

Operator

Good afternoon, everyone, and welcome to Hidrovias do Brasil's earnings conference call for the third quarter of 2025. Joining us today are Mr. Décio Amaral, Chief Executive Officer; Mr. André Hachem, Chief Financial and Investor Relations Officer; and Ms. Gabriela Colus, Investor Relations Manager.

This event is being recorded and will be available on the Company's Investor Relations website. After Hidrovias' management remarks, there will be a Q&A session. Further instructions will be provided at that time.

We would like to remind everyone that simultaneous translation is available on the platform. To access it, please click the "Interpretation" button at the bottom of your screen and select your preferred language.

Before proceeding, we would like to remind you that any forward-looking statements made during this call are based on the beliefs and assumptions of Hidrovias' management and on currently available information. Such statements involve risks and uncertainties, as they refer to future events and, therefore, depend on circumstances that may or may not occur.

Investors and analysts should be aware that macroeconomic conditions, industry factors, and other variables could cause actual results to differ materially from those expressed in such forward-looking statements.

Having said that, I would now like to turn the call over to Mr. Décio Amaral, who will begin the presentation.

Décio Amaral

Good morning, everyone, and thank you for joining our earnings call for the third quarter of 2025.

Let's begin our presentation on slide 5, which highlights the main points of this quarter.

The third quarter was marked by the continuation of strong results, mainly driven by the maintenance of normalized navigation conditions in the South Corridor.

In the Paraná-Paraguay Waterway, we operated during the first nine months of the year with water levels within the normal range. This scenario, combined with ongoing dredging and rock removal initiatives, allowed for smooth navigation and supported the recovery of results in this operation. I would like to highlight the increase in iron ore volumes, which reached the highest level in our historical series.

In the North Corridor, we continued to operate with normalized draft conditions, overcoming the effects of the water crisis that impacted the third quarter of 2024. I should mention that this year we faced some operational challenges, such as limitations in cargo reception at the transshipment terminal (ETC) and a longer crop season. Nevertheless, the quarter was positive, mainly supported by the normalization of navigation conditions.

In Santos, we maintained a performance similar to that of the first half of the year. Our focus remains on optimizing assets through commercial and productivity initiatives aimed at maximizing returns even under adverse conditions.

Finally, the Coastal Shipping operation — the sale of which was concluded last week — delivered results in line with normalized operating levels.

In 3Q25, Hidrovias' consolidated recurring Adjusted EBITDA, including the Coastal Shipping operation, reached R\$361 million, and in the nine-month period of 2025 totaled R\$965 million, with a recurring Adjusted EBITDA margin of 49%, 10 percentage points higher than in the same period last year.

I will now hand the call over to André Hachem, our Chief Financial and Investor Relations Officer, who will provide further details by operation. I will be available at the end of the presentation for the Q&A session.

André Hachem

Thank you, Décio, and good morning, everyone.

Before we begin, I would like to highlight that the earnings release is presented on a pro forma basis, including the results of the Coastal Shipping operation.

Let's start with the results for the North Corridor, shown on slide 7.

We handled 2.3 million tons during the quarter, a higher volume than in the same period last year, reflecting normalized navigation conditions. The period was characterized, on the one hand, by some operational challenges related to cargo reception at the transshipment terminal (ETC) and the effects of crop seasonality; and, on the other hand, by increased grain intake through direct trucking and higher backhaul volumes of fertilizers.

For the year to date, we handled 6.3 million tons, resulting in net operating revenue of R\$331 million for the quarter and R\$884 million year-to-date — a 15% increase compared to the same period in 2024.

Recurring Adjusted EBITDA totaled R\$194 million in the third quarter, 36% higher than last year, when navigation conditions were restrictive. For the first nine months of the year, recurring EBITDA reached R\$540 million, representing a 14% year-over-year increase, with an Adjusted EBITDA margin of 61%.

Looking ahead to the fourth quarter, it's important to remember that this is seasonally the period of lowest activity of the year, reflecting both the crop cycle and the lower river levels. In this context, we expect volumes similar to those recorded in 2022, noting that in 2023 and 2024, the quarter was affected by the severe droughts that impacted the river.

Moving on to slide 8, we present the results for the South Corridor.

In the Paraná-Paraguay Waterway, draft conditions remained normalized throughout the quarter, allowing for a strong recovery in volumes compared to the same period last year. In the first nine months of 2025, we handled 4 million tons, mainly driven by iron ore, which accounted for 76% of the corridor's total volume in 2025, a significant increase from 57% in 2024.

Net operating revenue reached R\$285 million in the quarter and R\$777 million year-to-date, driven by higher volumes and a better product mix, which offset the negative effects of the conversion of U.S. dollar-denominated revenue.

Recurring Adjusted EBITDA was R\$154 million in the quarter, representing a meaningful improvement compared to both 2Q25 and 3Q24. Year-to-date, it totaled R\$386 million, with a 50% margin, an increase of 35 percentage points compared to the first nine months of 2024.

This growth reflects better operating conditions, with normalized water levels resulting from both higher rainfall during the year and the ongoing dredging and rock removal initiatives in the region.

Looking ahead to the fourth quarter, we have observed a decline in water levels, which is typical of the seasonal pattern in the Paraná-Paraguay Waterway. Accordingly, we have implemented the Low Water Plan starting in November, and we expect significantly lower volumes than those recorded in the third quarter of this year — though still higher than in the same period of 2024, when operations were severely impacted by drought conditions.

Moving on to slide 9, we present the results for the Santos operation.

In the third quarter, we handled a total of 484 thousand tons, a slightly lower volume than in the same period last year, with a minor deterioration in the product mix.

In the first nine months of 2025, we handled 1.3 million tons, a 13% increase compared to the same period last year, driven by the start of salt operations at the end of 2Q24, partially offset by a reduction in fertilizer volumes.

Net operating revenue reached R\$36 million in the quarter and R\$101 million year-to-date, reflecting higher volumes with the start of the salt operation, although with a less favorable mix, since salt carries a lower tariff than fertilizers.

Recurring Adjusted EBITDA totaled R\$14 million in the quarter, a 12% decrease compared to 3Q24, and R\$35 million year-to-date, with a 34% margin, 9 percentage points lower than in the same period last year, reflecting the same mix and tariff effects.

For the fourth quarter, we expect results similar to those observed in 2Q25.

And finally, moving on to slide 10, we will discuss the Coastal Shipping operation.

I'll be brief here, considering that this operation was sold at the beginning of November. We handled 892 thousand tons in the quarter and 2.5 million tons year-to-date. Recurring Adjusted EBITDA totaled R\$75 million in the first nine months of the year, reflecting the effects of vessel dry-docking and lower operating capacity during the period. With the completion of the sale, we will no longer report the Coastal Shipping segment starting in 4Q25.

Moving on to slide 12, we present the consolidated results.

In the first nine months of 2025, we handled 14.3 million tons, a 14% increase compared to the same period last year, mainly driven by the recovery of navigation conditions in the South Corridor.

Net operating revenue reached R\$711 million in the quarter and R\$2 billion year-to-date, a 32% increase compared to the same period last year.

Recurring Adjusted EBITDA for the quarter totaled R\$361 million, and for the nine-month period reached R\$965 million, a 65% increase versus the same period of 2024, mainly reflecting the recovery of navigation conditions in the South Corridor.

Now, moving to slide 13, I will discuss the financial results for the period.

I would like to highlight the reduction in leverage, which ended the period at 2.9x Net Debt to EBITDA, significantly below the level recorded in 3Q24. This result reflects not only operational improvements and cash generation but also a higher cash position following the completion of the capital increase in May.

This year, as previously mentioned in our last earnings release, we took an important step in our financial strategy by restructuring part of our debt through the issuance of Hidroviás' 4th debenture, which was guaranteed by Ultrapar. With this transaction, we repurchased a portion of the 2031 Bond, thereby reducing the Company's foreign exchange exposure on its debt.

With that, I conclude my remarks and, together with Décio, remain available for the Q&A session. Thank you.

Operator

With that, we conclude the management's presentation. Décio and I are now available to address any questions you may have. Thank you very much.

We will now begin the question-and-answer session. If you would like to ask a question, please click the Q&A icon at the bottom of your screen and type your question. To ask a question via microphone, please click "Raise Hand."

Our first question comes from Pedro Tineo, from Itaú BBA. Mr. Pedro, your microphone is now open.

Pedro Tineo

Good morning, Décio. Good morning, Hachem. Good morning, everyone. Thank you for taking my question.

I'd like to start by exploring the impacts from stoppages related to the transshipment terminal (ETC). When we look quarter over quarter, we had expected EBITDA margins to be similar in the third quarter, but you mentioned that there were still some bottlenecks due to volume restrictions within the ETC. Could you help us quantify this — if volumes had been more normalized, what kind of operating performance could we have expected for that region?

And looking at the South Corridor, we noticed a higher share of iron ore. You have been mentioning since the Ultraday that if opportunities arise to transport more iron ore, that's what you plan to prioritize. So I'd like to understand what we should expect in terms of operating leverage and EBITDA margin for the South Corridor, considering this higher participation of iron ore.

That's all from my side. Thank you very much.

André Hachem

Hi, Pedro. Good morning — this is Hachem speaking. I'll start by addressing part of your question regarding North Corridor margins.

Indeed, when we look quarter over quarter, the mix (between truck-to-terminal and integrated operations) is relatively similar. What happened this quarter is that we ended up navigating a bit less, and navigation is the segment of our operation with the highest margins. As a result, we saw a slight margin compression at the system level.

That said, when we look at the mix, we could have optimized the integrated capacity much more if we had better road access conditions, since the transport route continues to present constraints. As we mentioned during Ultraday, what happens is that — to avoid berth idleness — we end up increasing the reception of trucked cargo, which has lower margins.

Décio will now comment a bit on the short-, medium-, and long-term outlook for the transport route.

Décio Amaral

Good morning, Pedro, and thank you for your question.

Regarding the transport route, construction of the new access road has already started. The expectation is that this paved road, which will address the steep slopes, will be operational by the last quarter of 2026. Therefore, it should be fully functional not for the next harvest season, but for the one after that.

As an interim solution, together with other companies operating in the area, we are carrying out temporary paving work on the existing slopes to help mitigate the issue for the next harvest. The expectation is for a smoother operation next season, although the definitive solution will only come in 2027, when we expect to have a more profitable and diversified mix going forward.

André Hachem

Let's move on. When we look at the South Corridor, it has been the main driver of Hidroviás' results this year compared to last year. What we are seeing is a combination of two factors. As I mentioned earlier, first, we had much more favorable water levels this year versus last year, and second, the ongoing dredging and rock removal work throughout the year has also had a positive impact.

Structurally, we will continue to see improvements, and I believe Décio will comment a bit more on the medium- and long-term outlook for the river. But I would like to emphasize the seasonality we face.

In the fourth quarter, the river typically reaches lower levels, making it the period of lowest draft. When water levels drop, we are able to load less cargo per barge, which means we need to split convoys more frequently, lengthening travel cycles and, consequently, leading to lower margins. So, when we look at the fourth quarter, we typically see both lower volumes and lower margins — this is a normal pattern of our business.

Generally speaking, the first and fourth quarters are tighter due to low-water conditions, while the second and third quarters tend to be stronger, given the better navigability of the river.

Décio will now share his views on the medium- and long-term prospects.

Décio Amaral

Pedro, once again, looking at the medium and long term, the South Corridor is currently undergoing dredging activities along its entire stretch, and this year we have already noticed a small positive impact. With the same water levels, we are now able to load barges with higher volumes than in previous years.

The outlook, with the completion of these dredging works and the concession of the waterway on the Brazilian stretch — which is currently in the final review stage at the Federal Court of Accounts (TCU) — is that we will achieve greater operational resilience and some increase in capacity throughout the year. This should translate into higher market share in our iron ore transportation, which reflects our long-term vision for the South Corridor.

Pedro Tineo

Perfect, that's very clear. Thank you very much.

Operator

Our next question comes from Gabriel Frazão, from Bank of America (BoFA). Gabriel, your microphone is now open.

Gabriel Frazão

Good morning, everyone. Thank you for taking my question and for the opportunity to participate in the call. I have a question regarding the status of tariff negotiations for 2026. Could you please comment on how these negotiations are progressing and whether you expect a similar scenario to recent years, when HBSA entered the year fully contracted with real tariff gains? Or should we expect a somewhat smaller tariff increase this time, considering the strong gains you have already achieved over the past few years?

Décio Amaral

Gabriel, thank you for your question.

First of all, I like to focus on what I can control — which is our costs and operational efficiency. We have to make sure we can generate profits under any tariff level. Our goal here is to build a resilient and highly efficient company that can remain profitable at all times.

That said, we do have a positive outlook for tariffs for the 2026 harvest, and in the short term, there are no major new capacities entering the system. There might be a new terminal coming online in Santos, but that's likely to involve a shift of cargo between third-party and owned terminals.

We have a significant number of take-or-pay contracts, which gives us important flexibility and negotiation comfort. That said, there are some corridors that compete with us and are showing a bit more flexibility in their commercial negotiations.

Overall, our negotiations are progressing smoothly and are very similar to prior years. I'd rather not go into client-by-client specifics, but it's a very normal scenario, not different from what we've seen in past cycles.

Gabriel Frazão

Got it. Thank you very much, Décio.

Operator

Our next question comes from Filipe Nielsen, from Citi. Mr. Filipe, your microphone is now open.

Filipe Nielsen

Good morning, everyone, and thank you for taking my question. I have a question regarding CAPEX. We talked quite a bit during Ultraday about modular project opportunities, which were very clearly illustrated. I'd like to understand how much CAPEX these projects represent for this year and next year. Also, regarding this quarter's CAPEX, it came in a bit below our expectations. Do you expect CAPEX to increase in the fourth quarter and next year to support these modular projects? And how are those projects progressing? I'd appreciate a bit more color on that. Thank you.

André Hachem

Hi, good morning. Regarding CAPEX, in this specific quarter we completed one of our modular projects, the Cábrea, which is already en route to Barcarena. It should begin commissioning at the end of this year and ramp up throughout the first half of 2026.

As for maintenance CAPEX, we naturally tend to concentrate more spending in the fourth quarter, which is the low-activity period for our operations, so we typically allocate more investments then.

Looking ahead, when we think about our 2026 plan, in terms of projects already underway, we will have the tumbler (tombador) project. Adding that to our regular maintenance expenses, we expect CAPEX to remain stable — there shouldn't be major fluctuations in our CAPEX line in 2026. It should be a more normalized year, with the tumbler project as the only expansion initiative.

Filipe Nielsen

Perfect, that's clear. Thank you.

Operator

Our next question comes from Pedro Bruno, from XP. Mr. Pedro, your microphone is now open.

Pedro Bruno

Good morning, everyone, and thank you for taking my question. Part of my question has already been addressed — it was related to the South Corridor — but I'd like to get more details and confirmation regarding my understanding that the dredging and rock removal efforts carried out over the past year, and continuing this year, are already showing results. I believe Décio mentioned that we are now seeing more efficient operations at the same water levels, so I just wanted to confirm whether this should already translate into improved results in the fourth quarter, when compared to the same period last year, for equivalent water levels. And I'd also like to understand whether these efforts are still ongoing and how much progress you expect looking into next year. Décio also mentioned the waterway concession projects, so if you could provide an update on the timing of those as well, that would be great. Essentially, I'm looking for a more operational perspective — understanding how

dredging and rock removal efforts are evolving regardless of the broader concession process — particularly now that we're seeing a faster drop in water levels heading into the fourth quarter, even though this follows the usual seasonal pattern.

Décio Amaral

Pedro, thank you for your question.

Just to reinforce what Hachem mentioned earlier — during this low-water season, we enter a low-water operating regime, and that brings two practical effects. First, we cannot fully load the barges due to draft limitations, and second, we cannot navigate the full convoy along the entire stretch of the river, which requires us to split convoys more frequently. This leads to longer travel cycles and, consequently, lower capacity utilization, since each trip takes more time and barges cannot be fully loaded. What we're seeing this year is that, because of the increased river depth from the dredging works, although we still have to split convoys, we are able to carry slightly more cargo per barge. However, we haven't yet captured the full benefit of the dredging, as the work is still ongoing. Currently, there are between 40 and 60 dredgers operating along the river, which is a very significant number — though it also creates some navigation challenges. The outlook for the completion of these dredging and rock removal projects, which should extend well into next year, is that the South Corridor will become more resilient, with increased capacity at the same water levels and greater operational stability as a result of these ongoing investments.

Pedro Bruno

Perfect, thank you. And if you could just give us an update on what you expect regarding the waterway concession projects in general?

Décio Amaral

Regarding the concession process, we will evaluate whether or not to participate, as always considering financial returns and, most importantly, assurance of navigability. We'll make that decision at the appropriate time, closer to the auction.

Pedro Bruno

Perfect, thank you very much.

Operator

Our next question comes from Isabela Pacheco, from Bank of America (BofA), submitted in writing. "What level of leverage do you expect by the end of this year and for next year?"

André Hachem

Hi, Isabela, good morning — this is Hachem.

We don't provide formal guidance, but the main point to keep in mind is this: our LTM EBITDA currently stands at R\$965 million, compared to R\$586 million in the same period last year. When we look toward the end of the year, we continue to see both the third and fourth quarters as much healthier than what we had last year, which will positively impact our Net Debt-to-EBITDA ratio.

In terms of net debt, we're expecting solid cash generation for this year — both in the fourth quarter and throughout next year — so we should continue to see the company deleveraging toward the end of this year and into 2026.

Operator

That concludes today's question-and-answer session. I would now like to invite Mr. Décio Amaral to proceed with his closing remarks. Décio, please go ahead.

Décio Amaral

I would like to thank everyone for participating and for your questions. We hope we were clear and able to address all of your points. We look forward to speaking with you again next quarter to discuss the year-end results and our outlook for the year ahead. Thank you all, and have a great day.

Operador

This concludes today's conference call. Thank you for your participation, and have a great day.