



Hidroviás do Brasil

1Q22

RESULTS

São Paulo, May 16, 2022 – Hidroviás do Brasil [B3: HBSA3], an integrated waterway logistics solutions company listed on B3's Novo Mercado listing segment, announces today the results for the 1st quarter of 2022. The results presented here follow Brazilian and international accounting rules (IFRS) and compare 1Q21, except when otherwise indicated.

Hidroviás do Brasil ended the first quarter of 2022 with double-digit growth in volume across all the logistics corridors where it operates, consolidated EBITDA increased by 13.3% over 1Q21 and net income totaled R\$33.2 million, demonstrating the gradual resumption of operations to more normal levels and a better trend expected for the year of 2022.

1Q22 HIGHLIGHTS

- The Company handled a **total volume of 3.5 million tons** in 1Q22 (+28.2% vs. 1Q21), with more than double-digit growth in all established operations, highlighting the resumption in bauxite volume to levels that are closer to historic amounts for the Coastal Navigation, higher volumes of iron ore in the South Corridor as a result of the acquisition of Imperial Logistics in 2Q21, and the growth in grain volume in the North Corridor, due to the strong soybean crop season in MT;
- The **Net Operating Revenue** (excluding "OTM" and hedge accounting) totaled **R\$360.3 million** in 1Q22, a 32.4% growth over the same period in 2021, with excellent performance in all corridors where the Company operates, reflecting the higher volume handled in the period, which more than offset the impact of the dollar depreciation on the conversion rate for the results in dollar-denominated corridors;
- The **adjusted Consolidated EBITDA, including JVs**, totaled **R\$156.8 million** in 1Q22, surpassing 1Q21 by 13.3%, even with higher fixed costs due to inflation and adjustments from labor union agreements, and also the lack of contribution from the Santos operation, which remains interrupted for renovations and modernizations previously planned and disclosed by the Company, which is scheduled to resume operations in the second half of 2022;
- **Consolidated CAPEX** totaled **R\$68.4 million** in 1Q22, down 46.6% compared to the same period in the previous year, as a result of the Company's strategic decision to focus on investments that will contribute to the generation of results in the short term, aiming at cash generation in 2022 and, consequently, reducing the Company's leverage;
- The Company's **Net Debt/Adjusted EBITDA** ratio stood at **5.5x** in 1Q22 (vs. 6.5x in 4Q21), with no relevant short-term maturities.

Consolidated	1Q22	1Q21	Ch. %
Consolidated Volume (kt)	3,509	2,737	28.2%
Total volume (North Corridor)	1,638	1,387	18.1%
Total volume (Coastal Navigation)	819	405	102.2%
Total volume (South Corridor)	1,052	676	55.7%
Total volume (Santos)	-	269	-
Net Operating Revenue (R\$ million)¹	360.3	272.1	32.4%
Net Operating Revenue (North Corridor)	175.8	122.7	43.3%
Net Operating Revenue (Coastal Navigation)	59.3	47.4	25.0%
Net Operating Revenue (South Corridor)	125.2	84.0	49.1%
Net Operating Revenue (Santos)	-	18.0	-
Adjusted Consolidated EBITDA (R\$ million)²	156.8	138.4	13.3%
Adjusted EBITDA (North Corridor)	108.2	85.7	26.3%
Adjusted EBITDA (Coastal Navigation)	33.5	32.6	2.7%
Adjusted EBITDA (South Corridor including JVs)	35.0	31.4	11.2%
Adjusted EBITDA (Santos)	(0.4)	6.7	-
Adjusted EBITDA (Holding)	(19.5)	(18.0)	7.9%
Consolidated CAPEX	68.4	128.2	-46.6%

¹Net Operating Revenue excludes effects from Intercompany between Company's subsidiaries.

²Consolidated EBITDA is adjusted by hedge accounting, equity accounting, non-recurring or non-cash items.

MESSAGE FROM MANAGEMENT

“The results achieved in the first quarter of 2022 demonstrate, once again, the great competitive differential of Hidroviás do Brasil, which has a rare combination of growth and resilience of its operations, consolidating itself as the most efficient logistics company for the transport of bulk commodities in long distances in South America.

We witnessed a thriving soybean crop in the state of Mato Grosso and, added to the strong competitiveness of the “North Arc” flow, allowed us a significant growth in grain volume handled in the Company’s North Corridor. The second corn crop in Brazil also continues with a positive trend since it was planted within the ideal period and will probably be harvested in the appropriate period, thus increasing confidence that a crop failure scenario, with consequent material change in commercial dynamics, will not be repeated – benefiting, therefore, the volumes of the second half this year in this logistics corridor.

In the South Corridor, river draft level remains below historical averages, however, situations are currently better than at the end of 2021 and in the same period in the previous year, enabling an increase in iron ore handling through the contracts arising from the acquisition of Imperial Logistics which, in addition to contributing to annual results, will also increase the Company’s flexibility in the second half of the year, when water volumes fall, by operating assets that can navigate in more restrictive draft conditions than the other players in that region.

In Coastal Navigation, bauxite volumes returned to more normal levels after the problem at our customer’s unloading pier in 2021 was resolved and, in Santos, we continue to advance with the works at the terminal, which is expected to resume its operations and start contributing with results in the second half of this year.

Given this scenario of gradual resumption of our operations, we understand that our medium-term Guidance, which includes a consolidated adjusted EBITDA of R\$1.3 to 1.5 billion in 2025, remains feasible, and in 2022, the focus will be on execution, operational efficiency, cost control and operating cash generation to deleverage the Company, while seeking the best capital structure to continue our growth path, both by increasing the capacity of existing Corridors as well as by developing new projects, therefore generating more value for all our stakeholders and, at the same time, contributing to the development of a more sustainable logistics modal with less environmental impact on society”.

Fábio Schettino - CEO of Hidroviás do Brasil

PERFORMANCE BY CORRIDOR

North Corridor

North Corridor: Integrated logistics services for the transportation of solid bulks through river shipping. This corridor's capacity is represented by the: a) Cargo Transshipment Station (ETC) of Miritituba (PA) (7.2 million tons of grain); b) Private Use Terminal (TUP) of Barcarena (PA) (7.2 million tons of grain); and c) the Company's fleet of pushers and barges used to handle products.

Volume:

Volume (kt)	1Q22	1Q21	Ch. %
North Corridor	1,638	1,387	18.1%
Grains	1,257	1,086	15.7%
Fertilizers	59	67	-11.9%
"Direct Road" ¹	323	234	38.0%

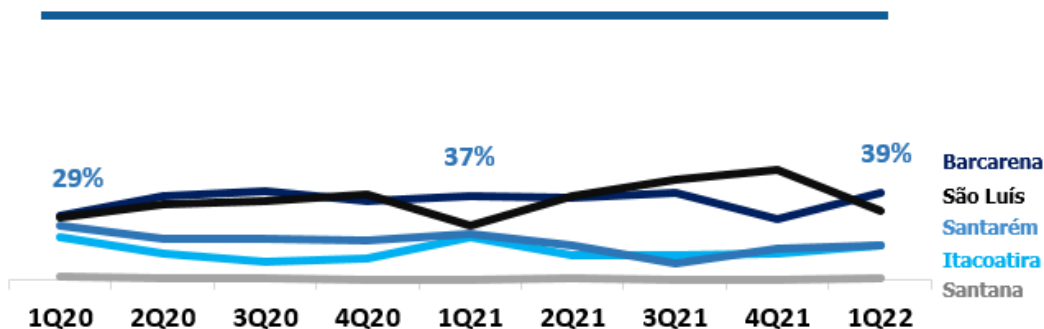
¹ "Direct Road" refers to grain volumes transported by road directly to the Barcarena TUP, and is presented isolated, as it is not part of the Company's integrated system.

The **total volume** transported in the North Corridor reached **1.6 million tons** in 1Q22 (+18.1% vs. 1Q21), with emphasis on the 38.0% growth in grain volume received directly at Barcarena, which originates from the Pará and eastern Mato Grosso regions. Grain volumes in the integrated system grew 15.7% in the period, even with the strong base in 1Q21, and this increase was due to the strong soybean crop in the state of Mato Grosso during the 21/22 harvest season, associated with the Company's strategic and commercial position in the North Arc.

The volume of fertilizers was 8 thousand tons lower than in 1Q21 due to the Company's strategic decision to increase asset turnover and prioritize grain volume execution during the period, without affecting the volume expected for the year.

Barcarena continued to be the main export port of the "North Arc", achieving a market share of 39% in this region (vs. 29% in 1Q20 and 37% in 1Q21) and Hidroviás' private terminal continued to be the most relevant in the region, ending 1Q22 with a market share of 46%.

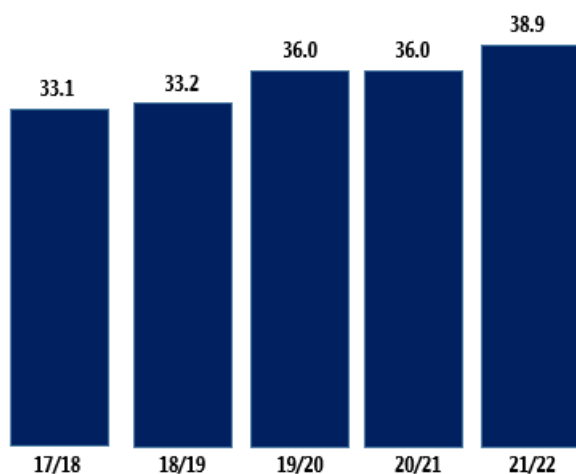
Market Share Brazilian Exports Northern Ports (soy and corn)



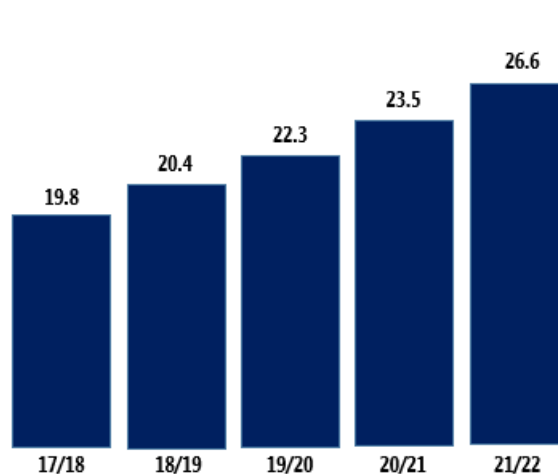
Source: Comextat

2022 Outlook:

Soybean Production in Mato Grosso (M tons)



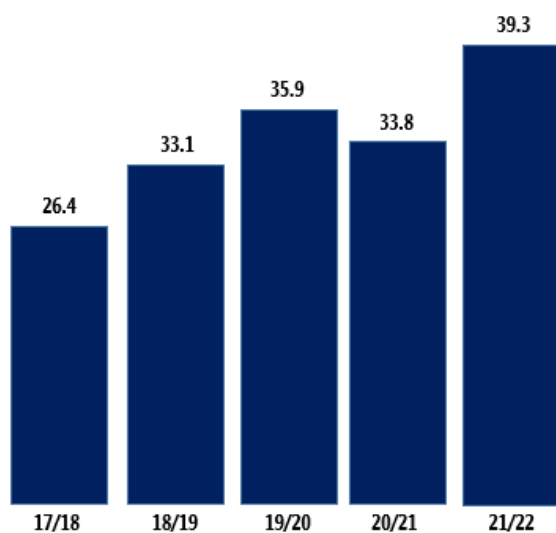
Soybean Export in Mato Grosso (M tons)



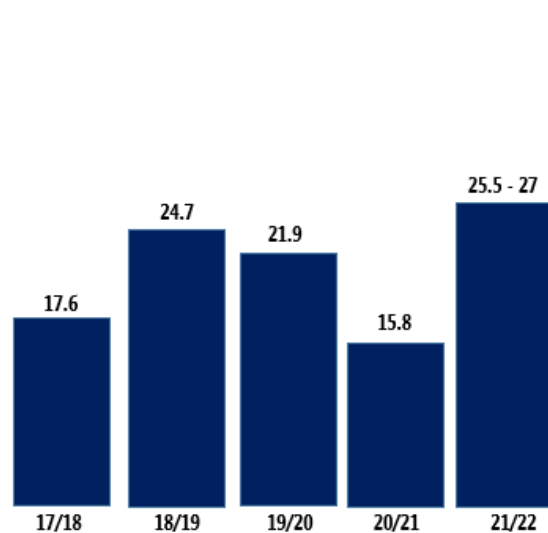
Source: IMEA and Comexstat

Even with the soybean crop failure in important states such as Rio Grande do Sul, Bahia, Mato Grosso do Sul, and Parana, the state of Mato Grosso maintained its growth trajectory, with an 8% increase in production over the previous year, consolidating itself as the main producing state in Brazil. The 21/22 harvest season is expected to produce around 39 million tons, with 26.6 million tons for exports, representing good opportunities to capture volumes for the Company, especially in 1H22, thus we already have almost all the integrated system capacity negotiated for this period.

Corn Production in Mato Grosso (M tons)



Corn Export in Mato Grosso (M tons)



Source: IMEA and Comexstat

With regard to corn crop, differently than what we observed in 2021, planting was carried out during the appropriate period and it will most likely be harvested within a favorable period in 2022, which should contribute to avoiding the crop failure situation we witnessed last year. Mato Grosso is expected to produce approximately 40 million tons of corn in 21/22, with 25.5 to 27.0 million tons directed to export markets. It is worth mentioning that projections were reduced for certain states, due the expected strong rainfall during the harvest period and, consequently, reducing the quality of the harvested grain. However, current production estimates for Brazil remain very strong and considerably higher than last year, with the capacity to supply all domestic demand and maintain good surplus levels for exports, also with good opportunities for handling grain volume in the North Corridor in 2H22.

Results:

North Corridor (R\$ million)	1Q22	1Q21	Ch. %
Net Revenue¹	175.8	124.1	41.7%
Operating Net Revenue	175.8	122.7	43.3%
Operating Net Revenue "Road Transportation" (OTM) ²	-	1.4	-
Operating Costs	(62.4)	(49.7)	25.5%
Operating Costs	(62.4)	(48.6)	28.5%
Operating Costs "Road Transportation" (OTM) ²	-	(1.2)	-
Operating Expenses (Revenue)	(8.3)	(7.5)	10.7%
AFRMM, Tax Credits and Others ³	(0.0)	18.8	-
Equity Accounting	0.0	0.1	-84.8%
EBITDA	105.2	85.8	22.6%
Margin %	59.8%	70.0%	-10.2 p.p.
Equity Accounting	(0.0)	(0.1)	-84.8%
Non-recurring ⁴	3.0	-	-
Adjusted EBITDA	108.2	85.7	26.3%
Margin %	61.6%	69.8%	-8.2 p.p.

¹ North Corridor's Net Revenue excludes "intercompany" to facilitate the understanding of the results;

² "Road Transportation" (OTM) consists of Net Revenue and Operating Costs related to the subcontracting of road transportation to customers, providing an integrated logistics solution ("from MT to the ship's hold") – this operation was discontinued in 2021;

³AFRMM, Tax Credits and Others in 1Q21 includes the sale of leftovers ("varredura");

⁴ The Non-Recurring Items line in 1Q22 includes (R\$3.0 million of apportionment of corporate expenses for comparison purposes with past results, with no effect on the consolidated result).

We ended 1Q22 with a record **Net Operating Revenue** ex-OTM for the period, totaling **R\$175.8 million** (+43.3% vs. 1Q21), reflecting the strong growth in grain volumes handled in the integrated system and received directly at Barcarena, as well as the positive effect arising from the revenue of non-monetary consideration provided for the contracts of some clients.

Operating costs ex-OTM were 28.5% higher than in 1Q21, totaling **R\$62.4 million**, reflecting the higher volume handled in the period, as well as a rise in fixed costs due to inflation and adjustments from labor union agreements. Variable costs remained flat despite the increase in fuel prices in the period, demonstrating the benefit of contracts that have a full pass-through of fuel costs in tariffs. Also, the Company decided to anticipate necessary maintenance activities in the operation, aiming to operate at its maximum capacity during 2022, given the very positive grain volume projections in Brazil.

Adjusted EBITDA reached its highest level for a first quarter since the start of the Company's operations, totaling **R\$108.2 million** (+26.3% vs. 1Q21), with a strong EBITDA margin of 61.6% (compared to a margin of 69.8% in 1Q21, which is not comparable with 1Q22 margin as in 1Q21 there were no revenue from the non-monetary consideration. Excluding this effect in 1Q22 for comparison purposes, the adjusted EBITDA margin for the period would have been 75.0%, +5.2 p.p. above the same period last year).

In view of these results, we can conclude that the North Corridor continues to be a **very competitive alternative** for exporting grains originating in Mato Grosso and Brazil, and Hidrovias do Brasil continues to capture additional volumes even in a more competitive scenario, maintaining **excellent profitability levels** through execution, successful commercial negotiations, and state-of-the-art assets that enable recurring improvements, in addition to low CAPEX requirements for recurring maintenance.

Coastal Navigation (Cabotage)

The **Coastal Navigation** operation mainly transports Bauxite from the Trombetas Port (PA) to the Barcarena Public Terminal (PA).

Volume:

Volume (kt)	1Q22	1Q21	Ch. %
Coastal Navigation (Cabotage)	819	405	102.2%
Bauxite	819	405	102.2%

Total volume of bauxite handled was **819 thousand** tons in 1Q22 (+102.2% vs. 1Q21), returning to historic levels after the non-recurring problems in the unloading pier of the main customer of this operation in 2021 was solved, which ended up impacting the volumes handled during the first nine months of the previous year - however with no impact in the results due to the “take or pay” contract.

Results:

Coastal Navigation (R\$ million)	1Q22	1Q21	Ch. %
Net Revenue	54.5	41.4	31.8%
Operating Net Revenue	59.3	47.4	25.0%
Hedge Accounting ¹	(4.7)	(6.0)	-21.7%
Operating Costs	(29.6)	(16.2)	82.2%
Operating Costs	(29.6)	(16.2)	82.2%
Operating Expenses (Revenue)	(0.9)	(0.3)	188.6%
AFRMM, Tax Credits and Others ²	3.7	1.8	111.0%
EBITDA	27.8	26.6	4.5%
Margin %	46.9%	56.1%	-9.2 p.p.
Hedge Accounting ¹	4.7	6.0	-21.7%
Non-recurring ³	1.0	-	-
Adjusted EBITDA	33.5	32.6	2.7%
Margin %	56.5%	68.8%	-12.3 p.p.

¹ Hedge Accounting: The Company's functional currency is the Brazilian real. However, Coastal Navigation agreements is denominated in U.S. dollars. Accordingly, the hedge accounting was used to mitigate the FX exposure, and the existing debt in U.S. dollars hedges long-term agreements in foreign currency. This procedure has no cash impact.

²AFRMM, Tax Credits and Others in Coastal Navigation include the positive effect from the Additional Freight for the Renovation of the Merchant Marine;

³The Non-Recurring Items line in 1Q22 includes (R\$1.0 million of apportionment of corporate expenses for comparison purposes with past results, with no effect on the consolidated result).

We ended 1Q22 with **Net Operating Revenue**, ex-hedge accounting, of **R\$59.3 million** (+25.0% vs. 1Q21), reflecting the volume of bauxite effectively handled, with lower need to record take or pay in the period. It is important to note that the contract for this Corridor is denominated in U.S. dollars and, even with very strong results, they were impacted by the effect from the conversion rate since the average dollar in 1Q22 was 4.4% lower than in 1Q21. We recorded (R\$4.7) million in hedge accounting in 1Q22.

Operating Costs totaled **R\$29.6 million** in 1Q22 (+82.2% vs. 1Q21), in line with the higher volume handled, as well as higher average piloting costs, inflation, and readjustments from labor union agreements in the period.

Adjusted EBITDA totaled **R\$33.5 million** in 1Q22, 2.7% higher than the same period of the previous year, even with the effect from the exchange rate conversion. Adjusted EBITDA in U.S. dollars was 13% higher than in 1Q21, demonstrating the recurring evolution of this operation. Adjusted EBITDA margin remained at a strong level, reaching 56.5% (compared to 68.8% in 1Q21, which was benefited by the direct effect of “take or pay” accounting in the period since handled volume was below the contracted volume due to difficulties in the client's operation and for this reason is not a comparison base for a normal operating scenario).

Results from this Logistics Corridor clearly demonstrates the **resilience and consistency of the Company's Coastal Navigation** operation, which continues to maintain strong results and growth, even with the impact of exchange variation in the conversion of the result to BRL.

South Corridor

The **South Corridor** refers to the fluvial transportation of grains, fertilizers, iron ore, and other bulk materials in the Paraná-Paraguay waterway and pulp in the Uruguay River through a joint venture (Limday). Additionally, it includes the results of port terminals of another two joint ventures, being the first port operation of grains in Montevideo (TGM), the only terminal of the region that can load a Panamax vessel, and the second largest port operation of solid bulks in the region of Concepción, in Paraguay (Baden).

Volume:

Volume (kt)	1Q22	1Q21	Ch. %
South Corridor	1,052	676	55.6%
Iron Ore	644	386	66.8%
Grains	145	108	34.3%
Fertilizers	8	9	-11.1%
Total before JVs	797	502	58.8%
JVs ¹	255	174	46.7%

¹ JVs: volume proportional to the interest held in TGM, Limday, and Baden.

The **total volume** transported in the South Corridor, in 1Q22, was the largest ever handled by the Company for a first quarter, despite the atypical draft scenario, totaling **1.0 million tons** (+55.6% vs. 1Q21), with emphasis on iron ore volume, which was 66.8% higher, with handled volume linked to Imperial Logistics contracts, and a growth of 34.3% in grain volume due to better draft conditions in the region of Asunción (Paraguay) when compared to the same period of the previous year.

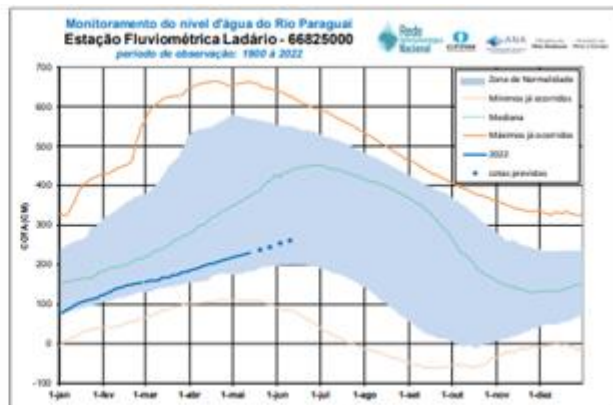
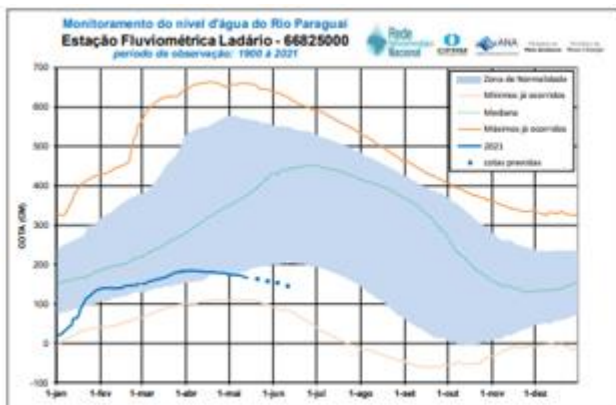
As disclosed monthly through Notices to the Market, 2021 was a year with extremely low draft levels in the rivers where Hidroviás operates in this Corridor, with a situation close to the historical minimums for the last 121 years, causing interruptions in the operation for roughly over two months and impacting results in the second half of the year, when there is a reduction in water levels and navigation becomes more restrict.

The beginning of 2022 was marked by stronger rainfalls, which allowed the Company to resume operations with large convoys and cycles closer to more normal conditions for the end of the first quarter, therefore enabling more normalized navigation during the second quarter of this year.

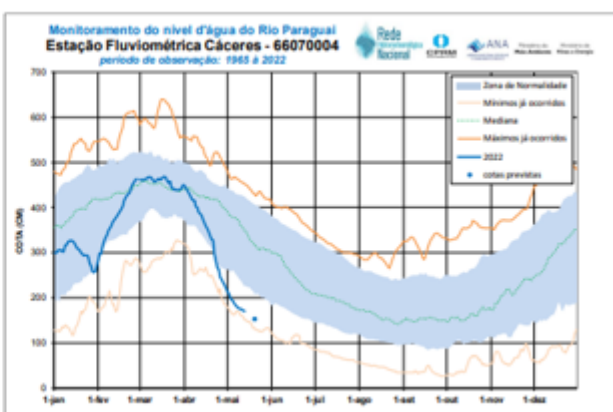
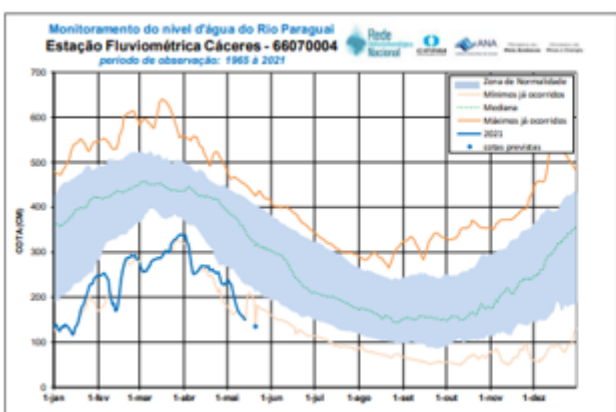
The most current projections publicly available by the Geological Survey of Brazil (CPRM) portal maintains a positive trend scenario for Ladário, a region where we have our iron ore loading, therefore, the most critical operating location. If the trend continues for the remaining of the year, this could result in a better navigation scenario compared to 2021, even during the period with lower rainfalls in the second half of the year.

Cáceres, a region that illustrates the Pantanal situation, responsible for river flows during periods of low rainfall, recovered quickly in the first quarter, reaching levels close to historical averages. However, the region returned to a more challenging trend in recent days. Even with a more challenging scenario at this measuring point, we do not see an impact on the Company's current operation. It is important to emphasize that Cáceres is just a measurement point with public information on the situation of the Pantanal basin and the reductions observed in the days prior to this earnings release does not reflect the entire scenario of the Pantanal. The close monitoring by the Company's teams demonstrate that, in general, Cáceres has higher floods between February and March, Corumbá between May and June and Porto Murtinho between July and August and, for this reason, the Pantanal will remain in good conditions in relation to 2021.

LADÁRIO (Report disclosed 05/14/2021) x LADÁRIO (Report disclosed 05/13/2022)



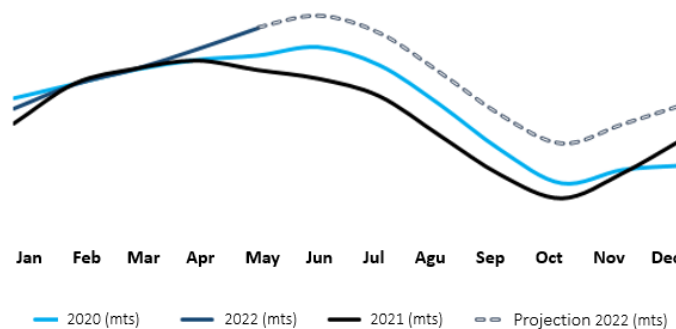
CÁCERES (Report disclosed 05/14/2021) x CÁCERES (Report disclosed 05/13/2022)



Source: The Geological Survey of Brazil - CPRM

In addition to public data provided by the *Geological Survey of Brazil*, the Company uses historical data and its own measurements and projections available, such as rainfall for future periods, to estimate the draft conditions and, consequently, make operational action plans for this region. In this context, the Company's estimates for draft conditions during the first quarter of 2022 were very close to the actual conditions in the region and, for this reason, aiming at greater transparency for future draft expectations, we provide the graph below with the expected draft levels for the rest of the year, as well as the curves held in 2020 and 2021 for comparability purposes.

Historic Draft Levels Ladário and Projection 2022 (mts)



Source: Internal projections

We maintain our commitment to transparency for a better understanding of the atypical water situation in the South Corridor and we will continue to release monthly Notices to the Market for information on loading and navigation conditions in this region.

Results:

South Corridor (R\$ million)	1Q22	1Q21	Ch. %
Net Revenue¹	226.3	16.1	1304.7%
Operating Net Revenue	125.2	84.0	49.1%
Hedge Accounting ²	101.1	(67.9)	-
Operating Costs	(88.1)	(52.1)	68.9%
Operating Costs	(88.1)	(52.1)	68.9%
Operating Expenses (Revenue)	(8.4)	(2.2)	277.3%
AFRMM, Tax Credits and Others ³	0.3	0.0	900.0%
Equity Accounting	1.8	(2.8)	-
EBITDA	131.9	(41.1)	-
Margin %	105.4%	(48.9%)	-
Hedge Accounting ²	(101.1)	67.9	-
Equity Accounting	(1.8)	2.8	-
Adjusted EBITDA	29.0	29.6	-2.0%
Margin %	23.2%	35.3%	-12.1 p.p.
JVs results ⁴	5.9	1.8	228.4%
EBITDA including JVs	35.0	31.4	11.2%
Margin %	27.9%	37.4%	-9.5 p.p.

¹ The South Corridor's Net Revenue exclude the "Intercompany" effect for the better understanding of the result;

² Hedge Accounting: The Company's functional currency is the Brazilian real. However, South Corridor agreements are denominated in U.S. dollars. Accordingly, the hedge accounting was used to mitigate the FX exposure, and the existing debt in U.S. dollars hedges long-term agreements in foreign currency. This procedure has no cash impact;

³ AFRMM, Tax Credits and Others in this Corridor, in 1Q22, includes R\$0.3 million related to write-offs made in the period.

⁴ Result obtained from the Company's interest in TGM, Limday and Baden.

Net Operating Revenue, ex-hedge accounting, totaled **R\$125.2 million** in 1Q22 (+49.1% vs. 1Q21), mainly reflecting the higher grain volume handled in the period, as well as the increase in iron ore volume linked to contracts from Imperial Logistics, acquired in April 2021.

It is worth remembering that the contracts in this Corridor are denominated in U.S. dollars and therefore, excluding the effect of the exchange rate conversion on the Company's functional currency (Real), Net Operating Revenue would have grown by 56% in the period. Hedge accounting impacted Net Revenue by R\$101.1 million in 1Q22, with no cash effect.

Operating Costs totaled **R\$88.1 million** in 1Q22 (+68.9% vs. 1Q21), reflecting the higher volume handled, as well as a larger fleet after the acquisition of Imperial Logistics, the anticipation of certain maintenance activities to support the low water scenario of the second half, and higher fixed costs due to inflation and labor union agreements.

EBITDA adjusted with JVs totaled **R\$35.0 million** in 1Q22 (+11.2% vs. 1Q21), even with higher exchange rate pressures and atypical draft conditions, with an adjusted EBITDA margin of 27.9%, a healthy level considering the many challenges this Corridor has been facing. It is also worth noting that the **adjusted EBITDA with JVs** in U.S. dollars would be 19.9% higher than in 1Q21.

Even with draft levels in 1Q22 similar to the levels in 1Q21, and the dollar depreciation, the Company maintained an **EBITDA growth** through its differentiated assets and lessons learned from the past, demonstrating it is **increasingly more prepared to overcome the challenges of this logistical corridor in terms of atypical lack of rain and periods of more intense droughts due to effects from La Niña**. The best information and projections currently available point to a **better scenario in 2022**, even with an atypical draft in the region, representing the potential for a gradual resumption of operations to more regular levels.

Santos | Salt

We started two new projects in the last years, which are still under implementation, being: the operation in the Santos Terminal¹ and the logistics operation of Salt.

The **Santos** project consists of a 25-year lease for a terminal to handle and store solid bulk in the largest port in South America, located in Santos. The operation partially started in 2020, while we started to renovate and adjust the terminal, as provided for in the bidding notice. The renovation advanced in 2021. For this reason, the terminal did not operate in 2H21 and in 1Q22, resuming its activities in mid-2022.

The **Salt** project consists of a salt transshipment and transportation agreement in Brazil's northeastern region. The Company has been dealing with regulatory procedures for the start of this operation and has a pending lawsuit with a view to obtaining the necessary authorizations to proceed with the project. As is usual for the Company, it developed a modern and efficient asset for the operation, which would increase the competitiveness of the salt market in the region. As it is an asset that would function as a "floating port", the Company can also redirect it to another region and optimize the investment already made if current regulatory restrictions are maintained.

Volume:

Volume (kt)	1Q22	1Q21	Ch. %
Santos	-	269	-
Total	-	269	-

The Santos terminal is undergoing a modernizing of its structures and "rebuilding" one of its warehouses, in line with the Company's business plan and obligations of the STS20 grant.

As a result, **no volume was handled** during 1Q22 and operations are expected to resume in the second half of 2022.

Results:

Santos	1Q22	1Q21	Ch. %
Net Revenue	-	18.0	-
Operating Net Revenue	-	18.0	-
Operating Costs	(0.1)	(11.1)	-99%
Operating Costs	(0.1)	(11.1)	-99%
Operating Expenses (Revenue)	(0.4)	(0.2)	80%
EBITDA	(0.5)	6.7	-
Margin %	-	37.1%	-
Non-recurring ¹	0.0	-	-
Adjusted EBITDA	(0.4)	6.7	-
Margin %	-	37.1%	-

¹The Non-Recurring Items line in 1Q22 includes (R\$0.04 million of apportionment of corporate expenses for comparison purposes with past results, with no effect on the consolidated result).

As already mentioned in this report, there were no operations in the Santos terminal during 1Q22 and the results shown in the table above are only for costs and expenses for the inoperative terminal that were treated as CAPEX following the guidelines of CPC 27 (Fixed Assets).

It is important to highlight that the Company's operation in Santos consolidates its **strategic positioning within the largest organized port in Latin America**, increasing the diversification of its business and consolidating itself as an important logistics player for fertilizers and salt in the Southeast region of Brazil.

Holding Company's Results

Holding (R\$ million)	1Q22	1Q21	Ch. %
Operating Expenses (Revenue)	(17.1)	(18.2)	-6.1%
AFRMM, Tax Credits and Others ¹	(0.1)	(0.0)	770.6%
Equity Accounting	(0.5)	(0.1)	278.2%
EBITDA	(17.7)	(18.3)	-3.3%
Equity Accounting	0.5	0.1	278.2%
Non-recurring ²	(2.2)	0.2	-
Adjusted EBITDA	(19.5)	(18.0)	7.9%

¹ AFRMM, Tax Credits and Others in the result for the Holding includes the impact of other credits and other non-core revenues.

² Non-recurring items in 1Q22 includes ((R\$4.1) million of apportionment of corporate expenses that were "returned" to the Holding for comparability purposes and R\$1.8 million related to the share options plan with a non-cash effect); in 1Q21 ((R\$0.1) million from the reversal of non-recurring credits and R\$0.1 million from consulting services related to the IPO process.

In 1Q22, **Adjusted Holding Expenses** totaled **R\$19.5 million** (+7.9% vs. 1Q21), mainly reflecting structural adjustments required for a publicly traded company, with a higher level of corporate governance. Additionally, the result also reflects and the impacts from inflation and labor union agreements in the period.

CONSOLIDATED RESULTS

CAPEX

Consolidated CAPEX in 1Q22 was **R\$68.4 million**, in which only R\$5.6 million was for scheduled maintenance activities, even with a significantly larger asset base compared to the same period of the previous year due to the acquisition of Imperial Logistics, which practically doubled the number of barges and pushers available for the South Corridor.

Expansion CAPEX totaled R\$42.8 million in 1Q22 and were related to the acquisition of navigation assets that will be ready for use in the North Corridor in 2023, completion of the modernization of the Santos terminal, which will begin operations in the second half of 2022, and the Technological Plan to better monitor and optimize navigation in the different corridors where the Company operates.

In 1Q22, we also made an annual payment of R\$20.1 million related to the Santos grant, higher than the previous year due to the annual contractual readjustment.

The **significant reduction** in CAPEX in the **period demonstrates the Company's efforts to generate cash in 2022**, without compromising its projects to increase capacity and its operational efficiency.

The table below shows our managerial CAPEX:

Consolidated CAPEX	1Q22	1Q21	Ch. %
Maintenance	5.6	9.0	(38.3%)
Expansion	42.8	101.0	(57.7%)
STS20 Grant	20.1	18.1	10.8%
Total CAPEX	68.4	128.2	(46.6%)

Note: In 1Q21, the R\$19.7 million difference between the CAPEX amount shown in the table above and cash flow from investments was due to the divergence between cash activation and disbursement for payment of suppliers, as described in Note 31.

Consolidated P&L

Consolidated	1Q22	1Q21	Ch. %
Net Revenue	456.7	199.6	128.8%
Net Operating Revenue ¹	360.3	272.1	32.4%
Net Operating Revenue "Road Transportation (OTM)" ²	-	1.4	-
Hedge Accounting ³	96.4	(73.9)	-
Operating Costs	(180.1)	(129.2)	39.4%
Operating Costs	(180.1)	(128.1)	40.6%
Operating Costs "Road Transportation (OTM)" ²	(0.0)	(1.2)	-98.0%
Operating Expenses (Revenues)	(35.0)	(28.4)	23.3%
AFRMM, Tax Credits and Other ⁴	3.9	20.6	-81.2%
Equity Accounting	1.3	(2.8)	-
EBITDA	246.7	59.7	313.1%
Margin %	68.5%	21.9%	46.6 p.p.
Depreciation & Amortization	(86.1)	(75.6)	13.9%
EBIT	160.6	(15.9)	-
Financial Result	(85.9)	(157.9)	-45.6%
Net Income/Loss before tax	74.7	(173.8)	-
Income Tax	(41.5)	(9.2)	349.9%
Net Income/Loss	33.2	(183.0)	-

¹ Net Operating Revenue: refers to the net revenue from shipping, transshipment, and lifting of products at the terminals where the Company operates;

² Net Operating Revenue and Operating Costs with Road Transportation (OTM): obtained by subcontracting road transportation to customers, providing an integrated logistics solution ("from MT to the ship's hold"); this operation was discontinued in 2021;

³ Hedge Accounting: The Company's functional currency is the Brazilian real. However, South Corridor and Coastal Shipping agreements are denominated in U.S. dollars. Accordingly, the hedge accounting was used to mitigate the FX exposure, and the existing debt in U.S. dollars hedges long-term agreements in foreign currency. This procedure has no cash impact;

⁴ AFRMM, Tax Credits and Others: include the positive effect from the Additional Freight for the Renovation of the Merchant Marine, as well as other credits and other non-core revenues as highlighted in each of the corridors.

Financial Result

Consolidated (R\$ million)	1Q22	1Q21	Ch. %
Financial Income	1.5	29.3	(95.0%)
Financial Expense	(132.5)	(150.3)	(11.8%)
Recurring Financial Expense	(132.5)	(54.8)	141.8%
Non-recurring Financial Expense (debt restructuring)	-	(95.5)	-
Fx variation	45.2	(36.9)	-
Financial Result	(85.9)	(157.9)	(45.6%)

Consolidated **Financial Result** totaled **(R\$85.9) million** in 1Q22, 72.0 million lower than in the same period of the previous year, mainly due to:

- i) **Financial Revenue:** worsened by R\$27.8 million vs. 1Q21 due to a lower cash position compared to the same period of last year, when the acquisition of Imperial Logistics, for US\$86 million, had not been carried out, in addition to the effect from the devaluation of the dollar in the period since approximately 90% of our investments are in U.S. dollars or in currency exchange funds;
- ii) **Financial Expenses:** reduced by R\$17.8 million in the quarter and in 1Q21, these expenses were impacted by non-recurring items from the debt restructuring process. Recurring financial expenses were higher than in 1Q21, mainly due to losses on investments pegged to foreign currency, and additional financial expenses related to the new Bond issued in 1Q21, and the new debenture issued at the end of 2021. It is worth noting that the issuances in 2021 were aimed at lengthening the Company's debt maturity schedule, with a better balance between cash generation in different currencies and debt instruments effectively hired.

- iii) **FX Variation:** improved by R\$82.1 million, due to the improvement in accounts payable from suppliers in dollar-denominated contracts, mostly compensating the opposite effect observed in financial expenses in the period.

Net Income

According to the explanations given in this report, we recorded a **Net Income of R\$33.2 million** (vs. Net Loss of R\$183.0 million on 1Q21), reflecting the positive effect of hedge accounting, exchange rate variation, and **better operating results** in all the corridors where the Company operates, which more than offset the higher depreciation due to a larger asset base and higher taxes in the period.

Cash Generation

Cash Flow (R\$ million)	1Q22	1Q21	Ch. %
Cash beginning of period	672.3	1,045.8	-35.7%
(+) EBITDA	246.7	59.7	313.1%
(+/-) Change in working capital and others	(18.6)	(155.7)	-88.1%
(+/-) Hedge Accounting	(96.4)	73.9	-
= Operating Cash Flow (OCF)	131.8	(22.0)	-
(-) CAPEX	(28.6)	(95.8)	-70.1%
<i>Recurring</i>	(5.6)	(9.0)	-38.3%
<i>Expansion</i>	(23.1)	(86.8)	-73.4%
(-) Grant	(20.1)	(18.1)	10.5%
= Investing Cash Flow (ICF)	(48.7)	(113.9)	-57.3%
(+/-) Debt Issuance/Amortization	(14.4)	409.4	-
(-) Interest Payments	(96.9)	(116.7)	-17.0%
(-) Lease Payments	(13.4)	(5.9)	127.0%
= Financing Cash Flow (FCF)	(124.6)	286.8	-
Exchange rate variation on cash balances and others	(80.1)	(30.2)	165.4%
= Cash Generation	(121.6)	120.7	-
= Cash end of period	550.7	1,166.6	-52.8%

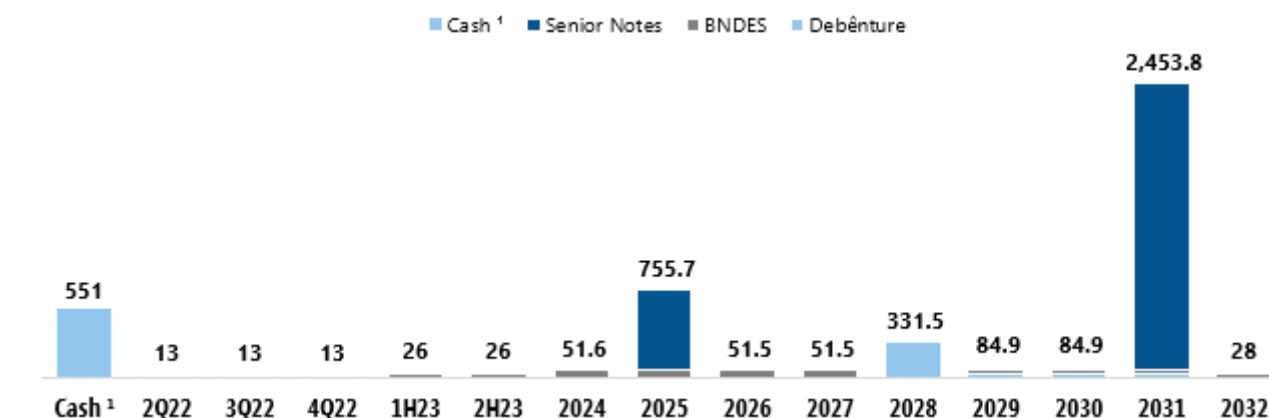
We ended 1Q22 with operating cash generation of **R\$131.8 million** (vs. operating cash consumption of R\$22.0 million in 1Q21), reflecting the consistent improvement in all the Company's operations, which presented EBITDA growth in the period, in addition to improving working capital management through more effective collections from customers and reduced advances to suppliers.

When we include the investments made for expansion and maintenance, payment of the onerous concession of Santos and the financial cash flow, we observe cash consumption of **R\$121.6 million** in 1Q22 (vs. generation of R\$120.7 million).

We ended the quarter with R\$550.7 million in cash, an **adequate level and compatible with the Company's future obligations**.

Debt

The current amortization schedule is as follows:



¹Cash includes cash and cash equivalents.

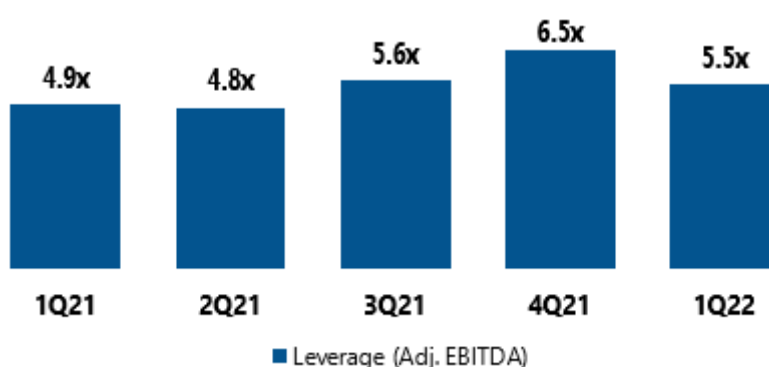
The Company's **leverage** considering Adjusted EBITDA, stood at **5.5x** in 1Q22 (vs. 6.5x in 4Q21), reflecting the resumption of operations to levels closer to the Company's potential in the North Corridor, which recorded its highest result for a first quarter, and the gradual operational improvement in the South Corridor, with a more positive trend for draft levels in 2022. Additionally, it also reflects the appreciation of the Brazilian real on the conversion of the Company's dollar-denominated debt.

Net debt in 1Q22 was higher than in the same period of the previous year due to a lower cash position after the acquisition of Imperial Logistics and the increase in gross debt, related to the debentures issue at the end of 2021, which was issued to give greater flexibility to the Company in 2022

It is important to note that non-compliance with the existing leverage covenants does not trigger the need to prepay any debt by the Company, and **we do not have any relevant short-term maturities** as less than 20% of our debt matures in 2025 and over 60% of the outstanding balance matures only in 2031.

In line with its constant search for deleveraging possibilities, the Company continues to monitor market trends to analyze opportunities to optimize its capital structure, maintaining proper balance between its operating cash generation and its debt obligations.

See below the historical data of net debt/Adjusted EBITDA:



Note: Considers Adjusted EBITDA for the last 12 months, excluding the impact of hedge accounting, equity pickup, and non-recurring items in the period. Due to the Company's debt restructuring, we began to analyze covenant on a consolidated basis and, therefore, there was a change in calculation, which now considers Net Debt without adjustments to exchange rate variations.

CORPORATE GOVERNANCE

In the last month, the Company carried out an organizational restructuring, which included the creation of two new positions: Vice President of Operations and Director of Institutional Relations.

This change, along with other organizational adjustments, was a relevant step in the evolution of the Company's internal governance.

Additionally, as a subsequent event to the quarter, the Annual Shareholders' Meeting approved, in April 2022, the election of the Company's Board of Directors, composed of nine members, with four of them being independent - following the best corporate governance practices in the Brazilian market.

The new Board of Directors has the following composition: Bruno Pessoa Serapião (Chairman), Felipe Andrade Pinto (Vice-Chairman), Márcia Maria Ferraresi (member), Michell Fontes Souza (member), Roberto Lucio Cerdeira Filho (member), Antonio Mary Ulrich (independent member), Denys Monteiro (independent member), Marcus Vinicius Menoita Nogueira (independent member), Ricardo Antonio Weiss (independent member).

DISCLAIMER

This report has forward-looking statements and prospects based on strategies and beliefs for growth opportunities of Hidroviás do Brasil S.A. and its subsidiaries ("Hidroviás" or "Company"), based on the Management's analyses. This means that statements included herein, based on a thorough study of public information made available to the market in general, although considered reasonable by the Company, may not materialize and/or may have imperfections and/or inaccuracies. This disclaimer on the information shown indicates the existence of adverse situations that may impact the expected results so that our expectations might not materialize within the reporting period, as these factors go beyond Hidroviás' control. Therefore, the Company does not guarantee the performance in this presentation and, as a result, does not represent a material offering the purchase and/or subscription of its securities.

ATTACHMENT

HIDROVIAS DO BRASIL S.A.
 STATEMENTS OF INCOME
 FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
 (In thousands of reais - R\$, except earnings/loss per share)

	Consolidated	
	01/01/2022– 03/31/2022	01/01/2021– 03/31/2021
Net operating revenue	456,689	199,578
Cost of services rendered	-243,557	-179,72
Gross income	213,132	19,858
OPERATING EXPENSES		
General and administrative expenses	-57,721	-53,509
Equity in net income of subsidiaries	1,304	-2,832
Other revenues	3,876	20,601
Operating income (loss) before financial income (loss) and taxes	160,591	-15,882
Financial revenues	46,666	30,194
Financial expenses	-132,534	-188,096
Financial income (loss)	-85,868	-157,902
Operating income (loss) before income tax and social contribution	74,723	-173,784
Income tax and social contribution		
Current	-30,777	-18,104
Deferred	-10,709	8,883
Net income (loss) for the period	33,237	-183,005
Basic earnings per share - R\$	0.0437	(0.2407)
Diluted earnings per share - R\$	0.0437	(0.2407)

See the accompanying notes to the interim financial informati

HIDROVIAS DO BRASIL S.A.
 STATEMENTS OF CASH FLOWS
 FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
 (In thousands of reais – R\$)

	Consolidated	
	03/31/2022	03/31/2021
Cash flow from operating activities		
Loss for the period	33,237	-183,005
net cash generated by (invested in) in operating activities:		
Provision for bonus	5,71	8,665
Current and deferred income tax and social contribution	41,486	-8,883
Adjustment to present value of lease and concession	2,593	2,608
(Formation) Reversal of provision for contingency	3,36	1,804
Interest incurred on loans	66,841	54,8
Reversal of loan funding costs	3,611	-88,924
Inflation and foreign exchange adjustments on debt	-39,029	36,855
Accrued interest - lease	1,978	-246
Stock option plan	1,828	-
Yield of interest earning bank deposit	51,171	-30,182
Write-offs of lease	-2,473	-
Depreciation and amortization	66,77	54,258
Amortization from right-of-use asset	19,296	5,173
Equity in net income of subsidiaries	-1,304	2,832
Revenue realized from hedge	-96,381	73,908
Reverse of provision for risk	-	-488
(Increase) decrease in operating assets:		
Accounts receivable	-23,724	-53,032
Inventories	-17,129	-5,623
Recoverable taxes	8,355	21,09
Advances to suppliers	-13,868	6,92
Prepayments	3,696	-33,467
Judicial deposits	-1	-255
Guarantees and pledge deposits	-	110
Other receivables	10,852	436
Increase (decrease) in operating liabilities:		
Suppliers	9,448	41,364
Social and labor charges	-7,881	-17,288
Taxes payable	-6,106	-3,792
Advances from clients	25,084	-8,163
Other accounts payable	29,816	19,096
Payment of interest on loans and financing	-96,865	-116,654
Income taxes and social contribution paid	-39,421	-36,972
Net cash invested in operating activities	40,95	-257,055
Cash flows from investment activities		
Acquisition of fixed assets	-22,214	-92,19
Acquisition of intangible assets	-6,411	-3,591
Securities (redemptions)	256,949	40,663
Dividends received	-	-
Loan granted between related parties	-	1,213
Capital increase (decrease) in subsidiaries	-	-
Net cash generated by (invested in) investment activities	228,324	-53,905
Cash flows from financing activities		
Borrowings		2,848,650
Concession lease	-20,054	-18,141
Lease paid	-13,352	-5,882
Amortization of principal - loans	-14,413	(2,439,267)
Financial investments	-	2,078
Loan granted between related parties	-	-
Other accounts payable with related parties	-	-1,61
Net cash (invested in) generated by financing activities	-47,819	385,828
Effect of changes in exchange rate on balance of cash and cash equi	-33,185	14,572
(Decrease)/increase in cash and cash equivalents	188,27	89,44
Cash and cash equivalents at the beginning of the period	76,454	214,848
Cash and cash equivalents at the end of the period	264,724	304,288
(Decrease)/increase in cash and cash equivalents	188,27	89,44

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
BALANCE SHEETS AT MARCH 31, 2022 AND DECEMBER 31, 2021

(In thousands of reais – R\$)

ASSETS	Consolidated	
	03/31/2022	12/31/2021
Current assets		
Cash and cash equivalents	264,724	76,454
Securities	272,339	582,562
Trade accounts receivable	245,857	244,62
Inventories	104,947	94,347
Recoverable taxes	27,779	30,414
Income tax and social contribution	39,695	62,734
Advances to suppliers	46,508	50,264
Prepayments	21,064	26,288
Related party credits	-	-
Dividends receivable	-	-
Other receivables	46,024	58,698
Total current assets	1,068,937	1,226,381
Non-current assets		
Linked securities	13,622	13,295
Related party credits	4,875	5,778
Trade accounts receivable	5,6	6,4
Judicial deposits	45,771	45,944
Guarantees and pledge deposits	2,072	2,21
Deferred tax assets	117,612	177,885
Recoverable taxes	44,669	52,826
Income tax and social contribution	38,623	38,77
Prepayments	31,104	35,03
Investments	89,899	103,705
Property, plant and equipment	3,906,364	4,254,285
Right-of-use asset	191,642	207,58
Intangible assets	346,879	347,441
Total non-current assets	4,838,732	5,291,149
Total assets	5,907,669	6,517,530

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
BALANCE SHEETS AT MARCH 31, 2022 AND DECEMBER 31, 2021

(In thousands of reais – R\$)

LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated	
	03/31/2022	12/31/2021
Current liabilities		
Suppliers	165,389	146,142
Loans and financing	114,98	180,889
Social and labor charges	30,451	33,756
Lawsuits	25,64	22,334
Taxes payable	29,039	35,381
Income tax and social contribution	30,104	63,078
Accounts payable with related parties	-	-
Advances from clients	13,432	3,65
Lease liabilities	76,455	69,942
Obligation with concession - grant	21,866	24,046
Other accounts payable	49,488	23,07
Total current liabilities	556,844	602,288
Loans and financing	3,844,706	4,458,517
Lease liabilities	145,739	161,636
Obligation with concession - grant	26,321	42,227
Other accounts payable	4,421	5,208
Total non-current liabilities	4,021,187	4,667,588
SHAREHOLDERS' EQUITY		
Capital	1,334,584	1,334,584
Capital reserves	36,052	34,871
Retained earnings (loss)	-302,859	-336,096
Equity valuation adjustment	261,861	214,295
Total shareholders' equity	1,329,638	1,247,654



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Independent Auditors' Report on Review of Individual and Consolidated Interim Financial Statements

To the Shareholders, Directors and Management of
Hidrovias do Brasil S.A.
São Paulo, SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Hidrovias do Brasil S.A. ("Company"), contained in the Quarterly Information – ITR Form for the quarter ended March 31, 2022, comprising the balance sheet as of March 31, 2022 and related statements of income and of comprehensive income, the statements of changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with Technical Pronouncement CPC 21(R1) Interim Financial Information and the consolidated interim financial statements in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), such as for the presentation of these information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this 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 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements 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 International Standards on Auditing 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 interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial information included in the Quarterly Financial Information (ITR) referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the Quarterly Financial Information (ITR) referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters - Statements of value added

The individual and consolidated statements of value added for the three-month period ended March 31, 2022, prepared under the responsibility of Company's management and presented as supplementary information for IAS 34, were subjected to review procedures performed in connection with the review of the individual and consolidated interim financial statements of the Company. To form our conclusion, we evaluated whether these statements reconciled with the interim financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the these individual and consolidated statements of value added, were not prepared, in all material respects, consistently with the individual and consolidated interim financial statements taken as a whole.

São Paulo, May 16, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/0-6

Original report in Portuguese signed by

Wagner Petelin
Contador CRC 1SP142133/O-7

HIDROVIAS DO BRASIL S.A.

BALANCE SHEETS AT MARCH 31, 2022 AND DECEMBER 31, 2021

(In thousands of reais – R\$)

ASSETS	Note	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Current assets					
Cash and cash equivalents	4	60,909	937	264,724	76,454
Securities	5.1	16,641	103,381	272,339	582,562
Trade accounts receivable	6.1	-	-	245,857	244,620
Inventories		-	-	104,947	94,347
Recoverable taxes	7	1,437	1,395	27,779	30,414
Income tax and social contribution	7.1	7,914	7,914	39,695	62,734
Advances to suppliers	9	62	857	46,508	50,264
Prepayments		2,730	3,042	21,064	26,288
Related party credits	18	16,345	21,518	-	-
Dividends receivable	18	934	934	-	-
Other receivables		210	215	46,024	58,698
Total current assets		<u>107,182</u>	<u>140,193</u>	<u>1,068,937</u>	<u>1,226,381</u>
Non-current assets					
Linked securities	5.2	-	-	13,622	13,295
Related party credits	18	4,738	5,580	4,875	5,778
Trade accounts receivable	6.1	-	-	5,600	6,400
Judicial deposits	17	32,383	32,383	45,771	45,944
Guarantees and pledge deposits	8	2,041	2,179	2,072	2,210
Deferred tax assets	26	24,006	13,832	117,612	177,885
Recoverable taxes	7	-	-	44,669	52,826
Income tax and social contribution	7.1	-	-	38,623	38,770
Prepayments		3,674	3,697	31,104	35,030
Investments	10	1,559,414	1,445,340	89,899	103,705
Property, plant and equipment	11	5,649	6,253	3,906,364	4,254,285
Right-of-use asset	12	887	1,182	191,642	207,580
Intangible assets	13	40,769	38,230	346,879	347,441
Total non-current assets		<u>1,673,561</u>	<u>1,548,676</u>	<u>4,838,732</u>	<u>5,291,149</u>
Total assets		<u><u>1,780,743</u></u>	<u><u>1,688,869</u></u>	<u><u>5,907,669</u></u>	<u><u>6,517,530</u></u>

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
BALANCE SHEETS AT MARCH 31, 2022 AND DECEMBER 31, 2021
(In thousands of reais – R\$)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Current liabilities					
Suppliers	14	3,661	5,451	165,389	146,142
Loans and financing	15	22,183	6,182	114,980	180,889
Social and labor charges	16	11,290	13,986	30,451	33,756
Lawsuits	17	6,217	5,479	25,640	22,334
Taxes payable		4,887	4,967	29,039	35,381
Income tax and social contribution		-	-	30,104	63,078
Accounts payable with related parties	18	1,983	1,724	-	-
Advances from clients		-	-	13,432	3,650
Lease liabilities	12	929	1,227	76,455	69,942
Obligation with concession - grant	13	-	-	21,866	24,046
Other accounts payable		10,944	10,358	49,488	23,070
Total current liabilities		<u>62,094</u>	<u>49,374</u>	<u>556,844</u>	<u>602,288</u>
Non-current liabilities					
Loans and financing	15	370,524	370,251	3,844,706	4,458,517
Accounts payable with related parties	18	18,487	21,590	-	-
Lease liabilities	12	-	-	145,739	161,636
Obligation with concession - grant	13	-	-	26,321	42,227
Other accounts payable		-	-	4,421	5,208
Total non-current liabilities		<u>389,011</u>	<u>391,841</u>	<u>4,021,187</u>	<u>4,667,588</u>
SHAREHOLDERS' EQUITY					
Capital	19	1,334,584	1,334,584	1,334,584	1,334,584
Capital reserves		36,052	34,871	36,052	34,871
Retained earnings (loss)		(302,859)	(336,096)	(302,859)	(336,096)
Equity valuation adjustment		261,861	214,295	261,861	214,295
Total shareholders' equity		<u>1,329,638</u>	<u>1,247,654</u>	<u>1,329,638</u>	<u>1,247,654</u>
Total liabilities and shareholders' equity		<u>1,780,743</u>	<u>1,688,869</u>	<u>5,907,669</u>	<u>6,517,530</u>

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
STATEMENTS OF INCOME
FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of reais - R\$, except earnings/loss per share)

	Note	Parent company		Consolidated	
		01/01/2022– 03/31/2022	01/01/2021– 03/31/2021	01/01/2022– 03/31/2022	01/01/2021– 03/31/2021
Net operating revenue	23	-	-	456,689	199,578
Cost of services rendered	24,1	-	-	(243,557)	(179,720)
Gross income		-	-	213,132	19,858
OPERATING EXPENSES					
General and administrative expenses	24,1	(20,626)	(19,024)	(57,721)	(53,509)
Equity in net income of subsidiaries	10	67,589	(174,844)	1,304	(2,832)
Other revenues	24,2	(151)	-	3,876	20,601
Operating income (loss) before financial income (loss) and taxes		46,812	(193,868)	160,591	(15,882)
Financial revenues	25	1,039	7,977	46,666	30,194
Financial expenses	25	(24,788)	(46)	(132,534)	(188,096)
Financial income (loss)		(23,749)	7,931	(85,868)	(157,902)
Operating income (loss) before income tax and social contribution		23,063	(185,937)	74,723	(173,784)
Income tax and social contribution					
Current	26	-	-	(30,777)	(18,104)
Deferred	26	10,174	2,932	(10,709)	8,883
Net income (loss) for the period		33,237	(183,005)	33,237	(183,005)
Basic earnings per share - R\$	20	0.0437	(0.2407)	0.0437	(0.2407)
Diluted earnings per share - R\$	20	0.0437	(0.2407)	0.0437	(0.2407)

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
 (In thousands of reais – R\$)

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Loss for the period	33,237	(183,005)	33,237	(183,005)
Other comprehensive income:				
Items that may be reclassified in the statement of income:				
Foreign exchange difference in the translation of foreign operations in subsidiaries	(106,219)	85,150	(91,371)	79,677
Foreign exchange difference in the translation of foreign operations in investees	-	-	(14,848)	5,473
Hedge accounting of non-derivative financial instruments	203,765	(109,887)	203,765	(109,887)
Deferred income tax and social contribution	(49,658)	37,487	(49,658)	37,487
Total	47,888	12,750	47,888	12,750
Comprehensive income for the period	81,125	(170,255)	81,125	(170,255)

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of reais – R\$)

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cash flow from operating activities				
Loss for the period	33,237	(183,005)	33,237	(183,005)
net cash generated by (invested in) in operating activities:				
Provision for bonus	4,605	4,666	5,710	8,665
Current and deferred income tax and social contribution	(10,174)	(3,325)	41,486	(8,883)
Adjustment to present value of lease and concession	-	-	2,593	2,608
(Formation) Reversal of provision for contingency	738	-	3,360	1,804
Interest incurred on loans	16,001	-	66,841	54,800
Reversal of loan funding costs	273	-	3,611	(88,924)
Inflation and foreign exchange adjustments on debt	-	-	(39,029)	36,855
Accrued interest - lease	22	25	1,978	(246)
Stock option plan	1,828	-	1,828	-
Yield of interest earning bank deposit	7,206	(6,686)	51,171	(30,182)
Write-offs of lease	-	-	(2,473)	-
Depreciation and amortization	3,205	1,186	66,770	54,258
Amortization from right-of-use asset	295	296	19,296	5,173
Equity in net income of subsidiaries	(67,589)	174,845	(1,304)	2,832
Revenue realized from hedge	-	-	(96,381)	73,908
Reverse of provision for risk	-	-	-	(488)
(Increase) decrease in operating assets:				
Accounts receivable	-	-	(23,724)	(53,032)
Inventories	-	-	(17,129)	(5,623)
Recoverable taxes	(42)	(27,255)	8,355	21,090
Advances to suppliers	795	804	(13,868)	6,920
Prepayments	335	(1,336)	3,696	(33,467)
Judicial deposits	-	-	(1)	(255)
Guarantees and pledge deposits	138	(254)	-	110
Other receivables	4	(51)	10,852	436
Increase (decrease) in operating liabilities:				
Suppliers	(1,790)	(3,215)	9,448	41,364
Social and labor charges	(7,316)	(10,420)	(7,881)	(17,288)
Taxes payable	(80)	(205)	(6,106)	(3,792)
Advances from clients	-	-	25,084	(8,163)
Other accounts payable	(45)	(8)	29,816	19,096
Payment of interest on loans and financing	-	-	(96,865)	(116,654)
Income taxes and social contribution paid	-	-	(39,421)	(36,972)
Net cash invested in operating activities	(18,354)	(53,938)	40,950	(257,055)
Cash flows from investment activities				
Acquisition of fixed assets	(106)	(229)	(22,214)	(92,190)
Acquisition of intangible assets	(3,593)	(3,206)	(6,411)	(3,591)
Securities (redemptions)	79,534	58,418	256,949	40,663
Dividends received	-	26,378	-	-
Loan granted between related parties	6,015	4,316	-	1,213
Capital increase (decrease) in subsidiaries	(360)	(2)	-	-
Net cash generated by (invested in) investment activities	81,490	85,675	228,324	(53,905)
Cash flows from financing activities				
Borrowings	-	-	-	2,848,650
Concession lease	-	-	(20,054)	(18,141)
Lease paid	(320)	(496)	(13,352)	(5,882)
Amortization of principal - loans	-	-	(14,413)	(2,439,267)
Financial investments	-	-	-	2,078
Loan granted between related parties	(3,103)	-	-	-
Other accounts payable with related parties	259	(31,864)	-	(1,610)
Net cash (invested in) generated by financing activities	(3,164)	(32,360)	(47,819)	385,828
Effect of changes in exchange rate on balance of cash and cash equivalents in foreign currency	-	-	(33,185)	14,572
(Decrease)/increase in cash and cash equivalents	59,972	(623)	188,270	89,440
Cash and cash equivalents at the beginning of the period	937	1,441	76,454	214,848
Cash and cash equivalents at the end of the period	60,909	818	264,724	304,288
(Decrease)/increase in cash and cash equivalents	59,972	(623)	188,270	89,440

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
 (In thousands of reais – R\$)

	Capital reserves				Accumulated loss	Equity valuation adjustment			Total
	Capital	Cost for the issue of shares	Goodwill in the issue of shares	Options granted		Accumulated translation adjustments	Gain/loss on investment in the group	Adjustment of non-derivative financial instruments	
BALANCES AT JANUARY 1, 2021	1,359,469	(24,885)	4,401	29,775	(21,046)	508,246		(330,133)	1,525,827
Loss for the period	-	-	-	-	(183,005)	-		-	(183,005)
Other comprehensive income	-	-	-	-	-	85,150		(72,400)	12,750
BALANCES AT MARCH 31, 2021	1,359,469	(24,885)	4,401	29,775	(204,051)	593,396		(402,533)	1,355,572
BALANCES AT JANUARY 1, 2022	1,359,469	(24,885)	4,401	30,470	(336,096)	569,272	-	(354,977)	1,247,654
Loss of relative ownership interest	-	-	-	-	-	-	(322)	-	(322)
Long-term incentive plan	-	-	-	1,181	-	-	-	-	1,181
Income for the period	-	-	-	-	33,237	-	-	-	33,237
Other comprehensive income	-	-	-	-	-	(106,219)	-	154,107	47,888
BALANCES AT MARCH 31, 2022	1,359,469	(24,885)	4,401	31,651	(302,859)	463,053	(322)	(200,870)	1,329,638

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
STATEMENTS OF ADDED VALUE
FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of reais – R\$)

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
REVENUES				
Revenue from services	-	-	474,681	220,743
Revenues from construction of own assets	3,699	3,435	46,326	109,898
Other revenues	-	-	3,876	20,601
Inputs acquired from third parties:				
Cost of services rendered	-	-	(132,723)	(91,437)
Material, electric power, outsourced services and other	(3,383)	(6,033)	(14,589)	(11,931)
Construction of own assets	(3,699)	(3,435)	(46,326)	(109,898)
Gross added value (consumed)	<u>(3,383)</u>	<u>(6,033)</u>	<u>331,245</u>	<u>137,976</u>
Depreciation and amortization	(3,476)	(1,482)	(86,039)	(75,539)
Net added value (consumed) generated by the Company	<u>(6,859)</u>	<u>(7,515)</u>	<u>245,206</u>	<u>62,437</u>
Added value (consumed) received as transfer:				
Equity in net income of subsidiaries	67,589	(174,844)	1,304	(2,832)
Financial revenues	1,039	7,977	46,666	30,194
Total added value payable (consumed)	<u>61,769</u>	<u>(174,382)</u>	<u>293,176</u>	<u>89,799</u>
Distribution - Added value (consumed)	61,769	(174,382)	293,176	89,799
Personnel:	<u>11,873</u>	<u>3,470</u>	<u>61,994</u>	<u>48,591</u>
Direct remuneration	7,816	(111)	56,970	44,024
Benefits	1,431	1,004	1,912	1,422
FGTS	2,625	2,566	3,111	3,132
Other	1	11	1	13
Taxes	<u>(8,129)</u>	<u>5,107</u>	<u>65,411</u>	<u>36,117</u>
Federal	(8,129)	5,107	59,747	36,117
State	-	-	5,664	-
Third-party capital remuneration	<u>24,788</u>	<u>46</u>	<u>132,534</u>	<u>188,096</u>
Interest on loans	16,324	-	67,619	51,353
Other financial	8,464	46	64,915	136,743
Remuneration of own capital	<u>33,237</u>	<u>(183,005)</u>	<u>33,237</u>	<u>(183,005)</u>
Retained earnings (losses)	33,237	(183,005)	33,237	(183,005)

See the accompanying notes to the interim financial information.

Hidrovias do Brasil S.A.

Interim financial information for the three-month period ended March 31, 2022

(In thousands of reais - R\$, unless otherwise indicated)

Notes to the interim financial information

1 Operations

Hidrovias do Brasil S.A. (“Company” or “Hidrovias”), is a publicly-held company, and its shares are traded at B3 S.A. – Brasil, Bolsa, Balcão (“B3”), under the “HBSA3” code. It was set up on August 18, 2010 and is headquartered in the city and state of São Paulo, at Rua Gilberto Sabino, 215 - 7º andar - Pinheiros, and may, by resolution of the Board of Directors, open branches, agencies and establishments anywhere in Brazil or abroad. The Company's business purpose consists of waterway, road and multimodal logistics and infrastructure activities, in Brazil and abroad, including those listed below, as well as an ownership interest in companies that carry out such activities:

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

The Company is authorized to increase its capital by up to R\$ 2,320,000 by resolution of the Board of Directors and regardless of statutory reform, pursuant to article 168 of Law 6404/76.

As of September 25, 2020, the Company carried out its secondary public offering (IPO) of 399,426,570 common shares, held by the Selling Shareholders (as defined in the IPO documents). The price was R\$ 7.56 per common share. Note 19 shows the effects on the shareholding structure. The Company's shares are listed on the Novo Mercado segment of B3, under the ticker HBSA3.

COVID-19

Impacts on the financial conditions of the Company

The years 2020 and 2021 and the first quarter of 2022 were marked by the COVID-19 pandemic, which had impacts on different sectors of the global economy. Company's operations, as well as the operations of companies directly or indirectly controlled, did not suffer major impacts due to the measures to restrict the circulation of people adopted as a result of the COVID-19 pandemic. The Company's activities, linked to the food supply chain and base metals, are considered essential businesses in the locations where it operates and have not been subject to operating restrictions so far. The nature of business makes restrictive measures to the operation unlikely since these would have the potential to cause disruptions in the supply chain of food and basic inputs. However, the Company believes that the extent of the pandemic impacts on its results for the coming quarters will depend on future developments, which are highly uncertain and unpredictable.

Hidrovias do Brasil S.A.

Interim financial information for the three-month period ended March 31, 2022

(In thousands of reais - R\$, unless otherwise indicated)

The impacts arising from the COVID-19 outbreak are ongoing and, therefore, the Company will assess the evolution of the effects of the current pandemic on its revenues, assets, results, business, and prospects, including any possible change in the ability to continue operating the business. Company's analyses will be carried out in line with CVM/SNC/SEP Circular Letter No. 02/2020, issued by the Brazilian Securities and Exchange Commission (CVM) on March 10, 2020, which guides management and independent auditors of publicly-held companies must carefully consider the impacts of the COVID-19 in its businesses and reported in its financial statements or interim financial information the main risks and uncertainties arising from this analysis in the financial statements, in line with the applicable accounting standards.

The Company has adopted social distancing and prevention measures with employees. Motivated by the restrictions imposed by the COVID-19 pandemic, in March 2020, HBSA adopted a Hybrid Work Model applicable to all administrative and non-operational employees. The model provides for flexibility in face-to-face work, following the rules of social distancing and isolation necessary during the peaks of the pandemic. The hybrid model does not apply to operations, and the Company has adopted isolation measures, reinforcement of personal protective equipment, quarantine of crews, and continuous testing as measures to reduce the risks of the spread of COVID-19 and its impacts on business.

The Company continuously monitors the revenue from operations, which allows it to predict, to a certain extent, the impact of the COVID-19 pandemic on its activities.

The Company is monitoring the unfolding of the COVID-19 pandemic, for the purpose of preserving the safety of employees, suppliers, and clients, as well as continuing to map the effects of the pandemic on its business. With the adoption of the Hybrid Work Model for non-operational administrative teams, the return to offices occurs gradually as social distancing measures are reduced and gradually become non-existent. The Company cannot predict the course of the pandemic and the necessary isolation measures, but it believes that the current restrictions do not, so far, cause damage to the operation or the generation of revenue.

To date, the Company has not identified any significant risks to its operations, to the flow of new business, or to its clients' ability to pay. However, social isolation measures impacted some of its suppliers, causing delays in the delivery of some projects, notably in the implementation of the fertilizer and salt business terminal in Santos. The contractor hired for the work - Método Engenharia - was adversely affected by the pandemic, and had its financial situation deteriorated as a result of it, jeopardizing the progress of the work and ultimately resulting in the cancellation of Hidrovias' contract with it. This, in addition to delays resulting from sanitary measures, caused delays in the work of this terminal.

Measures adopted by the Company

To ensure the integrity of employees and its operations, the Company has established several preventive measures to reduce the risks to the operation arising from the COVID-19 pandemic. These measures are detailed below:

- Creation of a Corporate Crisis Committee, formed by HBSA Directors, with weekly meetings to monitor risks and deliberate on mitigation actions. The Company's operational bases also have a local crisis committee focused on disseminating the deliberations of the corporate committee,

Hidrovias do Brasil S.A.

Interim financial information for the three-month period ended March 31, 2022

(In thousands of reais - R\$, unless otherwise indicated)

improving communication, ensuring the implementation of action plans, and monitoring suspected cases and effects. Based on the improved conditions of the COVID-19 pandemic, the crisis committee was replaced by periodic follow-up meetings.

- Preventive actions to reduce the risks of contamination and: distribution of adequate PPE, adequacy of cafeterias and offices for distancing measures, intensive prevention campaigns, social distancing protocols, remote work for administrative offices, and rotation in operational workstations on land, when possible, removal of employees in risk groups, and disinfection of environments.
- Monitoring actions: control of the health status of all employees, control of those vaccinated (1st, 2nd and 3rd doses), monitoring of suspected and confirmed cases (employees and family members).
- Specific actions for crews: pre- and post-boarding testing and quarantine, monitoring of health conditions, distribution of PPE and CPEs, complete disinfection of vessels, prohibition of access to non-crew, extension of on-board crew shifts, increase in the supply of food and fuel and contracting of insurance to cover potential infections on board.
- Participation in Vaccination Campaigns promoted by Municipal Governments: some functional categories were included by the Federal Government as priority groups in the PNI, among them port and waterway operators. As a result, as of March 31, 2022, around 100% (94% as of December 31, 2021) of our staff in Brazil had received the first dose of the Covid-19 vaccine, of which around 99.9% (89% as of December 31, 2021) received full immunization (two doses or a single dose).

Through Instituto Hidrovias, HBSA's Private Social Investment branch, baskets of food staples were donated to communities involved in the Company's operations in the municipalities of Itaituba and Barcarena, in the State of Pará, and Santos, in the State of São Paulo.

Hidroviás do Brasil S.A.

Interim financial information for the three-month period ended March 31, 2022

(In thousands of reais - R\$, unless otherwise indicated)

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

Subsidiaries	Main activity	Country	Type of consolidation	03/31/2022 % Interest		12/31/2021 % Interest	
				Direct	Indirect	Direct	Indirect
Hidroviás do Brasil - Holding Norte S.A. (“HB Holding Norte”)	Equity interests in other companies	Brazil	Full	100.00%	-	100.00%	-
Hidroviás do Brasil - Vila do Conde S.A. (“HB Vila do Conde”)	Storage and lifting of cargo and river transportation	Brazil	Full	-	100.00%	-	100.00%
Hidroviás do Brasil - Marabá S.A. (“HB Marabá”)	Land - Pre-operating	Brazil	Full	100.00%	-	100.00%	-
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda. (“HB Intermediação”)	Intermediation and agency services	Brazil	Full	99.00%	1.00%	99.00%	1.00%
Hidroviás do Brasil - Cabotagem Ltda. (“HB Cabotagem”)	Cabotage sea transport	Brazil	Full	99.00%	1.00%	99.00%	1.00%
Hidroviás do Brasil – Participação Portuária de Santos S.A. (“HB Santos”)	Changes and warehousing	Brazil	Full	-	100.00%	-	100.00%
Obrinel S.A. (“Obrinel”)	Specialized cargo terminal	Uruguay	Equity in net income of subsidiaries	-	49.00%	-	49.00%
Hidroviás del Sur S.A. (“Hidroviás del Sur”)	Equity interests in other companies	Uruguay	Full	100.00%	-	100.00%	-
Baloto S.A. (“Baloto”)	Equity interests in other companies	Uruguay	Full	4.95%	95.05%	4.95%	95.05%
Girocantex S.A. (“Girocantex”)	Fluvial transportation	Uruguay	Full	-	100.00%	-	100.00%
Hidroviás del Paraguay S.A. (“Hidroviás del Paraguay”)	Fluvial transportation	Paraguay	Full	0.01%	99.99%	0.01%	99.99%
Pricolpar S.A. (“Pricolpar”)	Fluvial transportation	Paraguay	Full	0.01%	99.99%	0.01%	99.99%
Cikelsol S.A. (“Cikelsol”)	Fluvial transportation	Uruguay	Full	-	100.00%	-	100.00%
Limday S.A. (“Limday”)	Fluvial transportation	Uruguay	Equity in net income of subsidiaries	-	44.55%	-	44.55%
Resflir S.A. (“Resflir”)	Lease of navigation assets	Uruguay	Full	-	100.00%	-	100.00%
Hidroviás International Finance S.à.r.l. (“Finance”)	Agency of financial operations	Luxembourg	Full	100.00%	-	100.00%	-
Hidroviás Navegación Fluvial S.A.	Fluvial transportation	Paraguay	Full	95.00%	5.00%	95.00%	5.00%
Imperial South America BV	Fluvial transportation	Holland	Full	100.00%	-	100.00%	-
Baden S.A. (“Baden”)	Port administration	Paraguay	Equity in net income of subsidiaries	50.00%	-	50.00%	-
Via Grãos S.A. (“Via Grãos”)	Construction of highways and railroads	Brazil	Full	100.00%	-	100.00%	-

Hidrovias do Brasil S.A.

Interim financial information for the three-month period ended March 31, 2022

(In thousands of reais - R\$, unless otherwise indicated)

History and operations

The Company's history is detailed in the Financial Statements for the year ended December 31, 2021. There were no changes for the period ended March 31, 2022.

2 Preparation basis

a. Statement of conformity

The consolidated interim financial information was prepared in accordance with the International Financial Reporting System - 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, by the Brazilian Securities and Exchange Commission - CVM.

The parent company's individual interim financial information was prepared in accordance with accounting practices adopted in Brazil.

Management declares that all relevant information specific to the interim financial information, and only such information, is being evidenced and corresponds to the information used in its administration.

The accounting policies adopted in the preparation of the interim financial information, as well as the measurement basis, the functional and the presentation currency, and the main judgments and uncertainties associated with the estimates used in the application of the accounting practices, are consistent with those presented in the financial statements for the year ended December 31, 2021, filed with the Brazilian Securities and Exchange Commission (CVM) and disclosed on the Company's website. This interim financial information should be read together with financial statements for the fiscal year ended December 31, 2021.

The issue of interim financial information was authorized by the Company's Executive Board on May 16, 2022.

3 Significant accounting policies

There were no changes in the main accounting policies in this quarter compared to those disclosed in the financial statements for the year ended December 31, 2021.

4 Cash and cash equivalents

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Checking account – Recorded in companies in Brazil	60,909	937	82,454	14,599
Checking account – Recorded in companies abroad	-	-	182,270	61,855
	<u>60,909</u>	<u>937</u>	<u>264,724</u>	<u>76,454</u>

The Company emphasizes that the balances held in checking accounts are recoverable through Automatic Investments contracted with the transaction banks.

Hidroviás do Brasil S.A.

Interim financial information for the three-month period ended March 31, 2022

(In thousands of reais - R\$, unless otherwise indicated)

5 Interest earning bank deposits

5.1 Securities

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
JP Morgan (a)	-	-	9,984	11,759
Itaú Fundo FICFI 311 (b)	16,617	102,034	171,310	417,621
Fundo Itaú PP Portfólio (c)	-	1,323	8,837	6,621
Santander Vip Cambial(d)	24	24	4,564	24,036
FIDC (Fundo Invest Dir Credit) (e)	-	-	61,624	118,685
Santander Argo (f)	-	-	213	534
CDB ABC (g)	-	-	3,132	1,366
Banco do Brasil (h)	-	-	12,675	1,940
Total	16,641	103,381	272,339	582,562

- (a) Interest earning bank deposits representing investments in a foreign fund with Banco J.P. Morgan, linked to changes in the U.S. treasury which had a yield of 0.10% on March 31, 2022 (0.02% as of December 31, 2021). The portfolio consists of fixed income securities and US Treasury Bonds.
- (b) Interest earning bank deposits representing investments in Fundo Itaú Cambial FIC FI, referenced to the U.S. dollar exchange-rate change – Ptax800, which had an average yield rate of -14.66% on March 31, 2022, or +0.44% in relation to the pTax change in the same period (7.74% on December 31, 2021, or 0.35% in relation to the pTax change in the same period). The fund's portfolio is comprised of federal government bonds and repurchase and resale agreements backed by Federal government bonds.
- (c) Interest earning bank deposits that represent investments in Fundo Itaú PP Portfólio, referenced to the change of the Interbank Deposit Certificate (CDI) rate, with an average profitability of 114.36% of CDI as of March 31, 2022 (110.50% as of December 31, 2021). The fund's portfolio consists exclusively of fixed income securities, distributed among federal government bonds, Repurchase and resale agreements, Fund quotas, and other securities of financial institutions.
- (d) Interest earning bank deposits representing investments in Fundo Santander Vip Cambial, referenced to the U.S. dollar exchange-rate change – Ptax800, which had an average yield rate of -15.43% on March 31, 2022, or +0.67% in relation to the pTax change in the same period (7.39% on December 31, 2021, or +0.51% in relation to the pTax change in the same period). The fund's portfolio is comprised of federal government bonds and repurchase and resale agreements backed by Federal government bonds.
- (e) Interest earning bank deposits representing investments in FIDC Upside, which had an average yield rate of -19.68% on March 31, 2022 (12.52% on December 31, 2021), and FIDC Aruanã had a yield rate of -12.68% on March 31, 2022, or +2.42% in relation to the pTax change in the same period (7.15% on December 31, 2021, or -0.24% in relation to the pTax change in the same period). The funds' portfolio consist of credit receivables' assignment and fund quotas exclusively comprised of fixed income securities, distributed among federal government bonds and repurchase and resale agreements backed by Federal government bonds.
- (f) Interest earning bank deposits that represent investments in Fundo Santander ARGO, referenced to the change of the Interbank Deposit Certificate (CDI) rate, with an average yield of 108.67% as of March 31, 2022 (119.01% as of December 31, 2021). The fund's portfolio consists exclusively of fixed income securities, distributed among federal government bonds, Repurchase and resale agreements, Fund quotas, and other securities of financial institutions.
- (g) Interest earning bank deposits that represent investments in Bank Deposit Certificates - CDB at Banco ABC Brasil, referenced to the change of Interbank Deposit Certificate - CDI rate, which had a remuneration of 99% of CDI as of March 31, 2022 (99% as of December 31, 2021).
- (h) Interest earning bank deposits comprising investments in Banco do Brasil, which had an average return of 78.23% as of March 31, 2022 (56.85% of CDI as of December 31, 2021). The fund's portfolio is comprised of fixed income securities, including repurchase and resale agreements backed by public and Federal government bonds.

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5.2 Linked securities

	Consolidated	
	03/31/2022	12/31/2021
Hidroviás do Brasil - Cabotagem Ltda.	13,622	13,295
Total	13,622	13,295

They represent investments in the BNP PARIBAS SOBERANO FIC FI RF fund, subject to changes in the SELIC interest rate, average remuneration of 101.5% of the Selic rate on March 31, 2022 (96.87% as of March 31, 2021). The fund's portfolio consists of federal government bonds issued by Brazil's National Treasury and/or Central Bank of Brazil, fixed or indexed to changes in CDI rate, or by repurchase and resale agreements backed by federal government bonds.

These interest earning bank deposits presented in non-current assets and are linked to loans. The contractual clause provides that an equivalent balance should be maintained in a restricted account during the contract's entire effectiveness, an equivalent balance to the previously agreed upon.

6 Trade accounts receivable

6.1 Breakdown of balances per location

	Consolidated	
	03/31/2022	12/31/2021
Accounts receivable recorded by subsidiaries abroad	173,786	102,535
Provision for expected credit losses	(1,914)	(2,254)
	<u>171,872</u>	<u>100,281</u>
Accounts receivable recorded by subsidiaries in Brazil	79,585	150,739
	<u>251,457</u>	<u>251,020</u>
Current	245,857	244,620
Non-current	5,600	6,400

As disclosed in Note 23, there is a concentration of operating revenues in a small number of clients, which, in turn, may eventually affect the Company's credit risk. For further information related to credit risk, see note 27.4.

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

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6.2 Breakdown of accounts receivable per maturity age

	Consolidated	
	03/31/2022	12/31/2021
Falling due	156,051	202,290
Overdue (days):		
up to 30	81,111	5,907
31-60	4,632	3,332
61-90	2,090	26,390
91-120	2,536	8,806
121-180	-	2,360
>180	6,951	4,189
Total	253,371	253,274

Map of changes in provision for estimated losses:

	Consolidated
Balance at December 31, 2021	(2,254)
Translation adjustment	340
Balance at March 31, 2022	<u>(1,914)</u>

	Consolidated
Balance at December 31, 2020	(2,750)
Business combination	(1,763)
Formation	(141)
Reversal	1,763
Translation adjustment	637
Balance at December 31, 2021	<u>(2,254)</u>

7 Recoverable taxes

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
IRRF on interest earning bank deposit (a)	1,396	1,385	5,048	4,989
PIS / COFINS (b)	41	7	63,291	69,624
ISS	-	3	526	647
VAT (c)	-	-	3,583	7,980
Total	1,437	1,395	72,448	83,240
Current assets	1,437	1,395	27,779	30,414
Non-current assets	-	-	44,669	52,826

The recoverable taxes are recorded by the accrual basis, according to the withholdings and/or payments made, in such a way that the Company and its subsidiaries present the following situations:

- Income Tax withholdings incurred as a result of income from fixed income financial investments made by the Company and its subsidiaries are recognized in Assets according to information provided by financial institutions.
- The Social Integration Program - PIS and Contribution to Social Security Financing - COFINS contributions derive from the credits appropriated on the purchase of fuel and on the service contracts, rent, among others. The credits are

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offset monthly against debits on provision of services or quarterly against debits of other federal taxes through offset via PER/DCOMP within a maximum term of five years.

- (c) The Value Added Tax (VAT) is a consequence of the purchase of inputs for the operation of companies located in Uruguay.

7.1 Income tax and social contribution

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Income tax and social contribution	7,914	7,914	78,318	101,504
Current assets	7,914	7,914	39,695	62,734
Non-current assets	-	-	38,623	38,770

Income Tax and Social Contribution are reported in Assets, according to the early payments made under current tax legislation, and Taxable Income, as well as withholdings incurred as a result of payment of services rendered by the Company and its subsidiaries.

Part of the corporate income tax (IRPJ) and social contribution (CSLL) credit arises from tax prepayments that occurred in previous years that were higher than the taxes due calculated at the end of each year, thus generating an actual balance to be offset against other federal taxes or to be refunded in accordance with current legislation.

Negative Balances from previous years that are offset against other federal taxes, with criteria pre-established by the current legislation, being subject to requests for reimbursement/refund.

8 Guarantees and escrow deposits

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Obrinel project (a)	1,735	1,873	1,735	1,873
Other	306	306	337	337
Total	2,041	2,179	2,072	2,210

- (a) On July 25, 2014, the Company granted funds to jointly-controlled subsidiary Obrinel whose the amount on March 31, 2022, of R\$ 1,735 (R\$ 1,873 as of December 31, 2021) and will remain as escrow deposit until the financial conclusion of Obrinel Project, and the term is December 15, 2027. The change of R\$ 138 is due to the exchange change and not to the nominal reduction of the guarantee.

Regarding the Obrinel Project and in addition to the guarantee deposit mentioned in this note, on June 24, 2014 the Company (as Sponsor of the Obrinel Project) and its direct subsidiary Hidrovias del Sur granted, on behalf of DEG and BROU banks: (i) solidary guarantee at the first demand up to the amount of US\$ 9,800 thousand, as a guarantee for eventual non-compliance by Obrinel with the terms of the project's financing; (ii) corporate guarantee up to the amount of US\$ 10,000 thousand, to cover any financial deficiencies or excess costs of the Project; and (iii) corporate guarantee up to the amount of US\$ 45,000 thousand to cover some specific Project risks. The shares of Baloto (direct shareholder in Obrinel) were also pledged in favor of DEG

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and BROU banks as of June 13, 2014. Said guarantees remained in effect until the financial conclusion of the Obrinel Project.

Covenant

In addition to a standard list of requirements, under the terms of the financing obtained for the Obrinel Project, Obrinel has been committed to maintaining the following financial ratios: (i) not exceeding a 70/30 ratio regarding total debt/equity; (ii) current ratio not less than 1; and (iii) debt coverage greater than or equal to 1.15x.

As of March 31, 2022, Obrinel fulfilled the aforementioned restrictive clauses without default

9 Advances to suppliers

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Advances recorded in companies in Brazil	62	857	36,403	38,236
Advances recorded in companies abroad	-	-	10,105	12,028
Total current	<u>62</u>	<u>857</u>	<u>46,508</u>	<u>50,264</u>

In the Interim Financial Information as of March 31, 2022, the balance of advances to suppliers is mainly composed of: R\$ 7,240 (R\$ 9,583 as of December 31, 2021) referring to advances for vessel construction; R\$ 1,874 (R\$ 2,208 as of December 31, 2021) referring to the purchase of fuel; R\$ 31,176 (R\$ 29,989 as of December 31, 2021) referring to the implementation of Santos terminal and R\$ 6,218 (R\$ 8,484 as of December 31, 2021) referring to advances to other suppliers inherent to the operation of the Company and its subsidiaries.

10 Investments

Breakdown and changes in investments as of March 31, 2022 and December 31, 2021 is as follows:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Breakdown of investments in subsidiaries				
Ownership interest valued under the equity method	1,536,998	1,421,483	75,595	87,595
Concession agreement	5,688	5,788	5,688	5,788
Appreciation of assets	16,728	18,069	-	-
Goodwill	-	-	8,616	10,322
Total	<u>1,559,414</u>	<u>1,445,340</u>	<u>89,899</u>	<u>103,705</u>

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Parent company	Parent company							
	12/31/2021	03/31/2022						
	Opening balance	Capital increase/decrease	Equity valuation adjustment - Hedge	Equity valuation adjustment - Income (loss) from foreign currency translation (CTA)	Dividends	Amortization	Equity in net income of subsidiaries	Closing balance
Baloto S.A.	2,448	(322)	-	(326)	-	-	16	1,816
Hidroviás Del Sur S.A.	669,692	-	-	(93,886)	-	-	(72,392)	503,414
Hidroviás do Brasil - Marabá S.A.	10,262	360	-	-	-	-	(49)	10,573
Hidroviás do Brasil - Holding Norte S.A.	443,711	-	88,946	-	-	-	113,772	646,429
Hidroviás do Brasil - Cabotagem Ltda.	189,777	-	65,161	-	-	-	4,908	259,846
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda.	33,401	-	-	-	-	-	(2,945)	30,456
Pricolpar S.A.	14	-	-	-	-	-	(1)	13
Hidroviás International Finance S.à.r.l.	1,536	-	-	(120)	-	-	(872)	544
Imperial South America BV	38,731	-	-	(6,779)	-	-	5,982	37,934
Hidroviás Navegación Fluvial S.A.	19,844	-	-	(3,318)	-	-	19,450	35,976
Baden S.A.	12,067	-	-	(1,790)	-	-	(280)	9,996
Subtotal	1,421,483	38	154,107	(106,219)	-	-	67,589	1,536,998
Concession agreement	5,788	-	-	-	-	(100)	-	5,688
Baden S.A. - Capital gains on assets	2,506	-	-	-	-	(41)	-	2,465
Imperial South America B.V. - Surplus	15,563	-	-	-	-	(1,300)	-	14,263
Total	1,445,340	38	154,107	(106,219)	-	(1,441)	67,589	1,559,414

	Consolidated				
	12/31/2021	03/31/2022			
	Opening balance	Income (loss) from foreign currency translation (CTA)	Equity in net income of subsidiaries	Amortization	Closing balance
Limday S.A.	13,793	(2,163)	885	-	12,515
Obrinel S.A.	61,736	(9,351)	699	-	53,084
Baden S.A.	12,067	(1,791)	(280)	-	9,996
Subtotal	87,596	(13,305)	1,304	-	75,595
Concession agreement (b)	5,788	-	-	(100)	5,688
Goodwill (a)	10,321	(1,543)	-	(162)	8,616
Total	103,705	(14,848)	1,304	(262)	89,899

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(In thousands of reais - R\$, unless otherwise indicated)

	Parent company									
	2020	12/31/2021								
	Opening balance	Capital contributions in investee	Investment acquisition	Bargain purchase (*)	Equity valuation adjustment - Hedge	Equity valuation adjustment - Income (loss) from foreign currency translation (CTA)	Dividends	Amortization	Equity in net income of subsidiaries	Closing balance
Baloto S.A.	2,126	-	-	-	-	503	-	-	(181)	2,448
Hidroviás Del Sur S.A.	956,472	6,989	-	-	-	60,193	(13,547)	-	(340,415)	669,692
Hidroviás do Brasil - Marabá S.A.	10,094	-	-	-	-	-	-	-	168	10,262
Hidroviás do Brasil - Holding Norte S.A.	271,699	205,000	-	-	14,458	-	-	-	(47,446)	443,711
Hidroviás do Brasil - Cabotagem Ltda.	165,914	-	-	-	(15,220)	-	-	-	39,083	189,777
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda.	22,796	-	-	-	-	-	-	-	10,605	33,401
Pricolpar S.A.	2	-	-	-	-	16	-	-	(4)	14
Hidroviás International Finance S.à.r.l	260	-	-	-	-	112	738	-	426	1,536
Imperial South America BV	-	-	8,501	17,992	-	(1,348)	-	-	13,586	38,731
Hidroviás Navegación Fluvial S.A.	-	-	192	(8,117)	-	1,667	-	-	26,102	19,844
Baden S.A.	-	-	12,046	578	-	(117)	-	-	(440)	12,067
Subtotal	1,429,363	211,989	20,739	10,453	(762)	61,026	(12,809)	-	(298,516)	1,421,483
Concession agreement	6,194	-	-	-	-	-	-	(406)	-	5,788
Baden S.A. – Capital gains on assets	-	-	-	2,616	-	-	-	(110)	-	2,506
Imperial South America B.V. – Surplus	-	-	-	19,232	-	-	-	(3,669)	-	15,563
Total	1,435,557	211,989	20,739	32,301	(762)	61,026	(12,809)	(4,185)	(298,516)	1,445,340

*Result of bargain purchase arising from the business combination process evidenced in the business combination Note 10.1 and bargain purchase in the acquisition of interest in jointly-controlled subsidiary.

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(In thousands of reais - R\$, unless otherwise indicated)

	Consolidated								
	2020	2021							
		Opening balance	Dividends paid	Investment acquisition	Favorable purchase	Capital increase	Income (loss) from foreign currency translation (CTA)	Equity in net income of subsidiaries	Amortization
Limday S.A.	14,573	(5,673)	-	-	-	1,515	3,378	-	13,793
Obrinel S.A.	43,460	-	-	-	18,721	3,164	(3,609)	-	61,736
Baden S.A.	-	-	12,046	578	-	(117)	(440)	-	12,067
Subtotal	58,033	(5,673)	12,046	578	18,721	4,562	(671)	-	87,596
Concession agreement (b)	6,194	-	-	-	-	-	-	(406)	5,788
Goodwill (a)	10,252	-	-	-	-	735	-	(666)	10,321
Total	74,479	(5,673)	12,046	578	18,721	5,297	(671)	(1,072)	103,705

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

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

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

By means of Resolution 307/4039, dated June 17, 2020, the National Port Administration of Uruguay approved some changes to the concession terms, including an extension in the concession term (for further 20 years, until November 2051), along with an authorization to build an additional pier. These changes were approved by the Executive Branch of Uruguay on September 4, 2020, and are reflected in an amendment to the current concession agreement, which was signed on November 24, 2020.

The main information on the directly, indirectly and jointly-controlled subsidiaries is presented below:

	03/31/2022					
	Number of shares	Total assets	Total liabilities	Shareholders' equity	Income (loss) of companies in the year	Net revenues
<u>Direct subsidiaries</u>						
Hidroviás del Sur S.A.	4,330,646,746	610,291	106,876	503,415	(72,392)	-
Hidroviás International Finance S.à r.l.	12,000	3,134,179	3,133,635	544	(871)	-
Hidroviás do Brasil - Marabá S.A.	20,000,000	12,059	1,486	10,573	(49)	-
Hidroviás do Brasil - Cabotagem Ltda (c)	220,475,382	858,037	596,124	261,913	4,957	54,541
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda	2,500,000	32,069	1,261	30,808	(2,975)	3,666
Imperial South America	1,000,000	60,671	22,736	37,935	5,982	33,654
Hidroviás Navegación Fluvial S.A (d)	442	524,176	592,203	(68,027)	4,212	54,555
Hidroviás do Brasil - Holding Norte S.A.	512,989,094	647,066	637	646,429	187,299	-
<u>Indirect subsidiaries</u>						
Baloto S.A.	599,999,999	54,979	2,409	52,570	690	183,966
Girocantex S.A.	2,442,140,008	1,266,752	1,024,061	242,691	(35,890)	12,851
Hidroviás del Paraguay S.A.	266,377	105,268	115,822	(10,554)	5,385	-
Pricolpar S.A.	17,910	185,688	71,389	114,299	(12,240)	7,152
Cikelsol S.A.	800,000	737,550	763,454	(25,904)	(21,993)	7,472
Resflir S.A.	20,000	80,277	63,226	17,051	(1,024)	-
Hidroviás do Brasil - Vila do Conde S.A.	519,596,445	1,970,270	1,484,167	486,103	212,335	372,036
Hidroviás do Brasil - Participação Portuária de Santos S.A.	43,904,863	453,149	294,026	159,123	(9,626)	-
<u>Jointly-controlled subsidiaries (e)</u>						
Limday S.A.	42,902,541	13,517	1,002	12,515	885	3,794
Obrinel S.A.	587,999,999	213,920	160,836	53,084	699	7,542
Baden	175,000,000	10,253	257	9,996	(280)	247
	12/31/2021					
	Number of shares	Total assets	Total liabilities	Shareholders' equity	Income (loss) of companies in the year	Net revenues
<u>Direct subsidiaries</u>						
Hidroviás del Sur S.A.	4,330,646,746	797,798	128,106	669,692	(340,415)	-
Hidroviás International Finance S.à r.l.	12,000	3,738,456	3,736,920	1,536	426	-
Hidroviás do Brasil - Marabá S.A.	20,000,000	11,697	1,435	10,262	168	-
Hidroviás do Brasil - Cabotagem Ltda (c)	220,475,382	913,523	721,729	191,794	39,478	211,139
Hidroviás do Brasil - Intermediação e Agenciamento de Serviços Ltda	2,500,000	41,206	7,423	33,783	10,713	26,372
Imperial South America	1,000,000	54,223	15,492	38,731	13,586	68,878
Hidroviás Navegación Fluvial S.A (d)	442	42,566	24,113	18,453	20,063	95,834
Hidroviás do Brasil - Holding Norte S.A.	512,989,094	444,354	643	443,711	(16,075)	-

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	12/31/2021					
	Number of shares	Total assets	Total liabilities	Shareholders' equity	Income (loss) of companies in the year	Net revenues
<u>Indirect subsidiaries</u>						
Baloto S.A.	599,999,999	63,957	14,498	49,459	(3,661)	534,970
Girocantex S.A.	2,442,140,008	1,380,755	1,057,094	323,661	(231,020)	107,687
Hidroviás del Paraguay S.A.	266,377	119,483	138,455	(18,972)	(28,512)	-
Pricolpar S.A.	17,910	238,846	91,681	147,165	(37,613)	69,445
Cikelsol S.A.	800,000	796,825	803,341	(6,516)	(46,393)	69,977
Resflir S.A.	20,000	96,754	75,559	21,195	(6,611)	-
Hidroviás do Brasil - Vila do Conde S.A.	519,596,445	2,268,198	1,994,430	273,768	(13,387)	1,248,746
Hidroviás do Brasil – Participação Portuária de Santos S.A.	43,904,863	445,910	277,161	168,749	(19,628)	-
<u>Jointly-controlled subsidiaries (e)</u>						
Limday S.A.	42,902,541	14,989	1,196	13,793	3,912	4,910
Obrinel S.A.	587,999,999	378,537	316,430	62,107	(2,888)	22,860
Baden	175,000,000	12,276	208	12,068	(446)	1,435

(c) The revenue is being presented net of hedge accounting in the amount of R\$ 4,726 (R\$ 22,423 as of December 31, 2021).

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

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

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Balance sheet and statement of income - jointly-controlled subsidiaries:

	<u>Baden</u>	<u>Limday</u>	<u>Obrinel</u>
	03/31/2022	03/31/2022	03/31/2022
Current assets	4,569	14,899	22,431
Non-current assets	15,937	15,443	414,141
Total assets	20,506	30,342	436,572
Current liabilities	516	2,251	49,529
Non-current liabilities	-	-	516,266
Shareholders' equity	19,993	28,091	108,335
Total liabilities	20,509	30,342	674,130
Net revenue	482	8,504	15,201
Cost and expenses	(1,041)	(6,519)	(13,776)
Net income (loss) for the period/year	(559)	1,985	1,425

	<u>Baden</u>	<u>Limday</u>	<u>Obrinel</u>
	12/31/2021	12/31/2021	12/31/2021
Current assets	5,259	14,409	16,658
Non-current assets	19,292	19,236	755,868
Total assets	24,551	33,645	772,526
Current liabilities	416	2,684	38,098
Non-current liabilities	-	-	607,679
Shareholders' equity	24,136	30,961	126,749
Total liabilities	24,552	33,645	772,526
Revenue	3,408	11,020	46,652
Cost and expenses	(5,256)	(2,238)	(52,547)
Net income (loss) for the year	(1,848)	8,782	(5,895)

10.1 Business combination

The Company, together with the subsidiaries Cikelsol S.A and Pricolpar S.A. (“Acquirers”), acquired the logistics operation segment of Imperial Logistics operating in the southern region with the navigation of Paraguai and Paraná rivers.

Business combination took place on April 16, 2021. The Company and aforementioned subsidiaries acquired control through the acquisition of 100% of shareholding structure of Imperial Shipping Paraguay S.A (“ISP”) and Imperial South America BV (“ISA”), as well as through the acquisition of property, plant and equipment held by Imperial Logistics, which are essential for logistics operation held by ISP.

The logistics operation acquired will provide the Group with the possibility of expanding its business in the South region of Latin America, as well as increasing the fleet’s capacity to operate in this region.

The expenses incurred with this acquisition in the amount of R\$ 445 in the parent company and R\$ 8,122 in the consolidated were recognized in income (loss) for 2021.

Transferred contra entry

The price was US\$ 88,863 thousand and the price adjusted for the probability of reaching the contingent consideration was US\$ 86,088 thousand, to be paid as follows:

- i) The contra entry in the amount of USD 83,863 thousand upon closing the contract transferred

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to Imperial Logistics to acquire control of the companies and assets mentioned above.

The transferred contra-entry, converted into reais at the average rate on the acquisition date, was R\$ 472,363, which is used to allocate the price paid for the acquisition of the business.

- ii) Additional contingent consideration (“Business Acquisition Cost”) of up to US\$ 5,000 thousand (fair value as of December 31, 2021 was US\$ 2,225 thousand), payable in four individual payments for each calendar year 2021, 2022, 2023 and 2024. This payment is directly related to external factors, the determination of which considers operational factors of navigation levels in the Paraná and Paraguai rivers. The amount of the additional contingent consideration translated into reais at the average rate on the acquisition date was R\$ 28,163 and R\$ 12,532, respectively.

Purchase consideration in thousands of US dollars	
Amount paid in cash	83,863
Amount of contingent installment (Earn-out)	2,225
Total compensation*	86,088
Acquisition cash flow analysis, in thousands of US\$	
Amount paid in cash	83,863
Net cash acquired from subsidiary	(2,878)
Cash flow from investment activities**	80,985

*The amount corresponds to R\$ 484,895, translated into reais at the average rate on the acquisition date

**The amount corresponds to R\$ 456,148, translated into reais at the average rate on the acquisition date

Measurement of business combination

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

Amount recognized on acquisition	ISP	ISA	Acquired assets	Eliminations	04/16/2021
ASSETS					
Cash and cash equivalents	2,679	13,530	-	-	16,209
Accounts receivable	3,110	14,474	-	-	17,584
Inventories	6,104	-	-	-	6,104
Recoverable taxes	6,468	3	-	-	6,471
Accounts receivable from related parties	7,445	14,007	-	(21,452)	-
Current assets	25,806	42,014	-	(21,452)	46,368
Other assets	3,170	-	-	-	3,170
Client portfolio*	-	19,229	-	-	19,229
Pushers	-	-	263,037	-	263,037
Barges	-	-	238,424	-	238,424
Non-current assets	3,170	19,229	501,461	-	523,860
Total assets	28,976	61,243	501,461	(21,452)	570,228
LIABILITEIS					
Suppliers	9,575	-	-	-	9,575
Social and labor charges	3,330	-	-	-	3,330
Taxes payable	116	-	-	-	116
Accounts payable related parties	14,007	7,445	-	(21,452)	-
Other accounts payable	10,290	8,076	-	-	18,366
Current liabilities	37,318	15,521	-	(21,452)	31,387

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Amount recognized on acquisition	ISP	ISA	Acquired assets	Eliminations	04/16/2021
Total identifiable net assets	(8,342)	45,722	501,461	-	538,841

(*) Value of surplus value of identifiable assets

Pursuant to item 32 of CPC 15, a bargain purchase gain in the amount of R\$ 53,946 referring to the business combination detailed above was recognized on the acquisition date and measured at the amount in which the fair value of assets and liabilities was greater than the consideration transferred by the acquisition of control.

Total identifiable net assets	538,841
Consideration paid	(472,363)
Contingent consideration (**)	(12,532)
Bargain purchase income (loss)	53,946

(**) As determined by the Purchase and Sale Agreement (“SPA”), the contingent portion will be payable by the indirect subsidiary Cikelsol S.A.

Fair value adjustment

The Company prepared the valuation of assets and liabilities at fair value based on independent valuations, considering the following aspects:

Cash, cash equivalents, receivables, debts and other operating assets and liabilities: are represented by contracts signed under normal market conditions. Therefore, the book values approximated their fair values. In relation to receivables and other assets, there is no expectation of loss;

Intangible assets: the preliminary assessment resulted in the assignment of value related to client contracts (“Customer Relationships”). The fair value of intangible assets was estimated as follows:

Item	R\$	Appraisal method	Assumptions of the evaluation
Relationship with customers Useful life (3.7 years)	19,232	Multi-period Excess Earnings Method (MPEEM)	Projection period: 3.7 years, corresponding to the duration of existing contracts. To calculate the present value of the projected cash flow of intangible assets, a discount rate of 9.0% p.a. was adopted, estimated based on the WACC calculated for the ISA.

Acquired assets: corresponds to the acquisition of 7 pusher tugs and 84 barges. External experts were engaged in measuring the fair value of the assets acquired on the date of the business combination. The valuation adopted a policy of conducting technical reviews and general market information to determine what a willing buyer and seller would consider a fair price. A combination of elements was used to assess the condition of the vessels, and the main assumptions are as follows:

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

The historical averages of the level of the Paraguay River in the four locations stipulated by the SPA were considered to calculate the earn-out. From the historical averages, a matrix was prepared and indicates the average water level of the river for the four locations, and from this matrix, the possible earn-out payments

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were calculated, following calculation demonstrations included in the SPA. Earn-out payments were brought to present value, discounted at the Company's average cost of funding in USD.

10.2 Acquisition of equity interest in Baden S.A.

On April 16, 2021, the Company acquired a 50% interest in Baden S.A., a joint-stock company, whose shareholding is composed of two shareholders through joint control. The company is headquartered in the city of Asunción, Paraguay, and is a joint-stock company whose main purpose is the administration and concession of the license to operate in the port of Asunción, in Paraguay.

The consideration transferred to acquire 50% of the interest was R\$ 12,047 and the incorporation of Baden results in a joint-controlled venture, with decisions being taken together and none of the shareholders can take unilateral decisions to direct the business.

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

Current assets	04/16/2021
Cash and cash equivalents	1,397
Clients	366
Tax credits	2,816
Other assets	101
	4,680
Non-current assets	
Property, plant and equipment	20,987
Intangible assets	5,233
Other assets	113
	26,333
Current liabilities	
Suppliers	473
Social charges	58
	531
Total identifiable net assets	30,482
Fair value of assets acquired and liabilities assumed - 50%	15,241

Pursuant to item 32 of CPC 15, a bargain purchase gain in the amount of R\$ 3,194 referring to Baden S.A. was recognized on the acquisition date and measured at the amount in which the fair value of assets and liabilities was greater than the consideration transferred for the acquisition of the equity interest, as shown in the following table:

	04/16/2021
Fair value of assets acquired and liabilities assumed - 50%	15,241
Consideration transferred	(12,047)
Gain from bargain purchase	3,194

Fair value adjustment

The Company prepared the valuation of assets and liabilities at fair value based on independent valuations, considering the following aspects:

Cash, cash equivalents, receivables, debts and other operating assets and liabilities: are represented by contracts signed under normal market conditions. Therefore, the book values approximated their fair values.

Regarding receivables, there is no expectation of loss;

Property, plant and equipment: the assets of Porto Baden are new, with construction completed on a date close to the acquisition. Furthermore, the concession agreement shall provide for that Baden S.A. must return the facilities and improvements free of charge to ANNP at the end of the agreement.

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Intangible assets: the preliminary assessment resulted in the assignment of value related to the right to explore, operate, provide services and manage the port terminal, as shown in the following table:

Item	R\$	Appraisal method	Assumptions of the evaluation
Concession agreement Useful life (15.8 years)	2,616 (50%)	Multi-period Excess Earnings Method (MPEEM)	Projection period: until the end of the concession agreement in February 2037 Discount rate: 12.4%

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11 Property, plant and equipment

Breakdown and changes in fixed assets as of March 31, 2022 and December 31, 2021 is as follows:

	Parent company					Total
	Facilities and improvements	Furniture and fixtures	Machinery and equipment	Electronic and IT equipment	Construction in progress	
Balance at 12/31/2021	631	1,630	134	3,707	151	6,253
Additions	-	-	-	-	106	106
Depreciation	(148)	(69)	(11)	(482)	-	(710)
Balance at 03/31/2022	483	1,561	123	3,225	257	5,649
Historical cost	2,947	1,787	445	6,235	257	11,671
Accumulated depreciation	(2,464)	(226)	(322)	(3,010)	-	(6,022)
Annual depreciation rate – %	10	10	10	25	-	

	Parent company					Total
	Facilities and improvements	Furniture and fixtures	Machinery and equipment	Electronic and IT equipment	Construction in progress	
Balance at 12/31/2020	676	27	156	564	6,717	8,140
Additions	-	-	-	-	1,512	1,512
Transfers	437	1,618	24	4,426	(8,078)	(1,573)
Depreciation	(482)	(15)	(46)	(1,283)	-	(1,826)
Balance at 12/31/2021	631	1,630	134	3,707	151	6,253
Historical cost	2,975	1,786	446	6,204	151	11,562
Accumulated depreciation	(2,344)	(156)	(312)	(2,497)	-	(5,309)
Annual depreciation rate – %	10	10	10	25		

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	Consolidated									
	Land	Buildings	Facilities and improvements	Furniture and fixtures	Machinery and equipment	Electronic and IT equipment	Vehicles	Pushers, barges, ships	Construction in progress	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	-	-	-	-	228	96	-	-	41,586	41,910
Depreciation	-	(5,995)	(2,122)	(134)	(14,854)	(1,039)	(53)	(35,679)	-	(59,876)
Transfers	-	-	-	51	-	-	9	(6,223)	6,163	-
Translation adjustment	-	-	(612)	(83)	(1,554)	(71)	(118)	(288,200)	(39,317)	(329,955)
Balance at 03/31/2022	<u>85,452</u>	<u>468,082</u>	<u>27,884</u>	<u>2,357</u>	<u>236,069</u>	<u>7,525</u>	<u>650</u>	<u>2,422,794</u>	<u>655,551</u>	<u>3,906,364</u>
Historical cost	85,452	605,937	38,158	3,031	471,512	14,375	1,457	3,105,596	655,551	4,981,069
Accumulated depreciation	-	(137,855)	(10,274)	(674)	(235,443)	(6,850)	(807)	(682,802)	-	(1,074,705)
Annual depreciation rate – %	-	4	10	10	10	25	20	4	-	-

	Consolidated									
	Land	Buildings	Facilities and improvements	Furniture and fixtures	Machinery and equipment	Electronic and IT equipment	Vehicles	Pushers, barges, ships (a)	Constructions in progress (b)	Total
Balance at 12/31/2020	85,452	487,487	9,604	369	239,680	1,984	207	2,181,256	349,565	3,355,604
Additions	-	-	50	273	2,410	514	709	520,390	512,651	1,036,997
Transfers	-	10,903	23,933	1,980	58,877	8,540	-	103,977	(211,862)	(3,652)
Depreciation	-	(24,313)	(3,906)	(145)	(51,296)	(2,557)	(207)	(147,449)	-	(229,873)
Translation adjustment	-	-	937	46	2,578	58	103	94,722	(3,235)	95,209
Balance at 12/31/2021	<u>85,452</u>	<u>474,077</u>	<u>30,618</u>	<u>2,523</u>	<u>252,249</u>	<u>8,539</u>	<u>812</u>	<u>2,752,896</u>	<u>647,119</u>	<u>4,254,285</u>
Historical cost	85,452	605,788	40,608	3,151	476,074	14,580	1,675	3,481,517	647,119	5,355,964
Accumulated depreciation	-	(131,711)	(9,990)	(628)	(223,825)	(6,041)	(863)	(728,621)	-	(1,101,679)
Annual depreciation rate – %	-	4	10	10	10	25	20	4	-	-

(a) The increase shown for the assets of pushers, barges, and ships are due to the business combination process shown in the business combination note; and

(b) With respect to construction in progress, the increase comes from projects such as the Santos terminal and assets needed to use the barges, such as tops.

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Asset impairment test

According to accounting practices adopted in Brazil and IFRSs, the property, plant, and equipment items that exhibit signs that their recorded costs are higher than their recoverable values must be reviewed in detail to determine the need to form a provision for reduction of the book balance to its realizable value.

The main assumptions used to estimate the recoverable value as of December 31, 2021 are defined below, and the amounts attributed to the main assumptions represent the evaluation of future trends by Management in relevant sectors and were based on historical data from internal and external sources.

In the year ended December 31, 2021, the discount rate was estimated after the taxes, using the weighted average rate of WACC capital which varied between 13.2% and 7.5%, considering market parameters.

The cash flow projections were prepared considering the useful life of the assets of each CGU.

Projected income (loss) was estimated considering past experience. The projected revenue growth took into account long-term “Take or Pay” contracts. The price of services increases in line with the inflation forecast for the coming years, as provided for in the contracts, and the costs vary according to the volume carried out and updated by the projected inflation rate.

During the year ended December 31, 2021, Management carried out a study and determined that there was no need to record a provision for impairment of the book balance. Management understands that the test assumptions are valid for March 31, 2022 and there was no need to update the test.

Management understands that the test assumptions are valid for March 31, 2022 and there was no need to update the test.

12 Right-of-use asset

Breakdown and changes in right-of-use asset as of March 31, 2022 and December 31, 2021 is as follows:

Parent company	Real estate	Total
Net balances at December 31, 2021	1,182	1,182
Amortization	(295)	(295)
Net balances as of March 31, 2022	<u>887</u>	<u>887</u>

Parent company	Real estate	Total
Net balances at December 31, 2020	-	-
Additions	2,469	2,469
Amortization	(1,287)	(1,287)
Net balances at December 31, 2021	<u>1,182</u>	<u>1,182</u>

Consolidated	Real estate	Vessels	Total
Net balances at December 31, 2021	135,001	72,579	207,580
Additions	8,463	3,097	11,560
Write-offs	-	(476)	(476)
Amortization	(1,836)	(17,460)	(19,296)
Translation adjustment	(3)	(7,723)	(7,726)

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Net balances as of March 31, 2022	141,625	50,017	191,642
Consolidated	Real estate	Vessels	Total
Net balances at December 31, 2020	131,229	25,885	157,114
Additions	13,393	141,315	154,708
Write-offs	-	(10,827)	(10,827)
Amortization	(9,340)	(74,119)	(83,459)
Translation adjustment	(281)	(9,675)	(9,956)
Net balances at December 31, 2021	135,001	72,579	207,580

Changes in lease liabilities as of March 31, 2022 and December 31, 2021 are as follows:

	Parent company	Consolidated
Balance at December 31, 2021	1,227	231,578
Additions	-	11,560
Interest and inflation adjustment	22	978
Payment of principal	(320)	(13,352)
Write-offs	-	(2,949)
Realization of adjustment to present value	-	1,819
Translation adjustment	-	(7,440)
Balance at March 31, 2022	929	222,194
Current	929	76,455
Non-current	-	145,739

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

Maturity schedule of leases:

Year	Parent company	Consolidated
2022	929	53,657
2023	-	22,878
2024	-	17,220
2025	-	16,182
2026	-	16,239
>2027	-	214,747
Total	929	340,923
Interest and adjustment to present value	-	(118,729)
Lease liabilities	929	222,194

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The average discount rate for leased assets is 9.4% p.a. for the period ended March 31, 2022 and December 31, 2021.

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13 Intangible assets

Parent company	Software	Agreements	Constructions in progress	Total
Balance at December 31, 2021	6,390	984	30,856	38,230
Transfers	466	-	(466)	-
Additions	-	-	3,593	3,593
Amortization	(1,013)	(41)	-	(1,054)
Balance at March 31, 2022	<u>5,843</u>	<u>943</u>	<u>33,983</u>	<u>40,769</u>
Annual amortization rate – %	20	(*)	-	-
Historical cost	33,794	1,711	33,983	69,488
Accumulated amortization	(27,951)	(768)	-	(28,719)

Parent company	Software	Agreements	Constructions in progress	Total
Balance at December 31, 2020	3,526	1,148	19,745	24,419
Additions	-	-	15,883	15,883
Transfers	6,345	-	(4,772)	1,573
Amortization	(3,481)	(164)	-	(3,645)
Balance at December 31, 2021	<u>6,390</u>	<u>984</u>	<u>30,856</u>	<u>38,230</u>
Annual amortization rate – %	20	(*)	-	-
Historical cost	33,328	1,711	30,856	65,895
Accumulated amortization	(26,938)	(727)	-	(27,665)

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

Consolidated	Software	Contracts (b)	Goodwill (a)	Constructions in progress	Other	Total
Balance at December 31, 2021	12,574	223,634	73,121	38,061	51	347,441
Additions	-	-	-	6,410	1	6,411
Transfers	841	-	-	(841)	-	-
Amortization	(1,841)	(4,767)	-	-	(24)	(6,632)
Amortization – AVP**	-	194	-	-	-	194
Translation adjustment	(512)	-	-	(20)	(3)	(535)
Balance at March 31, 2022	<u>11,062</u>	<u>219,061</u>	<u>73,121</u>	<u>43,610</u>	<u>25</u>	<u>346,879</u>
Annual amortization rate – %	20	(*)	-	-	20	-
Historical cost	47,033	281,459	73,121	43,610	84	445,307
Accumulated amortization	(35,971)	(62,398)	-	-	(59)	(98,428)

Consolidated	Software	Contracts (b)	Goodwill (a)	Constructions in progress	Other	Total
Balance at December 31, 2020	8,309	218,426	73,121	23,059	-	322,915
Additions	60	21,848	-	21,321	100	43,329
Transfers	9,887	-	-	(6,234)	-	3,653
Amortization	(5,977)	(17,480)	-	-	(59)	(23,516)
Amortization – AVP**	-	775	-	-	-	775
Translation adjustment	292	-	-	(17)	10	285
Balance at December 31, 2021	<u>12,574</u>	<u>223,566</u>	<u>73,121</u>	<u>38,129</u>	<u>51</u>	<u>347,441</u>
Annual amortization rate – %	20	(*)	-	-	20	-
Historical cost	47,281	281,265	73,121	38,129	100	439,896
Accumulated amortization	(34,707)	(57,699)	-	-	(49)	(92,455)

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

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(**) It refers to the amortization of the adjustment to the present value of the granting of the port of Santos, recorded in the financial income

(a) Goodwill

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

As of December 31, 2021, using the assumption of calculation of the future cash flows in the period of the concession agreement and applying the discount rate, we did not identify any need to record a provision for impairment. Management believes to comply with the assumption that a market participant would use and understands that the assumptions have not been changed to March 31, 2022.

For impairment test purposes, goodwill was allocated to a cash generating unit (UGC) from its source.

The recoverable value of this CGUs was based on the fair value, estimated based on the discounted cash flows. Measurement of fair value was classified as Level 3 based on inputs used in evaluation technique.

The main assumptions used to estimate the recoverable value are defined below, and the amounts attributed to the main assumptions represent the Management’s evaluation of future trends in relevant sectors and were based on historical data from internal and external sources.

The discount rate was estimated after the taxes, using the weighted average rate of capital cost (WACC) for each CGU which is 8.4%, considering market parameters.

Projected income (loss) was estimated considering past experience. The projected revenue growth took into account long-term “Take or Pay” contracts. The price of services increases in line with the inflation forecast for the coming years, as provided for in the contracts, and the costs vary according to the volume carried out and updated by the projected inflation rate.

The estimated recoverable value of CGUs was higher than their book value. Thus, the need to record a provision for impairment was not identified.

Management understands that the test assumptions are valid for March 31, 2022 and there was no need to update the test.

(b) Contracts

The addition in 2021 refers to the surplus from client relationships in the amount of R\$ 19,232, recorded together with the business combination detailed in Note 10.1, with an estimated useful life of 3.7 years. The surplus of R\$ 2,616 from the concession agreement was identified together with the acquisition of the investment in a jointly-owned subsidiary with an estimated useful life of 15.8 years.

Client contracts acquired by the subsidiary Cabotagem in December 2016 with a duration of 18 years for the provision of navigation services for the transportation of bauxite, and the contract value is amortized over the contract term.

The lease contract acquired by the subsidiary Hidroviás do Brasil – Participação Portuária de Santos S.A. for a period of 25 years as of the date of assumption of March 3, 2020 in the amount of R\$ 112,500 related to the Grant and adjustment at present value in the amount of R\$ 19,379 for the handling and storage of solid mineral bulk, especially fertilizers and salts, located inside the Port of Santos. The average discount rate for these assets is 9.4% for the period ended March 31, 2022, and the contract value is amortized over the contract term. The table below shows the changes in obligation recorded, due to the Obligation with ANTAQ (National Water Transport Agency):

	Consolidated
Balance at December 31, 2021	66,273
Payment	(20,054)
Inflation adjustment	1,000
Realization of adjustment to present value	968
Balance at March 31, 2022	<u>48,187</u>
Current	21,866

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Non-current	26,321
	Consolidated
Balance at December 31, 2020	73,773
Payment	(18,141)
Inflation adjustment	6,765
Realization of adjustment to present value	3,876
Balance at December 31, 2021	<u>66,273</u>
Current	24,046
Non-current	42,227

14 Suppliers

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Domestic suppliers	3,661	5,451	98,481	101,182
Foreign suppliers	-	-	66,908	44,960
Total	<u>3,661</u>	<u>5,451</u>	<u>165,389</u>	<u>146,142</u>

15 Loans, financing and debentures

	Type	Final maturity	Interest rate - p.a.	Parent company		Consolidated	
				03/31/2022	12/31/2021	03/31/2022	12/31/2021
Hidroviás do Brasil	Debentures	Oct 2031	IPCA+6.0%	392,707	376,433	392,707	376,433
HB International Finance:	Bond 2025	Jan 2025	5.95%	-	-	722,924	865,578
	Bond 2031	Feb 2031	4.95%	-	-	2,301,705	2,742,860
Hidroviás do Brasil - Cabotagem Ltda.	Bank Credit Bill	Mar 2033	2.5% / 3.9% + Ptax 800 BCB (USD)	-	-	542,209	654,060
Hidroviás do Brasil - Vila do Conde S.A.	Project financing	Aug 2025	4.99%	-	-	142	475
Total				<u>392,707</u>	<u>376,433</u>	<u>3,959,687</u>	<u>4,639,406</u>
Current				22,183	6,182	114,980	180,889
Non-current				370,524	370,251	3,844,707	4,458,517

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The changes in loans, financing and debentures are as follows:

	Balance 12/31/2021	Funding	Interest	Addition of funding cost	Amortization of funding cost	Payment of principal	Interest payment	Translation adjustment	Hedge effect	FX	Balance 03/31/2022
Parent company (a)	376,433	-	16,001	-	273	-	-	-	-	-	392,707
Luxembourg (b)	3,608,438	-	45,666	-	3,130	-	(91,250)	(541,355)	-	-	3,024,629
Vila do Conde (c)	475	-	261	-	208	-	(553)	(250)	-	-	142
Cabotage (d)	654,060	-	4,913	-	-	(14,413)	(5,062)	-	(94,003)	(3,286)	542,209
	<u>4,639,406</u>	<u>-</u>	<u>66,841</u>	<u>-</u>	<u>3,611</u>	<u>(14,413)</u>	<u>(96,865)</u>	<u>(541,605)</u>	<u>(94,003)</u>	<u>(3,286)</u>	<u>3,959.686</u>

	Balance 12/31/2020	Funding	Interest	Addition of funding cost	Amortization of funding cost	Payment of principal	Interest payment	Translation adjustment	Hedge effect	FX	Balance 12/31/2021
Parent company											
(a)	-	380,000	7,276	(10,934)	91	-	-	-	-	-	376,433
Luxembourg (b)	3,054,182	2,848,650	187,024	(113,441)	34,021	(2,423,988)	(192,229)	214,219	-	-	3,608,438
Vila do Conde (c)	2,467	-	3,380	-	-	-	(3,161)	(2,211)	-	-	475
Cabotage (d)	666,485	-	22,464	-	-	(59,620)	(22,355)	-	45,480	1,606	654,060
	<u>3,723,134</u>	<u>3,228,650</u>	<u>220,144</u>	<u>(124,375)</u>	<u>34,112</u>	<u>(2,483,608)</u>	<u>(217,745)</u>	<u>212,008</u>	<u>45,480</u>	<u>1,606</u>	<u>4,639,406</u>

Description of loan, financing and debentures contracts

(a) On October 15, 2021, the Company carried out the first issue of simple debentures, non-convertible, unsecured debentures, in two series, for public distribution with restricted distribution efforts, in the total amount of R\$ 380,000, as issue of incentivized debentures carried out under the terms of article 2 of Law 12431 and a maturity of 7 years from the issue date for the first series debentures and 10 years from the issue date for the second series debentures. The funds raised with the issue will be used for the project to implement and adapt the infrastructure of the STS20 Terminal at the Port of Santos/SP.

(b) On January 24, 2018, the company obtained, through its subsidiary in Luxembourg, a Bond in the amount of US\$ 600,000 thousand, maturing on January 24, 2025. The amount recorded is net of the funding cost, US\$ 5,100 thousand, and will be amortized according to the contract period. Part of this issue was repurchased with funds from a new issue, as informed below.

As of February 8, 2021, the Company, through its subsidiary in Luxembourg, issued a Bond in the amount of US\$ 500,000 thousand, maturing on February 8, 2031. The proceeds from this issue were used to repurchase of approximately 75% of 2025 Bond issued on January 24, 2018. The amount recorded is net of the funding cost and will be amortized according to the contract period.

Such operation is structured to be settled, at any time, due to mere liberality, with securities, bonds, or other assets pledged as a guarantee. Said note is fully guaranteed by a linked credit note of equal value, term, and maturity, against the same counterparty. Both instruments can be redeemed in a binding manner and at any time by the Company.

(c) On March 22, 2018, the Company raised, through its subsidiaries Hidrovias do Brasil – Vila do Conde S.A., NCEs (Export Credit Bills) with Banco Santander, in the total amount of R\$ 1,120,734 (R\$ 1,309,933 on March 31, 2022, and R\$ 1,733,153 on December 31, 2021), whose bill has semiannual interest payments of 6.3% p.a., maturing on January 21, 2025 (the amount shown in the table is net of the respective interest earning bank deposit in the amount of R\$ 1,309,302 on March 31, 2022, and R\$ 1,732,678 on December 31, 2021). In May 2021, the Company amended this agreement and the note started bearing interest of 4.99% p.a. and maturing on August 5, 2025.

(d) On December 23, 2016, the Company assumed – through its indirect subsidiary HB Cabotagem, in negotiation with Log-In – a Financing Contract through credit facility with BNDES in the total amount of US\$ 144,644 thousand, equivalent to R\$ 491,601, referring to the acquisition of two bulk carrier vessels, the payments of which occur monthly, with the final settlement scheduled for March 10, 2033. The assets acquired are denominated Tucunaré and Tambaqui.

Guarantees

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

The Bonds have been approved by the companies Hidrovias do Brasil S.A., Hidrovias del Sur S.A., Cikelsol S.A., Pricolpar S.A., Hidrovias del Paraguay S.A., Girocortex S.A., Hidrovias do Brasil – Vila do Conde S.A., and Hidrovias do Brasil – Holding Norte S.A.

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Covenants

The Company, through its subsidiaries, has contractual covenants linked to certain financing and debentures, which may, in case of non-compliance, lead to early maturity of the debt. These clauses are related to financial ratios such as: coverage of debt service, indebtedness, liquidity and operational obligations. In addition to these, there are other non-financial clauses.

Subsidiary Cabotagem has the following clause: (i) maintain the capitalization ratio greater or equal to 25%. The capital ratio is given by the adjusted shareholders' equity over total assets. Adjusted shareholders' equity is the shareholders' equity excluding exchange rate change losses and gains; and (ii) maintain the debt service coverage ratio equal to or greater than 1.3x. The ICSD (Index of debt service coverage) is the EBITDA less Income Tax and Social Contribution on Net income in working capital, excluding cash and debt and effects of exchange-rate change, on debt service. As of December 2021, the clauses of Subsidiary Cabotagem were fully met, as well as on March 31, 2022.

On the other hand, the subsidiary Hidrovias International Finance S.à.r.l. has the financial covenant related to Leverage Bond 2031 ("Net debt/EBITDA" ratio), which shall be lower than 4.5x in 2021 and 2022, lower than 4.0x in 2023 and lower than 3.5x as of 2024, so that extraordinary dividend payments and new debts may be contracted, in addition to the previously set forth in respective issue indentures.

On March 31, 2022, the clauses of the subsidiary Hidrovias International Finance S.à.r.l. were not reached since the leverage was 5.9x. The non-compliance with the covenant does not accelerate debt repayment and does not cause any default. However, the Company will not be able to raise new debts in addition to those allowed by the restrictive clauses of 2031 Bond or pay extraordinary dividends (above the minimum requirement established by the Bylaws). Even not reaching 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 allowed by the restrictive clauses of 2031 Bond, to fulfill its obligations.

The Parent Company has a financial covenant related to the issuance of Debentures in October 2021, Leverage ("net debt over EBITDA"), which must be less than (a) 4.5x in 2022, (b) 4.0x from January 1, 2023 to December 2023 and (c) 3.5x from January 1, 2024 to the Expiration Date.

As of March 31, 2022, the company did not achieve the above-mentioned ratios since leverage was 5.9x. It is worth emphasizing that the non-compliance with the covenant does not accelerate debt payment and it is not considered default. However, the Company will not be able to raise new debts beyond those allowed by the covenants of the Debenture Issue Deed or pay extraordinary dividends above the minimum amount set forth 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 the ones already allowed by covenants of Debenture Issued Deed to meet its obligations.

With the repurchase of 2025 Bond, this bond no longer has financial covenants.

Bond repurchase

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As approved at a meeting of the Company's Board of Directors held on June 27, 2018, the Company may carry out Bond 2025 repurchases on a timely manner when the opportunity is adequate and provided that it does not exceed the total amount of US\$ 50,000 thousand. This amount does not represent a market repurchase offer and provides a liquidity opportunity for bondholders who may need liquidity.

As a result of the current market situation with the coronavirus pandemic, the Company's securities had their price reduced on the secondary market, which enabled the Company to assess possible repurchases since 2020, with repurchases totaling US\$ 24,850 thousand until March 31, 2022.

Maturity date of long-term installments

As of March 31, 2022 and December 31, 2021, the long-term portion matures have the following breakdown:

months:	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
13-24	-	-	53,139	62,428
25-36	-	-	764,602	61,976
37-48	-	-	52,486	912,772
49-60	-	-	52,486	62,353
>61	370,524	370,251	2,921,993	3,358,988
Total	370,524	370,251	3,844,706	4,458,517

16 Social and labor charges

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Provision for bonus	3,293	8,181	6,148	14,257
Vacations and social security charges	4,022	3,811	13,166	13,331
INSS payable	1,451	920	4,284	3,112
IRRF payable	1,606	550	2,656	1,734
FGTS payable	344	131	800	199
13th salary payable	527	-	2,618	-
Other	47	393	779	1,123
Total	11,290	13,986	30,451	33,756

17 Lawsuits

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

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As of March 31, 2022, the provisions for probable contingencies were recognized in the amount of R\$ 6,217 in the Parent Company (R\$ 5,479) and R\$ 25,640 in Consolidated (R\$ 22,334 as of December 31, 2021). The breakdown of the provision for contingencies is detailed below:

	Parent company				
	12/31/2021	Additions	Restatement	Write-offs	03/31/2022
Tax	5,479	-	1,158	(420)	6,217
	<u>5,479</u>	<u>-</u>	<u>1,158</u>	<u>(420)</u>	<u>6,217</u>

	Parent company				
	12/31/2020	Additions	Restatement	Write-offs	12/31/2021
Tax	-	5,479	-	-	5,479
	<u>-</u>	<u>5,479</u>	<u>-</u>	<u>-</u>	<u>5,479</u>

	Consolidated					
	12/31/2021	Additions	Restatement	Write-offs	Translation adjustment	03/31/2022
Labor	16,447	2,158	686	(346)	(54)	18,891
Tax	5,479	-	1,158	(420)	-	6,217
Civil	408	120	4	-	-	532
	<u>22,334</u>	<u>2,278</u>	<u>1,848</u>	<u>(766)</u>	<u>(54)</u>	<u>25,640</u>

	Consolidated					
	12/31/2020	Additions	Restatement	Write-offs	Translation adjustment	12/31/2021
Labor	9,791	5,689	1,110	(143)	-	16,447
Tax	-	5,479	-	-	-	5,479
Civil	3	400	1	-	4	408
	<u>9,794</u>	<u>11,568</u>	<u>1,111</u>	<u>(143)</u>	<u>4</u>	<u>22,334</u>

Labor lawsuits represent claims of various natures (additional shipping fees, salary differences, severance pay, among other indemnities).

Possible contingencies

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

Processes	Nature
Labor	Labor claims of various natures related to claims as payment of additional shipping fees, salary differences, severance pay, among other indemnities that are in the judicial or administrative sphere

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Processes	Nature
	and in different procedural stages. As of March 31, 2022, the total possible labor claims is R\$ 12,016 (R\$ 7,989, on December 31, 2021).
Civil	As of March 31, 2022, the Company and its subsidiaries had a total amount of R\$ 5,213 in possible civil lawsuits, represented by collection and indemnity lawsuits. (R\$ 1,124 as of December 31, 2021).
Tax	<p>Lawsuit started on April 14, 2021 by the Regional Tax Administration Coordination Office ("CERAT") of State Finance Department of Pará in the municipality of Abaetetuba, Tax Assessment Notice 06202151000007-1, for allegedly having applied the ICMS [State VAT] deferral without legal support, in relation to transportation services of bauxite provided by the Company to Alunorte Alumina do Norte do Brasil S.A. The subsidiary of the Company alleges that the client Alunorte Alumina do Norte do Brasil S.A. has the benefit of deferring ICMS for transportation in the State of Pará, repeatedly granted since 1993, initially through Law 5758 of 08/30/1993 of the State of Pará, amended by Law 6307 of 07/17/2000 and finally, through Resolution 14 of July 10, 2015. However, the text of the aforementioned Resolution No. 14 does not expressly indicate the transport companies that provide logistics services, such as the Company, and enjoy the benefit of ICMS deferral. In 2021, the Company was notified of a fully favorable decision at the lower court. In 2022, there was an unfavorable decision in the TARF/PA. An appeal for reconsideration was filed. The Company believes that it has strong arguments to challenge the aforementioned infraction. The amount related to the tax assessment notice is R\$ 15,540.</p> <p>Administrative proceeding referring to the Tax Assessment Notice 062017510000118-0/Administrative Appeal 062017730002578-0, filed on 10/8/2018 by SEFA/PA, referring to ICMS tax credit supposedly due in the periods between July and August 2017, in amount of R\$ 3,627 as of December 31, 2021. SEFA/PA claims that the collection of ICMS debts on the provision of transport services is due since it does not recognize the right to enjoy the tax benefit of deferral provided for in Article 1 of Resolution 014/15, in the amount of R\$ 3,672. The Company argues that the Federal Supreme Court (STJ) issued Precedent 649 in 2021, which confirmed the exemption applicable to the transport of goods abroad: "ICMS is not levied on the interstate transport service of goods destined for abroad.</p> <p>Injunctions against the Municipality of Itaituba with an injunction for suspension of the enforceability of the traffic and circulation tax of large vehicles in the municipality and presentation of a monthly Analytical Report on the changes of loaded trucks in the municipality (Municipal Law 3534/2020) proposed on 10/18/2021, with deposit of the amount questioned in the amount of R\$ 2,400. The Company's subsidiary argues that the taxpayer provided for in the legislation is the individual or legal entity that uses large vehicles to travel with cargo within the municipal territory; that is, the owner of the cargo, and the collection of the Company's subsidiary is undue. The preliminary injunction was granted on 10/27/2021 in relation to the amount deposited and the presentation of the report The Company's subsidiary has filed a motion for clarification in relation to the suspension of the enforceability of the tax for amounts after the deposit, and is awaiting judgment.</p>

As of March 31, 2022, the Company and its subsidiaries had judicial deposits related to the payment of PIS and COFINS and ICMS according to a writ of mandamus, in the amount of R\$ 15,171 (R\$ 15,171 as of December 31, 2021) and R\$ 27,040, and referring to income tax and INSS (R\$ 27,040 as of December 31, 2021) per lawsuit discussing tax liabilities within the scope of Stock Options program, R\$ 2,407 (R\$ 2,407 as of December 31, 2021) referring to Writ of Mandamus against the Municipality of Itaituba with an injunction request for suspension of the Enforceability of the traffic and circulation fee of large vehicles in the municipality and R\$ 1,153 (R\$ 1,326 as of December 31, 2021) referring to other judicial deposits of civil and labor lawsuits.

18 Related parties

Remuneration of key management personnel

As of March 31, 2022, the remuneration of key management personnel, which includes the Executive Board and Board members, amounted to R\$ 3,911 (R\$ 3,941 as of March 31, 2021), referring to salaries and variable benefits, of which R\$ 3,798 refers to short-term employee benefits (R\$ 3,817 as of March 31, 2021) and R\$ 113 for medical benefits (R\$ 124 as of March 31, 2021).

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The amounts of related parties basically refer to financial transactions under specific 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	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Girocantex S.A. (a)	-	-	(273)	(321)
Hidroviás del Sur S.A. (b)	3,556	3,556	-	-
Hidroviás do Brasil – Interm. e Agenc. Serv. Ltda. (c)	29	171	-	-
Hidroviás do Brasil – Participação Portuária de Santos S.A. (d)	6,031	6,539	(94)	(94)
Hidroviás do Brasil - Vila do Conde S.A (c)	4,067	7,363	(1,143)	(1,140)
Hidroviás del Paraguay S.A (e)	523	523	-	-
Hidroviás do Brasil - Marabá S.A. (c)	1,411	1,382	-	-
Hidroviás do Brasil – Cabotagem Ltda. (c)	521	1,777	(175)	(175)
Pricolpar S.A. (e)	-	-	(2)	(3)
Cikelsol S.A. (e)	-	-	(95)	(112)
Dividends	934	934	-	-
Loan (f)	4,945	5,787	(18,688)	(21,469)
Subtotal	<u>22,017</u>	<u>28,032</u>	<u>(20,470)</u>	<u>(23,314)</u>
Current	17,279	22,452	(1,983)	(1,724)
Non-current	4,738	5,580	(18,487)	(21,590)
	Consolidated			
	Assets		Liabilities	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Credits with Joint Venture				
Obrinel	4,875	5,778	-	-
Non-current	4,875	5,778	-	-
	Consolidated			
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Guarantees and pledge deposit (g)	1,735	1,873	-	-
Total	<u>1,735</u>	<u>1,873</u>	<u>-</u>	<u>-</u>
	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenues (expenses):				
Exchange rate change on security deposit (g)	138	(795)	138	(795)
Exchange-rate change on loan	(2,326)	(501)	(2,326)	(501)
Total	<u>(2,188)</u>	<u>(1,296)</u>	<u>(2,188)</u>	<u>(1,296)</u>

- (a) Refer to reimbursable expenditures on structuring of the financing for Project Vale with the indirect subsidiary Girocantex in Brazil.

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- (b) It refers to reimbursable expenses with its subsidiary Hidroviás 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 and (iii) rental costs (iv) invoice processing, accounting and audit, which are transferred between Group companies.
- (d) It refers to expenses with the management project of its subsidiary Hidroviás do Brasil – Participação Portuária de Santos S.A.
- (e) Refers to operating expenses with the parent company. No settlement or monetary correction is expected.
- (f) In assets, it refers to a loan with the subsidiary Resflir S.A., and, in liabilities, it refers mainly to a loan with Luxembourg maturing in February 2031. Interest is presented as a result of operations with related parties.
- (g) As mentioned in Note 8, refer to financial resources granted to Obrinel without interest, which will be settled after proof of performance of the assets and completion of the port facilities. The financial income (loss) from exchange-rate change are recognized in the income (loss) for the period.

19 Capital

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

Shareholding structure on March 31, 2022 and December 31, 2021 is detailed as follows:

Shareholders	03/31/2022		12/31/2021	
	Common shares	%	Common shares	%
Pátria Infraestrutura - Fundo de Investimento em Participações Multiestratégia	153,484,062	20.2	153,484,062	20.2
Patria Infraestrutura Brasil Fundo de Investimento em Participações Multiestratégia	8,745,834	1.2	8,745,834	1.2
Pátria Infraestrutura IV FIP Multiestratégia	78,500,846	10.3	78,500,846	10.3
Sommerville Investments B.V.	63,517,842	8.4	63,517,842	8.4
HBSA Co-Investimento – Fundo de Investimento em Participações Multiestratégia	32,621,750	4.3	32,621,750	4.3
Verde Asset Management S.A.	-	-	39,468,590	5.2
Other (*)	423,512,309	55.6	384,043,719	50.4
Total	760,382,643	100	760,382,643	100

- (*) No other group of shareholders owns over 5% of the Company's capital

Legal reserve

Pursuant to article 193 of Law 6404/76, five percent (5%) of net income for the year shall be used to establish a legal reserve, which may not exceed 20% of the capital.

Tax incentive reserve

Pursuant to the Company's bylaws, we recorded the tax incentive as described in Note 30.

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Dividends

Pursuant to Bylaws, determine minimum mandatory shareholders are entitled to the minimum mandatory dividend of 1% of net income, adjusted pursuant to the terms of item I, Article 202 of Law 6404/76.

20 Earnings per share

The diluted earnings per share was calculated with a basis on the result of the period attributable to the controlling shareholders of the Company as of March 31, 2022 and 2021 and the respective average quantity of outstanding common shares in the period as follows:

	03/31/2022	03/31/2021
Income (loss) for the period	33,237	(183,005)
Weighted average of basic shares	<u>760,383</u>	<u>760,383</u>
Loss for the period per thousand basic shares	<u>0.0437</u>	<u>(0.2407)</u>
	03/31/2022	03/31/2021
Income (loss) for the period	33,237	(183,005)
Weighted average of diluted shares	<u>760,383</u>	<u>760,383</u>
Income (loss) for the period per thousand diluted shares	<u>0.0437</u>	<u>(0.2407)</u>

Diluted earnings (losses) per share adjusts the amounts used in determining basic earnings per share to consider the weighted average number of additional common shares that would be outstanding, assuming the conversion of all potential diluting common shares.

Although the Company has a stock option program, the shares corresponding to the future year were estimated to be lower than the exercise value. Thus, it was considered antidilutive, so diluted earnings per share is equal to basic earnings per share.

21 Long-term incentive programs

21.1 Stock option program

On July 27, 2016, the terms of the Stock Option Plan ("Plan") were approved through the Extraordinary General Meeting, the purpose of which is the granting of options to purchase shares issued by the Company to Company managers and strategic professionals, with the main objective of attracting and retaining these professionals. The Plan replaced the Stock Option Plan originally approved in Extraordinary General Meeting held on December 7, 2010. The participants indicated, subject to the rules and conditions defined for each program, received the stock option offer defined by the Board of Directors, and each purchase option assigns to its holder the right to acquire one common share issued of the Company, under the terms and conditions of the Plan and the previously approved programs.

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On October 18, 2018, the Company's Extraordinary General Meeting approved an amendment to the Stock Option Plan originally approved at the Extraordinary General Meeting held on July 27, 2016, aiming to promote changes in the exercise price rules, in the calculation of the updating of the Strike Price and other changes. Those programs were granted in February 2019.

The Company recognized the stock options granted in its Shareholders' Equity, with a corresponding contra entry in income (loss) for the year. The recognition occurred proportionally to the terms of the respective vesting periods (grace period) of the lots granted, recording the accumulated amount of R\$ 29,775. There was no expense recognized in profit or loss for the period.

As required by Technical Pronouncement CPC 10 (R1) - Share-based Payment, the fair value of options was determined on the granting date (concession date) based on "Black-Scholes" pricing model for options.

The following definitions were used as calculation assumptions in 2017, 2018 and 2019 programs:

- Weighted average share price on the granting date: R\$ 4.70
- Strike price of the options defined according to the program (see table below).
- Expected volatility: 35.35%. The expected volatility was calculated at the standard deviation of the average daily returns for 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 date of the options:
- Lifetime of the option: 5 years, according to the contractually defined term.
- 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: to calculate the exercise price correction, an inflation estimate of 4.2% p.a. was used based on the NTN-B maturing close to the option's maturity.
- Risk-free interest rate: a rate of 8.31% was estimated based on the projection of the DI curve for the options maturity date.

As of 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, accounting for a total of 41% of the shares vested so far, which are an integral part of the granted plans detailed below:

Plan/Program	Vesting	Limit date for the year	Strike price (in R\$) (*)	Granted	Canceled / Expired	Exercised on 09/01/2020	Outstanding	Fair value (in R\$) (**)
2010/1 st	12/07/2011	03/31/2024	1.00	500,000	-	259,500	240,500	1.13
2010/1 st	12/07/2012	03/31/2024	1.00	500,000	-	259,500	240,500	1.27
2010/1 st	12/07/2013	03/31/2024	1.00	500,000	-	259,500	240,500	1.43
2010/1 st	12/07/2014	03/31/2024	1.00	500,000	-	259,500	240,500	1.61
		Total Plan of 2010		2,000,000	-	1,038,000	962,000	

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Plan/Program	Vesting	Limit date for the year	Strike price (in R\$) (*)	Granted	Canceled / Expired	Exercised on 09/01/2020	Outstanding	Fair value (in R\$) (**)
2011/1 st	05/10/2012	03/31/2024	1.00	25,000	-	12,975	12,025	1.17
2011/1 st	05/10/2013	03/31/2024	1.00	25,000	-	12,975	12,025	1.31
2011/1 st	05/10/2014	03/31/2024	1.00	25,000	-	12,975	12,025	1.47
2011/1 st	05/10/2015	03/31/2024	1.00	25,000	-	12,975	12,025	1.65
Total Plan of 2011				100,000	-	51,900	48,100	

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

Plan/Program	Vesting	Limit date for the year	Strike price (in R\$) (*)	Granted	Canceled / Expired	Exercised on 09/01/2020	Outstanding	Fair value (in R\$) (**)
2013/1 st	03/31/2014	03/31/2024	1.41	275,234	30,090	93,460	151,684	1.77
2013/1 st	03/31/2015	03/31/2024	1.41	275,234	30,090	93,460	151,684	2.01
2013/1 st	03/31/2016	03/31/2024	1.41	275,233	35,400	93,460	146,373	2.25
2013/1 st	03/31/2017	03/31/2024	1.41	275,233	76,110	93,360	105,763	2.54
Total Plan of 2013				1,100,934	171,690	373,740	555,504	

Plan/Program	Vesting	Limit date for the year	Strike price (in R\$) (*)	Granted	Canceled / Expired	Exercised on 09/01/2020	Outstanding	Fair value (in R\$) (**)
2014/1 st	03/31/2015	03/31/2024	1.68	555,750	-	219,034	336,716	2.20
2014/1 st	03/31/2016	03/31/2024	1.68	555,750	4,500	219,034	332,216	2.47
2014/1 st	03/31/2017	03/31/2024	1.68	555,750	58,500	218,884	278,366	2.80
2014/1 st	03/31/2018	03/31/2024	1.68	555,750	58,500	218,884	278,366	3.15
Total Plan of 2014				2,223,000	121,500	875,836	1,225,664	

Plan/Program	Vesting	Limit date for the year	Strike price (in R\$) (*)	Granted	Canceled / Expired	Exercised on 09/01/2020	Outstanding	Fair value (in R\$) (**)
2016 A/1 st	07/27/2016	03/31/2024	3.64	889,295	-	386,076	503,219	0.00
2016 A/1 st	03/31/2017	03/31/2024	3.64	889,295	78,642	385,976	424,677	0.93
2016 A/1 st	03/31/2018	03/31/2024	3.64	889,295	78,642	385,976	424,677	1.06
2016 A/1 st	03/31/2019	03/31/2024	3.64	889,295	134,520	382,993	371,782	1.14
Total Plan of 2016 A				3,557,180	291,804	1,541,021	1,724,355	

Plan/Program	Vesting	Limit date for the year	Strike price (in R\$) (*)	Granted	Canceled / Expired	Exercised on 09/01/2020	Outstanding	Fair value (in R\$) (**)
2016 B/1 st	03/31/2017	03/31/2024	3.48	720,330	55,675	305,281	359,374	1.06
2016 B/1 st	03/31/2018	03/31/2024	3.48	720,330	55,675	305,281	359,374	1.17
2016 B/1 st	03/31/2019	03/31/2024	3.48	720,330	86,206	304,420	329,704	1.24
2016 B/1 st	03/31/2020	03/31/2024	3.48	720,330	122,125	292,370	305,835	1.30
Total Plan of 2016 B				2,881,320	319,681	1,207,352	1,354,287	

Plan/Program	Vesting	Limit date for the year	Strike price (in R\$) (***)	Granted	Canceled / Expired	Exercised on 09/01/2020	Outstanding	Fair value (in R\$) (**)
2017	03/31/2018	03/31/2024	3.62	793,750	-	380,751	412,999	1.66
2017	03/31/2019	03/31/2024	3.62	793,750	-	380,751	412,999	1.66
2017	03/31/2020	03/31/2024	3.62	793,750	56,250	359,815	377,685	1.66
2017	03/31/2021	03/31/2024	3.62	793,750	56,250	359,815	377,685	1.66
Total Plan of 2017				3,175,000	112,500	1,121,317	1,941,183	

Plan/Program	Vesting	Limit date for the year	Strike price (in R\$) (***)	Granted	Canceled / Expired	Exercised on 09/01/2020	Outstanding	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

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Simulation model was used to reflect the effect of the change in the performance conditions of the Company's shares on the amount paid and the number of shares delivered to participants.

More specifically, the Company considered the "Monte Carlo Simulation" model with 100,000 simulations, based on the share price on 11/08/2021, R\$ 2.82 (two reais and eighty-two cents) and considering the average of the 20 (twenty) previous trading sessions, to calculate the average earnings per share obtained per annum. The following definitions were used as premises for calculating the ILP:

Block	Batch	Share price	Gain delta calculation parameter	Volatility	Risk-free interest rate (p.a.)	Maturity date	Maturity 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

The Company recognized the effects of the ILP on its Shareholders' Equity, with a balancing entry in the income for the year. The recognition occurred proportionally to the terms of the respective vesting periods (grace period), recording the accumulated amount of R\$ 1,181.

22 Commitments and guarantees

As part of our business strategy, we have entered into long-term contracts with some of our clients, with minimum volume requirements and a pre-agreed tariff that is 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, whereas 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. VALE, in the South Corridor, with a duration of 25 years starting from May 2014.
2. SODRU, in the South Corridor, with a duration of 8 years starting from March 2014.
3. COFCO, in the South Corridor, with an initial duration of 5 years starting from February 2014, extended to December 2024.
4. SODRU, in the North Corridor, with a duration of 10 years starting from February 2017 (extended to 2029).
5. COFCO, in the North Corridor, with a duration of 10 years starting from 2016 (extended to 2031).

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6. ALLUNORTE, in the North Corridor, with a duration of 25 years starting from 2010 (acquired in 2016)..

As of September 17, 2018, the former Hidrovias do Brasil - Vila do Conde S.A., currently merged into the indirect subsidiary HB Vila do Conde, entered into operating lease agreements with the pushers Don Antonio and HB Draco, owned, respectively, by the indirect subsidiaries Pricolpar S.A. and Cikelsol S.A., for a term of 64 months, as of February 11, 2019.

On December 1, 2020, the indirect subsidiary Hidrovias do Brasil - Vila do Conde S.A. entered into operating lease agreements for the HB Taurus and HB Perseus pushers owned by the indirect subsidiary Resflir S.A., for a period of 36 months, starting on 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 bodies, maintenance and docking of some assets and for other operating activities recorded in financial institutions with whom the company and its subsidiaries have a relationship.

23 Operating revenue

	Consolidated	
	03/31/2022	03/31/2021
South Corridor:		
Transportation services	125,415	83,986
North Corridor:		
Lifting Services	51,239	40,614
Transshipment services	19,989	14,567
Transportation services	75,725	72,600
Intermediation services	4,275	5,164
Other revenues	36,684	-
Cabotage:		
Cabotage services	64,973	57,203
Santos:		
Lifting, quay and storage services	-	20,517
Total gross revenue	<u>378,300</u>	<u>294,651</u>
ISS	(3,847)	(3,754)
PIS	(3,968)	(2,657)
COFINS	(8,360)	(13,839)
ICMS	<u>(1,817)</u>	<u>(915)</u>
Subtotal taxes	<u>(17,992)</u>	<u>(21,165)</u>
Realization of hedge accounting	<u>96,381</u>	<u>(73,908)</u>
Total net revenue	<u>456,689</u>	<u>199,578</u>

For the period ended March 31, 2022, the Company's largest clients by revenue are represented by: i) A 38.58% (23.8% as of March 31, 2021); ii) B 28.3% (33.8% as of March 31, 2021); iii) C 20.76% (33.8% as of March 31, 2021); and represent approximately 87.6% of the total net revenue (85.55% as of March 31, 2021). No other client accounts for over 10% of consolidated net revenue.

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24 Costs and expenses by nature

24.1 Costs of services rendered and general and administrative expenses

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Salaries, social charges and benefits	(13,917)	(12,606)	(67,926)	(54,309)
Depreciation and amortization*	(3,476)	(1,482)	(86,039)	(75,540)
Maintenance	(7)	(8)	(14,721)	(9,381)
Fuel	-	-	(64,462)	(28,595)
Third party services	(2,697)	(3,853)	(12,730)	(18,965)
Rentals	(53)	(38)	(3,889)	(7,848)
Freight	-	-	(23)	(1,168)
Travel and tickets	(332)	(222)	(1,454)	(1,632)
Mooring	-	-	(6,137)	(3,645)
Kitchen and pantry	(5)	(5)	(2,580)	(1,539)
Agents	-	-	(4,347)	(3,455)
Operational and safety	-	-	(3,431)	(3,124)
Sundry fees	(151)	(81)	(4,210)	(1,009)
Operational materials	(2)	(2)	(15)	(30)
Lawsuits	1,155	-	(905)	(1,287)
Pilotage	-	-	(7,616)	(3,812)
Insurance	-	-	(9,288)	(7,410)
Other expenses	(1,141)	(727)	(11,505)	(10,480)
Total	<u>(20,626)</u>	<u>(19,024)</u>	<u>(301,278)</u>	<u>(233,229)</u>
Classified as:				
Cost of services rendered	-	-	(243,557)	(179,720)
General and administrative expenses	<u>(20,626)</u>	<u>(19,024)</u>	<u>(57,721)</u>	<u>(53,509)</u>
Total	<u>(20,626)</u>	<u>(19,024)</u>	<u>(301,278)</u>	<u>(233,229)</u>

* The adjustments related to tax credits (Social Integration Program - PIS / Contribution to Social Security Financing - COFINS in Brazil and VAT in Paraguay and Uruguay), arising from the payments of lease installments, are recorded as a credit to expenses with the depreciation of the right to use and financial expenses. In this sense, as of March 31, 2022, the amounts recorded under depreciation and amortization are net of the aforementioned tax credits in the amount of R\$ 25 in the Parent Company and R\$ 774 in the Consolidated.

24.2 Other operating income and expenses

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Extempore credits	-	-	-	2,243
AFRMM (a)	-	-	3,710	1,388
Sweeping (b)	-	-	-	16,170
Other	(151)	-	166	800
Total	<u>(151)</u>	<u>-</u>	<u>3,876</u>	<u>20,601</u>

- (a) The AFRMM is a benefit available to all Brazilian coastal shipping companies operating with own or chartered vessels, and is regulated by Law 10893/2004 and other specific legislation applicable to the industry. See further details in Note 30.
- (b) Sweeping revenue resulting from surplus of goods at port terminals. In 2022, this revenue is presented net of cost.

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25 Financial income (loss)

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenues:				
Income from interest earning bank deposits	65	8	1,511	315
(-) PIS and COFINS on financial revenue	(61)	(4)	(170)	(16)
Inflation adjustments and exchange-rate changes	942	1,212	45,215	-
Gains from investments (*)	-	6,679	-	29,867
Other	93	82	110	28
Total	<u>1,039</u>	<u>7,977</u>	<u>46,666</u>	<u>30,194</u>
Expenses:				
Interest on loans, grants, and others.	(16,001)	-	(67,619)	(51,354)
Late payment	-	-	(3)	(14)
Interest on loan	(323)	-	-	-
Amortization of fund-raising cost	(308)	-	(3,611)	(23,597)
Bond repurchase cost	-	-	-	(71,839)
Inflation adjustments and exchange-rate changes	-	-	-	(36,855)
Tax on Financial Operations - IOF	(33)	(110)	(719)	(933)
Losses on investments (*)	(7,270)	-	(52,287)	-
Provision for contingencies(**)	(738)	-	(738)	-
Other	(115)	64	(7,557)	(3,504)
	<u>(24,788)</u>	<u>(46)</u>	<u>(132,534)</u>	<u>(188,096)</u>
Net financial income (loss)	<u>(23,749)</u>	<u>7,931</u>	<u>(85,868)</u>	<u>(157,902)</u>

(*) Gains or losses related to investment funds exposed to the variation of the US Dollar.

(**) Update of the provision for the contingency of legal proceedings that aims to remove the provisions of Decree 8426/2015 and Art. 27 of Law 10865/2004, ensuring the application of the previous legal system, based on Decree 5442/2005, which sets a zero rate of Social Integration Program - PIS and Contribution to Social Security Financing - COFINS for financial revenues.

26 Income tax and social contribution

Taxes on income comprise income tax and social contribution. Income tax is computed on taxable income at the nominal rate of 15%, plus a 10% surtax for income exceeding R\$ 240 thousand in the 12-month period, whereas social contribution is computed at the nominal rate of 9% on taxable income, recognized on the accrual basis.

In 2018, the Company joined with the SUDAM (Superintendency for the Development of Amazon) Tax Incentive Program, which provides a 75% reduction of corporate income tax through Exploration Profit for the company Hidrovias do Brasil – Vila do Conde S.A., which is presented as tax income, is likely to benefit from the Government Grant.

Income tax and social contribution are recognized in the statement of income, except for the proportion related to items directly recognized in other comprehensive income. In that case, the tax is also recorded in shareholders' equity or comprehensive income.

The current income and social contribution tax charges are calculated based on enacted, or substantially enacted, tax acts, up to the balance sheet date. Management periodically evaluates

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the positions taken by the Company in the income tax returns in relation to situations in which the tax regulation is subject to interpretations, and the Company establishes provisions, when appropriate, based on the estimated amounts of payment to the tax authorities.

Prepayments or amounts that can be offset are presented in current assets, in accordance with their expected realization.

For the year 2022, the Company opted for the determination of Taxable Income by means of Annual methodology, as presented in the Statements of Federal Tax Debts and Credits sent to the Brazilian Federal Revenue Service. Thus, the following table presents the calculation of IRPJ and CSLL regarding the consolidation on the first six months of the referred calendar year.

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>03/31/2021</u>	<u>03/31/2022</u>	<u>03/31/2021</u>
Loss before IRPJ and CSLL	23,063	(185,937)	74,723	(173,784)
Nominal rate	34%	34%	34%	34%
Corporate income tax (IRPJ) and Social contribution on net income (CSLL) at nominal rate	(7,841)	63,219	(25,406)	59,087
Permanent adjustments:				
Equity in net income of subsidiaries	22,980	(59,447)	443	(963)
Non-deductible expenses	(4,965)	(840)	(20,388)	64
Other adjustments:				
Government grant	-	-	4,297	4,423
Result of subsidiaries abroad	-	-	(15,234)	(42,912)
Deferred tax on temporary differences and unrecognized tax losses	-	-	(5,002)	(21,882)
Rate difference on the measurement of deferred taxes	-	-	27,038	(7,194)
Workers' Meal Program (PAT)	-	-	320	155
Maternity Leave program	-	-	1	1
Taxes paid abroad	-	-	(2,807)	-
Other adjustments	-	-	(4,748)	-
Income tax and social contribution	<u>10,174</u>	<u>2,932</u>	<u>(41,486)</u>	<u>(9,221)</u>
Current taxes	-	-	(30,777)	(18,104)
Deferred taxes	<u>10,174</u>	<u>2,932</u>	<u>(10,709)</u>	<u>8,883</u>
	<u>10,174</u>	<u>2,932</u>	<u>(41,486)</u>	<u>(9,221)</u>
Effective rate	<u>(44%)</u>	<u>1.58%</u>	<u>55.52%</u>	<u>(5.31%)</u>

Deferred income tax and social contribution were recognized in 2022 on the accumulated balances of temporary differences and tax loss up to March 31, 2022 to the companies Hidroviás do Brasil – Vila do Conde S.A and Hidroviás do Brasil - Cabotagem Ltda, and subsidiaries of this Company.

Deferred income tax and social contribution are measured based on temporary differences, tax loss and negative basis of social contribution on net income at the rate of 6.25% for IRPJ (reduction of 75%) and 9% for CSLL totaling a nominal rate of 15.25%, based on income from exploration which is a tax incentive from SUDAM – Superintendency for Development of the Amazon claimed by the companies Hidroviás do Brasil – Holding S.A., Hidroviás do Brasil – Intermediação e Agenciamento de Serviços Ltda. e Hidroviás do Brasil - Cabotagem Ltda are

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recognized at the rate of 25% of IRPJ and 9% of CSLL totaling 34%, in compliance with the legislation in force.

The exchange-rate change caption is presented as a consequence of the adoption of taxation of exchange-rate changes using the cash methodology, to which the effect of such adjustments in the Taxable Income Control Register (LALUR) and the Social Contribution Calculation Book (LACS) is the recognition of deferred assets in the subsidiaries Hidrovias do Brasil – Vila do Conde S.A. and Hidrovias do Brasil - Cabotagem Ltda. The subsidiary Hidrovias do Brasil – Vila do Conde S.A also has deferred liabilities recorded for a property damage received in 2018.

Part of Deferred Taxes, in the amount of R\$ 49,573, was not recognized in income (loss) since the Company and its subsidiaries have non-derivative financial instrument, for which the portion corresponding to deferred IRPJ and CSLL is accounted for in the Other Comprehensive Income, in Shareholders' Equity.

For other group companies, the Company understands that currently the group companies that hold tax losses and negative calculation bases of social contribution on net income and temporary adjustments, still do not have history of tax offsets, therefore it is not possible to recognize deferred IRPJ and CSLL in the amount of R\$ 11,351.

Deferred income tax and social contribution assets and liabilities are reviewed on a monthly basis, and they are changed as their respective offsets or if their realization is no longer probable.

	Consolidated			Consolidated
	03/31/2022			12/31/2021
	Net value	Deferred tax assets	Deferred tax liabilities	Net value
Provision for bonus	1,358	1,358	-	3,467
Provision for suppliers	515	515	-	643
Provision for fuel	148	148	-	153
Other provisions	1,449	1,449	-	2,038
Other operating provisions	7,364	7,364	-	6,841
Labor contingencies	2,857	2,857	-	2,515
Judicial contingencies	2,124	2,124	-	1,864
Provision of charges – ILP	8	8	-	129
PIS - Enforceability suspended	242	242	-	242
COFINS - Enforceability suspended	1,300	1,300	-	1,300
Loss on variable income	537	537	-	537
Allowance for loan losses	-	-	-	-
Tax loss	20,504	20,504	-	11,950
Negative basis	8,012	8,012	-	4,600
Exchange-rate change	125,371	125,371	-	196,250
Financial lease	446	446	-	474
Interest to be paid-up	(4,307)	-	(4,307)	(4,312)
Negative goodwill - Gain from bargain purchase	(10,981)	-	(10,981)	(10,981)
Property damage	(39,335)	-	(39,335)	(39,825)
Tax Assets (Liabilities) before offset	117,612	172,235	(54,623)	177,885
Offset of tax		(54,623)	54,623	
Net balances presented in Assets/Liabilities		117,612		

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The changes in the net balance of deferred IRPJ and CSLL are as follows:

	Consolidated	
	03/31/2022	12/31/2021
Opening balance	177,885	148,862
Deferred IRPJ (Corporate income tax) and CSLL (social contribution on net income) recognized in the income (loss) for the period/year	(10,709)	23,785
Deferred Corporate income tax (IRPJ) and social contribution on net income (CSLL) recognized in other comprehensive income	(49,658)	5,238
Closing balance	117,608	177,885

27 Financial instruments

27.1 Financial instruments by category

All the operations with financial and derivative instruments are recognized in financial statements of the Company and its subsidiaries, estimated fair values of instruments are the same as the calculated amounts for loans, financing and debentures, as follows:

		Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets					
Fair value through profit or loss:					
Securities	Level 2	16,641	103,381	272,339	582,562
Amortized cost					
Cash and cash equivalents		60,909	937	264,724	76,454
Linked securities	Level 2	-	-	13,622	13,295
Guarantee and escrow deposit	Level 2	2,041	2,179	2,072	2,210
Accounts receivable	Level 2	-	-	251,457	251,020
Related party credits	Level 2	21,083	27,098	4,875	5,778
Dividends	Level 2	934	934	-	-
Liabilities					
Liabilities at amortized cost:					
Suppliers	Level 2	3,661	5,451	165,389	146,142
Accounts payable with related parties	Level 2	20,470	23,314	-	-
Loans, financing and debentures	Level 2	392,707	376,433	3,959,686	4,639,406
Lease liabilities	Level 2	929	1,227	222,194	231,578

Note: The Management periodically reviews unobservable data considered significant and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, the Management analyzes evidence obtained to support the conclusion that such valuations meet the accounting requirements, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring fair value of an asset or liability, the Company uses observable data as much as possible. Fair values are classified at different levels according to hierarchy based on information (inputs) used in valuation techniques, as follows:

- **Level 1:** Prices quoted (not adjusted) in active markets for identical assets and liabilities.

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- **Level 2:** Except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).
- **Level 3:** For assets or liabilities, which are not based on observable market data (non-observable inputs).

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

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

Fair values of these financial instruments are close to the book values as of March 31, 2022, except for loans, financing and debentures with hedge accounting and presented as follows:

	Fair value		Book value	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets				
Cash and cash equivalents	264,724	76,454	264,724	76,454
Securities	Level 2	272,339	582,562	272,339
Linked securities	Level 2	13,622	13,295	13,295
Guarantee and escrow deposit	Level 2	2,072	2,210	2,210
Accounts receivable	Level 2	251,457	251,020	251,020
Related party credits	Level 2	4,875	5,778	4,875
Liabilities				
Suppliers	Level 2	165,389	146,142	165,389
Loans, financing and debentures	Level 2	4,193,454	4,436,928	3,959,686
Lease liabilities	Level 2	222,194	231,578	222,194

27.3 Derivative and non-derivative financial instruments

These instruments are managed through operational strategies, aimed at the predictability of operations and minimizing possible mismatches that may bring additional volatilities to those already covered by the Business Plan of the Company and its subsidiaries. The control policy consists of permanently monitoring the contracted rates versus those in force in the market, and the Company and its subsidiaries do not carry out speculative operations in derivatives or any other risky financial instruments.

27.4 Risk management

Financial risk management

Overview

The economic and financial risks mainly reflect the behavior of macroeconomic variables such as exchange and interest rates as well as the characteristics of the financial instruments that the Company and its subsidiaries use. These risks are managed by means of monitoring by Management that actively participates in the operating management.

The Company and its subsidiaries have the practice of managing its existing risks in a conservative manner, aiming mainly to preserve the value and liquidity of financial assets and to guarantee financial resources for the smooth running of business. The main financial risks considered by senior management are:

- Credit risk

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

We present the information on the Company and its subsidiaries' exposure to each of these risks, objectives, policies, practices and processes for risk measurement and management, and capital management.

Risk management structure

Credit risk

As Note 22, it is the risk that the Company and its subsidiaries will suffer financial losses if a counterparty does not fulfill an obligation provided for in the contract. The company is mainly exposed to operating activities (with trade accounts receivable) and investment activities (through interest earning bank deposits).

As mentioned in note 6, the Company, after analyzing and applying the accounts receivable policies, has no material loss for its financial statements.

Overall, business conduction is addressed in Committee's meetings for decision making and financial investments are carried out by the company's Treasury department in accordance with the established Policy, aiming to reduce the financial risk. Results are followed up and established strategies are adjusted to maintain expected results. Regarding the financial instruments, the company is exposed mainly to cash and cash equivalents and securities and, thus, restricts its exposure to prime line financial institutions, rated as investment grade by risk rating agencies widely accepted in the market, in addition to reducing risk through diversification of counterparties.

Book values of financial instruments that represent the maximum exposure to credit risk on interim financial information dates were as follows:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and cash equivalents	60,909	937	264,724	76,454
Accounts receivable	-	-	251,457	251,020
Securities	16,641	103,381	272,339	582,562
Linked securities	-	-	13,622	13,295
Related party credits	21,083	27,098	4,875	5,778
Guarantee and escrow deposit	2,041	2,179	2,072	2,210
Dividends receivable	934	934	-	-
Total	101,608	134,529	809,089	931,319

Liquidity risk

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

The approach in the management of liquidity risk is to guarantee the payment of obligations, for which reason it aims to maintain cash available (cash and cash equivalents and securities) for the performance of short-term obligations, making every effort to ensure that there is always

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sufficient liquidity to honor its obligations, under normal and stress conditions, without causing unacceptable losses or with the risk of blemishing the reputation of the Company and its subsidiaries.

The Company and its subsidiaries align funds availability and generation so as to comply with its obligations under agreed-upon terms.

Maturity is based on the most recent date when the Company and its subsidiaries have the related obligations:

	Consolidated			
	03/31/2022			
	Next 12 months	13–24 months	25–36 months	>37 months
Liquidity risk				
Suppliers (Note 14)	165,389	-	-	-
Loans, financing and debentures (Note 15)(*)	252,652	257,201	960,447	4,603,159
Leases payable (Note 12) (*)	53,657	22,878	17,220	247,168

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

(*) The amount has contractual interest according to the opening of Notes 12 and 15

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Exchange rate risk

Derives from the oscillations of the exchange rates of foreign currencies used by the Company and its subsidiaries. The transactions subject to change are the portion of the Bond destined to the operation of the north corridor and operations and financing of HB Cabotagem.

Management analyses and follows up its exposures in order to make decisions on the contracting of hedge instruments for respective foreign currency exposures. Hedge instruments used to manage exposures are established by Management, shared and approved by the Board of Directors to avoid speculative instruments or instruments that may possibly generate any additional risk inherent to those originally proposed.

Pursuant to IFRS 9 (equivalent to CPC 48), the purpose of the 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 income (loss). The purpose of this approach is to transmit the context of hedge instruments for which the hedge accounting should be applied to permit the understanding of its purposes and effects.

Hedge Accounting Bond

- **Structuring of the hedge accounting operation**

In order to structure the operation, the Company defined as risk to be hedged, the exchange-rate change of part of its future revenues from a sea freight Take or Pay agreement, denominated in U.S. dollar, originated from its indirect subsidiary Girocantex.

The Company is also exposed to an exchange-rate change derived from the issuance of Bonds in the amount of US\$ 600,000 thousand with semi-annual yield of 5.95% p.a. and maturity term of 7 years as of May 2, 2018, through its direct subsidiary Hidrovias Internacional. In 2020, the Company repurchased a total of US\$ 24,850 thousand and, in February 2021, through a public offering, repurchased further US\$ 426,521 thousand, totaling US\$ 451,371 thousand repurchased that reduce its gross debt by the same amount.

The company is also exposed to exchange-rate change from the issue of the Bond issued in 2021, in the amount of US\$ 500,000 thousand, with semiannual remuneration of 4.95% p.a. and maturing in 10 years, from its subsidiary Hidrovias International Finance S.à.r.l..

Both revenues in foreign currency as well as debts derived from the issuance of aforementioned Bonds are exposed to risk of same nature, and accordingly, the exchange risk of future revenues would be naturally covered by the exchange risk of the debts. However, despite the economic coverage of the risk of exchange-rate change, the Company's income (loss) is affected by the timely mismatch between the accounting recognition of the revenue and debt. Accordingly, the Company will use part of the principal value of the Bond issued in USD as hedge instrument to cover part of its future revenue in USD, which is considered highly probable.

- **Purpose and strategy of the risk management**

Estimated and considered highly-probable future revenues, derived from Girocantex's Take or Pay operation exposes the Company to market risks involving changes in the Real (BRL) x U.S. dollar (USD) exchange rate, since the functional currency of the Company is the Real (BRL).

The Financial Risk Management Policy permits the structuring of hedge accounting, using derivative and non-derivative financial instruments with the purpose of minimizing the effects

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of the USD changes on the income (loss) of the Company.

In order to meet the risk strategy, management decided to designate as hedge accounting instrument, part of the principal value of the debt in foreign currency (Bond 2025 and 2031) so as to protect the counterparty from USD rate changes derived from its Take or Pay template agreement with Girocantex.

- **Hedge relationship**

The Company will adopt the cash flow hedge, as defined in IFRS 9, whose nature of the covered risk is the exchange-rate change.

- **Nature of hedged risk**

Foreign currency risk: variability of the exchange rates of estimated revenues in U.S. dollar, in connection with the Take or Pay agreement with Girocantex.

- **Identification of the hedged (item)**

Risk of exchange-rate change of part of estimated revenues in foreign currency (minimum of 25% of quarterly revenue), in connection with the Take or Pay template agreement with Girocantex, for a period of 7 years beginning on May 2, 2018.

- **Identification of hedge instrument**

The hedge accounting instrument is part of the principal value of the Bond issued, with the following characteristics:

Type	Bond
Start date of Contract	01/24/2018
Maturity date	01/24/2025
Amount denominated in USD	244,520,320
Initial Parity USD x REAIS	3.5424
Start date of hedge	05/02/2018

- **Effectiveness of the hedge relationship**

Hedge effectiveness is measured based on the changes in the fair value or in the cash flows of the hedge instrument that offset the changes in the fair value or cash flows of the hedged item. The non-effectiveness of hedge occurs as the changes in the fair value or cash flows of the hedge instrument are higher or lower than those of the hedged item.

To qualify to hedge accounting, the following requirements of effectiveness should be satisfied:

So that there is economic relation means that the hedge instrument and the hedged item must have amounts that generally move in opposite directions due to the same risk, which is the hedged risk.

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The hedge instrument and the hedged item have values that move in opposite directions. The increase of exchange rate generates a devaluation in the recognition of revenue in the income (loss), which is recognized upon delivery of the product transported to its destination. Likewise, the increase in the exchange rate causes the increase in the debt represented by the Bond, generating an expense in the result. In the same way as an increase in the exchange rate generates an opposite movement between hedge instrument and hedged item. These changes occur in different moments, since the debt is an item recognized in the balance sheet and the revenue until the date of recognition is an off-balance sheet item. With the benefit of hedge accounting, the exchange-rate change of the debt will be recognized in other comprehensive income, under Cash Flow Hedge reserve, and reclassified to reclassification adjustment in the same period or periods during which the expected future cash flows covered by hedge affect the income (loss), that is, upon the actual recognition of revenue.

Hedge Accounting - Cabotage

- **Structuring of the hedge accounting operation**

In order to structure the operation, the Company defined as risk to be hedged, the exchange-rate change of part of its future revenues derived from a service agreement, denominated in U.S. dollar, with Alunorte.

The Company is also exposed to an exchange-rate change derived from loans in foreign currency in the amount of US\$ 121,541.

Both revenues in foreign currency as well as debts are exposed to risk of same nature, and accordingly, the exchange risk of future revenues would be naturally covered by the exchange risk of the debts. However, despite the economic coverage of the risk of exchange-rate change, the Company's income (loss) is affected by the timely mismatch between the accounting recognition of the revenue and debt. Accordingly, the Company will use part of the principal value of the loan in USD as hedge instrument to cover part of its future revenue in USD, which is considered highly probable.

- **Risk management strategy**

HB Cabotagem has the strategy to hedge part of its estimated revenue in foreign currency against risks of exchange-rate changes.

- **Risk management objectives**

HB Cabotagem intends to hedge the risk of exchange-rate change of at least 6% of the flow of receipt, derived from the service agreement with Alunorte. The hedged flows of receipt 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 with the BNDES as hedge instrument of the estimated revenues.

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

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

(*) Contracted with the BNDES

- **Effectiveness of the hedge relationship**

Hedge effectiveness is measured based on the changes in the fair value or in the cash flows of the hedge instrument that offset the changes in the fair value or cash flows of the hedged item. The non-effectiveness of hedge occurs as the changes in the fair value or cash flows of the hedge instrument are higher or lower than those of the hedged item.

To qualify to hedge accounting, the following requirements of effectiveness should be satisfied:

So that there is economic relation the hedge instrument and the hedged item have amounts that generally move in opposite directions due to the same risk, which is the hedged risk.

The hedge instrument and the hedged item must have values that move in opposite directions. The increase of exchange rate generates a devaluation in the recognition of revenue in the income (loss), which is recognized upon delivery of the product transported to its destination. Likewise, the increase in the exchange rate causes the increase in the debt represented by the loan, generating an expense in the income (loss). In the same way as an increase in the exchange rate generates an opposite movement between hedge instrument and hedged item. These changes occur in different moments, since the debt is an item recognized in the balance sheet and the revenue until the date of recognition is an off-balance sheet item. With the benefit of hedge accounting, the exchange-rate change of the debt will be recognized in other comprehensive income, under Cash Flow Hedge reserve, and reclassified to reclassification adjustment in the same period or periods during which the expected future cash flows covered by hedge affect the income (loss), that is, upon the actual recognition of revenue.

Bond Hedge Accounting

Object of hedge	Hedged risk	Production period	Principal value in US\$	Hedge instrument value
Exchange-rate change of part of its future revenues	Foreign exchange rate R\$ - USD	05/02/2018– 05/02/2025	244,520,320	244,520,320

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Realization estimate – USD					
2018	2019	2020	2021	2022–2025	Total
24,150,155	36,225,233	36,225,233	36,225,233	111,694,466	244,520,320
				03/31/2022	03/31/2021
Exchange-rate change - Income (loss)				(206,057)	122,407
Exchange-rate changes - Shareholders' equity				430,796	665,413

Hedge Accounting - Cabotage

Object of hedge	Hedged risk	Production period	Principal value in US\$	Hedge instrument value
Exchange-rate change of part of its future revenues	Foreign exchange rate R\$ - USD	04/02/2018–02/2033	142,807,564	142,807,564

Realization estimate - USD					
2018	2019	2020	2021	2022–2033	Total
3,129,018	10,261,948	5,202,740	10,692,544	113,521,314	142,807,564
				03/31/2022	03/31/2021
Exchange-rate change - Income (loss)				(94,003)	61,389
Exchange-rate changes – Shareholders' equity				124,113	234,025

Interest rate risk

Book value of financial instruments that represent the exposure to interest rate risk is as follows:

Interest rate risk	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets:				
Cash and cash equivalents	60,909	937	264,724	76,454
Securities	16,641	103,381	272,339	582,562
Linked securities	-	-	13,622	13,295
Loans, financing and debentures	392,707	376,433	3,959,686	4,639,406

Interest rates are disclosed in notes 5 and 15.

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Sensitivity analysis

The Company and its subsidiaries make sensitivity analysis of main risks to which its financial instruments are exposed, basically represented by exchange rate and interest rate changes.

Changes in interest rate and foreign exchange rates

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

The Company prepared three sensitivity analysis scenarios. Scenario I considers the future interest rates observed on the base date of interim financial information and scenarios II and III consider a decrease of 10% and 25%, respectively, in the risk variable considered.

The base date of portfolio used was March 31, 2022 and December 31, 2021 projecting indices for one year and verifying the sensitivity in each scenario. The tables below present the ratios considered for the feasibility analysis and its effect on the result:

Change in interest rates			Estimated rate			Balance at 03/31/2022	Probable scenario	Possible scenario	Remote scenario
Financial instruments	Risk	Rate	Probable scenario	Possible scenario 10%	Remote scenario 15%				
Securities	CDI	11.13%	12.88%	10.02%	9.46%	23,781	416	(264)	(397)
	U.S.					9,984	-	(2)	(3)
Securities	Treasury FX - Ptax	0.21%	0.21%	0.19%	0.17%	238,574	25,792	(23,857)	(35,786)
Securities	800	4.7378	5.2500	4.2640	4.0271	13,622	-	(166)	(251)
Interest earning bank deposit - pledged	Selic	12.25%	12.25%	11.03%	10.41%	(392,707)	20,971	(5,262)	(7,893)
Loans, financing and debentures	IPCA	13.42%	8.08%	14.76%	15.43%				
Total						(106,746)	47,179	(29,551)	(44,330)

Exchange rate change

To verify the sensitivity of the net foreign exchange exposure to which the Company and its subsidiaries were exposed on March 31, 2022 and March 31, 2021, 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 foreign exchange rates observed on the base date of interim financial information and scenarios II and III consider an increase of 10% and 15%, respectively, in the risk variable considered.

	Risk	Rate	Estimated rate			Balance at 03/31/2022	Probable scenario	Possible scenario	Remote scenario
			Probable scenario	Possible scenario 10%	Remote scenario 15%				
Loan - Project financing	USD	4.7378	5.2500	5.2116	5.4485	542,209	(58,618)	(54,223)	(81,335)
Loan - Bond	USD	4.7378	5.2500	5.2116	5.4485	142	(15)	(14)	(21)
Export credit note	USD	4.7378	5.2500	5.2116	5.4485	3,024,629	(326,990)	(302,476)	(453,714)
Total						3,566,980	(385,623)	(356,713)	(535,070)

27.5 Capital management

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

Company Management strives to maintain a balance between the highest possible returns with adequate levels of financial leveraging (loans) and the advantages and the assurance afforded by a balanced capital position.

The Company's net debt to the final shareholders' equity ratio of March 31, 2022 and December 31, 2021 is as follows:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Total liabilities current and non-current	(451,105)	(441,215)	(4,578,961)	(5,269,876)
Cash and cash equivalents	60,909	937	264,724	76,454
Securities	16,641	103,381	272,339	582,562
Interest earning bank deposit - pledged	-	-	13,622	13,295
(Insufficiency) net cash surplus	(373,555)	(336,897)	(4,028,276)	(4,597,565)
Shareholders' equity	1,328,708	1,247,654	1,328,708	1,247,654
Relationship between shareholders' equity and net insufficiency of cash	356%	370%	33%	27%

28 Insurance

The Company and its subsidiaries adopt the policy of contracting insurance coverage for assets subject to risks to cover possible claims, considering the nature of its activities involving its operational facilities, vessels and barges, and for engineering and construction risks of projects, civil liability and property damages. The amount insured on March 31, 2022 was:

03/31/2022

Operating risks

Fire, lightning, explosion, electrical damage, windstorms and flood in thousands of reais	96,137
Cyber risks in R\$'000	10,000
Hull and machine (bare hull vessels) – policies in R\$'000	946,076
Hull and Machine (bare hull vessels) – policies in USD thousand	234,122
Hull and machine (bare hull vessels) – policies in R\$'000	140,664
Engineering risks in R\$'000	229,183

29 Segment information

Segregation of the Company's operating segments is based on the internal structure of the financial statements and management, which is carried out through business segmentation. The North Waterway includes the operations of HB Vila do Conde and HB Intermediação, and the South Waterway includes HB Hidrovias del Sur and its subsidiaries, Hidrovias Navegación Fluvial S.A and Imperial South America BV, and others include the parent company Hidrovias do Brasil and HB Luxemburgo.

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Interim financial information for the three-month period ended March 31, 2022

(In thousands of reais - R\$, unless otherwise indicated)

	North Corridor	South Corridor	Cabotage	Santos	Other	Eliminations	Consolidated
	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022
Net revenue from services	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)	-
Hedge accounting	-	101,106	(4,725)	-	-	-	96,381
Cost of services rendered	(64,902)	(88,101)	(29,592)	(56)	-	2,521	(180,130)
Operating costs	(62,358)	(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 revenues	(1)	310	3,715	-	(148)	-	3,876
Financial income (loss)	(12,904)	(33,174)	(8,734)	(6,516)	(24,540)	-	(85,868)
Equity pick-up on subsidiaries	20	1,780	-	-	67,589	(68,085)	1,304
Income tax	(43,258)	(2,803)	(5,535)	(61)	10,171	-	(41,486)
Income (loss) for the period	19,268	54,366	4,953	(9,629)	32,364	(68,085)	33,237

Hidroviás do Brasil S.A.

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(In thousands of reais - R\$, unless otherwise indicated)

	North Corridor	South Corridor	Cabotage	Santos	Other	Eliminations	Consolidated
	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021
Net revenue from services	124,552	19,019	41,374	18,038	-	(3,405)	199,578
Operating revenues	122,697	83,986	47,408	18,038	-	-	272,129
Intercompany	498	2,907	-	-	-	(3,405)	-
Hedge accounting	-	(67,874)	(6,034)	-	-	-	(73,908)
OTM	1,357	-	-	-	-	-	1,357
Cost of services rendered	(53,181)	(52,093)	(16,237)	(11,125)	-	3,405	(129,231)
Operating costs	(48,608)	(52,093)	(16,237)	(11,125)	-	-	(128,063)
OTM	(1,168)	-	-	-	-	-	(1,168)
Intercompany	(3,405)	-	-	-	-	3,405	-
Operating expenses	(7,464)	(2,223)	(301)	(229)	(18,242)	-	(28,459)
Depreciation and amortization	(23,384)	(38,875)	(8,442)	(3,356)	(1,482)	-	(75,539)
Depreciation and amortization (cost)	(20,731)	(21,105)	(7,390)	(1,159)	(104)	-	(50,489)
Depreciation and amortization (expense)	(2,653)	(17,770)	(1,052)	(2,197)	(1,378)	-	(25,050)
Other revenues	18,829	-	1,772	-	-	-	20,601
Financial revenue	13,688	1,708	8,252	1,904	4,642	-	30,194
Financial expenses	(63,098)	(121,078)	(8,549)	(1,814)	6,443	-	(188,096)
Equity pick-up on subsidiaries	132	(2,832)	-	-	(174,845)	174,713	(2,832)
Income tax	(5,662)	-	(6,491)	-	2,932	-	(9,221)
Income (loss) for the period	4,412	(196,374)	11,378	3,418	(180,552)	174,713	(183,005)

- (a) Operating expenses include expenditures with Executive Board, employees, outsourced services and other expenses.

Assets and liabilities

	Corridor North	Corridor South	Cabotage	Santos	Other	Eliminations	Consolidated
	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022
Current assets	355,989	560,160	196,838	40,011	154,364	(236,675)	1,070,687
Non-current assets	1,660,248	2,556,851	661,199	413,138	4,759,630	(5,214,078)	4,836,988
Total assets	2,016,237	3,117,011	858,037	453,149	4,913,994	(5,450,753)	5,907,675
Current liabilities	164,994	846,477	113,065	70,627	81,758	(745,150)	531,771
Non-current liabilities	1,322,558	1,795,384	483,058	223,398	3,502,983	(3,280,188)	4,047,193
Shareholders' equity	528,685	475,150	261,914	159,124	1,329,253	(1,425,415)	1,328,711
Total liabilities and shareholders' equity	2,016,237	3,117,011	858,037	453,149	4,913,994	(5,450,753)	5,907,675

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(In thousands of reais - R\$, unless otherwise indicated)

	<u>Corridor North</u>	<u>Corridor South</u>	<u>Cabotage</u>	<u>Santos</u>	<u>Other</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<u>03/31/2021</u>	<u>03/31/2021</u>	<u>03/31/2021</u>	<u>03/31/2021</u>	<u>03/31/2021</u>	<u>03/31/2021</u>	<u>03/31/2021</u>
Current assets	290,136	568,142	190,416	43,949	762,136	(246,790)	1,607,989
Non-current assets	<u>1,852,154</u>	<u>2,025,861</u>	<u>703,745</u>	<u>278,603</u>	<u>4,426,436</u>	<u>(4,601,675)</u>	<u>4,685,124</u>
Total assets	<u>2,142,290</u>	<u>2,594,003</u>	<u>894,161</u>	<u>322,552</u>	<u>5,188,572</u>	<u>(4,848,465)</u>	<u>6,293,113</u>
Current liabilities	167,674	299,670	100,608	83,049	78,418	(246,790)	482,629
Non-current liabilities	1,797,454	1,392,837	651,176	207,707	3,751,665	(3,345,927)	4,454,912
Shareholders' equity	<u>177,162</u>	<u>901,496</u>	<u>142,377</u>	<u>31,796</u>	<u>1,358,489</u>	<u>(1,255,748)</u>	<u>1,355,572</u>
Total liabilities and shareholders' equity	<u>2,142,290</u>	<u>2,594,003</u>	<u>894,161</u>	<u>322,552</u>	<u>5,188,572</u>	<u>(4,848,465)</u>	<u>6,293,113</u>

30 Grant, government assistance and other benefits

The Company has benefits, as follows:

- **AFRMM**

The AFRMM is a benefit available to all Brazilian coastal shipping companies operating with own or chartered vessels, and is regulated by Law 10893/2004 and other specific legislation applicable to the industry.

The Company receives an additional 10% surcharge on the amount of cabotage freight from its clients via the Merchant Marine Fund, based on each transportation made. In the period as of March 31, 2022, the Company recognized the benefits of AFRMM in other operating revenues (expenses) in the amount of R\$ 3,710.

- **SUDAM**

Exploration Profit – SUDAM is a tax incentive granted to legal entities holding infrastructure development projects that foster the economy, as well as being fully established in the states covered by the Amazon Development Authority (to which the state of Pará is included). This benefit grants a reduction of 75% in the Income Tax and its additional charges (25% to 6.25%), for a term of 10 years.

In 2018, the Company joined with the SUDAM (Superintendency for the Development of Amazon) Tax Incentive Program, which provides a 75% reduction of corporate income tax through Exploration Profit for the company Hidrovias do Brasil – Vila do Conde S.A., which is presented as tax income, is likely to benefit from the Government Grant. This benefit resulted in an adjustment of R\$ 4,459 (R\$ 13,125 as of December 31, 2021).

- **Deferral of ICMS**

The subsidiary Hidrovias do Brasil Cabotagem Ltda. enjoys the ICMS deferral on transportation service operations in the State of Pará.

31 Items not affecting cash

During the period ended March 31, 2022, the amount of R\$ 19,696 (R\$ 22,954 as of December 31, 2021) referring to suppliers for the acquisition of property, plant, and equipment did not affect the cash of the Company and the consolidated.

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32 Subsequent events

32.1 Agreement with Método Engenharia S/A

Método Engenharia S/A (“Método”) and Hidrovia do Brasil Administração Portuária Santos S.A. (“HB Santos”), a subsidiary of the Company, entered into an agreement for the procurement and construction of a turn-key EPC system in the port of Santos (“Contract”).

On July 13, 2021, Método and HB Santos entered into the Fifth Amendment to the Agreement for Engineering, Procurement and Construction under the Turn-Key EPC (Engineering, Procurement, and Construction) Modality by Global Price (“Fifth Amendment”), to agree for the joint withdrawal of arbitration previously instituted, to waive the claims previously existing and to continue the contractual relationship between the parties, with the resumption of activities related to the work, the maintenance of the initially agreed delivery terms and the renegotiation of certain contractual conditions.

Owing to the new scenario of Método default, HB Santos terminated the Agreement with Método and filed a pre-arbitral injunction on 11/10/2021, with a preliminary injunction to determine the immediate compliance with the termination procedures of the Agreement, motivated by the inaction of Método. The preliminary injunction was granted on 11/26/21 for the demobilization of the construction site by Método until 12/11/2022. In January 2022, it requested the initiation of an arbitration procedure, as agreed in the Agreement. In April 2022, the Parties appointed their arbitrators who, in turn, appointed the president of the court of arbitration, initiating the arbitration. On 4/27/2022, the Parties were summoned together with the Court of Arbitration so that, within 30 (thirty) days, they sign the Arbitration Instrument.

Concurrently, HB Santos acted to resume the works by mobilizing specialized companies and complying with the proposed schedule.

32.2 Financing Agreement – Finep

In December 2021, the Company, as the financed party, and its subsidiary Hidroviás do Brasil – Vila do Conde S.A., as the executing agency, entered into a financing agreement with the Financiadora de Estudos e Projetos – Finep (“Finep”), whose purpose is the financing for a 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 12/30/2021.

The Company submitted the applicable surety instrument and other necessary information and documentation to Finep and, on April 26, 2022, received the first installment of said financing, in the total net amount of R\$ 19,548 thousand.

32.3 Board of Directors

At the Extraordinary General Meeting held on April 27, 2022, the Company's shareholders approved the election of the following members to compose the Board of Directors for a unified term of office of 2 years: (a) Bruno Pessoa Serapião – Chairman; (b) Felipe Andrade Pinto – Vice-President; (c) Márcia Maria Ferraresi – member; (d) Michell Fontes Souza – member; (e) Roberto Lucio Cerdeira Filho – member; (f) Antonio Mary Ulrich – independent member; (g) Denys Monteiro – independent member; (h) Marcus Vinicius Menoita Nogueira – independent member;

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and (i) Ricardo Antonio Weiss – independent member. The composition of the Board changed, a change from the previous one, with the entry of Mr. Michell Fontes Souza in the previous place occupied by Mr. Marcelo Souza, as a member.

32.4 Executive Board

In April 2022, the Company's Executive Board was made up of the following members: Fabio Abreu Schettino – Chief Executive Officer; Ricardo Fernandes Pereira - Chief Financial and Investor Relations Officer; Gleize Franceschini Gealh – Director without specific designation, responsible for the Company's operations; and Gianfranco Fogaccia Cinelli – Officer without specific designation responsible for the Company's Legal and Regulatory areas; all with a unified term of office until May 13, 2023, and may be reelected.

Messrs. Gleize Franceschini Gealh and Ricardo Fernandes Pereira were elected officers at a meeting of the Board of Directors held on 04/01/2022, the latter being appointed to replace Mr. André Kinjo Kubota, who resigned on that date. Mr. Gianfranco Fogaccia Cinelli was elected director at a meeting of the Board of Directors held on 04/11/2022.

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 interim financial statements of Hidrovias do Brasil S.A. ("Company") for the period ended March 31, 2022, the management report and the draft of the report issued, without reservations, by KPMG Auditores Independentes ("Independent Auditors").

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

The Independent Auditors are responsible for the revision the interim financial statements 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 the interim financial statements - *ITR* and presented in accordance with the rules issued by the Brazilian Securities and Exchange Commission - CVM.

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

The Audit Committee, based on the examined documents described in the first paragraph and on the information provided by the Management and the Independent Auditors, considering its responsibilities and the limitations resulting from the scope of its performance, understands that the interim financial statements of Hidrovias do Brasil S.A. referring to the period ended on March 31, 2022, were prepared in accordance with accounting practices adopted in Brazil (CPC 21 – R1 e IAS 34) and with the international financial reporting standards (IFRS), and, therefore, recommends, unanimously and without remarks, its approval by the Company's Board of Directors.

São Paulo, May 13, 2022.

PEDRO JAIME CERVATTI
Member and Coordinator of the
Audit Committee

RICARDO ANTONIO WEISS
Member of the Audit Committee

ANTONIO MARY ULRICH
Member of the Audit Committee

HIDROVIAS DO BRASIL S.A.
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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 25, paragraph 1, items V and VI of CVM Instruction 480 of December 7, 2009, 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, 2022.

São Paulo, May 16, 2022.

FABIO SCETTINO
Chief Executive Officer

RICARDO FERNANDES PEREIRA
Chief Financial and Investor Relations Officer

GIANFRANCO FOGACCIA CINELLI
Officer with no specific designation

GLEIZE FRANCESCHINI GEALH
Officer with no specific designation