increase our throughput by approximately 700,000 tons per year in the North through the execution of a temporary use agreement and by obtaining the applicable licenses and/or authorizations, complementing the current operations of our Private Use Terminal ("TUP") in Barcarena and maintaining an adequate mix of our own integrated system and an asset light system, which will bring immediate synergies that optimize the two operation systems without creating idle capacity.

This new operation is expected to start in 2024, when the Company's estimated annual shipment capacity will be around 8 million tons. This, together with the new pushers and barges acquired recently, will increase volumes at the integrated system (grains received in Miritituba and shipped to Barcarena through vessels), besides maintaining high the volume of grains received directly at TUP ("Direct Road" Grains).

North Corridor (BRL million)	1Q23	1Q22	Ch. %
Net Revenue¹	213.7	175.8	21.6%
Operating Net Revenue	213.7	175.8	21.6%
Operating Costs	(70.8)	(62.4)	13.6%
Operating Costs	(70.8)	(62.4)	13.6%
Operating Expenses (Revenue)	(12.5)	(8.3)	51.7%
AFRMM, Tax Credits and Other	0.1	(0.0)	-
EBITDA	130.4	105.2	24.0%
EBITDA Margin %	61.0%	59.8%	12 p.p.
Non-recurring ²	5.8	3.0	89.2%
Adjusted EBITDA	136.2	108.2	25.8%
Adjusted EBITDA Margin %	63.7%	61.6%	2.1 p.p.

¹Net Revenue excludes the Intercompany effect for a better understanding of the results. ²Non-recurring effects are shown in the document attached to this report.

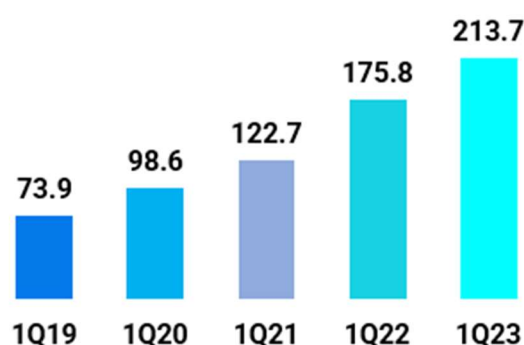
Net Operating Revenue: increased 21.6% from 1Q22 to **R\$213.7 million**, mainly due to higher throughput and higher average tariff during the period. Also worth noting is the booking of non-fee revenue of R\$29.5 million from the sale of waste (vs. R\$31.7 million in 1Q22), attesting to excellent operating management by the North team.

Operating Costs: R\$70.8 million, (+13.6% vs. 1Q22), growth significantly below the variation in volume and Revenue, with emphasis on the reduction of R\$1.2 R\$/ton in variable costs.

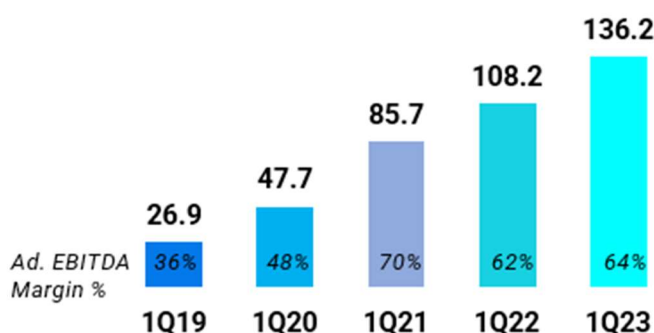
Operating Expenses: R\$12.5 million (+51.7% vs. 1Q22), with the non-recurring impact on the third parties line related to the adaptations required to retain and/or obtain operating licenses.

Adjusted EBITDA: Highest ever in a first quarter, with significant growth on strong comparison bases, as well as robust operating margins. In 1Q23, Adjusted EBITDA totaled **R\$136.2 million** (+25.8% vs. 1Q22), with Adjusted EBITDA margin of 63.7% (+2.1 p.p. vs. 1Q22).

Net Operating Revenue¹ (BRL million)
CAGR: 30.4%



Adjusted EBITDA (BRL million)
CAGR: 50.0%



Coastal Navigation



Volume (kt)	1Q23	1Q22	Ch. %
Coastal Navigation	782	819	-4.5%
Bauxite	782	819	-4.5%

Bauxite throughput 1Q23 reached **782,000** tons, slightly lower than in the same period last year but in line with historical data, representing the dedicated agreement with Hydro/Alunorte, which is 100% in the "take or pay" regime and, hence, with high predictability of results.

Coastal Navigation (BRL million)	1Q23	1Q22	Ch. %
Net Revenue	54.9	54.5	0.7%
Operating Net Revenue	59.8	59.3	0.9%
Hedge Accounting ¹	(4.9)	(4.7)	2.9%
Operating Costs	(32.6)	(29.6)	10.2%
Operating Costs	(32.6)	(29.6)	10.2%
Operating Expenses (Revenue)	(1.5)	(0.9)	71.1%
AFRMM, Tax Credits and Other ²	2.8	3.7	-24.1%
EBITDA	23.7	27.8	-14.8%
EBITDA Margin %	39.6%	46.9%	-7.3 p.p
Hedge Accounting ¹	4.9	4.7	2.9%
Non-recurring ³	1.1	1.0	8.8%
Adjusted EBITDA	29.6	33.5	-11.6%
Adjusted EBITDA Margin %	49.5%	56.5%	-7.0 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 accounts for around 10% of gross revenue from throughput booked in 2022 and around 8% in 2023); ³Non-recurring effects are shown in the document attached to this report.

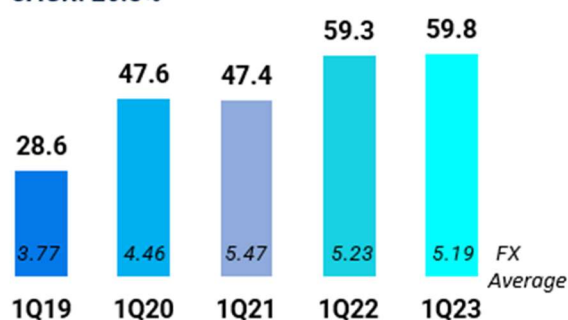
Net Operating Revenue: Increased 0.9% from 1Q22 to **R\$59.8 million**, despite the slightly lower volume compared to the same period last year, with little effect from exchange variation, since the U.S. dollar remained practically stable, thus reflecting the positive effect of the accounting cut-off related to 4Q22 (~R\$3.0 million).

Operating Costs: Increased 10.2% from 1Q22 to R\$32.6 million, mainly explained by the initial impact of additional costs to sustain the operation during the docking period of one of the dedicated ships – with rental of third-party ship during the scheduled maintenance of the ship (~R\$3.2 million in 1Q23).

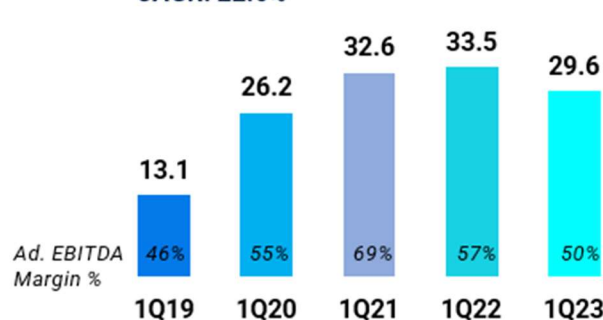
Operating Expenses: Totaled R\$1.5 million (+71.1% vs. 1Q22), affected by higher legal-related expenses to obtain legal opinions regarding the understanding of the controversial tariff – as already mentioned in the 4Q22 earnings release. Nevertheless, Operating Expenses as a ratio of NOR remained extremely low, corresponding to 2.5% in 1Q23 (vs. 1.5% in 1Q22).

Adjusted EBITDA: **R\$29.6 million** (-11.6% vs. 1Q22), with Adjusted EBITDA margin still at a very healthy 49.5% (vs. 56.5% no 1Q22), in line with estimates for the operation in a year of scheduled docking, when one of the assets is directed to a shipyard – that this year was done in Portugal- for maintenance for around six months.

Net Operating Revenue¹ (BRL million)
CAGR: 20.3%



Adjusted EBITDA² (BRL million)
CAGR: 22.6%



Santos



Volume (kt)

	1Q23	1Q22	Ch. %
Santos	314	-	n/a
Fertilizers	314	-	n/a

We ended 1Q23 with fertilizer throughput of **314,000 tons** in the STS20 area at the Port of Santos. Our terminal underwent extensive renovation work during 2022 and is still in the growth phase of its volume curve, which should reach maturity in 2025, when we will be able to operate with fertilizers and salt, which will be shipped to the Southeast and Midwest markets in Brazil through road and railway transport.

Santos (BRL million)

	1Q23	1Q22	Ch. %
Net Revenue	27.6	-	-
Operating Net Revenue	27.6	-	-
Operating Costs	(10.9)	(0.1)	>100%
Operating Costs	(10.9)	(0.1)	>100%
Operating Expenses (Revenue)	(3.7)	(0.4)	>100%
EBITDA	13.1	(0.5)	-
EBITDA Margin %	47.4%	-	-
Non-recurring ¹	1.1	0.0	-
Adjusted EBITDA	14.2	(0.4)	-
Adjusted EBITDA Margin %	51.3%	-	-

²Non-recurring effects are shown in the document attached to this report.

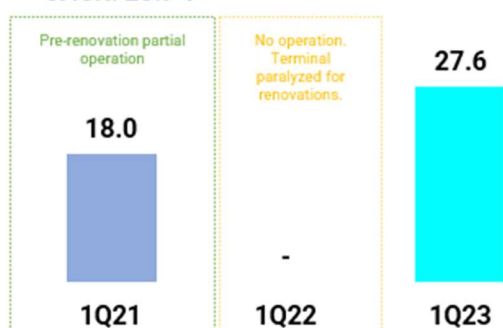
Net Operating Revenue: R\$27.6 million in 1Q23, reflecting the fertilizer throughput during the period and in line with the Company's estimates.

Operating Costs: R\$10.9 million in 1Q23, of which around 70% are fixed costs and will be diluted as the operation grows.

Operating Expenses: R\$3.7 million in 1Q23, also with potential for additional dilution as the operation grows.

Adjusted EBITDA: Totalled R\$14.2 million in 1Q23, 35% higher than the partial result 2022 (Adjusted EBITDA of R\$10.5 million and 394,000 tons of fertilizers), showing that the operation continues to grow and that its potential is even greater as the operation reaches maturity. Adjusted EBITDA margin was strong at 51.3%.

Net Operating Revenue (BRL million) CAGR: 23.7%



Adjusted EBITDA (BRL million) CAGR: 45.5%



Ad. EBITDA
Margin %

Holding

Holding (BRL million)	1Q23	1Q22	Ch. %
Operating Expenses (Revenue)	(18.5)	(17.1)	8.3%
AFRMM, Tax Credits and Other	0.0	(0.1)	-
Equity Accounting	(1.2)	(0.5)	>100%
EBITDA	(19.6)	(17.7)	10.6%
Equity Accounting	1.2	0.5	>100%
Non-recurring ¹	(7.9)	(2.2)	>100%
Adjusted EBITDA	(26.4)	(19.5)	35.4%

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

Adjusted result of the Holding was an expense of **R\$26.4 million** no 1Q23 (+35.4% vs. 1Q22), mainly due to the development of systems to enhance internal controls and governance practices. The main account, related to people, increased in line with inflation, and corporate expenses should continue to represent around 5% of consolidated Net Operating Revenue, in line with historical levels.

Consolidated Results

Consolidated Result (BRL million)	1Q23	1Q22	Ch. %
Net Revenue	478.1	456.7	4.7%
Net Operating Revenue ¹	473.7	360.3	31.5%
Hedge Accounting ²	4.4	96.4	-95.4%
Operating Costs	(220.3)	(180.1)	22.3%
Operating Costs	(220.3)	(180.1)	22.3%
Operating Expenses (Revenues)	(48.4)	(35.0)	38.2%
AFRMM, Tax Credits and Other	3.1	3.9	-19.0%
Equity Accounting	(1.4)	1.3	-
EBITDA	211.2	246.7	-14.4%
EBITDA Margin %	44.6%	68.5%	-23.9 p.p.
Depreciation & Amortization	(85.0)	(86.1)	-1.3%
EBIT	126.2	160.6	-21.4%
Financial Result	(100.0)	(85.9)	16.5%
Net Income before Income Tax	26.2	74.7	-65.0%
Income Tax	(6.1)	(41.5)	-85.3%
Net profit	20.1	33.2	-39.6%

CAPEX

Consolidated CAPEX (BRL million)	1Q23	1Q22	Ch. %
Maintenance	14.4	5.6	>100%
Expansion	47.4	42.8	10.8%
STS20 Grant	21.2	20.1	5.6%
Total CAPEX	83.0	68.4	21.4%

Consolidated Capex in 1Q23 was **R\$83.0 million** (+21.4% vs. in 1Q22), of which:

- R\$14.4 million went to scheduled maintenance of assets: with recurring maintenance and start of docking process of the cabotage ship, which was taken to a shipyard in Portugal, where it will remain for around six months.
- R\$47.4 million for expansion: with payment of pusher boats and hybrid shunt pushers that are being prepared to be effectively used as improvements in the North starting from 2024 and the launch of project to create a rail exit in Santos, which should expand shipment capacity and, consequently, the returns expected from this operation.
- R\$21.2 million concession fee of STS20: which occurs in the first quarter of each year until 2025, as per the lease agreement signed by the Company in 2019.

At the end of 2023, we will complete the first cycle of planned investments made towards the development and growth of the Company's business units, which resulted in: a) strong capacity expansion and productivity gains in the North operation, making us one of the leaders in the export of Brazilian grains; b) higher navigation capacity and flexibility in the South operation, which enables us to operate in an atypical period of low water level and making us a dominant player in the transportation of iron ore produced in Corumbá; c) operational improvements in Santos – with the reconstruction of warehouses and acquisition of the first hydraulic e-crane for use in the port, bringing greater agility and productivity to this new operation.

With all this, we will be ready to operate close to capacity of our logistics corridors starting from 2024 and, consequently, with tremendous potential for operating cash generation, which will be initially used to deleverage the Company and then to finance the new investment cycle, given the enormous logistics potential still untapped across Latin America, whether through river or coastal navigation or through port integration and development of customized solutions for prime clients.

Financial Result

Financial Result (BRL million)	1Q23	1Q22	Ch. %
Total Financial Income	6.6	1.5	>100%
Total Financial Expense	(103.1)	(80.2)	28.5%
Financial Expense	(91.5)	(80.2)	14.0%
Derivative Financial Instruments	(11.6)	-	-
Fx variation ¹	(3.5)	(7.1)	-50.3%
Total Financial Result	(100.0)	(85.9)	16.5%

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 1Q23 with Financial Result of **(R\$100.0) million** (+16.5% vs. 1Q22), whose main components are:

- i) **Total Financial Income:** R\$6.6 million (vs. R\$1.5 million in 1Q22), due to gains through fresh allocation of capital to investments with higher returns. In addition, there was a reduction in investments in foreign exchange funds.
- ii) **Total Financial Expenses:** (R\$103.1) million (+28.5% vs. 1Q22), increasing due to the Company's new capital structure, impacted by the contracting of derivatives. However, we continue to maintain a long-term and low-cost debt profile.
- iii) **Exchange Variation:** (R\$3.5) million (vs. R\$7.1 million in 1Q22), improvement caused by the appreciation of the Brazilian real in cash flow lines.

Net Income (Loss)

As a result of the above, Hidrovias do Brasil recorded **Net Income of R\$20.1 million** in 1Q23 (vs. R\$33.2 million in 1Q22), reflecting, on the one hand, the solid operational improvements at the main logistics corridors and, on the other, the lower amount booked related to hedge accounting, which was R\$4.4 million in 1Q23 (vs. R\$96.4 million in 1Q22).

Excluding this impact from the result for comparison purposes, Net Income in 1Q23 would have been R\$15.6 million (vs. Loss of R\$63.1 million in 1Q22), which is a more compatible level with the evolution of the business.

Cash Generation

Cash Flow (BRL million)	1Q23	1Q22	Ch. %
Cash beginning of period	753.4	672.3	12.1%
(+) EBITDA	211.2	246.7	-14.4%
(+/-) Change in working capital	(164.1)	(18.6)	>100%
(+/-) Hedge Accounting	(4.4)	(96.4)	-95.4%
= Operating Cash Flow (OCF)	42.7	131.8	-67.6%
(-) CAPEX	(45.4)	(28.6)	58.9%
Recurring	(14.4)	(5.6)	>100%
Expansion	(31.0)	(23.1)	34.2%
(-) Grant	(21.2)	(20.1)	5.6%
= Investing Cash Flow (ICF)	(66.6)	(48.7)	36.8%
(+/-) Debt Issuance/Amortization	(14.4)	(14.4)	-0.1%
(-) Interest Payments	(115.9)	(96.9)	19.6%
(-) Lease Payments	(9.7)	(13.4)	-27.5%
= Financing Cash Flow (FCF)	(140.0)	(124.6)	12.3%
Impact of exchange rate variation on cash balances	(28.2)	(80.1)	-64.8%
= Cash Generation	(192.1)	(121.6)	58.0%
Cash end of period	561.3	550.7	1.9%

Operating cash generation totaled R\$42.7 million in 1Q23, reflecting the strong EBITDA growth excluding the non-cash impact of hedge accounting, which offset the atypical effects in the working capital line during this period, with accounts receivable unusually higher than historical levels. Note that a significant portion of these accounts were paid in early April, thus being included in the 2Q23 statements.

Investments in 1Q23 were higher than in the same period last year, mainly due to the need to dock the bauxite ship, as mentioned earlier.

Regarding financial cash flow, interest payments increased due to the Company's new capital structure after the second emission of debentures for the repurchase of bonds and the contracting of derivatives during 2022, partially offset by the reduction in leases, which should decrease further starting from 2024 as a result of the ongoing reorganization of assets (2 pushers in the North that will be taken to the South).

As such, cash burn in 1Q23 was R\$192.1 million (vs. R\$121.6 million in 1Q22) and we ended the period with **R\$561.3 million in cash** (vs. R\$550.7 million in 1Q22), which is a healthy position to cover the short-term capital requirements and is higher than the minimum cash position established by the Company, showing that there is no need for fresh funding in 2023.

Note that following the seasonality of the business, cash flow comes under greater pressure in the first quarters of the year when most of the debt obligations are concentrated, but is normalized during the year with a more regular flow of working capital and better operating results.

Debt

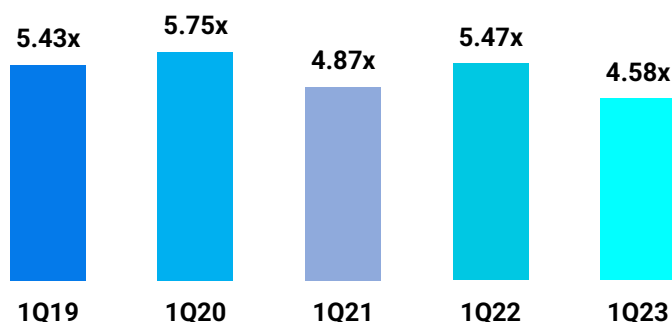
Indebtedness (BRL million)	1Q23	dec/22	Ch. %
Total in BRL	948.3	946.5	0.2%
Total in USD	3,171.6	3,319.3	-4.4%
Gross Debt	4,120.0	4,265.8	-3.4%
Total in BRL	173.9	206.5	-15.8%
Total in USD	368.3	528.0	-30.2%
Box and Applications ¹	542.2	734.5	-26.2%
Net Debt	3,577.7	3,531.3	1.3%
Adjusted EBITDA ex-JV's LTM	781.1	723.8	7.9%
Net Debt/EBITDA ex-JV's LTM	4,58x	4,88x	0,3x

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

We ended 1Q23 with a 3.4% reduction in gross debt compared to the end of 2022, totaling R\$4,120.0 million, with 77% exposure to the US currency and 23% to the Real. The Company continues to seek alternatives to better balance its cash flows and the position of cash, cash equivalents and financial investments at the end of the first quarter totaled R\$542.2 million.

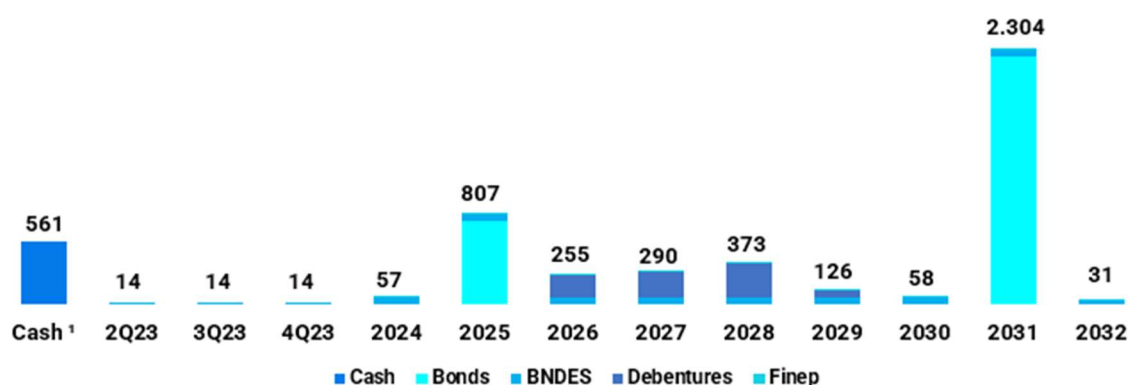
Net debt in 1Q23 totaled R\$3,577.7 million (vs. R\$3,531.2 million in 1Q22) and leverage, considering EBITDA ex-joint ventures in the last 12 months, stood at 4.58x, a further reduction of 0.3x compared to the end of 2022, reflecting both the higher operating result from the Company's main logistics corridors and the development of Santos, which has already registered significant results in 2023.

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



The Company continues to focus its efforts on reducing leverage - its current debt has a competitive average cost of 5.07% in U.S. dollar and an extremely long 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

Sustainability has become one of the main pillars for evaluating corporate sustainability and has proven essential to build a more balanced, sustainable and fair economy.

Hidrovias do Brasil was born with a vocation for sustainability as it uses the potential of rivers and coastlines to transport products and support the development of South America. Waterway transport is the most efficient, safe and sustainable means of transportation, with a lower greenhouse gas emissions per kilometer transported. The Company, however, wants to go even further in order to make a difference in its sector.

In 2022, Hidrovias do Brasil launched the Sustainable Commitment, with goals aligned with the UN Sustainable Development Goals (SDG). These commitments cover six pillars aligned with topics that are important for the business: Climate Change, Ethics and Transparency, Value Chain, Environmental Impact, Local and Human Development, Health and Safety, and Employee Development.

In this first year of Sustainable Commitment, 80% of the short-term goals – set for 2022 and 2023 – have already been achieved, including: a) the construction of two electric tugboats, conclusion and operational startup of convoy with 35 barges; b) approval, with the Sustainable Partner Seal, of our suppliers based on ESG criteria; c) inventory of 100% of grain clients in the North system and encourage them to sign the Soy Moratorium; d) conclusion of the inventory of waste and action plan with indicators for reducing and

disposing of waste according to type; e) diagnosis of social and environmental risk of operations and routes in regions covered by HBSA; f) implementation of health and occupational safety plan throughout the company; g) creation of procedures on government relations; h) publication of the 1st Sustainability Report according to GRI standards.

The entire Company was mobilized and came together to meet these goals and now the Company wants to take a step further and include new challenges that will further strengthen its six pillars. In this context, new short-term goals were created, which will be delivered in 2023, including: i) plan for carbon compensation and decarbonization of operations; ii) preparation of the 1st Integrated Sustainability Report; iii) diagnosis of sustainability challenges faced by clients to define actions designed to improve their performance indicators; iv) implement the Stakeholder Engagement Plan in accordance with HBSA's Social Action Guidelines and IFC's Performance Standards across all company operations; and v) prepare an action plan to implement mitigative barriers after mapping 100% of high occupational risk tasks, among others.

Hidrovias continues to advance on its Sustainable Commitment, establishing increasingly ambitious goals each year, which are defined jointly with all our stakeholders. Only thus will the Company be prepared to meet the future needs of its clients and society. We are committed to making a difference by playing a leading role in discussing sustainability of the logistics sector in South America.

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.

Attachment

HIDROVIAS DO BRASIL S.A.

Comprehensive income statements

For the periods ended March 31, 2023 and 2022

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

	Consolidated	
	03/31/2023	03/31/2022
Net income	478.093	456.689
Costs of services provided	-288.825	-243.557
Gross profit	189.268	213.132
EXPENSES		
General and administrative	-64.818	-57.721
Equity income	-1.377	1.304
Other income and (expenses)	3.145	3.876
Income before financial income and taxes	126.218	160.591
Financial revenues	11.481	46.666
Financial expenses	-111.518	-132.534
Financial result	-100.037	-85.868
Income and before income tax and social contribution	26.181	74.723
Income tax and social contribution		
Current	-24.267	-30.777
Deferred	18.154	-10.709
Loss for the year	20.068	33.237
Basic income per share - R\$	0.0264	0.0437
Diluted earnings per share - R\$	0.0264	0.0437

HIDROVIAS DO BRASIL S.A.

Balance sheets at March 31, 2023 and December 31, 2022

(In thousands of Reais - R\$)

ASSETS	Consolidated		LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Current assets			Current liabilities		
Cash and cash equivalents	268.634	401.545	Suppliers	158.522	190.603
Securities and securities	273.591	333.015	Loans, financing and debentures	141.488	192.819
Accounts receivable from customers	276.610	212.572	Social and labor obligations	43.664	55.529
Stocks	100.832	106.443	Lawsuits	23.241	32.020
Taxes to be recovered	27.986	27.988	Tax obligations	30.795	33.734
Income tax and social contribution	75.044	101.176	Income tax and social contribution	68.811	80.295
Advances to suppliers	13.459	22.083	Accounts payable with related parties	-	-
Prepayments	11.853	13.965	Advance of customers	4.286	16.785
Credits with related parties	-	-	Rental liabilities	29.889	30.692
Dividends to be received	-	-	Obligation with grant	18.453	17.231
Other credits	64.893	70.583	Other accounts payable	58.178	42.574
Total current assets	1,112,902	1,289,370	Total current liabilities	577.327	692.282
Non-current assets			Non-current liabilities		
Securities linked	19.113	18.877	Loans, financing and debentures	3,978,468	4,072,960
Credits with related parties	5.228	5.369	Accounts payable with related parties	-	-
Accounts receivable from customers	4.800	4.800	Derivative financial instrument	26.102	27.954
Judicial deposits	92.194	68.761	Rental liabilities	215.196	199.832
Guarantees and deposit deposits	12	26	Obligation with grant	16.518	36.722
Deferred tax assets	139.195	131.100	Other accounts payable	2.931	2.974
Taxes to be recovered	44.050	44.669	Total non-current liabilities	4,239,215	4,340,442
Income tax and social contribution	37.795	37.785			
Prepayments	24.875	26.099			
Investments	105.243	109.592			
Asset	4,023,190	4,091,335			
Well right of use	232.703	193.399			
Intangible	341.759	342.347	Equity		
Total non-current assets	5,070,157	5,074,159	Capital social	1,334,584	1,334,584
			Capital reserves	39.696	39.629
			Accumulated loss	-324.191	-344.259
			Equity valuation adjustment	316.428	300.851
			Total shareholders' equity	1,366,517	1,330,805
Total asset	6,183,059	6,363,529	Total liabilities and shareholders' equity	6,183,059	6,363,529

HIDROVIAS DO BRASIL S.A.

Cash flow statements

For the periods ended March 31, 2023 and 2022

(In thousands of Reais - R\$)

	Consolidated	
	03/31/2023	03/31/2022
Cash flow from operating activities		
Loss for the year	20.068	33.237
Net cash generated by (applied in) operating activities:		
Provisions for bonuses and bonuses	5.845	5.710
Current and deferred IR and CS	6.113	41.486
Adjustment present lease value	3.668	2.593
Derivative financial instruments	(1.852)	-
(Constitution) Reversal of the provision legal proceedings	(8.770)	3.360
Interest incurred on loans	73.358	66.841
Reversal of borrowing costs	2.811	3.611
Ownership of borrowing costs		
Monetary and exchange rate update on debt	(118)	(39.029)
Advantageous purchase result		
Interest appropriate - leasing	2.313	1.978
Long-term incentive plan with restricted actions	80	1.828
Income from financial investments	(2.174)	51.171
Constitution of provision for losses		
Depreciation and amortization	76.177	66.770
Amortization of the right of use	9.286	19.296
Equity income	1.377	(1.304)
Realized hedge revenue	(4.420)	(96.381)
Low rental	(2)	(2.473)
Asset write-off due to loss	1.998	-
(Increase) reduction in operating assets:		
Accounts receivable	(66,768)	(23.724)
Stocks	4.649	(17.129)
Taxes to be recovered	1.535	8.355
Advances to suppliers	8.341	(13.868)
Prepayments	2,595	3.696
Judicial deposits	(23.462)	(1)
Guarantees and deposit deposits	14	-
Other credits	5.589	10.852
Increase (decrease) in operating liabilities:		

Suppliers	(45.821)	9.448
Social and labor obligations	(17.445)	(7.881)
Tax obligations	(2.913)	(6.106)
Advances from customers	(12.492)	25.084
Other accounts payable	(12.227)	29.816
Payment of interest on loans and financing	(115.887)	(96.865)
Income taxes and social contribution paid	(9.884)	(39.421)
Net cash generated by operating activities	(98.418)	40.950
Cash flows from investment activities		
Acquisition of fixed assets	(44.691)	(22.214)
Acquisition of intangible assets	(744)	(6.411)
Application of securities	(212.965)	-
Redemptions of securities	277.721	256.949
Capital contribution in subsidiaries	-	-
Receipt of dividends	-	-
Mutual granted between related parties	-	-
Net cash (applied in) generated by investment activities	19,321	228.324
Cash flows from financing activities		
Obligation with grant	(21.176)	(20.054)
Paid lease	(9.686)	(13.352)
Principal amortization - loans	(14.391)	(14.413)
Linked financial investments	(2.361)	-
Mutual granted between related parties	-	-
Other accounts payable with related parties	141	-
Net cash generated by (applied in) financing activities	(47.473)	(47.819)
Effects of exchange changes on cash balance held in foreign currency	(6.341)	(33.185)
Increase (Decrease) in cash and cash equivalents	(132.911)	188.270
Cash and cash equivalents at the beginning of the year	401.545	76.454
Cash and cash equivalents at the end of the year	268.634	264.724
Increase (Decrease) in cash and cash equivalents	(132.911)	188.270

North Corridor (BRL million)			
	1Q23	1Q22	Ch. %
Non-recurring			
Apportionment of corporate expenses for comparison with the past	5.8	3.0	89.2%
Total	5.8	3.0	89.2%
Coastal Navigation (BRL million)			
	1Q23	1Q22	Ch. %
Non-recurring			
Apportionment of corporate expenses for comparison with the past	1.1	1.0	8.8%
Total	1.1	1.0	8.8%
Santos (BRL million)			
	1Q23	1Q22	Ch. %
Non-recurring			
Apportionment of corporate expenses for comparison with the past	1.1	0.0	-
Total	1.1	0.0	-
Holding (BRL million)			
	1Q23	1Q22	Ch. %
Non-recurring			
Apportionment of corporate expenses for comparison with the past	(7.9)	(4.1)	92.9%
Stock compensation plan	-	1.8	-
Total	(7.9)	(2.2)	>100%



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A free translation from Portuguese into English of Independent auditor's review report on individual 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 individual and consolidated interim financial information of Hidrovias do Brasil S.A. (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2023, which comprises the statement of financial position as at March 31, 2023 and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for quarter then ended, including other 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 individual 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 individual 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 individual and consolidated Statements of Value Added (SVA) for the quarter ended March 31, 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 quarterly information to conclude whether they are reconciled with the individual 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 individual and consolidated interim financial information taken as a whole.


Audit and review of corresponding figures

The Company's individual and consolidated financial statements for the year ended December 31, 2022 were audited by other independent auditors, who issued an unmodified opinion thereon dated March 21, 2023.

The Company's individual and consolidated interim financial information for the quarter ended March 31, 2022 was reviewed by other independent auditors, who issued an unmodified conclusion thereon dated May 16, 2022.

São Paulo, May 11, 2023

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



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

Hidrovias do Brasil S.A

**Quarterly Information (ITR) at
March 31, 2023
and report on review of
quarterly information**

Contents

Parent company and consolidated quarterly financial statements

Report of the independent auditors on the company and consolidated financial statements

Management Report

Balance sheets

Statements of income

Statement of comprehensive income (loss)

Statements of changes in equity

Statements of cash flow

Statement of value-added

Notes to the quarterly financial statements

Hidrovias do Brasil S.A

Balance sheets

March 31, 2023 and December 31, 2022

(In thousand of reais)

(A free translation of the original in Portuguese)

ASSETS	Notes	Parent Company		Consolidated		LIABILITIES AND EQUITY	Notes	Parent Company		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022			03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current assets						Current liabilities					
Cash and cash equivalentes	4	2,035	48,908	268,634	401,545	Trade accounts payable	14	7,707	11,790	158,522	190,603
Securities	5.1	18,532	16,896	273,591	333,015	Loans, financing and debentures	15	59,784	58,394	141,488	192,819
Accounts receivable from clients	6.1	-	-	276,610	212,572	Labor obligations	16	14,259	19,976	43,664	55,529
Inventories		-	-	100,832	106,443	Provisions for legal claims	17	7,027	6,808	23,241	32,020
Recoverable taxes	7	2,556	2,376	27,986	27,988	Tax obligations		4,794	4,952	30,795	33,734
Income tax and social contribution	7.1	7,914	7,914	75,044	101,176	Income tax and social contribution		-	-	68,811	80,295
Advances to suppliers	9	191	13	13,459	22,083	Related parties	18	3,168	2,965	-	-
Prepayments		3,497	1,205	11,853	13,965	Advance of customers		-	-	4,286	16,785
Related parties	18	16,586	23,249	-	-	Lease payable	12	922	665	29,889	30,692
Dividends receivable	18	36,126	57,236	-	-	Liabilities of grant	13	-	-	18,453	17,231
Other receivables		-	3,422	64,893	70,583	Other accounts payable		8,937	9,008	58,178	42,574
Total current assets		87,437	161,219	1,112,902	1,289,370	Total current liabilities		106,598	114,558	577,327	692,282
Non-current assets						Non-current liabilities					
Securities linked	5.2	-	-	19,113	18,877	Loans, financing and debentures	15	888,556	888,098	3,978,468	4,072,960
Related parties	18	5,080	5,218	5,228	5,369	Related Parties	18	19,802	20,255	-	-
Accounts receivable from clients	6.1	-	-	4,800	4,800	Derivative	27	26,102	27,954	26,102	27,954
Judicial deposits		32,383	32,383	92,194	68,761	Lease payable	12	1,545	1,833	215,196	199,832
Guarantees and deposit	8	12	12	12	26	Liabilities of grant	13	-	-	16,518	36,722
Deferred taxes	26	46,159	25,925	139,195	131,100	Other accounts payable		-	-	2,931	2,974
Recoverable taxes	7	-	-	44,050	44,669	Total non-current liabilities		936,005	938,140	4,239,215	4,340,442
Income tax and social contribution	7.1	-	-	37,795	37,785						
Prepayments		137	160	24,875	26,099						
Investments	10	2,195,533	2,113,283	105,243	109,592						
Property, plant and equipment	11	4,283	3,983	4,023,190	4,091,335	Equity					
Right of use assets	12	2,160	2,498	232,703	193,399	Share capital	19	1,334,584	1,334,584	1,334,584	1,334,584
Intangible assets	13	35,936	38,822	341,759	342,347	Capital reserves		39,696	39,629	39,696	39,629
						Accumulated loss		(324,191)	(344,259)	(324,191)	(344,259)
						Other comprehensive income		316,428	300,851	316,428	300,851
Total non-current assets		2,321,683	2,222,284	5,070,157	5,074,159	Total equity		1,366,517	1,330,805	1,366,517	1,330,805
Total assets		2,409,120	2,383,503	6,183,059	6,363,529	Total liabilities and equity		2,409,120	2,383,503	6,183,059	6,363,529

The accompanying Management notes are an integral part of the quarterly financial statements.

Hidroviás do Brasil S.A

Statements of income

Three-month period ended March 31, 2023 and 2022

(In thousand of reais, unless otherwise stated)

(A free translation of the original in Portuguese)

	Notes	Parent Company		Consolidated	
		03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net income	23	-	-	478,093	456,689
Costs of services provided	24.1	-	-	(288,825)	(243,557)
Gross profit		-	-	189,268	213,132
General and administrative expenses	24.1	(22,136)	(20,626)	(64,818)	(57,721)
Equity in results of investees	10	68,116	67,589	(1,377)	1,304
Other income (expenses), net	24.2	42	(151)	3,145	3,876
Income before financial income and taxes		46,022	46,812	126,218	160,591
Financial income	25	1,203	1,039	11,481	46,666
Financial expenses	25	(47,391)	(24,788)	(111,518)	(132,534)
Net financial income (expenses)		(46,188)	(23,749)	(100,037)	(85,868)
Profit (loss) before income and social contribution taxes		(166)	23,063	26,181	74,723
Income tax and social contribution					
Current	26	-	-	(24,267)	(30,777)
Deferred	26	20,234	10,174	18,154	(10,709)
Net income for the period		20,068	33,237	20,068	33,237
Basic earnings per share - R\$	20	0.0264	0.0437	0.0264	0.0437
Diluted earnings per share - R\$	20	0.0264	0.0437	0.0264	0.0437

The accompanying Management notes are an integral part of the quarterly financial statements.

Hidroviás do Brasil S.A

Statements of comprehensive income
Three-month period ended March 31, 2023 and 2022
(In thousand of reais)

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	01/01/2023	01/01/2022	01/01/2023	01/01/2022
	–	–	–	–
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net income for the period	20,068	33,237	20,068	33,237
Comprehensive income to be reclassified to income in the future				
Cumulative translation adjustment – companies controlled	(17,371)	(106,219)	(14,661)	(91,371)
Cumulative translation adjustment – investments	-	-	(2,710)	(14,848)
Hedge accounting of non-derivative financial instruments	43,007	203,765	43,007	203,765
Deferred income tax and social contribution	(10,059)	(49,658)	(10,059)	(49,658)
Total	15,577	47,888	15,577	47,888
Total comprehensive income for the period	35,645	81,125	35,645	81,125

The accompanying Management notes are an integral part of the quarterly financial statements.

Hidroviás do Brasil S.A

Statements of changes in equity
Three-month period ended March 31, 2023 and 2022
(In thousand of reais)

(A free translation of the original in Portuguese)

	Share capital		Capital reserve			Other comprehensive			
	Share capital	Cost in issuing shares	Goodwill in the issuance of shares	Options grante	Accumulated loss	Cumulative conversion adjustments	Gain/loss on investment in the group	Adjustment of non-derivative financial instruments	Total
BALANCE AT JANUARY, 01, 2022	1,359,469	(24,885)	4,401	30,470	(336,096)	569,272	-	(354,977)	1,247,654
Long-term incentive plan	-	-	-	1,181	-	-	-	-	1,181
Loss (Profit) of period	-	-	-	-	33,237	-	-	-	33,237
Loss of relative equity interest	-	-	-	-	-	-	(322)	-	(322)
Adjustment of non-derivative financial	-	-	-	-	-	(106,219)	-	154,107	47,888
BALANCE AT MARCH, 31, 2022 2022	1,359,469	(24,885)	4,401	31,651	(302,859)	463,053	(322)	(200,870)	1,329,638
BALANCE AT JANUARY, 01, 2023	1,359,469	(24,885)	4,401	35,228	(344,259)	529,623	-	(228,772)	1,330,805
Long-term incentive plan	-	-	-	67	-	-	-	-	67
Loss (Profit) of period	-	-	-	-	20,068	-	-	-	20,068
Adjustment of non-derivative financial	-	-	-	-	-	(17,371)	-	32,948	15,577
BALANCE AT MARCH, 31, 2023	1,359,469	(24,885)	4,401	35,295	(324,191)	512,252	-	(195,824)	1,366,517

The accompanying Management notes are an integral part of the quarterly financial statements.

Hidrovias do Brasil S.A

Cash flow statements

Three-month period ended March 31, 2023 and 2022

(In thousand of reais)

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Cash flow from operating activities				
Net income for the period	20,068	33,237	20,068	33,237
Adjustment to reconcile net income in the period				
Provisions for bonuses and bonuses	3,346	4,605	5,845	5,710
Deferred income and social contribution taxes	(20,234)	(10,174)	6,113	41,486
Adjustment present value - lease	-	-	3,668	2,593
Derivative	(1,852)	-	(1,852)	-
Provision for (reversal of) legal claims	219	738	(8,770)	3,360
Interest incurred on loans	34,861	16,001	73,358	66,841
Reversal of borrowing costs	458	273	2,811	3,611
Monetary and exchange rate update on debt	-	-	(118)	(39,029)
Advantageous purchase result				
Interest appropriate - lease	102	22	2,313	1,978
Long-term incentive plan with restricted actions	80	1,828	80	1,828
Income from financial investments	(168)	7,206	(2,174)	51,171
Depreciation and amortization	3,396	3,205	76,177	66,770
Amortization of the right of use	338	295	9,286	19,296
Equity in results of investees	(68,116)	(67,589)	1,377	(1,304)
Realized hedge revenue	-	-	(4,420)	(96,381)
Lease	-	-	(2)	(2,473)
Asset write-off due to loss	1,765	-	1,998	-
(Increase) reduction in operating assets:				
Accounts receivable	-	-	(66,768)	(23,724)
Inventories	-	-	4,649	(17,129)
Recoverable taxes	(180)	(42)	1,535	8,355
Advances to suppliers	(178)	795	8,341	(13,868)
Prepayments	(2,269)	335	2,595	3,696
Judicial deposits	-	-	(23,462)	(1)
Guarantees and deposit deposits	-	138	14	-
Other receivables	3,422	4	5,589	10,852
Increase (decrease) in operating liabilities:				
Trade accounts payable	(4,083)	(1,790)	(45,821)	9,448
Labor obligations	(9,063)	(7,316)	(17,445)	(7,881)
Tax obligations	(158)	(80)	(2,913)	(6,106)
Advances from customers	-	-	(12,492)	25,084
Other accounts payable	(84)	(45)	(12,227)	29,816
Payment of interest on loans and financing	(33,471)	-	(115,887)	(96,865)
Income taxes and social contribution paid	-	-	(9,884)	(39,421)
Net cash generated by (used in) operating activities	(71,801)	(18,354)	(98,418)	40,950
Cash flows from investment activities				
Acquisition of property, plant and equipment	(401)	(106)	(44,691)	(22,214)
Acquisition of intangible assets	(731)	(3,593)	(744)	(6,411)
Application of securities	(22,840)	-	(212,965)	-
Redemptions of securities	21,372	79,534	277,721	256,949
Capital contribution in subsidiaries	-	(360)	-	-
Dividends received	21,110	-	-	-
Mutual granted between related parties	6,801	6,015	-	-
Net cash generated by investment activities	25,311	81,490	19,321	228,324
Cash flows from financing activities				
Obligation with grant	-	-	(21,176)	(20,054)
Paid lease	(133)	(320)	(9,686)	(13,352)
Principal amortization - loans	-	-	(14,391)	(14,413)
Securities	-	-	(2,361)	-
Mutual granted between related parties	(453)	(3,103)	-	-
Other accounts payable with related parties	203	259	141	-
Net cash generated by (used in) financing activities	(383)	(3,164)	(47,473)	(47,819)
Effect of exchange rate changes on cash and cash equivalents	-	-	(6,341)	(33,185)
Increase (Decrease) in cash and cash equivalents	(46,873)	59,972	(132,911)	188,270
Cash and cash equivalents at the beginning of the period	48,908	937	401,545	76,454
Cash and cash equivalents at the end of the period	2,035	60,909	268,634	264,724
Increase (Decrease) in cash and cash equivalents	(46,873)	59,972	(132,911)	188,270

The accompanying Management notes are an integral part of the quarterly financial statements.

Hidroviás do Brasil S.A

Statements of value added

Three-month period ended March 31, 2023 and 2022

(In thousand of reais)

(A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Revenues				
Gross revenue	-	-	503,750	474,681
Revenue stemming from the construction of own assets	1,096	3,699	61,205	46,326
Other revenues	219	-	2,358	3,876
Inputs acquired from third parties:				
Cost of services provided	-	-	(161,557)	(132,723)
Materials, energy, third-party services and other	(54,587)	(3,383)	(89,867)	(14,589)
Construction of own assets	(1,096)	(3,699)	(61,205)	(46,326)
Gross value added	(54,368)	(3,383)	254,684	331,245
Depreciation and amortization	(3,734)	(3,476)	(84,998)	(86,039)
Net value added (consumed) produced by the Company	(58,102)	(6,859)	169,686	245,206
Value added (consumed) received through transfer:				
Equity in results of investees	68,116	67,589	(1,377)	1,304
Financial income	1,203	1,039	11,481	46,666
Total value added (consumed) to be distributed	11,217	61,769	179,790	293,176
Distribution value added (consumed)	11,217	61,769	179,790	293,176
Personnel and charges	9,444	11,873	63,391	61,994
Direct compensation	3,950	7,816	49,048	56,970
Benefits	4,856	1,431	11,951	1,912
Severance fund (FGTS)	638	2,625	2,392	3,111
Other	-	1	-	1
Taxes, charges and contributions:	(18,290)	(8,129)	46,982	65,411
Federal (includes deferred income and social contribution taxes)	(18,293)	(8,129)	37,723	55,900
State	3	-	3,124	5,664
Local	-	-	6,135	3,847
Remuneration of third-party capital:	(5)	24,788	49,349	132,534
Interest on loans, grants and other	324	16,324	40,922	67,619
Monetary and exchange rate updates	(496)	-	8,439	11,608
Other financial expenses	167	8,464	(12)	53,307
Interest on own capital:	20,068	33,237	20,068	33,237
Retained earnings	20,068	33,237	20,068	33,237

The accompanying Management notes are an integral part of the quarterly financial statements.

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

1 Operations

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

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

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

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

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Controlled	Main activity	Country	Type	03/31/2023 % Participation		12/31/2022 % Participation	
				Direct	Indirect	Direct	Indirect
Hidroviás do Brasil - Holding Norte S.A. ("HB Holding Norte")	Participation in the capital of other companies	Brazil	Full	100.00%	-	100.00%	-
Hidroviás do Brasil - Vila do Conde S.A. ("HB Vila do Conde")	Cargo storage and lifting and river transport	Brazil	Full	-	100.00%	-	100.00%
Hidroviás do Brasil - Marabá S.A. ("HB Marabá")	Land - Pre-operational	Brazil	Full	100.00%	-	100.00%	-
Hidroviás do Brasil - Intermediação e Agenciamento de serviços Ltda. ("HB Intermediation")	Intermediation and service agency	Brazil	Full	100.00%	0.00%	99.00%	1.00%
Hidroviás do Brasil - Cabotagem Ltda. ("HB Cabotagem")	Cabotage shipping	Brazil	Full	100.00%	0.00%	99.00%	1.00%
Hidroviás do Brasil - Santos S.A. Port Administration ("HB Santos")	Handling and storage	Brazil	Full	-	100.00%	-	100.00%
Obrinel S.A. ("Obrinel")	Specialized cargo terminal	Uruguay	Equity	-	49.00%	-	49.00%
Hidroviás del Sur S.A. ("Hidroviás del Sur")	Participation in the capital of other companies	Uruguay	Full	100.00%	-	100.00%	-
Baloto S.A. ("Baloto")	Participation in the capital of other companies	Uruguay	Full	4.26%	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	-	44.77%	-	44.77%
Resflir S.A. ("Resflir")	Leasing of shipping assets	Uruguay	Full	-	100.00%	-	100.00%
Hidroviás International Finance S.à.r.l. ("Finance")	Financial operations agency	Luxembourg	Full	100.00%	-	100.00%	-
Hidroviás Navegación Fluvial S.A. ("Navigation")	River transport	Paraguay	Full	95.00%	5.00%	95.00%	5.00%
Hidroviás South America BV ("Hidroviás South America")	River transport	Holland	Full	100.00%	-	100.00%	-
Baden S.A. ("Baden")	Port administration	Paraguay	Equity	50.00%	-	50.00%	-
Via Grãos S.A. ("Via Grãos")	Construction of highways and railways	Brazil	Full	100.00%	-	100.00%	-

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

2 Preparation basis

a. Statement of conformity

The Company's separate and consolidated interim financial statements were prepared in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Statements and with international accounting standard IAS 34, as issued by the International Accounting Standards Board ("IASB"), and presented in accordance with the regulations of the Brazilian Securities Commission ("CVM"). The financial statements include all information of significance to the financial statements, which is consistent with the information used by management in the performance of its duties.

The accounting practices, policies and main judgments on the estimates adopted by the Company in preparing the separate parent company and the consolidated quarterly financial statements are consistent with Note 3 to the financial statements for the year ended December 31, 2022, as issued on March 21, 2023. Hence, the condensed quarterly financial statements should be read together with the annual financial statements as at and for the year ended December 31, 2022.

The issuance of the parent company and consolidated financial statements were authorized by the Company's Board of Directors on May 11, 2023.

3 Significant accounting policies

The significant accounting policies applied when preparing these financial statements are consistent with the those used in the annual financial statements as at and for the year ended 31, 2022.

4 Cash and cash equivalents

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and cash equivalents - Registered in brazilian companies	1,499	48,908	177,753	305,363
Cash and cash equivalents - Registered in foreign companies	536	-	90,881	96,182
Total	2,035	48,908	268,634	401,545

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

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

5 Financial investments

5.1 Securities

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
JP Morgan (a)	-	-	102,033	110,913
Itaú Ficfi Fund 311 (b)	340	16,445	19,769	124,817
Itaú PP Portfolio Fund (c)	18,192	451	137,898	89,357
Santander Vip Exchange Rate(d)	-	-	1,776	1,824
FIDC (e)	-	-	1,939	2,185
Bank of Brazil (h)	-	-	10,176	3,919
Total	18,532	16,896	273,591	333,015

- (a) Financial investments representing investments in funds abroad with Banco J.P. Morgan, referenced in the change in the U.S. Treasury and which had profitability of 4.71% p.a. as of March 31, 2023 (4.23% p.a. as of December 31, 2022). The portfolio consists of fixed income securities and U.S. Treasury Securities.
- (b) Financial investments representing investments in the Itaú Foreign Exchange Fund FIC FI, referenced in the exchange variation of the U.S. Dollar – Ptax800, which had an average profitability of -2.76% at March 31, 2023 or -0.13% in relation to the change in Ptax in the same period (-3.35% at December 31, 2022 or +3.15% in relation to the ptax variation in the same period). The fund's portfolio consists exclusively of Federal Public Securities and committed transactions backed by Federal Public Securities.
- (c) Financial investments representing investments in the Itaú PP Portfolio Fund, referenced in the variation of the Interbank Deposit Certificate (CDI), which had an average profitability of 96.68% of cdi as of March 31, 2023 (106.24% as of December 31, 2022). The fund's portfolio consists exclusively of fixed income securities, distributed among Federal Public Securities, committed transactions, fund quotas and other securities of financial institutions.
- (d) Financial investments representing investments in the Santander Vip Foreign Exchange Fund, referenced in the exchange variation of the U.S. Dollar – Ptax800, which had an average profitability of -2.64% as of March 31, 2023 or -0.01% in relation to the change in Ptax in the same period (-3.11% as of December 31, 2022 or +3.39% in relation to ptax's change in the same period). The fund's portfolio consists exclusively of Federal Public Securities and committed transactions backed by Federal Public Securities.
- (e) Financial investments representing investments in the Credit Rights Investment Fund (FIDC) Upside, which had an average profitability of -11.26% as of March 31, 2023 or -8.63% in relation to the change in Ptax in the same period (-27.80% as of December 31, 2022). The portfolios of the funds are composed of assignment of credit rights and quotas of funds composed exclusively of fixed income securities, distributed among Federal Public securities and committed transactions backed by Federal Public securities.
- (f) Financial investments representing investments in Banco do Brasil, which had an average return of 84.75% of cdi as of March 31, 2023 (81.97% of CDI as of December 31, 2022). The fund's portfolio consists of fixed income securities, including committed transactions backed by public bonds and Federal Government bonds.

5.2 Securities linked

	Consolidated	
	03/31/2023	12/31/2022
Hidrovias do Brasil - Cabotagem Ltda.	19,113	18,877
Total non-current	19,113	18,877

They represent investments in the BNP PARIBAS SOBERANO FIC FI RF fund, subject to the variation in the SELIC interest rate, which had an average remuneration of 97.49% of Selic as of March 31, 2023 (98.89% as of December 31, 2022). The fund's portfolio is composed of Federal Public securities issued by the National Treasury and/or the Central Bank of Brazil, prefixed or indexed to the variation of the CDI or, also, by committed transactions backed by federal government securities.

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

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

6 Account receivable from clients

6.1 Breakdown of balances per location

	Consolidated	
	03/31/2023	12/31/2022
Accounts receivable recorded by subsidiaries abroad	87,099	109,115
Accounts receivable recorded by subsidiaries in Brazil	218,158	131,958
Subtotal	305,257	241,073
Provision for expected credit losses	(23,847)	(23,701)
Total	281,410	217,372
Current	276,610	212,572
Non-current	4,800	4,800

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

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

6.2 Breakdown of accounts receivable by maturity age

	Consolidated	
	03/31/2023	12/31/2022
Falling due Overdue (days):	185,675	169,538
Expired up to 30 days	9,948	40,683
Expired from 31 to 60 days	72,554	-
Overdue from 61 to 90 days	3,109	541
Overdue from 91 to 120 days	-	3,475
Overdue from 121 to 180 days	4,638	476
Overdue more than 180 days ago	29,333	26,360
Total	305,257	241,073

Provision drive map for expected losses:

	Consolidated
Balance at December 31, 2022	(23,701)
Translation adjustments	(146)
Balance at March 31, 2023	(23,847)

	Consolidated
Balance at December 31, 2021	(2,254)
Translation adjustments	118
Provision recognized in the year	(21,565)
Balance at December 31, 2022	(23,701)

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

7 Recoverable taxes

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
IRRF s/ financial application (a)	2,556	2,366	8,703	7,770
PIS / COFINS (b)	-	10	60,262	60,237
ISS	-	-	735	538
VAT (c)	-	-	2,336	4,112
Total	2,556	2,376	72,036	72,657
Current assets	2,556	2,376	27,986	27,988
Non-current assets	-	-	44,050	44,669

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

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

7.1 Income tax and social contribution

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
IRPJ / CSLL	7,914	7,914	112,839	138,961
Total	7,914	7,914	112,839	138,961
Current assets	7,914	7,914	75,044	101,176
Non-current assets	-	-	37,795	37,785

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

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

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

8 Guarantees and deposit

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Other	12	12	12	26
Total	12	2	12	26

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

9 Advances to suppliers

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Advances to domestic suppliers	191	13	5,545	10,027
Advances to foreign suppliers	-	-	7,914	12,056
Total	191	13	13,459	22,083

In the consolidated financial statements as of March 31, 2023, the advance balance to suppliers is basically composed of: R\$ 1,029 (R\$ 5,290 as of December 31, 2022), referring to advances for boat constructions; R\$ 515, referring to the implementation of the Santos terminal (R\$ 8,657 as of December 31, 2022); R\$ 11,395, referring to advances to other suppliers inherent to the operation of the Company and its subsidiaries (R\$ 7,900 as of December 31, 2022); and R\$ 520 related to advance for fuel purchase (R\$ 236 as of December 31, 2022).

10 Investments

The composition and movement of investments as of March 31, 2023 and December 31, 2022:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Composition of investments				
Equity interests valued by equity	2,178,888	2,095,195	91,350	95,203
Lease contract	5,280	5,382	5,280	5,382
Asset capital gain	11,365	12,706	-	-
Goodwill	-	-	8,613	9,007
Total	2,195,533	2,113,283	105,243	109,592

	12/31/2022		Parent company 03/31/2023			
	Starting balance	Equity valuation adjustment - Hedge	Equity valuation adjustment - currency conversion result (CTA)	Amortization	Equity income	Final balance
Baloto S.A.	2,449	-	174	-	(80)	2,543
Hidroviás Del Sur S.A.	563,811	-	(17,244)	-	(29,939)	516,628
Hidroviás do Brasil - Marabá S.A.	9,171	-	-	-	(100)	9,071
Hidroviás do Brasil - Holding Norte S.A.	1,089,913	20,587	-	-	60,363	1,170,863
Hidroviás do Brasil - Cabotagem Ltda.	192,680	12,361	-	-	7,327	212,368
Hidroviás do Brasil - Intermediação e Agenciamento de serviços Ltda.	34,518	-	-	-	1,254	35,772
Pricolpar S.A.	15	-	-	-	(1)	14
Hidroviás International Finance S.à.r.l.	1,684	-	(114)	-	4,778	6,348
Hidroviás South America B.V.	82,210	-	(812)	-	8,860	90,258
Hidroviás Navegación Fluvial S.A.	107,331	-	899	-	15,915	124,145
Baden S.A.	10,623	-	(274)	-	(243)	10,106
Via Grains	790	-	-	-	(18)	772
Subtotal	2,095,195	32,948	(17,371)	-	68,116	2,178,888
Lease contract	5,382	-	-	(102)	-	5,280
Baden S.A. - Asset capital gains	2,341	-	-	(42)	-	2,299
South America B.V. Hidroviás - Added Value	10,365	-	-	(1,299)	-	9,066
Total	2,113,283	32,948	(17,371)	(1,443)	68,116	2,195,533

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

	12/31/2022	Consolidated 03/31/2023			
	Starting balance	Currency Conversion Result (CTA)	Equity income	Amortization	Final balance
Limday S.A.	13,900	(390)	1,157	-	14,667
Obrinel S.A.	70,680	(1,812)	(2,291)	-	66,577
Baden S.A.	10,623	(274)	(243)	-	10,106
Subtotal	95,203	(2,476)	(1,377)	-	91,350
Lease contract (b)	5,382	-	-	(102)	5,280
Goodwill (a)	9,007	(234)	-	(160)	8,613
Total	109,592	(2,710)	(1,377)	(262)	105,243

	12/31/2021				Parent company 12/31/2022				
	Starting balance	Capital increase/decrease	Equity valuation adjustment - <i>Hedge</i>	Equity valuation adjustment - currency conversion result (CTA)	Adequacy of equity interest	Dividends	Amortization	Equity income	Final balance
Baloto S.A.	2,4498	-	-	(357)	-	-	-	358	2,449
Hidroviás Del Sur S.A.	669,692	1,935	-	(41,328)	-	-	-	(66,488)	563,811
Hidroviás do Brasil - Marabá S.A.	10,262	360	-	-	-	-	-	(1,451)	9,171
Hidroviás do Brasil - Holding Norte S.A.	443,711	450,000	85,776	-	-	-	-	110,426	1,089,913
Hidroviás do Brasil - Cabotagem Ltda.	189,777	-	40,429	-	1,080	(56,303)	-	17,697	192,680
Hidroviás do Brasil - Intermediação e Agenciamento de serviços Ltda.	33,401	-	-	-	170	-	-	947	34,518
Pricolpar S.A.	14	-	-	-	-	-	-	1	15
Hidroviás International Finance S.à.r.l.	1,536	-	-	(523)	-	-	-	671	1,684
Hidroviás South America B.V.	38,731	-	-	(1,637)	-	-	-	45,116	82,210
Hidroviás Navegación Fluvial S.A	19,844	-	-	4,957	-	-	-	82,530	107,331
Baden S.A.	12,067	-	-	(761)	-	-	-	(683)	10,623
Via Grains	-	800	-	-	-	-	-	(10)	790
Subtotal	1,421,483	453,095	126,205	(39,649)	1,250	(56,303)		189,114	2,095,195
Lease contract	5,788	-	-	-	-	-	(406)	-	5,382
Baden S.A. - Asset capital gains	2,506	-	-	-	-	-	(165)	-	2,341
South America B.V. Hidroviás – Added Value	15,563	-	-	-	-	-	(5,198)	-	10,365
Total	1,445,340	453,095	126,205	(39,649)	1,250	(56,303)	(5,769)	189,114	2,113,283

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

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

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

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

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

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

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

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

	03/31/2023					
	Number of shares	Total assets	Total liabilities	Equity	Profit (Loss) of companies for the period	Net revenues
<u>Direct controlled</u>						
Hidroviás del Sur S.A.	4,330,646,746	628,450	112,613	515,837	(29,939)	-
Hidroviás International Finance S.à r.l.	12,000	3,138,279	3,131,931	6,348	4,778	-
Hidroviás do Brasil - Marabá S.A.	20,000,000	9,331	260	9,071	(100)	-
Hidroviás do Brasil - Cabotagem Ltda. (c)	220,475,382	796,627	584,259	212,368	7,327	54,941
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda.	2,500,000	38,034	2,262	35,772	1,254	5,005
Hidroviás South America B.V.	1,000,000	131,588	41,330	90,258	8,860	32,412
Hidroviás Navegación Fluvial S.A(d)	442	156,252	31,073	125,179	15,665	52,530
Hidroviás do Brasil - Holding Norte S.A.	512,989,094	1,171,534	655	1,170,879	60,363	-
Via Grãos S.A.	800,000	789	17	772	(18)	-
<u>Indirect subsidiaries</u>						
Baloto S.A.	599,999,999	68,159	2,484	65,675	(2,313)	-
Girocantex S.A.	2,442,140,008	1,369,724	1,131,892	237,832	(25,574)	105,113
Hidroviás del Paraguay S.A.	266,377	126,345	61,612	64,733	10,807	62,607
Pricolpar S.A.	17,910	213,291	74,061	139,230	(7,354)	8,888
Cikelsol S.A.	800,000	813,946	865,852	(51,906)	3,352	41,266
Resflir S.A.	20,000	85,285	68,612	16,673	(828)	1,247
Hidroviás do Brasil - Vila do Conde S.A.	519,596,445	2,286,210	1,215,493	1,070,717	88,161	173,572
Hidroviás do Brasil – Administração Portuária de Santos S.A.	43,904,863	591,749	492,887	98,862	(7,212)	27,602
<u>Controlled together (e)</u>						
Limday S.A.	42,902,541	16,144	1,477	14,667	1,174	4,310
Obrinel S.A.	587,999,999	364,969	298,393	66,576	(2,511)	5,335
Baden	175,000,000	10,350	244	10,106	(243)	242

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

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

(c) Revenue is being presented net of *hedge accounting in the* amount of R\$ 4,862 (R\$ 4,726 as of March 31, 2022).

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

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

Key information on jointly controlled investments:

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

	Baden		Limday		Obrinel	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current assets	5,506	5,766	23,720	22,481	35,275	43,026
Non-current assets	15,193	16,660	12,518	13,568	709,559	742,446
Total asset	20,699	22,426	36,238	36,049	744,834	785,472
Current liabilities	487	411	1,004	3,719	67,884	64,451
Non-current liabilities	-	-	2,311	-	541,080	571,553
Equity	20,212	22,015	32,923	32,330	135,870	149,468
Total liabilities	20,699	22,426	36,238	36,049	744,834	785,472

	Baden		Limday		Obrinel	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net revenue	483	482	9,675	8,504	10,887	15,201
Cost and Expenses	(968)	(1,041)	(7,039)	(6,519)	(16,012)	(13,776)
Net income for the period	(485)	(559)	2,636	1,985	(5,125)	1,425

11 Property, plant and equipment

The composition and movement of fixed assets as of March 31, 2023 and December 31, 2022:

	Parent company		Parent company		Asset sandin so	Total
	Facilities and improvements	Furniture and utensils	Machinery and equipment	Electronic and computer equipment		
Balance at 12/31/2022	-	-	88	2,228	1,667	3,983
Additions	-	-	-	-	401	401
Transfers	221	413	-	182	(676)	140
Depreciation	(13)	(25)	(9)	(194)	-	(241)
Balance at 03/31/2023	208	388	79	2,216	1,392	4,283
Historical cost	221	415	395	6,414	1,392	8,837
Accumulated depreciation	(13)	(27)	(316)	(4,198)	-	(4,554)
Annual depreciation rate - %	10-15	10-20	10-15	20-25	-	-

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

	Parent company					Asset sandin so		Total	
	Facilities and improvements	Furniture and utensils	Machinery and equipment	Electronic and computer equipment					
Balance at 12/31/2021	631	1,630	134	3,707		151		6,253	
Transfers	(29)	-	-	29		-		-	
Additions	-	-	-	-		1,666		1,666	
Writ-off	(307)	(1,436)	(1)	-		(150)		(1,894)	
Depreciation	(295)	(194)	(45)	(1,508)		-		(2,042)	
Balance at 12/31/2022	-	-	88	2,228		1,667		3,983	
Historical cost	-	2	395	6,233		1,667		8,297	
Accumulated depreciation	-	(2)	(307)	(4,005)		-		(4,314)	
Annual depreciation rate - %	10-15	10-20	10-15	20-25		-		-	

	Consolidated									Total	
	Land	Buildings	Facilities and improvements	Furniture and utensils	Machinery and equipment	Electronic and computer equipment	Vehicles	Pushers, barges, ships	Assets in progress (b)		
Balance at 12/31/2022	85,452	556,609	79,218	1,434	356,948	13,730	435	2,528,671	468,838		4,091,335
Additions	-	-	-	30	179	16	-	346	59,118		59,689
Write-off	-	-	-	(20)	(201)	(13)	-	-	-		(234)
Transfers	-	-	5,979	413	1,895	182	-	154,621	(170,035)		(6,945)
Depreciation	-	(7,244)	(4,015)	(84)	(16,937)	(913)	(85)	(38,684)	-		(67,962)
Translation adjustments	-	-	(946)	(20)	(560)	(15)	(9)	(59,487)	8,344		(52,693)
Balance at 03/31/2023	85,452	549,365	80,236	1,753	341,324	12,987	341	2,585,467	366,265		4,023,190
Historical cost	85,452	713,637	103,187	2,376	635,381	23,545	1,550	3,451,944	366,265		5,383,337
Accumulated depreciation	-	(164,272)	(22,951)	(623)	(294,057)	(10,558)	(1,209)	(866,477)	-		(1,360,147)
Annual depreciation rate - %	-	4-5	10-15	10-20	10-15	20-25	25-40	4-6	-		

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

	Land	Buildings	Facilities and improvements	Furniture and utensils	Machinery and equipment	Electronic and computer equipment	Vehicles	Pushers, barges, ships	Assets in progress (b)	Total
Balance at 12/31/2021	85,452	474,077	30,618	2,523	252,249	8,539	812	2,752,896	647,119	4,254,285
Additions	-	3,568	647	536	3,254	706	-	911	254,800	264,422
Write-off	-	-	(306)	(1,436)	(674)	-	-	(1)	(301)	(2,718)
Impairment losses	-	-	-	-	-	-	-	-	(24,740)	(24,740)
Transfers	-	104,281	62,744	164	163,663	8,309	9	53,289	(393,661)	(1,202)
Depreciation	-	(25,317)	(12,661)	(311)	(60,373)	(3,764)	(313)	(153,584)	-	(256,323)
Translation adjustments	-	-	(1,824)	(42)	(1,171)	(60)	(73)	(124,840)	(14,379)	(142,389)
Balance at 12/31/2022	85,452	556,609	79,218	1,434	356,948	13,730	435	2,528,671	468,838	4,091,335
Historical cost	85,452	713,637	98,617	1,996	634,469	23,456	1,587	3,373,344	468,838	5,401,396
Accumulated depreciation	-	(157,028)	(19,399)	(562)	(277,521)	(9,726)	(1,152)	(844,673)	-	(1,310,061)
Annual depreciation rate - %	-	4-5	10-15	10-20	10-15	20-25	25-40	4-6	-	-

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

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

Asset Recoverable Value Reduction Test - Impairment

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

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

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

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

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

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

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

12 Right-of-use asset and lease liabilities

The composition and movement of the right-of-use asset as of March 31, 2023 and December 31, 2022 is presented as follows:

Parent company	Real estate	Total
Net balances as of December 31, 2022	2,498	2,498
Amortization	(338)	(338)
Net balances as of March 31, 2023	2,160	2,160

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

Consolidated	Real estate	Vessels	Total
Net balances as of December 31, 2022	165,959	27,440	193,399
Additions	20,764	28,170	48,934
Write-off	-	(114)	(114)
Amortization	(4,020)	(5,266)	(9,286)
Translation adjustment	(76)	(154)	(230)
Net balances as of March 31, 2023	182,627	50,076	232,703

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

Below is the movement of lease liabilities as of March 31, 2023 and December 31, 2022:

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

	Parent company	Consolidated
Balance at December 31, 2022	2,498	230,524
Additions	-	20,764
Interest and monetary adjustment	102	1,088
Payment of the principal	(133)	(9,686)
Write-off	-	(116)
Realization of the adjustment to present value	-	2,893
Translation adjustment	-	(382)
Balance at March 31, 2023	2,467	245,085

Current	922	29,889
Non-current	1,545	215,196

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

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

Schedule of expiration of leases:

Year	Parent company	Consolidated
2023	776	34,422
2024	1,035	30,731
2025	902	27,751
2026	-	24,319
2027 onwards	-	377,538
Subtotal	2,713	494,761
Interest and adjustment to present value	(246)	(249,676)
Lease liabilities	2,467	245,085

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

13 Intangible assets

Parent company	Software	Contracts	Intangible assets in progress	Total
Balance at December 31, 2022	17,347	753	20,722	38,822
Additions	36	-	695	731
Write-offs	-	-	(1,765)	(1,765)
Amortization	(1,671)	(41)	-	(1,712)
Transfers	-	-	(140)	(140)
Balance at March 31, 2023	15,712	712	19,512	35,936
Annual amortization rate - %	20	(*)	-	-
Historical cost	62,301	1,645	19,512	83,458
Accumulated amortization	(46,589)	(933)	-	(47,522)

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

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

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Consolidated	Software	Contracts (b)	Goodwill (a)	Intangible assets in progress	Other	Total
Balance at December 31, 2022	30,112	204,115	73,121	34,999	-	342,347
Additions	36	-	-	2,087	-	2,123
Write-off	-	-	-	(1,764)	-	(1,764)
Transfers	9,508	-	-	(2,563)	-	6,945
Amortization	(3,200)	(4,753)	-	-	-	(7,953)
Amortization - AVP**	-	194	-	-	-	194
Translation adjustment	(130)	-	-	(3)	-	(133)
Balance at March 31, 2023	36,326	199,556	73,121	32,756	-	341,759
Annual amortization rate - %	20-50	(*)	-	-	-	-
Historical cost	97,201	280,924	73,121	32,756	91	484,093
Accumulated amortization	(60,875)	(81,368)	-	-	(91)	(142,334)

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

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

(**) It refers to amortization of the adjustment to the present value of the Port of Santos grant, recorded in the financial result

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

(a) Goodwill X

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

On December 31, 2022, using the calculation premise on 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 it has the assumption that a market participant would use and understands that the assumptions have not been changed for March 31, 2023.

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

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

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

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

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

(b) Contracts

Lease agreement acquired by the subsidiary Hidrovias do Brasil - Participation Port Administration of Santos S.A., lasting 25 years from the date of assumption of March 3, 2020, in the amount of R\$ 112,500, referring to the granting and adjustment to present value in the amount of R\$ 19,379, for the movement and storage of mineral bulk, fertilizers and sais, located within the Port of Santos. The average discount rate for these assets is 9.4% - 8.7% for the year to December 31, 2022, and the contract value is amortized based on the term of the contract. The table below shows the movement of the obligation constituted, due to the obligation with the National Agency for Aquatic Transport (ANTAQ):

	Consolidated
Balance at December 31, 2022	53,953
Payment	(21,176)
Monetary update	1,225
Realization of the adjustment to present value	969
Balance at March 31, 2023	34,971

Current	18,453
Non-current	16,518

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

Current	17,231
Non-current	36,722

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

14 Trade and accounts payables

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
National suppliers	7,449	11,790	141,510	174,633
Foreign suppliers	258	-	17,012	15,970
Total	7,707	11,790	158,522	190,603

15 Loans, financing and debentures

				Parent company		Consolidated	
	Guy	Final maturity	Interest rate - a.a.	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Hidroviás do Brasil	1st Issue of Debentures	out/31	IPCA+6.0%	417,475	401,934	417,475	401,934
	2nd Issue of Debentures	jul/27	CDI + 2.0%	511,097	524,860	511,097	524,860
	FINEP	mar/32	TJLP + 1%	19,768	19,698	19,768	19,698
HB International Finance	Bond 2025	jan/25	5.95%	-	-	772,541	806,113
	Bond 2031	feb/31	4.95%	-	-	1,873,670	1,959,065
Hidroviás do Brasil - Cabotagem Ltda.	Bank credit card	mar/33	2.5% / 3.9% + Ptax 800 BCB (USD)	-	-	525,301	553,804
Hidroviás do Brasil - Vila do Conde S.A.	Project financing	feb/26	4.99%	-	-	104	305
Total				948,340	946,492	4,119,956	4,265,779

Current	59,784	58,394	141,488	192,819
Non-current	888,556	888,098	3,978,468	4,072,960

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

	Balance at 12/31/2022	Interest	Amortization borrowing cost	Principal payment	Interest payment	Conversion adjustment	Hedge Effect	Exchange variation	Balance at 03/31/2023
Parent company (a)	946,492	34,861	458	-	(33,471)	-	-	-	948,340
Luxembourg (b)	2,765,178	33,871	2,353	-	(77,623)	(77,568)	-	-	2,646,211
Conde Village (c)	305	164	-	-	(349)	(16)	-	-	104
Cabotagem (d)	553,804	4,462	-	(14,391)	(4,444)	-	(13,866)	(264)	525,301
Total	4,265,779	73,358	2,811	(14,391)	(115,887)	(77,584)	(13,866)	(264)	4,119,956

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

- (a) On October 15, 2021, the Company made its first issue of simple Debentures, non-convertible shares, of the chiropractic species, in two series, for public distribution with restricted distribution efforts, in the total amount of R\$ 380,000, as the issuance of Encouraged Debentures carried out pursuant to Article 2 of Law No. 12,431, and a maturity of 7 years from

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

the date of issue for the debentures of the first series and 10 years from the date of issue for the debentures of the second series. The funds raised from the issuance will be allocated to the project of implementation and adequacy of infrastructure of the STS20 Terminal in the Port of Santos / SP.

In December 2021, the Company, as a financier, and its subsidiary Hidrovias do Brasil – Vila do Conde S.A., as the executing actor, concluded a financing contract with the Studies and Projects Financier – Finep ("Finep"), whose object is the financing for technological innovation project, in the total amount of R\$ 37,719 thousand, approved at a meeting of the Company's Board of Directors, held on December 30, 2021. The Company delivered the applicable guarantee instrument and the other information and documentation necessary for Finep and, on April 26, 2022, received the first installment of said financing, in the total net amount of R\$ 19,548 thousand.

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

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

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

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

- (c) On March 22, 2018, the Company captured, through its subsidiaries Hidrovias do Brasil – Vila do Conde S.A., NCEs (Export Credit Note) with Banco Santander, in the total amount of R\$ 1,120,734 (R\$ 946,424 as of March 31, 2023 and R\$ 1,005,569 as of December 31, 2022), whose note has payment of half-yearly interest of 6.3% to.a., due on January 21, 2025 (the amount presented in the table is net of the respective financial application in the amount of R\$ 946,320 at March 31, 2023 and R\$ 1,005,427 at December 31, 2022). In May 2021, the Company signed this contract and the note started to have interest of 4.99% p.a. and maturity on February 4, 2026.

- (d) On December 23, 2016, the Company assumed, through its indirect subsidiary HB Cabotagem, in negotiation with Log-In, the Financing Contract Through Opening Of Credit with BNDES, in the total amount of USD 144,644 thousand, which were equivalent to R\$ 491,601, referring to the acquisition of two bulk carriers, whose payments occur monthly with the final settlement scheduled for March 10, 2033. The assets acquired called Peacock Bass and Tambaqui are guaranteed.

Guarantees

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

Bonds are endorsed by Hidrovias do Brasil S.A., Hidrovías del Sur S.A., 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 financial contractual covenants tied to the raising with BNDES, which may, in case of non-compliance, lead to the anticipated maturity of the debt, and contractual financial covenants linked to the Debentures and Bonds that do not accelerate the debt in case of default, but restrict the Company from issuing new debt and distributing distribution. In addition to these, there are other non-financial clauses.

- Financial covenant tied to the raising with BNDES.

The subsidiary Cabotagem has the following financial covenants calculated from Financial Statements of Parent: (i) maintain the capitalization index greater than or equal to 25%. The capitalization index is given by the adjusted PL on total asset. The adjusted PL is the PL excluding passive and active exchange variations; and (ii) maintain the debt service coverage index equal to or greater than 1.3x. THE ICSD is calculate from EBITDA deleting effects of IR and CSLL and variation of working capital (excluding cash and debt) on debt service. On March 31, 2023, the clauses of the subsidiary Cabotagem were fully complied.

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

- Financial covenant tied to the contracts with debenture and bonds.

The Parent Company has the financial covenant related to the 1st and 2nd debenture issues and Bond 2031 related of subsidiary Hidrovias Internacional Finance has financial leverage covenant ("net debt over EBITDA"), which should be less than (a) 4.5x in 2022, (b) 4.0x between January 1, 2023 through December 2023 and (c) 3.5x from January 1, 2024 to maturity, respectively.

As of December March 31, 2023, the Company did not comply the aforementioned indices, since the leverage was 4.6x. It is noteworthy that non-compliance with the covenant does not accelerate the payment of debt and is not considered default. However, the Company now has restrictions to capture new debts beyond those permitted by the restrictive clauses of the Debenture Issues Deeds or pay extraordinary dividends above the minimum amount established by the Bylaws. Despite not achieving the covenant, the Company does not expect short- and medium-term impacts on its operations and believes that it will not need loans or working capital in addition to those already permitted by the debenture emission deeds restrictive clauses to meet its obligations.

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

Bond repurchases

The Company carried out two programs to buy back its Bonds at opportune moments when their bonds had a reduced price on the secondary market. These programs do not constitute a repurchase offer on the market, but provide an opportunity for bondholders who may eventually need liquidity.

1. Repurchases in 2020:

As approved at a meeting of the Company's Board of Directors, held on June 27, 2018, Hidrovias approved a program of repurchase Bond 2025, in amount of until USD 50,000,000.

During the period ended December, 2020, the Company's repurchases, through Uruguayan subsidiary, totaling USD 24,850,000 for Bond 2025 were made.

These securities were not canceled until December 31, 2022, being held in the Group's treasury, and therefore, for presentation purposes, do not compose the balance of loans and financing.

2. Repurchases in 2022:

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

During the period ended December, 2022 the Company, with buybacks made through its subsidiary in Luxembourg Hidrovias International Finance repurchased:

- 1) The aggregate value of USD 1,081 thousand of the open principal of Bond 2025. This amount has been cancelled in full on the market;
- 2) The aggregate value of USD 121,396 thousand of the open principal of Bond 2031. Of this amount, USD 57,796 thousand has been cancelled on the market and e USD 63 thousand remain in the Group's treasury, which is why, but for presentation purposes, this amount does not comprise of balance of loans and financing.

Maturity of long-term installments

As of March 31, 2023 and December 31, 2022, long-term maturities are as follows:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
13 to 24 months	-	-	57,925	57,029
25 to 36 months	-	-	851,268	56,617
37 to 48 months	172,559	-	293,993	833,839
49 to 60 months	203,545	-	437,501	56,961
From 61 months	512,452	888,098	2,337,781	3,068,514
Total	888,556	888,098	3,978,468	4,072,960

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

16 Social charges and labor legislation obligations

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Provision for bonuses and bonuses	4,280	13,584	10,831	31,505
Holidays and charges	4,462	4,324	16,557	16,388
INSS to collect	978	854	5,496	3,952
IRRF to be collected	3,714	931	6,579	2,569
FGTS to be collected	193	283	719	993
13Th month pay	632	-	3,482	-
Other	-	-	-	122
Total	14,259	19,976	43,664	55,529

17 Lawsuits

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

As of March 31, 2023, the provisions for probable contingencies were recognized in the amount of R\$ 7,027 in the Parent Company (R\$ 6,808 at December 31, 2022) and R\$ 23,241 in the Consolidated (R\$ 32,020 as of December 31, 2022). The composition of the provision for contingencies is detailed below:

	31/12/2022	Parent company Restatement	31/03/2023
Fiscal	6,808	219	7,027
Total	6,808	219	7,027

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

	Consolidated					03/31/2023
	12/31/2022	Additions	Restatement	Write-off	Conversion adjustment	
Labor	24,273	3,389	421	(12,772)	(9)	15,302
Fiscal	6,862	-	219	(27)	-	7,054
Civil	885	-	-	-	-	885
Total	32,020	3,389	640	(12,799)	(9)	23,241

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

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

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Possible legal demands

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

Processes	Nature
Labor	Labor claims of various natures, referring to claims such as payment of additional navigation, salary differences, rescission funds, among other indemnities, which are in the judicial or administrative sphere, in different procedural phases. As of March 31, 2023, the total number of possible labor causes is R\$ 17,353 (R\$ 12,055 as of December 31, 2022).
Civil	As of March 31, 2023, the Company and its subsidiaries had the total amount of R\$ 45,760 in civil proceedings, represented by actions of collection and indemnification (R\$ 26,004 as of December 31, 2022).
Fiscal	<p>Administrative proceedings relating to Notices of Infringement No. 062017510000118-0/042020510000039-5/042020510000040-9/042020510000037-9/042020510000041-7, drawn up by SEFA/PA. SEFA/PA alleges 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 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 amounts added amount to R\$ 152,325 on March 31, 2023.</p> <p>Sending security in the face of the City of Itaituba nº 0803412-32.2021.8.14.0024 with injunction request for suspension of the chargeability of the traffic rate and circulation of large vehicles in the municipality and presentation of monthly Analytical Report of the movement of trucks loaded in the municipality (Municipal Law No. 3,534/2020) proposed on October 18, 2021, with deposit of the amount questioned in the amount of BRL 2,407. The Company's subsidiary argues that the taxpayer provided for in the legislation is the natural or legal person who uses large vehicles to transit loaded within the municipal territory, that is, the owner of the cargo being undue the collection of the Company's subsidiary. The injunction was granted 27 October 2021 in relation to the amount deposited and the presentation of the report. The Company's subsidiary has filed declaration embargoes in relation to the suspension of the chargeability of the taxes of amounts after the deposit and awaits trial. Administrative lawsuits related to infraction notice 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 total amount are R\$ 19.209 at March, 31, 2023.</p> <p>Tax Enforcement filed by the State of Pará against the defunct branch of Embargante for the requirement of debts in the amount of R\$5,089, constituted under ICMS/PA and fine by The Notice of Infraction and Tax Notification No. 042016510003825-0 and, subsequently, enrolled in Active Debt under no. 2016.570218785-2. As of March 31, 2023, the amount at risk is R\$11,860 with sufficient insurance to cover the debt.</p> <p>The Company and its subsidiaries have other tax claims, classified as a possible loss, whose estimated amount is R\$55,899 on March 31, 2023.</p>

As of March 31, 2023, the Company and its subsidiaries had judicial deposits related to the collection of PIS and COFINS and ICMS in accordance with demurrage, in the amount of R\$ 5,223 (R\$ 5,062 as of December 31, 2022); Judicial deposit referring to the discussion regarding the levy of PIS/COFINS on financial income, in the amount of R\$ 7,027 (R\$ 6,807 as of December 31, 2022); R\$ 7,963 related to ICMS for export (R\$ 7,807 as of December 31, 2022), R\$ 32,293 related to IR and INSS (R\$ 31,475 as of December 31, 2022) per share, which discusses tax chargeability in the context of the exercise of options related to the Stock Options program;); And discussions regarding ICMS payments at the time of construction of the cargo transshipment station in the amount of R\$ 11,860 (effectively and deposited on March 30, 2023). There is still, R\$ 2,655 (R\$ 2,612 as of December 31, 2022) referring to the Warrant of Security in the face of the Municipality of Itaituba with an injunction request for suspension of the chargeability of the traffic and circulation rate of large vehicles in the municipality and R\$ 7,075 referring to other judicial deposits of civil and labor proceedings.

18 Related parties

Remuneration of key management personnel

As of March 31, 2023, the remuneration of key management staff, which includes the Executive Board and the Directors, totaled R\$ 5,152 (R\$ 3,911 as of March 31, 2022), referring to variable salaries and benefits of which R\$ 4,869 refers to

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

short-term employee benefits (R\$ 3,798 as of March 31, 2022) and R\$ 283 to health care benefits (R\$ 113 as of December 31, 2022).

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

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

	Parent company			
	Assets		Liabilities	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Girocantex S.A. (a)	-	-	(292)	-
Hidrovias del Sur S.A. (b)	3,473	3,473	-	-
Hidrovias do Brasil - Interm. and Agenc. Serv. Limited liability company. (c)	20	33	-	-
Hidrovias do Brasil - Vila do Conde S.A (c)	5,281	8,050	(1,143)	(1,143)
Hidrovias do Brasil - Marabá S.A. (c)	161	161	-	-
Hidrovias do Brasil - Cabotagem Ltda. (c)	579	435	(175)	(175)
Hidrovias do Brasil - Participation Port Administration of Santos S.A. (d)	6,341	10,366	(94)	(94)
Hidrovias del Paraguay S.A (e)	523	523	(1)	(1)
Pricolpar S.A. (e)	-	-	(2)	(2)
Cikelsol S.A. (e)	-	-	(102)	(104)
Resflir S.A.	207	207	-	-
Dividends	36,126	57,236	-	-
Mutual (f)	5,081	5,219	(21,161)	(21,701)
Total	57,792	85,703	(22,970)	(23,220)
Current	52,712	80,485	(3,168)	(2,965)
Non-current	5,080	5,218	(19,802)	(20,255)

	Consolidated	
	Assets	
	03/31/2023	12/31/2022
Credits with <i>joint venture</i>		
Obrinel	5,228	5,369
Total	5,228	5,369
Non-current	5,228	5,369

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Revenue (expenses):				
Exchange variation on collateral (g)	-	138	-	138
Reimbursement of expenses (h)	(6,663)	(5,249)	-	-
Exchange variation and interest on mutual	(1,120)	(2,326)	(1,120)	(2,326)
Total	(7,783)	(7,437)	(1,120)	(2,188)

- (a) It refers to reimbursable expenses with structuring the financing for the Vale Project with the indirect subsidiary Girocantex in Brazil.
- (b) It refers to reimbursable expenses with its subsidiary Hidrovias Del Sur.
- (c) The Company and some of its subsidiaries use shared administrative services, personnel, technological resources and infrastructure, such as: (i) payroll costs, (ii) IT/software structure, (iii) rental costs and (iv) banknote processing, accounting and auditing, which are passed on among the Group's companies.
- (d) It refers to expenses with management project of its subsidiary Hidrovias do Brasil – Participation Port Administration of Santos S.A.
- (e) They refer to operating expenses with the parent company. No settlement forecast or monetary correction.
- (f) In the asset refers to loan with the subsidiary Resflir S.A., and in liabilities refers substantially to the loan with Luxembourg maturing in February 2031, interest is presented in the results of transactions with related parties.
- (g) As mentioned in note 8, they refer to financial resources granted to Obrinel without interest collection, which were settled after *proof of asset performance* and completion of port facilities. Financial results arising from exchange variation are recognized in the results for the period.

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

(h) During the 2023 and 2022 of March fiscal year, the Company recorded cost recovery related to shared expenses detailed above.

19 Share capital

As of March 31, 2023, the Company's share capital is R\$ 1,359,469 (R\$ 1,359,469 as of December 31, 2022), represented by 760,382,643 (760,382,643 as of December 31, 2022) nominative common shares, with no nominal value.

The shareholding composition as of March 31, 2023 and December 31, 2022 is detailed below:

Shareholders	03/31/2023		12/31/2022	
	Common Shares	%	Common Shares	%
Pátria Infraestrutura - Multistrategy Equity Investment Fund	153,484,062	20.2	153,484,062	20.2
Patria Infraestrutura Brasil Multistrategy Equity Investment Fund	8,745,834	1.2	8,745,834	1.2
Patria Infrastructure IV MULTISTRATEGY FIP	78,500,846	10.3	78,500,846	10.3
Sommerville Investments B.V.	63,517,842	8.4	63,517,842	8.4
HBSA Co-Investment - Multistrategy Equity Investment Fund	32,621,750	4.3	32,621,750	4.3
TPE Asset Manager LTDA	65,800,486	8.6	61,977,469	8.2
Others (*)	357,711,823	47.0	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

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

Tax incentive reserve

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

Cost of issuing shares

The balance of costs on the issuance of shares on March 31, 2023 is R\$24,885 (R\$24,885 on December 31, 2022), as presented in the absences of shareholders' equity.

Dividends

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

20 Earnings per share

The diluted and basic earnings per share were calculated based on the income for the year attributable to the Company's shareholders as of March 31, 2023 and 2022 and on the respective average amount of common shares outstanding in the year, as follows:

	03/31/2023	03/31/2022
Loss for the year	20,068	33,237
Weighted average of basic actions	760,383	760,383
Loss for the year per thousand basic shares	0.0264	0.0437
	03/31/2023	03/31/2022
Loss for the year	20,068	33,237
Weighted average of basic actions	760,383	760,383
Weighted average diluted shares	760,383	760,383
Loss for the year per thousand diluted shares	0.0264	0.0437

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

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Although the Company has a stock purchase options program, the shares corresponding to the future year were estimated at values lower than the fiscal year value, thus being considered anti-dilutive, which is why the diluted earnings per share be equal to the basic. Potential shares and transactions that may generate an uncalculated dilutive effect were not exercised during the period ended March 31, 2023.

21 Long-term incentive programs

21.1 Stock option program

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

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

The Company recognized the options of shares granted in its shareholders' equity, with counterpart in the results of the year. The recognition was proportional to the respective *periods of vesting* of the lots granted, recording the accumulated amount of R\$ 29,775. There was no recognized expense in the results for the year ended March 31, 2023.

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

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

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

On September 1, 2020, 11,771,978 new common shares were subscribed through the payment of R\$ 51,786. The options were exercised at an Average Exercise Price of R\$ 4.40, representing a total of 41% of the "dressed" shares so far, which are an integral part of the plans granted that we detail below:

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

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

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

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

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

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

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

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

Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (***)	Granted	Cancelled/ expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
2017	03/31/2018	03/31/2024	3.62	793,750	-	380,751	412,999	1.66
2017	03/31/2019	03/31/2024	3.62	793,750	-	380,751	412,999	1.66
2017	03/31/2020	03/31/2024	3.62	793,750	56,250	359,815	377,685	1.66
2017	03/31/2021	03/31/2024	3.62	793,750	56,250	-	737,500	1.66
Total Plan 2017				3,175,000	112,500	1,121,317	1,941,183	

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (***)	Granted	Cancelled/ expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
2018	02/01/2019	03/31/2024	4.70	1,400,000	-	712,781	687,219	1.33
2018	02/01/2020	03/31/2024	4.70	1,400,000	62,500	687,781	649,719	1.33
	50%							
2018	Through liquidity event	03/31/2024	4.70	2,800,000	125,000	1,375,563	1,299,437	1.33
Total Plan 2018				5,600,000	187,500	2,776,125	2,636,375	1.33
Plan/program	Fortress	Deadline for fiscal year	Exercise price (in R\$) (***)	Granted	Cancelled/ expired	Exercised on 09/01/2020	Open	Fair value (in R\$) (**)
2019	02/13/2020	03/31/2024	4.70	1,500,000	-	738,770	761,230	1.37
2019	02/13/2021	03/31/2024	4.70	1,500,000	-		1,500,000	1.37
	50%							
2019	Through liquidity event	03/31/2024	4.70	3,000,000	-	1,477,542	1,522,458	1.37
Total Plan 2019				6,000,000	-	2,216,312	3,783,688	1.37
Total				28,392,434	1,737,175	11,771,978	14,883,281	

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

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

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

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

21.2 Long-term incentive program with restricted Shares

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

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

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

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

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

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

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

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Block	Lot	Share price	Delta gain calculation parameter	Volatility	Risk-Free Interest Rate (a.a.)	Grace Date	Expiration Date
1	1	R\$ 2.82	R\$ 7.56	45.60%	11.715%	09/28/2022	09/28/2022
1	2	R\$ 2.82	R\$ 7.56	45.60%	11.715%	09/28/2023	09/28/2023
1	3	R\$ 2.82	R\$ 7.56	45.60%	11.715%	09/28/2024	09/28/2024
2	1	R\$ 2.82	R\$ 7.56	44.81%	12.325%	09/28/2023	09/28/2023
2	2	R\$ 2.82	R\$ 7.56	44.81%	12.325%	09/28/2024	09/28/2024
2	3	R\$ 2.82	R\$ 7.56	44.81%	12.325%	09/28/2025	09/28/2025
3	1	R\$ 2.82	R\$ 7.56	42.11%	12.165%	09/28/2024	09/28/2024
3	2	R\$ 2.82	R\$ 7.56	42.11%	12.165%	09/28/2025	09/28/2025
3	3	R\$ 2.82	R\$ 7.56	42.11%	12.165%	09/28/2026	09/28/2026
4	1	R\$ 2.82	R\$ 7.56	42.22%	12.080%	09/28/2025	09/28/2025
4	2	R\$ 2.82	R\$ 7.56	42.22%	12.080%	09/28/2026	09/28/2026
4	3	R\$ 2.82	R\$ 7.56	42.22%	12.080%	09/28/2027	09/28/2027
5	1	R\$ 2.82	R\$ 7.56	42.31%	12.030%	09/28/2026	09/28/2026
5	2	R\$ 2.82	R\$ 7.56	42.31%	12.030%	09/28/2027	09/28/2027
5	3	R\$ 2.82	R\$ 7.56	42.31%	12.030%	09/28/2022	09/28/2022

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

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

The Company recognized the effects of the ILP on its Shareholders' Equity, with the counterpart in the results for the year. The recognition was proportional to the respective *periods of vesting (grace)*, recording the accumulated amount of R\$ 67.

22 Commitments and guarantees

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

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

1. MCR, in the South Corridor, valid for 25 years from May 2014.
2. Sodru, in the South Corridor, valid for 13 years from March 2014.
3. COFCO, in the South Corridor, with initial validity of 5 years from February 2014, extended to December 2024.
4. Sodru, in the North Corridor, with validity of 10 years from February 2017 (extended to 2029).
5. COFCO, in the North Corridor, with validity of 10 years from 2016 (extended to 2031).
6. Alunorte, in the North Corridor, valid for 25 years from 2010 (acquired in 2016).

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

7. Adufertil, in the Santos system, valid for 10 years from August 2022.
8. Gavilon, in the North Corridor, valid for 4 years from 2021.

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

On December 1, 2020, Hidrovias do Brasil - Vila do Conde S.A. signed operational lease agreements for hb taurus and HB Perseus pushers, owned by indirect subsidiary Resflir S.A., for a period of 36 months, from January 1, 2021.

HB Navegação Norte and HB Miritituba were incorporated on January 1, 2019 by HB Vila do Conde. The company and its subsidiaries have guarantees related to guarantees with regulatory agencies, maintenance and donation of some assets and for other operational activities registered in financial institutions that the company and its subsidiaries have relationships with.

23 Net revenue

	Consolidated	
	03/31/2023	03/31/2022
South Corridor:		
Transportation services	140,675	125,415
North Corridor:		
Lifting services	52,479	51,239
Transshipment services	18,950	19,989
Transportation services	155,963	75,725
Intermediation services	4,893	4,275
Other revenues	35,171	36,684
Cabotage:		
Cabotage services	58,037	64,973
Santos:		
Lifting services, port docks and storage	32,585	-
Total gross revenue	498,753	378,300
ISS	(6,135)	(3,847)
PIS	(3,714)	(3,968)
COFINS	(12,184)	(8,360)
ICMS	(3,047)	(1,817)
Tax subtotal	(25,080)	(17,992)
<i>Hedge accounting</i>	4,420	96,381
Total net revenue	478,093	456,689

For the year ended March 31, 2023, the largest customers per Company revenue are represented by: i) A 29.0% (38.58% as of March 31, 2022; ii) B 21.2% (28.3% as of March 31, 2022); iii) C 20.1% (20.76% as of March 31, 2022); and represent in its entirety approximately 70.3% of total net revenue (87.6% as of March 31, 2022). No other customer represents more than 10% of consolidated net revenue.

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

24 Costs and expenses by nature

24.1 Costs of services rendered and general and administrative expenses

	Controller		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Salaries, charges and benefits	(11,380)	(13,917)	(77,696)	(67,926)
Depreciation and amortization ^(*)	(3,734)	(3,476)	(84,998)	(86,039)
Maintenance	(18)	(7)	(15,428)	(14,721)
Fuel	-	-	(84,996)	(64,462)
Third-party services	(2,838)	(2,697)	(16,366)	(12,730)
Rents	(73)	(53)	(8,053)	(3,889)
Freight	-	-	(11)	(23)
Travel and Tickets	(756)	(332)	(2,211)	(1,454)
Amarradeiro	-	-	(5,558)	(6,137)
Pantry and kitchen	(7)	(5)	(2,481)	(2,580)
Bookagents	-	-	(4,187)	(4,347)
Operational and security	-	-	(6,488)	(3,431)
Miscellaneous fees	(134)	(151)	(8,643)	(4,210)
Operational materials	(11)	(2)	(37)	(15)
Lawsuits	(1)	1,155	(2,040)	(905)
Outdoor piloting	-	-	(7,559)	(7,616)
Insurance	-	-	(3,972)	(9,288)
Other (expenses) revenues	(3,184)	(1,141)	(22,919)	(11,505)
Total	(22,136)	(20,626)	(353,643)	(301,278)
Classified as:				
Cost of services provided	-	-	(288,825)	(243,557)
General and administrative	(22,136)	(20,626)	(64,818)	(57,721)
Total	(22,136)	(20,626)	(353,643)	(301,278)

^(*) Adjustments related to tax credits (Pis/Cofins in Brazil and VAT in Paraguay and Uruguay), arising from the payments of lease installments, are recorded on credit for depreciation expenses of the right of use and financial expenses. In this sense, during the year ended March 31, 2023, the amounts recorded under the depreciation and amortization item are net of the tax credits mentioned in the amount of R\$ 465 in the Consolidated.

24.2 Other expenses/revenues

	Controller		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
AFRMM (a)	-	-	2,810	3,710
Other	42	(151)	335	166
Total	42	(151)	3,145	3,876

- (a) The AFRMM is an available benefit for all Brazilian coastal navigation companies, operating with their own or chartered vessel, and is regulated by Law No. 10,893/2004 and other specific laws applicable to the sector, see more details in note 30.

25 Net financial income (expenses)

	Parent company		Consolidated	
	03/31/2023	03/31/2022	12/31/2023	03/31/2022
Income:				
Revenues from financial investments	610	65	7,108	1,511
(-) Pis Cofins s/ financial revenue	(43)	(61)	(704)	(170)
Monetary and exchange rate updates	496	942	-	45,215
Investment gains ⁽¹⁾	-	-	4,925	-
Other	140	93	152	110
Total	1,203	1,039	11,481	46,666

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Expenses:				
Interest on loan, grant and loan	(35,287)	(16,001)	(86,759)	(70,811)
Derivative financial instruments ⁽²⁾	(11,563)	-	(11,563)	-
Amortization borrowing cost	(400)	(308)	(3,641)	(3,611)
Monetary and exchange rate updates	-	-	(8,439)	-
Tax on financial transactions IOF	(1)	(33)	(203)	(719)
Investment losses ⁽¹⁾	(52)	(7,270)	-	(52,287)
Legal proceedings ⁽³⁾	-	(738)	-	(738)
Others	(88)	(438)	(913)	(4,368)
Total	(47,391)	(24,788)	(111,518)	(132,534)
Net financial result				
	(46,188)	(23,749)	(100,037)	(85,868)

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

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

⁽³⁾ Provision for contingency of judicial proceedings that aims to remove the provisions of Decree No. 8,426/2015 and Art. 27 of Law No. 10,865/2004, ensuring the application of the previous legal regime, based on Decree No. 5,442/2005, which sets zero rate of PIS and COFINS for financial revenues.

26 Income tax and social contribution

Taxation on profit comprises income tax and social contribution. Income tax is computed on taxable profit at the nominal rate of 15%, plus the additional 10% for profits exceeding R\$ 240, in the period of 12 months, while the social contribution is computed at the nominal rate of 9% on taxable profit, recognized by the competency regime.

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

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

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

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

For the calendar year 2023, the Company opted to calculate the actual profit through the annual methodology, as presented in the Statements of Debits and Federal Tax Credits forwarded to the Federal Revenue Service of Brazil and, for this reason, the following table presents the statements of the IRPJ and CSLL calculations related to the consolidation of the first three months of the calendar year in question.

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Profit (Loss) before IRPJ and CSLL	(165)	23,063	26,181	74,723
Nominal rate	34%	34%	34%	34%
IRPJ and CSLL at the nominal rate	56	(7,841)	(8,902)	(25,406)
Permanent adjustments:				
Equity	23,159	22,980	(468)	443
Indeductible expenses	(2,981)	(4,965)	(4,223)	(20,388)
Other settings:				
Government Grant	-	-	7,579	4,297
Net result from investees abroad	-	-	-	(15,234)
Compensation of tax losses from previous years	-	-	(4)	-
Deferred tax on temporary differences and unrecognized tax losses	-	-	(2,366)	(5,002)
Difference s/ rate in the measurement of deferred taxes	-	-	2,468	27,038
Encouraged Donations	-	-	187	321
Income taxes from investees	-	-	(166)	(2,807)
Others	-	-	(218)	(4,748)
Income Tax and Social Contribution	20,234	10,174	(6,113)	(41,486)
Current taxes	-	-	(24,267)	(30,777)
Deferred taxes	20,234	10,174	18,154	(10,709)
	20,234	10,174	(6,113)	(41,486)
Effective rate	12231%	(44%)	22%	56%

The Company and its subsidiaries believe that the provision for income tax and social contribution, in liabilities, is adequate for the period covered by this financial statement, in the evaluation of several factors, including interpretations of 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 March 31, 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 CSLL calculation base, at the rate of 6.25% of IRPJ (75% reduction) and 9% of CSLL, totaling a nominal rate of 15.25% based on the exploration profit, which is a tax incentive from the Superintendency for the Development of the Amazon (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 IRPJ and 9% of CSLL, 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.

Part of the Deferred Taxes, in the amount of R\$3,704, was not recognized in income, as the Company and its subsidiaries have a non-derivative financial instrument, whereby the corresponding portion of deferred IRPJ and CSLL is accounted for in Other Comprehensive Income, in equity liquid.

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 IRPJ and CSLL.

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 likely.

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

	Net value	Consolidated 03/31/2023 Deferred tax assets	Deferred tax liability	Consolidated 12/31/2022 Net value
Bonus provision	1,741	1,741	-	5,876
Suppliers provision	1,700	1,700	-	1,506
Fuel supply	791	791	-	605
Other provisions	413	413	-	574
Other operating provisions	1,496	1,496	-	1,853
Labor contingencies	1,916	1,916	-	3,313
Judicial contingencies	2,608	2,608	-	2,533
Prov. for Créd. Of Doubtful Settlement	7,332	7,332	-	7,332
Reduced asset impairment	1,470	1,470	-	1,470
Provision of charges - ILP	209	209	-	209
Pis - Suspended Enforceability	242	242	-	242
Cofins - Suspended Enforceability	1,300	1,300	-	1,300
Loss on Variable Income	537	537	-	537
Tax loss	27,716	27,716	-	11,973
Negative Base	11,369	11,369	-	5,029
Exchange variation	59,644	59,644	-	63,889
Derivatives-Hedge/ Swap	70,374	70,374	-	75,669
Financial leasing	979	979	-	328
Interest to capitalize	(4,288)	-	(4,288)	(4,293)
Discount - Gain From Advantageous	(10,981)	-	(10,981)	(10,981)
Purchase	(37,373)	-	(37,373)	(37,864)
Property damage	(37,373)	-	(37,373)	(37,864)
Active taxes (liabilities) before clearing	139,195	191,837	(52,642)	131,100
Tax offset		(52,642)	52,642	
Net balances presented in assets/liabilities		139,195	-	

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

	Consolidated 03/31/2023	Consolidated 12/31/2022
Starting balance	131,100	177,885
Deferred IRPJ and CSLL recognized in the results of the year	18,154	(10,524)
Deferred IRPJ and CSLL recognized in other comprehensive results	(10,059)	(36,261)
Final balance	139,195	131,100

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

27 Financial instruments

27.1 Financial instruments by category

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

		Parent company		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
Assets					
Fair value through the result:					
Securities and securities	Level 2	18,532	16,896	273,591	333,015
Amortized cost					
Cash and cash equivalents	Level 2	2,035	48,908	268,634	401,545
Securities linked	Level 2	-	-	19,113	18,877
Guarantee and deposit deposit	Level 2	12	12	12	26
Accounts receivable	Level 2	-	-	281,410	217,372
Credits with related parties	Level 2	21,666	28,467	5,228	5,369
Dividends	Level 2	36,126	57,236	-	-
Liabilities					
Liabilities at amortized cost:					
Suppliers	Level 2	7,707	11,790	158,522	190,603
Accounts payable with related parties	Level 2	22,970	23,220	-	-
Loans, financing and debentures	Level 2	948,340	946,492	4,119,956	4,265,779
Lease liabilities	Level 2	2,467	2,498	245,085	230,524
Derivative financial instruments	Level 2	26,102	27,954	26,102	27,954

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

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

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

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

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

The fair values of these financial instruments are close to the book values as of March 31, 2023, except for loans, financing and debentures that *have hedge accounting* and are presented below.

		Fair value		Accounting value	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
Active					
Cash and cash equivalents	Level 2	268,634	401,545	268,634	401,545
Securities and securities	Level 2	273,591	333,015	273,591	333,015
Securities linked	Level 2	19,113	18,877	19,113	18,877
Guarantee and deposit deposit	Level 2	12	26	12	26
Accounts receivable	Level 2	281,410	217,372	281,410	217,372
Credits with related parties	Level 2	5,228	5,369	5,228	5,369

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Liabilities

Suppliers	Level 2	158,522	190,603	158,522	190,603
Loans, financing and debentures	Level 2	3,541,243	4,108,297	4,119,956	4,265,779
Lease liabilities	Level 2	245,085	230,524	245,085	230,524
Derivative financial instruments	Level 2	26,102	27,954	26,102	27,954

27.3 Derivative and non-derivative financial instruments

The management of these instruments is carried out through operational strategies, aiming at the predictability of operations and the minimization of any 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 the *rates contracted versus* those in force in the market, and the Company and its subsidiaries do not carry out speculative transactions in derivatives or any other financial instruments of risk.

On June 23, 2022 and June 28, 2022, the Company entered into swap contracts in the amount of USD 25,000,000 each, totaling USD 50,000,000. These contracts allow the Company to fix the Dollar and exchange the CDI percentage in order to protect cash flow against exchange rate volatility in exposures and exchange rate fluctuations in the market. The result of this contract resulted in a loss in the year ended March 31, 2023 of R\$ 11,563 in financial results, according to note no. 25.

27.4 Risk management

Financial risk management

Overview

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

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

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

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

Risk management structure

Credit risk

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

Accounts receivable

As mentioned in note 6, the Company has recorded on March 31, 2023 the amount of R\$ 23,847 (R\$ 23,701 on December 31, 2022) corresponding to expected losses related to accounts receivable.

Cash and cash equivalents and securities

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

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

instruments, the Company is mainly exposed in cash and cash equivalents and securities and, therefore, restricts exposure to first-line financial institutions, with *investment grade classification by widely accepted* risk agencies in the market, in addition to reducing risk through the diversification of counterparties. As of March 31, 2023, the counterparties' rating was:

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

The book values of financial instruments that represent maximum exposure to credit risk for the year ended March 31, 2023 were:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and cash equivalents	2,035	48,908	268,634	401,545
Accounts receivable	-	-	281,410	217,372
Securities and securities	18,532	16,896	273,591	333,015
Securities linked	-	-	19,113	18,877
Credits with related parties	21,666	28,467	5,228	5,369
Guarantee and deposit deposit	12	-	12	26
Dividends to be received	36,126	57,236	-	-
Total	78,371	151,507	847,988	976,204

Liquidity risk

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

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

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

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

	Consolidated 03/31/2023			
	Next 12 months	Between 13 and 24 months	Between 25 and 36 months	37 months onwards
Liquidity risk				
Suppliers (Note 14)	158,522	-	-	-
Loans, financing and debentures (Note 15) (*)	141,488	57,925	851,268	3,069,275
Rental liabilities (Note 12) (*)	29,889	30,731	27,751	401,857
Derivative financial instrument	26,102	-	-	-

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

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

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

Exchange rate risk

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

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

As determined by IFRS 9 (equivalent to CPC 48), the purpose of *hedge accounting* is to represent in the financial statements the effect of the risk management activities of the entity that uses financial instruments to manage exposures resulting from specific risks that could affect the result. This approach is intended to convey the context of hedging *instruments* for which hedge accounting should be *applied* in order to allow the understanding of their purposes and effects.

Bond-related hedge accounting

- Structuring of the hedge accounting operation.

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

The Company is also exposed, through its subsidiary Hidrovias do Brasil – Vila do Conde S.A., to the exchange variation resulting from the Export Credit Notes (NCEs) issued by Banco Santander on March 22, 2018, in the amount of USD 342,000 thousand (USD 186,289 thousand on December 31, 2022), with contracts interests of 4.99% p.a. and maturity on February 4, 2026. This transaction originated with the issuance of Bond 2025 in the amount of USD 600,000,000 and maturity of seven years, as of May 2, 2018 and e was added from the repurchase of Bond 2025 (Tender Offer) in the issuance of Bond 2031 in February 2021.

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

- Risk management objective and strategy

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

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

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

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

- *Hedge ratio*

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

- *Nature of risk protected*

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

- *Identification of the hedge object (item)*

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

- *Identification of the hedge instrument*

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

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

- *Effectiveness of the hedge relationship*

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

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

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

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

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

Hedge accounting Cabotagem

- *Structuring of the hedge accounting operation*

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

The Company is also exposed to exchange variation stemming from foreign currency loans in the amount of USD 121,541 thousand. ((USD 103.396 thousand on March, 2023).

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

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

- Risk management strategy

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

- Risk management objectives

HB Cabotagem aims to protect the risk of exchange variation of at least 6% of the flow of receipt, coming from the service contract with Alunorte. Protected receipt flows begin on April 2, 2018 and are expected to end in February 2033.

The Company will use the principal value of the loan in foreign currency, contracted from BNDES as an instrument to protect the expected revenues.

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

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

(*) Contracted with BNDES

- Effectiveness of the hedge relationship

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

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

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

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

Notes to the separate and consolidated interim financial statements
Three-month period ended March 31, 2023
(In thousands of reais, unless otherwise stated)

Hedge <i>object</i>	Risk protected	Protection period	Main value in USD	Value of the protection instrument	
Exchange variation of part of its future revenues	Real Exchange Rate - USD	05/02/2018 to 05/02/2025	244,520,320	244,520,320	
Expectation of achievement – USD					
2018 a 2021	2022	2023	2024	2025	Total
132,825,854	36,225,233	36,225,233	36,225,233	3,018,767	244,520,320
			03/31/2023	03/31/2022	
Exchange variation - Income			(33,573)	(206,057)	
Exchange variation - PL			376.072	430,796	

Hedge <i>object</i>	Risk protected	Protection period	Main value in USD	Value of the protection instrument	
Exchange variation of part of its future revenues	Real Exchange Rate - USD	04/02/2018 a 04/02/2033	142,807,564	142,807,564	
Expectation of achievement – USD					
2018 a 2021	2022	2023	2024	2025 a 2033	Total
29,286,250	10,692,544	10,692,589	10,692,604	81,443,577	142,807,564
			03/31/2023	03/31/2022	
Exchange variation - Income			(13,866)	(94,003)	
Exchange variation - PL			115,961	124,113	

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

Interest rates are disclosed in Notes 5 and 15.

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

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Change in interest rates and exchange rates

To verify the sensitivity of indexers in investments to which the Company and its subsidiaries were exposed on the base date of March 31, 2023 and December 31, 2022, three different scenarios were defined.

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

The base date used in the portfolio was March 31, 2023, projecting the indexes for one year and verifying their sensitivity in each scenario. The tables below indicate the indices considered for the feasibility analysis and its effect on the result:

Change in interest rates			Estimated rate			Balance at 03/31/2023	Probable scenario	Possible scenario	Remote scenario
Financial instruments	Risk	Rate	Rate	Possible scenario 10%	Remote scenario 15%				
Securities and securities	CDI	13.65%	12.72%	12.29%	11.60%	150,013	(1,396)	(2,048)	(3,072)
Securities and securities	American Treasury	0.29%	0.33%	0.26%	0.24%	102,033	43	(29)	(44)
Securities and securities	Exchange Variation - Ptax 800	5.0804	5.2500	4.5724	4.3183	21,545	719	(2,155)	(3,232)
Linked financial application	Selic	13.75%	12.90%	12.38%	11.69%	19,113	(162)	(263)	(394)
Loans and Financing	IPCA	4.65%	6.08%	5.12%	5.35%	417,475	(5,936)	(1,943)	(2,914)
Loans and Financing	TJLP	7.37%	7.64%	8.11%	8.48%	19,768	(53)	(146)	(219)
Loans and Financing	CDI	13.65%	12.72%	15.02%	15.70%	511,097	4,755	(6,976)	(10,465)
Derivative financial instrument	USD	5.0804	5.2500	5.5884	5.8424	26,102	(871)	(2,609)	(3,914)
Total						1,267,146	(2,901)	(16,169)	(24,254)

Exchange variation

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

	Risk	Rate	Estimated rate			Balance at 03/31/2023	Probable scenario	Possible scenario	Remote scenario
			Probable scenario	Possible scenario	Remote scenario				
Loan - Project financing	USD	5.0804	5.2500	10% 5.5884	15% 5.8425	104	(3)	(10)	(16)
Export credit note	USD	5.0804	5.2500	5.5884	5.8425	525,301	(17,536)	(52,530)	(78,795)
Loan - Bond	USD	5.0804	5.2500	5.5884	5.8425	2,646,211	(88,339)	(264,621)	(396,932)
Total						3,171,616	(105,878)	(317,161)	(475,743)

27.5 Capital management

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

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

The Company's net debt for the balance ratio at the end of March 31, 2023 and december 31, 2022 is presented below:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Total current and non-current liabilities	(1,042,603)	(1,052,698)	(4,816,542)	(5,032,724)
Cash and cash equivalents	2,035	48,908	268,634	401,545
Securities	18,532	16,896	273,591	333,015
Securities linked	-	-	19,113	18,877
(Insufficiency) net cash surplus	(1,022,036)	(986,894)	(4,255,204)	(4,279,287)

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Equity	1,366,517	1,330,805	1,366,517	1,330,805
Relationship between equity and (Insufficiency) net surplus of cash	134%	135%	32%	31%

28 Insurance

The Company and its subsidiaries maintain the policy of contracting insurance coverage for assets subject to risks in order to cover any claims, considering the nature of their activities involving their operational facilities, vessels and barges, and also for the risks of engineering and project works, as well as environmental risks and civil liability for material and/or moral damages. The insured importance as of March 31, 2023 was:

Operational risks	03/31/2023
Fire, lightning, explosion, electrical damage, sales and flooding in R\$	96,137
Cyber risks in R\$	10,000
Hull and Machine (bare hull vessels) - policies in R\$	2,449,295
Hull and Machine (bare hull vessels) - policies in USD	244,682
Hull and Machine (bare hull vessels) - policies in R\$	140,664

Operational risks	03/31/2023
Insurance P&I em USD	6,000,000
Operational Liability Insurance in R\$	165,000
Operational Liability Insurance in USD	114,850
Hull and Machine (bare hull vessels) - policies in USD	30,000

29 Segment information

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

Hidroviás do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Results by operating segments

	North Corridor 03/31/2023	South Corridor 03/31/2023	Cabotage 03/31/2023	Santos 03/31/2023	Other 03/31/2023	Eliminations* 03/31/2023	Consolidated 03/31/2023
Net service revenue	213,748	240,874	54,941	27,602	-	(59,072)	478,093
Operating Revenues	213,748	172,520	59,803	27,602	-	-	473,673
Intercompany	-	59,072	-	-	-	(59,072)	-
Revenue - <i>Hedge Accounting</i>	-	9,282	(4,862)	-	-	-	4,420
Cost of services provided	(73,333)	(158,912)	(32,599)	(10,852)	-	55,428	(220,268)
Operating Costs	(70,837)	(105,981)	(32,599)	(10,851)	-	-	(220,268)
Intercompany	(2,496)	(52,931)	-	(1)	-	55,428	-
Operating expenses	(12,530)	(12,185)	(1,487)	(3,677)	(18,495)	-	(48,374)
Depreciation and amortization	(32,143)	(32,037)	(9,885)	(9,436)	(3,734)	2,234	(85,001)
Depreciation and amortization (cost)	(25,869)	(28,710)	(7,302)	(5,274)	(1,402)	-	(68,557)
Depreciation and amortization (expense)	(6,274)	(3,327)	(2,583)	(4,162)	(2,332)	2,234	(16,444)
Other Expenses	62	214	2,819	4	46	-	3,145
Financial result	(13,767)	(32,117)	(3,606)	(10,853)	(41,336)	1,642	(100,037)
Equity	-	(217)	-	-	68,116	(069,276)	(1,377)
Income tax	(22,576)	(914)	(2,856)	-	20,233	-	(6,113)
Profit (Loss) for the period	59,461	4,706	7,327	(7,212)	24,830	(69,044)	20,068

	North Corridor 03/31/2022	South Corridor 03/31/2022	Cabotage 03/31/2022	Santos 03/31/2022	Other 03/31/2022	Eliminations* 03/31/2022	Consolidated 03/31/2022
Net service revenue	175,823	228,846	54,541	-	-	(2,521)	456,689
Operating Revenues	175,823	125,219	59,266	-	-	-	360,308
Intercompany	-	2,521	-	-	-	(2,521)	-
Revenue - <i>Hedge Accounting</i>	-	101,106	(4,725)	-	-	-	96,381
Cost of services provided	(64,902)	(88,101)	(29,592)	(56)	-	2,521	(180,130)
Operating Costs	(62,381)	(88,101)	(29,592)	(56)	-	-	(180,130)
Intercompany	(2,521)	-	-	-	-	2,521	-
Operating expenses	(8,258)	(8,387)	(869)	(413)	(17,074)	-	(35,001)
Depreciation and amortization	(27,252)	(44,105)	(8,573)	(2,583)	(3,634)	-	(86,147)
Depreciation and amortization (cost)	(24,730)	(28,546)	(7,521)	(1,185)	(1,445)	-	(63,427)
Depreciation and amortization (expense)	(2,522)	(15,559)	(1,052)	(1,398)	(2,189)	-	(22,720)
Other Expenses	(1)	310	3,715	-	(148)	-	3,876
Financial result	(12,904)	(33,174)	(8,734)	(6,516)	(24,540)	-	(85,868)
Equity	20	1,780	-	-	67,589	(68,085)	1,304
Income tax	(43,258)	(2,803)	(5,535)	(61)	10,171	-	(41,486)
Profit (Loss) for the period	19,268	54,366	4,953	(9,629)	32,364	(68,085)	33,237

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

Equity accounts by operating segments

	North Corridor 03/31/2023	South Corridor 03/31/2023	Cabotage 03/31/2023	Santos 03/31/2023	Other 03/31/2023	Eliminations 03/31/2023	Consolidated 03/31/2023
Current assets	357,103	749,393	224,258	48,248	207,950	(334,854)	1,252,098
Non-current assets	1,978,427	2,329,582	572,368	543,501	5,340,233	(5,833,150)	4,930,961
Total asset	2,335,530	3,078,975	796,626	591,749	5,548,183	(6,168,004)	6,183,059
Current liabilities	160,705	456,578	117,689	72,939	123,436	(343,607)	587,740
Non-current liabilities	1,057,966	1,888,108	466,569	419,948	4,051,112	(3,654,899)	4,228,804
Equity	1,116,859	734,289	212,368	98,862	1,373,635	(2,169,498)	1,366,515
Total liabilities and shareholders' equity	2,335,530	3,078,975	796,626	591,749	5,548,183	(6,168,004)	6,183,059

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

30 Government subsidy and assistance

The Company enjoys benefits, as can be seen below:

- AFRMM

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

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

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

Hidrovias do Brasil S.A.

Notes to the separate and consolidated interim financial statements

Three-month period ended March 31, 2023

(In thousands of reais, unless otherwise stated)

In the period from 01/01/2023 to 03/01/2023, the Company recognized the benefits of AFRMM in the group operating revenues (expenses) in the amount of R\$ 2,612.

- SUDAM

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

- VAT deferred (ICMS)

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

31 Items not affecting cash

During the period ended March 31, 2023, the amount of R\$ 16,377 (R\$ 20,319 as of December 31, 2022) refers to suppliers for the acquisition of fixed assets and intangible assets that did not affect the Company's cash and consolidated, and R\$ 48,934 (R\$ 54,810 as of December 31, 2022), refers to addition of leases and right of use.

HIDROVIAS DO BRASIL S.A.

Publicly-held Company

CNPJ/ME nº 12.648.327/0001-53

NIRE 35.300.383.982

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

As members of the Executive Office of Hidrovias do Brasil S.A., we declare, in compliance with article 27, paragraph 1, items V and VI of CVM Resolution nº 80 of March 29, 2022, as amended, that we have reviewed, discussed and agreed with the terms of the interim financial statements and the independent auditors report on the interim financial statements related to the period ended on March 31, 2023.

São Paulo, May 10, 2023.

FABIO SCHETTINO

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

HIDROVIAS DO BRASIL S.A.
Publicly-Held Company
CNPJ/ME nº 12.648.327/0001-53
NIRE 35,300,383,982

OPINION OF THE NON-STATUTORY AUDIT COMMITTEE

The non-statutory Audit Committee of Hidrovias do Brasil S.A. ("Committee") in the exercise of its duties, examined the quarterly accounting information of Hidrovias do Brasil S.A. ("Company") for the period ended March 31, 2023, accompanied by the Management's report and the draft report of the independent auditors issued, without reservations, by Ernst & Young Auditores Independentes ("Independent Auditors").

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

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

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

The Audit Committee, based on the examined documents described in the first paragraph and the information provided by the Management and the Independent Auditors, duly weighted their responsibilities and the limitations arising from the scope of their action, understands that the quarterly accounting information of Hidrovias do Brasil S.A. for the period ended on September 30, 2022, 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, May 10, 2023.

PETER JAIME CERVATTI
Member and Coordinator of the Audit
Committee

ANTONIO MARY ULRICH
Member of the Audit Committee

HIDROVIAS DO BRASIL S.A.

Publicly-Held Company

CNPJ/ME nº 12.648.327/0001-53

NIRE 35.300.383.982

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 03.31.2023, 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, May 10, 2023.

Philip Caram

Member of the Supervisory Board

Raphael Macedo

Member of the Supervisory Board

Valmir Rossi

Member of the Supervisory Board