



SANTOS BRASIL

1Q23 EARNINGS
RELEASE



São Paulo, May 11, 2023 - The quarterly financial information (ITR) and standardized financial statements (DFP) are presented in accordance with the accounting practices adopted in Brazil, in compliance with the provisions of Brazilian Corporation Law, International Financial Reporting Standards (IFRS) and the standards issued by the Accounting Pronouncements Committee (CPC).

	1Q23	1Q22 ²	Δ (%)
Container and General Cargo Terminals – quay operations (containers)	261,903	305,591	-14.3%
Container and General Cargo Terminals – warehousing (containers)	28,601	31,932	-10.4%
Container and General Cargo Terminals – general cargo (tons)	18,896	44,521	-57.6%
Logistics – warehousing (containers)	15,220	17,571	-13.4%
Logistics – handling (pallets)	281,713	234,637	20.1%
TEV (vehicles)	55,358	54,325	1.9%
Net Revenue (R\$ MM)	426.9	440.1	-3.0%
EBITDA (R\$ MM)	153.3	180.3	-15.0%
<i>% EBITDA Margin</i>	<i>35.9%</i>	<i>41.0%</i>	<i>-5.0 p.p.</i>
Net Income (Loss) (R\$ MM)	45.9	90.7	-49.4%
Net Debt (R\$ MM)	-248.5	-708.0	-64.9%
Net Debt/Proforma EBITDA LTM¹	-0.41x	-1.44x	

¹ EBITDA LTM, excluding IFRS 16 effects.

² The financial statements for 1Q22 were voluntarily restated, with the adoption of technical pronouncement CPC 06 (R2).

HIGHLIGHTS | 1Q23

- In 1Q23, Santos Brasil terminals handled 261,903 containers (-14.3%YoY), with the performance impacted by (i) slowdown in imports of consumer and capital goods, (ii) drop in commodity exports (i.e., coffee, cotton, meat, etc.), and (iii) lower Cabotage throughput. Also noteworthy is the relative imperfection of the comparative basis for 1Q22, whose observed volumes were influenced by late seasonality (i.e. peak season) caused by the Covid-19 pandemic, especially during 4Q21 and 1Q22. For illustrative purposes, when compared to 1Q19, 1Q23 presented growth of 2.7%.
- With the resume of the seasonality for container throughput, an increase in Santos Brasil's volumes is expected in the coming quarters, mainly in 3Q23. As an example, the Company's total container throughput in April 2023 was 13.2% higher than in March 2023.
- As a result of the events mentioned above, Tecon Santos container throughput decreased 14.5% YoY in 1Q23, with emphasis to lower long-haul volumes (-17.4% YoY). Tecon Imbituba container throughput dropped 9.5% YoY, due to lower rice crop. Throughput of Tecon Vila do Conde decreased 14.1% YoY, with a drop in long-haul volumes (-14.8% YoY) due to lower exports of wood and protein (i.e. beef), in addition to lower cabotage flow (13.3% YoY).
- General cargo throughput fell 57.6% YoY in 1Q23, reflecting the end of pulp shipments for export at the General Cargo Terminal (TCG) in Imbituba. In Santos Brasil Logística, the number of containers stored were 13.4% lower YoY in 1Q23, reflecting the slowdown in imports at the Port of Santos. The business unit's distribution centers, however, grew pallet handling by 20.1% YoY in 1Q23, reflecting the increase in 3PL integrated logistics operations.
- Consolidated Net Revenue decreased 3.0% YoY in 1Q23. Due to the lower volume of containers handled, Net Revenue of Container and General Cargo Terminals dropped 9.3% YoY. On the other hand, Net Revenue of the other business units increased: Santos Brasil Logística (+9.4% YoY) and TEV (+12.8% YoY). Liquid terminals recorded a Net Revenue of R\$ 4.7 million in the quarter.
- EBITDA totaled R\$ 153.3 million in 1Q23 (-15.0% YoY), with EBITDA margin of 35.9% (-5.1 p.p. YoY), impacted by the weak performance of Container and General Cargo Terminals. Net Income was R\$ 45.9 million in 1Q23, with a net margin of 10.8%.
- For the next quarters of 2023, an increase in the Company's financial results and margins is expected, driven not only by better volumes, but also by an improvement in the average ticket, including in quay services.
- Santos Brasil invested R\$ 86.1 million in 1Q23, continuing the expansion and modernization projects at Tecon Santos, Tecon Vila do Conde, Liquid Terminals in Itaquí and Santos Brasil Logística's operations.
- On April 13, 2023, the Company announced the distribution of R\$ 31 million in extraordinary dividends, based on 2022 profit reserve. The amount is added to the supplementary dividends of R\$ 12.9 million approved by the Annual Shareholders Meeting held on April 27, 2023.



Consolidated

Economic-financial highlights

R\$ million	1Q23	1Q22	Δ (%)
Gross Revenue	488.8	503.8	-3.0%
Container and General Cargo Terminals	331.4	367.3	-9.8%
Logistics	126.2	115.0	9.7%
Vehicle Terminal	27.7	24.7	12.1%
Liquid Bulk Terminals	6.0	0.0	-
Corporate	-	-	-
Eliminations	-2.7	-3.2	-15.6%
Net Revenue	426.9	440.1	-3.0%
Container and General Cargo Terminals	294.1	324.4	-9.3%
Logistics	106.8	97.6	9.4%
Vehicle Terminal	23.8	21.1	12.8%
Liquid Bulk Terminals	4.7	0.0	-
Corporate	-	-	-
Eliminations	-2.4	-2.9	-17.2%
Operating Costs	-253.6	-227.9	11.3%
Container and General Cargo Terminals	-181.9	-167.8	8.4%
Logistics	-49.5	-51.4	-3.7%
Vehicle Terminal	-12.1	-10.5	15.2%
Liquid Bulk Terminals	-12.5	-0.7	1685.7%
Corporate	-	-	-
Eliminations	2.4	2.9	-17.2%
Operating Expenses	-79.1	-76.6	3.3%
Container and General Cargo Terminals	-20.7	-29.1	-28.9%
Logistics	-29.5	-27.5	7.3%
Vehicle Terminal	-1.2	-1.4	-14.3%
Liquid Bulk Terminals	-1.1	-1.2	-8.3%
Corporate	-26.5	-17.3	53.2%
EBITDA	153.3	180.3	-15.0%
Container and General Cargo Terminals	131.4	162.1	-18.9%
Logistics	32.1	23.0	39.6%
Vehicle Terminal	15.1	13.4	12.7%
Liquid Bulk Terminals	0.3	-1.9	115.8%
Corporate	-25.5	-16.2	-57.4%
EBITDA Margin	35.9%	41.0%	-5.0 p.p.
Container and General Cargo Terminals	44.7%	50.0%	-5.3 p.p.
Logistics	30.0%	23.5%	6.5 p.p.
Vehicle Terminal	63.3%	63.6%	-0.3 p.p.
Liquid Bulk Terminals	6.2%	0.0%	6.2 p.p.
Corporate	-	-	-
<i>Non-recurring events</i>	<i>0.0</i>	<i>0.4</i>	<i>-100.0%</i>
Recurring EBITDA	153.3	180.7	-15.2%
Recurring EBITDA Margin	35.9%	41.0%	-5.1 p.p.

Net Revenue

In 1Q23, Santos Brasil’s Net Revenue Totalled R\$ 426.9 million (-3.0% YoY), with a drop in revenue from Container and General Cargo Terminals (-9.3% YoY), because of lower volume handled at the Company’s three container terminals. On the other hand, Santos Brasil Logística’s Net Revenue grew in 1Q23 (+9.4% YoY) due to higher average ticket and better cargo mix. TEV also recorded growth in Net Revenue in 1Q23 (+12,8% YoY), reflecting the higher volume operated and higher mix of heavy vehicles, with increase in the average ticket. Liquid Terminals registered R\$ 4.7 million in Net Revenue in the quarter.

Operating Costs

Operating Costs amounted to R\$ 253.6 million in 1Q23 (+11.3% YoY), with emphasis on the growth in Container and General Cargo Terminals (+8.4% YoY), as a result of higher expenses with (i) personnel, to better match the volumes operated throughout 2022; (ii) maintenance and (iii) depreciation and amortization. In Logistics, costs decreased 3.7% YoY, due to lower handling costs (fuels, lubricants, electricity, and freight), reflecting the lower volume of containers stored. TEV Operating Costs grew 15.2% YoY, due to higher handling costs, reflecting the increase in volume operated, as well as depreciation and amortization. Liquid Terminals amounted to R\$ 12.5 million in Operating Costs in 1Q23.

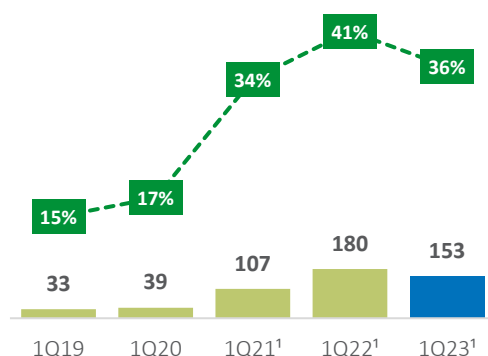
Operating Expenses

In 1Q23, consolidated Operating Expenses amounted to R\$ 79.1 million, up 3.3% YoY, driven by (i) 7.3% YoY increase in Santos Brasil Logística’s expenses, mainly due to higher selling expenses, and (ii) increase of 53.2% YoY in corporate expenses Container and General Cargo Terminals Operating Expenses dropped 28.9% YoY, as a result of a decrease in selling expenses explained by a reversal in allowance for doubtful accounts. TEV also recorded a drop in Operating Expenses in 1Q23 (-14.3% YoY), due to lower sales expenses. Liquid Terminals amounted to R\$ 1.1 million in Operating Expenses in the quarter.

EBITDA

Santos Brasil’s recurring consolidated EBITDA amounted to R\$ 153.3 million (-15.0% YoY) in 1Q23, with EBITDA margin of 35.9% (-5.1 p.p. YoY). The lower EBITDA for the period was due to the 18.9% YoY drop in Container and General Cargo Terminals results, explained by the lower volume of containers and general cargo handled in the quarter. On the other hand, Santos Brasil Logística and TEV registered increases of 39.6% YoY and 12.7% YoY in 1Q23 EBITDA, respectively. In its first full quarter of operation, Liquid Terminals registered a positive EBITDA, in the amount of R\$ 0.3 million.

Evolution of EBITDA (R\$ million) and EBITDA margin (%)



¹EBITDA for 1Q21, 1Q22 and 1Q23 considers the new accounting methodology due to the adoption of CPC 06.

Net Income (Loss)

R\$ million	1Q23	1Q22	Δ (%)
EBITDA	153.3	180.3	-15.0%
Depreciation and Amortization	59.0	44.6	32.3%
EBIT	94.3	135.7	-30.5%
Financial Result	-22.3	2.0	-1215.0%
Financial Revenues	15.8	31.4	-49.7%
Financial Expenses	-37.6	-28.9	30.1%
Interest on loans and debentures	-0.9	-1.1	-18.2%
Leases and rents	-33.7	-26.9	25.3%
Other financial expenses	-2.9	-1.0	190.0%
Monetary and foreign-exchange variations	-0.5	-0.4	258.8%
Income and social contribution taxes	-26.2	-47.3	-44.6%
Net income (loss)	45.9	90.4	-49.2%

In 1Q23, the Company's Net Income amounted to R\$ 45.9 million (-49.2% YoY), with a net margin of 10.8%.

Debt, cash, and equivalents

R\$ million	Currency	03/31/2023	03/31/2022	Δ (%)
Short-term	National	40.0	61.0	-34.5%
	Foreign	4.2	4.4	-4.2%
Long term	National	247.8	283.4	-12.6%
	Foreign	0.0	4.4	-100.0%
Total indebtedness		292.1	353.2	-17.3%
Cash and investments		540.5	1,061.3	-49.1%
Net debt		-248.5	-708.0	-64.9%
Net Debt / Proforma EBITDA LTM¹		-0.41x	-1.44x	

Santos Brasil ended 1Q23 with R\$ 540.5 million in cash and financial investments. Excluding Total Debt, the Company ended the quarter with Net Cash of R\$ 248.5 million. The strong cash generation of the Company's businesses maintained the leverage ratio, calculated by the net debt to EBITDA proforma ratio for the last twelve months, at a comfortable level of -0.41x on March 31, 2023, even after capital expenditures, which totaled R\$ 86.1 million in 1Q23.

The Company should optimize its capital structure throughout 2023, also continuing to distribute dividends to shareholders. Thus, the Company announced, on April 13, 2023, the distribution of R\$ 31 million in interim dividends based on the profit reserve account, which are added to the R\$ 12.9 million of dividends approved at the Annual Shareholders Meeting held on April 27, 2023. The robust distribution of dividends does not compromise the strategy of allocating capital in the expansion and modernization of its assets and in investment opportunities that support the company's growth.

¹ EBITDA in the last 12 months, excluding effects from IFRS-16.

Capex

R\$ million	1Q23	1Q22	Δ (%)
Container and General Cargo Terminals	69.8	40.4	72.8%
Tecon Santos	66.6	31.4	112.1%
Tecon Imbituba	0.4	0.2	100.0%
Tecon Vila do Conde	2.7	8.8	-69.3%
Saboó Terminal	0.0	0.0	-
Logistics	5.5	1.3	323.1%
Vehicle Terminals	0.1	0.1	0.0%
Liquid Bulk Terminals	10.8	1.5	620.0%
Corporate	0.0	3.5	-100.0%
Gross Investment	86.1	46.7	84.4%
Write-offs of property, plant and equipment / intangible assets	-0.2	0.0	-
Net Investment	85.9	46.7	83.9%

In 1Q23, Santos Brasil continued investing in its assets to improve its competitive advantage and remain a benchmark in the provision of port services and integrated logistics. Capex totaled R\$ 86.1 million, mainly on expansion and modernization projects for the Container and General Cargo Terminals, the Liquid Bulk Terminals, and Santos Brasil Logística assets.

At Tecon Santos, R\$ 66.6 million were invested in 1Q23, with emphasis on (i) the purchase of two ship-to-shore (STS) cranes and eight electric RTGs, scheduled for delivery in 4Q23, empty container forklifts and terminal tractors, (ii) electricity and data network infrastructure, in preparation for automation projects at the terminal, which will ensure a higher level of service and cost efficiency, as well as (iii) investments in drainage works. The investments made are related to the counterparts of the early renewal of Tecon Santos lease agreement.

At Tecon Vila do Conde, investments in improvements to the terminal's infrastructure made in 1Q23 are also related to the counterparts for the early renewal of the lease agreement. In the quarter, R\$ 2.7 million were invested in civil works on Yard D, which expands container warehousing capacity, and in technology projects aimed at ensuring greater efficiency in operations and information security.

In Liquid Bulk Terminals, R\$ 10.8 million were invested in 1Q23, with emphasis on the expansion projects of the brownfield areas (TGL 01 and TGL 03), which started operations in November 2022.

Finally, R\$ 5.5 million were invested at Santos Brasil Logística, with emphasis on (i) the verticalization of one of the bonded warehouses, a project started in 2022 that will increase bonded warehousing capacity, and (iii) infrastructure improvements at both bonded warehouses and the distribution centers.



Container and General Cargo terminals

Container and General Cargo Terminals - Operational Data

	1Q23	1Q22	Δ (%)
Containers (units)			
Quay	261,903	305,591	-14.3%
Full containers	188,569	219,639	-14.1%
Empty containers	73,334	85,952	-14.7%
Warehousing operations	28,601	31,932	-10.4%
General cargo (tons)			
Quay	18,896	44,521	-57.6%

	1Q23	1Q22	Δ (%)
Tecon Santos	230,142	269,242	-14.5%
Full containers	171,509	199,012	-13.8%
Empty containers	58,633	70,230	-16.5%
General cargo (tons)	-	-	-
Tecon Imbituba	10,734	11,863	-9.5%
Full containers	6,266	6,790	-7.7%
Empty containers	4,468	5,073	-11.9%
General cargo (tons)	18,896	42,557	-55.6%
Tecon Vila do Conde	21,027	24,486	-14.1%
Full containers	10,794	13,837	-22.0%
Empty containers	10,233	10,649	-3.9%
General cargo (tons)	-	1,964	-100.0%

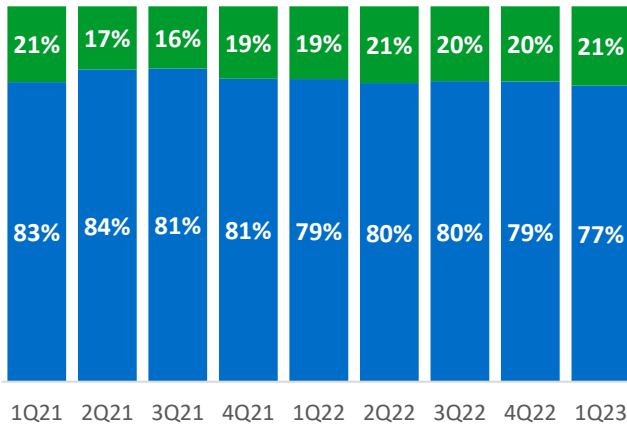
Consolidated: container terminals handled 261,903 units (-14.3% YoY) in 1Q23, with lower volume handled at Tecon Santos, which accounted for 88% of the total container throughput. Long-haul throughput of the terminals fell 17.2% YoY in 1Q23 due to (i) lower flow of imports, which dropped 3.8% YoY, mainly reflecting the slowdown in consumption of durable goods, and (ii) lower volume of exports, which dropped 7.3% YoY. In 1Q23, Long-Haul accounted for 76.7% of total throughput in terminals (over 79.4% in 1Q22). Cabotage represented 23.3% of the total container handling at the terminals and registered a drop of 3.0% YoY in 1Q23, mainly because of the slowdown in the domestic economy. Regarding Transshipment operations, which occur in Long Haul and Cabotage and accounted for 29.3% of total container throughput in the quarter, the volume decreased 30.3% YoY in 1Q23.

Despite the lower volume handled in the quarter, the mix between full and empty containers remained practically stable, with 72.0% share of full containers in total (over 71.9% in 1Q22).

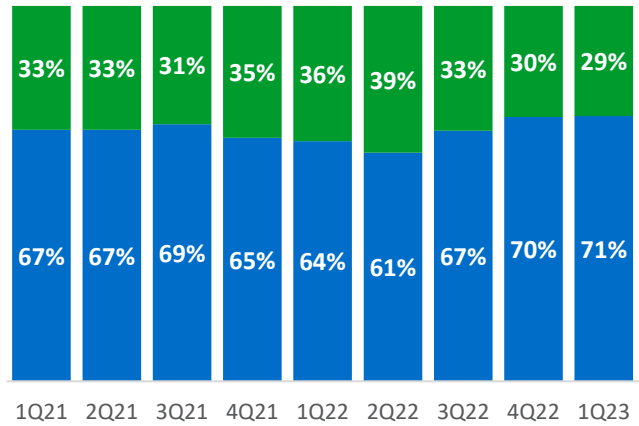


Consolidated mix of container handling (%)

Long-Haul vs. Cabotage

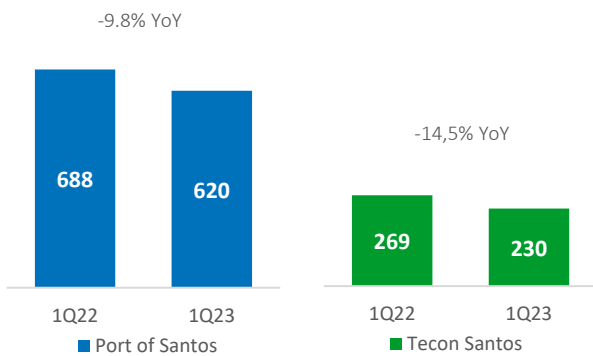


Handling vs. Transshipment

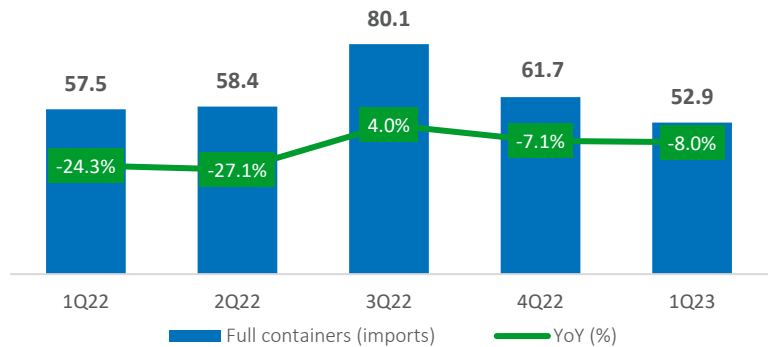


Tecon Santos: 230,142 containers handled in 1Q23 (-14.5% YoY), with emphasis on the Long-Haul volume decrease (-17.4% YoY). Container imports dropped 4.1% YoY, on the back of lower imported volumes of chemicals and electronics, reflecting the slowdown of the domestic economy. Exports decreased 4.8% YoY, due to lower shipments of commodities in general (i.e., pulp and paper, coffee, beef, etc.). On the other hand, Cabotage registered a slight growth in volume in 1Q23 (+1.7% YoY), which reinforces the importance of the Port of Santos in the transport of domestic cargo across the country. The normalization of the drought at the Amazon River, which began at the end of February, contributed to the reorganization of Cabotage services in March. Considering Tecon Santos’ greater exposure to Asian routes, more impacted by the retraction in imports of consumer goods, and Cabotage at the Port of Santos, the terminal’s market share ended 1Q23 at 37.6% (over 39.0% in 1Q22), with handling of 171,509 full containers (-13.8% YoY), of which 52,853 full-import containers (-8.0% YoY) and 48,318 full-export containers (-7.5% YoY).

Port of Santos² vs. Tecon Santos (000 containers)



Full-import container throughput at Tecon Santos (000 containers)



Tecon Imbituba: 10,734 containers handled in 1Q23 (-9.5% YoY), with a drop of 10.0% YoY in Cabotage volumes, represented by the ALCT2 service (Aliança), which accounted for 98.9% of total throughput in the terminal (over 99.5% in 1Q22). In 1Q23, the handling of full containers dropped 7.7% YoY, due to lower rice shipments. The handling of empty containers also influenced the terminal’s negative result, with a drop of 11.9% YoY. In turn, TCG Imbituba handled 18,896 tons of general cargo, dropping 55.6% YoY resulting from the end of pulp export operations.

² Data published by Santos Port Authority (SPA).

Tecon Vila do Conde: 21,027 containers handled in 1Q23 (-14.1% YoY), with volume decrease in Long-Haul operations (-14.8% YoY), mainly due to lower exports (-25.6% YoY) of wood and beef. Cabotage also registered a deceleration in container throughput (-13.3% YoY). Tecon Vila do Conde mix remained practically stable in 1Q23, with Long Haul accounting for 56.0% of total volume (over 56.4% in 1Q22).

Warehousing: in 1Q23, the volume stored in Port Terminals, mainly represented by Tecon Santos, totaled 28,601 containers, down 10.4% YoY, as a result of the lower volume of full-import containers in the quarter. The retention rate of imported containers at Tecon Santos for warehousing was 52% in 1Q23 (over 52% in 4Q22 and 55% in 1Q22), with average dwell time ³ of 11.3 days (over 12.6 days in 4Q22 and 12.4 days in 1Q22). The “On the Water Clearance for AEOs” regime, which enables registration of import declarations before the container is unloaded at the port of destination, had an impact of 0.9 day on the dwell time of full-import containers at Tecon Santos in 1Q23. Despite the challenging scenario in container warehousing due to the lower volume of imports observed in 1Q23, Santos Brasil was able to maintain the retention rate above 50%, which demonstrates the high level of service delivered by the Company.

Container and General Cargo Terminals - Economic-financial data

R\$ million	1Q23	1Q22	Δ (%)
Gross Revenue	331.4	367.3	-9.8%
Quay operations	181.7	211.1	-13.9%
Warehousing operations	149.7	156.1	-4.1%
Net Revenue	294.1	324.4	-9.3%
Quay operations	166.8	191.1	-12.7%
Warehousing operations	127.2	133.3	-4.6%
Operating Costs	-181.9	-167.8	8.4%
Handling costs	-28.5	-29.0	-1.7%
<i>Fuel, lubricants, and electricity</i>	-13.3	-14.1	-5.7%
<i>Outsourced labor</i>	-4.6	-5.4	-14.8%
Other handling costs	-10.6	-7.3	45.2%
Personnel costs	-75.9	-71.0	6.9%
Maintenance	-14.3	-12.4	15.3%
Depreciation and amortization	-39.9	-35.0	14.0%
Other costs	-23.5	-20.5	14.6%
Operating Expenses	-20.7	-29.5	-28.9%
Selling	-7.8	-20.1	-61.2%
General and administrative	-12.9	-9.3	38.7%
Depreciation and amortization	0.0	0.0	-
EBITDA	131.4	162.1	-18.9%
<i>EBITDA Margin</i>	<i>44.7%</i>	<i>50.0%</i>	<i>-5.3 p.p.</i>

Net Revenue

In 1Q23, Net Revenue from Container and General Cargo Terminals amounted to R\$ 294.1 million, 9.3% lower over 1Q22. The Net Revenue from quay operations registered a drop of 12.7% YoY, due to the lower volume handled, mainly at Tecon Santos. Net Revenue from warehousing operations also decreased in 1Q23 (4.6% YoY), resulting from the lower volume of full-import containers at Tecon Santos. Warehousing average ticket increased as a result of contractual renegotiations and better mix of higher value-added cargo, helping to partially offset the business unit’s revenue drop.

The representativeness of Tecon Santos in Net Revenue⁴ of Container and General Cargo Terminals was 83% in 1Q23, 2 p.p. lower over 85% recorded in 1Q22 and 4Q22. The lower volume of full-import containers handled at the terminal reduced the base for capturing containers for warehousing, consequently impacting results, despite the higher average ticket.

Tecon Imbituba registered a drop of 12.3% YoY in Net Revenue, reflecting lower volumes handled at the container terminal and TCG. Finally, Tecon Vila do Conde’s Net Revenue recorded a slight drop of 1.1% YoY. Considering the decrease in terminal volume in 1Q23, the higher

³ Average dwell time for containers and vehicles stored.

⁴ Considers Net Revenue from quay and warehousing.

average ticket in quay operations and the volume increase of general cargo storage were essential to minimize Tecon Vila do Conde's drop in revenue in the quarter.

Operating Costs

In 1Q23, Operating Costs of Container and General Cargo Terminals amounted to R\$ 181.9 million, an increase of 8.4% YoY, explained by higher costs with (i) personnel (+6.9% YoY), due to larger number of employees hired to better adapt to the volume handled throughout 2022 and also expected to 2023, which implies higher expenses with salaries, social charges and benefits, (ii) maintenance (+15.3% YoY), as a result of higher expenses with materials and contracting of outsourced services to maintain the high service level in the business units, (iii) depreciation and amortization, reflecting higher depreciation with the right to explore lease agreements and operating equipment, and (iv) other costs arising from higher expenses with the implementation of new operating systems at Tecon Santos and Tecon Vila do Conde, with outsourced services, and with the lease of operating equipment at Tecon Vila do Conde and Tecon Imbituba.

Handling costs registered a slight decrease (-1.7% YoY), despite lower container handling in 1Q23. Costs with fuel, lubricants and electricity dropped 5.7% YoY, due to the lower volume handled, despite the inflationary effect on such inputs. Costs with outsourced labor, directly linked to the volume operated, registered a drop of 14.8% YoY. Finally, other handling costs grew 45.2% YoY, due to the tariff review by the Santos Port Authority (SPA) started in April 2022, which readjusted the tariffs and changed the criteria for charging lessees, with the infrastructure fee, previously fixed, now being charged on handled volume.

Operating Expenses

In 1Q23, Container and General Cargo Terminals' Operating Expenses amounted to R\$ 20.7 million, down 28.9% YoY, highlighting the decrease of 61.2% YoY in selling expenses, as a result of the significant drop in the provision for bad debt. General and administrative expenses increased 38.7% YoY, due to (i) higher personnel expenses, reflecting the hiring of employees, and (ii) higher expenses with legal consulting and advisory services.

EBITDA

In 1Q23, recurring EBITDA amounted to R\$ 131.4 million, down 18.9% YoY, with an EBITDA margin of 44.7% (-5.3 p.p. YoY), due to the lower volume handled at the terminals. It is worth highlighting that the higher average ticket in the container warehousing operation minimized the drop in EBITDA and EBITDA Margin for the quarter. In 1Q23, there were no one-offs.



Santos Brasil Logística

SBLog - Operating data

	1Q23	1Q22	Δ (%)
Bonded warehousing (CLIAs)			
Containers stored	15,220	17,571	-13.4%
Distribution Centers			
Pallet handled	281,713	234,637	20.1%

Bonded Warehousing: in 1Q23, Santos Brasil Logística stored 15,220 containers in Santos and Guarujá bonded warehouses - CLIAs, down 13.4% YoY, reflecting the slowdown in container imports at the Port of Santos, mainly chemicals and durable goods (i.e., electronics).

Distribution Centers: Santos Brasil Logística's Distribution Centers, located in São Bernardo do Campo, registered growth of 20.1% YoY in the number of pallets handled in 1Q23, reflecting higher operating capacity to serve new clients and expansion of the scope of contracts with active clients.

SBLog – Economic-financial data

R\$ million	1Q23	1Q22	Δ (%)
Gross Revenue	126.2	115.0	9.7%
Bonded Warehousing	97.8	89.5	9.3%
Distribution Centers	12.8	12.0	6.7%
Other	15.6	13.5	15.6%
Net Revenue	106.8	97.6	9.4%
Bonded Warehousing	83.6	76.6	9.1%
Distribution Centers	11.2	10.5	6.7%
Other	11.9	10.4	14.4%
Operating Costs	-49.5	-51.4	-3.7%
Handling costs	-14.7	-20.6	-28.6%
<i>Fuel, lubricants and electricity</i>	-3.2	-3.4	-5.9%
<i>Freight</i>	-8.4	-10.5	-20.0%
Other handling costs	-3.1	-6.7	-53.7%
Personnel costs	-13.3	-11.8	12.7%
Outsourced services	-7.8	-6.9	13.0%
Depreciation and amortization	-4.3	-4.3	0.0%
Other costs	-9.4	-7.8	20.5%
Operating Expenses	-29.5	-27.5	7.3%
Selling	-26.3	-25.2	4.4%
General and administrative	-3.2	-2.3	39.1%
Depreciation and amortization	0.0	0.0	-
EBITDA	32.1	23.0	39.6%
<i>EBITDA Margin</i>	<i>30.1%</i>	<i>23.6%</i>	<i>6.5 p.p</i>

Net Revenue

In 1Q23, Santos Brasil Logística registered Net Revenue of R\$ 106.8 million (+9.4% YoY), boosted by 9.1% YoY growth in Net Revenue from bonded warehousing, reflecting the higher average ticket, due to (i) contract renegotiations; (ii) better mix of fragmented cargo (LCL⁵), (iii) the performance of FCL⁶ storage, with increased capture of higher value-added cargo; and (iv) longer dwell time. The performance of Santos Brasil Logística also benefited from the 6.7% YoY increase in the Distribution Centers' Net Revenue, reflecting higher number of pallets handled in 1Q23, and the 15.6% YoY increase in other revenues, mainly from Road Freight operations, which underwent a commercial restructuring, focusing on more profitable routes.

Operating Costs

In 1Q23, Santos Brasil Logística's Operating Costs totaled R\$ 49.5 million (-3.7% YoY). Handling costs decreased 28.6% YoY, due to (i) lower fuel, lubricant and electricity costs (-5.9% YoY), as a result of lower volume of containers stored in the period, (ii) lower freight costs (-20.0% YoY) and (iii) decrease in other handling costs (-53.7% YoY), mainly due to lower expenses with container capture at Port of Santos, explained by the lower import volume and the suspension in charging Separation and Delivery Services (SSE) by port terminals.

On the other hand, personnel costs increased 12.7% YoY in, reflecting corporate restructuring, mainly at 3PL Logistics, which culminated in the hiring of new employees, in addition to labor expenses with dismissals. This restructuring should bring savings in personnel costs in the medium term. Outsourced service costs also increased in 1Q23 (+13.0% YoY), mainly explained by greater hiring of driver services in road transportation. Thus, a readjustment of transport costs is being carried out, replacing fixed costs with variable costs, seeking to better manage contracts and, consequently, greater profitability.

Finally, Santos Brasil Logística's other operating costs increased 20.5% in 1Q23, with emphasis on higher technology expenses, with implementation of new operational and administrative management systems.

Operating Expenses

Santos Brasil Logística's Operating Expenses amounted to R\$ 29.5 million (+7.3% YoY) in 1Q23. There was an increase of 4.4% YoY in selling expenses, due to the restructuring of the commercial area of Santos Brasil Logística, with the hiring of new employees. The commercial area started implementing a new sector and customer segmentation strategy, allowing for a more customized service, improving the client experience, optimizing resources, and increasing contracts' profitability.

General and administrative expenses recorded an increased of 39.1% YoY in 1Q23, also reflecting the restructuring of this business unit, which resulted in the hiring of new executives, thus generating higher personnel expenses.

EBITDA

Santos Brasil Logística's EBITDA reached R\$ 32.1 million in 1Q23 (+39.6% YoY), with margin of 30.1% (+6.5 p.p. YoY), performance boosted by the increase in average ticket, as a result of better efficiency in contract management and pricing. The commercial, administrative, and cost management restructuring was fundamental for the growth of Santos Brasil Logística's results and margins, even in a scenario of drop in import volumes at the Port of Santos.

⁵ Less than Container Load.

⁶ Full Container Load.



Vehicle Terminal (TEV)

TEV - Operating data

	1Q23	1Q22	Δ (%)
Vehicles (units)	55,358	54,325	1.9%
Export	51,034	48,102	6.1%
Imports	4,324	6,223	-30.5%
Light	49,406	49,902	-1.0%
Heavy	5,952	4,423	34.6%

Vehicles handled: in 1Q23, TEV handled 55,538 vehicles, growth of 1.9% YoY, with emphasis on the export of 51,034 vehicles (+6.1% YoY). On the other hand, imports dropped 30.5% YoY in 1Q23. The mix of heavy vehicles improved in the quarter, accounting for 11% of total volume (over 8% in 1Q22), reflecting higher exports of agricultural and construction machinery to the US and Costa Rica.

TEV - Economic-financial data

R\$ million	1Q23	1Q22	Δ (%)
Gross Revenue	27.7	24.7	12.1%
Net Revenue	23.8	21.1	12.8%
Operating Costs	-12.1	-10.5	15.2%
Handling costs	-5.9	-5.0	18.0%
Depreciation and amortization	-4.6	-4.2	9.5%
Other costs	-1.6	-1.2	33.3%
Operating Expenses	-1.2	-1.4	-14.3%
Selling	-0.9	-1.2	-25.0%
General and administrative	-0.3	-0.3	0.0%
Depreciation and amortization	0.0	0.0	-
EBITDA	15.1	13.4	12.7%
<i>EBITDA Margin</i>	63.4%	63.5%	-0.1 p.p.

Net Revenue

In 1Q23, TEV Net Revenue amounted to R\$ 23.8 million (+12.8% YoY), reflecting the larger volume of vehicles stored in the terminal and better mix of heavy vehicles, which have an average ticket higher than light vehicles. There was also a positive impact from contract renegotiations with automakers.

Operating Costs

In 1Q23, TEV Operating Costs amounted to R\$ 12.1 million (+15.2% YoY), up 18.0% YoY in handling costs, due to the higher volume of exports. Depreciation and amortization costs were 9.5% higher YoY, reflecting higher depreciation of the right of use of the lease agreement.

Operating Expenses

TEV Operating Expenses amounted to R\$ 1.2 million in 1Q23 (-14.3% YoY), reflecting the drop of 25.0% YoY in selling expenses, with a decrease in the payment of commercial commissions in the period, due to lower handling of light and heavy imported vehicles.



SANTOS BRASIL

EBITDA

In 1Q23, TEV's EBITDA amounted to R\$ 15.1 million, an increase of 12.7% YoY, with EBITDA margin of 63.4% (-0.1 p.p. YoY), positively impacted by volume growth, better mix of heavy vehicles and increase in average ticket.



Liquid Bulk Terminals

Liquid Bulk Terminals - Economic-financial data

R\$ million	1Q23	1Q22	Δ (%)
Gross Revenue	6.0	0.0	-
Warehousing operations	6.0	0.0	-
Net Revenue	4.7	0.0	-
Warehousing operations	4.7	0.0	-
Operating Costs	12.5	0.7	1,685.7%
Handling costs	0.3	0.0	-
Personnel costs	1.9	0.7	171.4%
Depreciation and amortization	9.1	0.0	-
Other costs	1.2	0.1	1,100.0%
Operating Expenses	1.1	1.2	-8.3%
Selling	0.3	0.1	200.0%
General and administrative	0.8	1.1	-27.3%
Depreciation and amortization	0.1	0.0	-
EBITDA	0.3	-1.9	115.8%
<i>EBITDA Margin</i>	<i>6.4%</i>	-	<i>6.4 p.p.</i>

Net Revenue

Net Revenue from Liquid Bulk Terminals amounted to R\$ 4.7 million in 1Q23, mainly composed by the provision of fuel storage services (i.e., diesel and gasoline) at the brownfield terminals (TGL 01 and TGL 03) for local distributors and multinational importers, in addition to the contribution of revenues from ancillary services. It is worth highlighting that liquid terminal operations started in November 2022, with 1Q23 being the first full quarter to record revenue in the business unit.

Operating Costs

In 1Q23, Operating Costs amounted to R\$ 12.5 million, with depreciation and amortization costs of lease agreements being the most representative (R\$ 9.1 million). Handling costs amounted to R\$ 0.3 million and are mainly related to port fees. Personnel costs amounted to 1.9 million in 1Q23. Finally, other costs, which amounted to R\$ 1.2 million in 1Q23, are represented by expenses with maintenance, technology, and outsourced services.

Operating Expenses

Operating Expenses amounted to R\$ 1.1 million in 1Q23, with emphasis on general and administrative expenses of 0.8 million, which refer to personnel, consulting, and advisory services. Commercial expenses amounted to R\$ 0.3 million in 1Q23, mainly related to employee expenses.

EBITDA

In 1Q23, EBITDA recorded a positive result of R\$ 0.3 million, compared to a negative result of R\$ 3.2 million in 4Q22 and negative R\$1.9 million in 1Q22, supporting the confidence of the potential value generation of this unit in the medium-to-long term.

**Corporate****Corporate - Economic-financial data**

R\$ million	1Q23	1Q22	Δ (%)
Corporate Expenses	-26.5	-17.3	53.2%
General and administrative	-25.5	-16.2	57.4%
Depreciation and amortization	-1.0	-1.0	0.0%
EBITDA	-25.5	-16.2	57.4%
<i>EBITDA Margin</i>	-	-	-

Corporate Expenses

In 1Q23, Corporate Expenses grew by 53.2% YoY, due to higher expenses with legal consulting and advisory services, including payment of success fees in claims that the Company won.

EBITDA

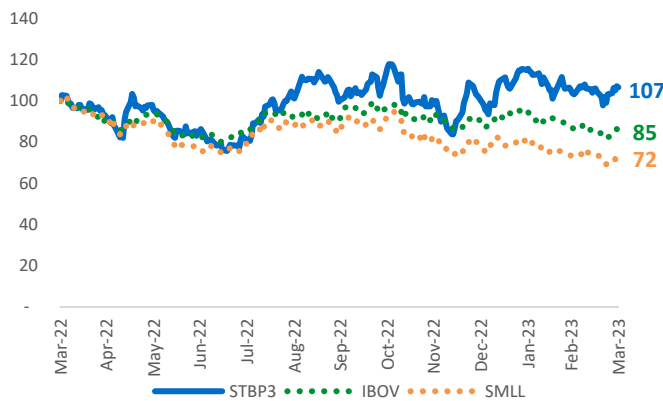
Corporate EBITDA, represented by Corporate Expenses, amounted to negative R\$ 25.5 million, 57.4% higher over 1Q22.



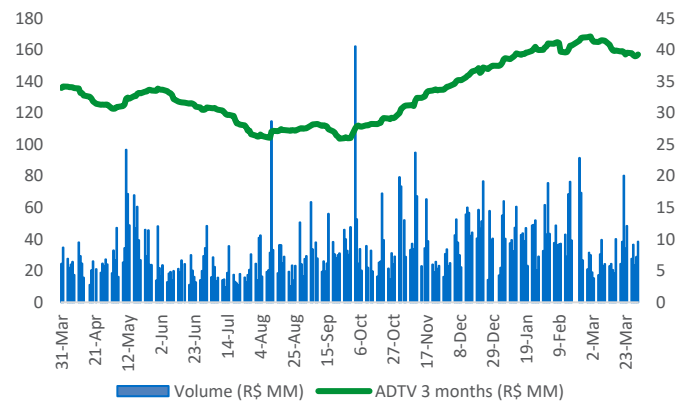
Capital markets

In 1Q23, Santos Brasil's share price (STBP3) appreciated by 4.0%, outperforming the Ibovespa (IBOV), which fell 7.2%, and the Small Caps Index (SMLL), which fell 9.5%. In terms of liquidity, Santos Brasil shares registered an average daily trading volume (ADTV) of R\$ 39.1 million in 1Q23, down 3.5% from 4Q22.

Stock Performance (base=100 on 03/31/2022)



Trading Volume (R\$ MM)



Earnings distribution

The table below shows the distribution of earnings to shareholders in recent years:

Fiscal Year	Event	Value per share (R\$) ⁷	Total amount distributed (R\$ MM)	Date of Payment	Payout ⁸
2012	Dividends	0.752830	100.0	12/19/2012	76%
2012	IOC	0.556529	73.9	04/05/2013	76%
2012	Dividends	0.236659	31.4	04/05/2013	76%
2013	Dividends	0.675588	90.0	12/30/2013	76%
2013	IOC	0.516345	68.4	04/08/2014	76%
2013	Dividends	0.266373	35.4	05/06/2014	76%
2014	IOC	0.113645	15.0	12/30/2014	76%
2014	Dividends	0.066199	8.7	04/08/2015	76%
2014	IOC	0.347353	45.8	04/08/2015	76%
2015	IOC	0.032268	4.3	04/08/2016	N.A.
2017	Dividends	0.002966	2.0	05/09/2018	N.A.
2018	Dividends	0.004260	2.8	05/02/2019	94%
2019	Dividends	0.017500	11.7	05/12/2020	75%
2021	Dividends	0.146988	126.8	12/30/2021	
2021	IOC	0.112966	97.4	05/10/2022	95%
2021	Dividends	0.039376	34.0	03/31/2022	
2022	Dividends	0.378066	326.5	09/16/2022	
2022	Dividends	0.075488	65.2	11/23/2022	
2022	IOC	0.151297	130.6	11/30/2022	
2022	IOC	0.014695	12.7	01/16/2023	136%
2022	Dividends	0.035873	31.0	05/15/2023	
2022	Dividends	0.014979	12.9	05/15/2023	

⁷ Until fiscal year 2015, the amount refers to the unit (1 voting share + 4 preferred shares). The Company's shareholders' equity is composed of voting shares only.

⁸ The payout is calculated by dividing dividends/IOC paid by net income for the fiscal year. N.A.: fiscal years in which the Company recorded a net loss.



Social development, care for the environment, ethics and transparency in our Corporate Governance are some of the pillars that guide Santos Brasil's strategy. The year 2023 could not have started any differently, with Santos Brasil being elected the **3rd most influential company in ESG area in the digital field**, according to the report "The evolution of ESG in Brazil", prepared by the UN Global Compact with the consultancy from Falconi e Stilingue. The study was based on an anonymous questionnaire filled out by companies from 12 industries and the monitoring of social networks through social listening, which identifies comments and conversations relevant to a brand in the most diverse digital environments. Moreover, Santos Brasil was recognized with the **ESG A Tribuna Award**, which is in its first edition and included public and private initiative projects. The Company's award-winning case was water telemetry, which saved over R\$ 140,000 in water consumption.

Thus, 1Q23 was marked by the celebration of the **World Water Day**, which encourages the sustainable use of this resource and raises awareness about the conservation of aquatic environments, and the **National Climate Change Awareness Day**, which encourages, promotes and implements actions that can reduce the aggravations and impacts of climate change on the planet. As a signatory of the UN Global Compact since 2013, Santos Brasil has been doing its part to contribute to the reduction of greenhouse gas emissions, water consumption and waste generation, with emphasis on (i) the reduction targets planned for the period between 2020 and 2024, with a 15% drop in CO₂ emissions, a 30% drop in water consumption and a 50% drop in waste generation, and (ii) the remuneration of senior management and employees linked to defined ESG targets.

In 1Q23, the **energy consumption reduction awareness** campaign was carried out, which brings positive impacts not only to the environment, but to the Company in general. Based on actions aimed at conscious consumption, the role of all employees when it comes to saving energy on Santos Brasil premises was reinforced. Therefore, it is essential that everyone is committed to turning off the lights after working hours and minimizing the use of air conditioning, turning it off after use.

In addition to the aforementioned awards, Santos Brasil was chosen as one of the best companies to work for and certified by the consulting firm **Great Place to Work (GPTW)** for the fifth consecutive year. In addition to the search for the GPTW seal, the results of the survey are used to further improve the organizational climate and culture, creating an increasingly satisfying and healthy work environment for all employees. Based on the results of the last survey, Santos Brasil carried out actions designed exclusively for professional and personal development, besides implementing improvements in infrastructure and health-related initiatives. In 2023, Santos Brasil will continue transforming itself to become an increasingly better and more inclusive place to work.

In the quarter, the Company started the **Diversity Census**, a tool to listen to each of the employees and identify which aspects Santos Brasil can evolve to provide an increasingly innovative, creative and healthy work environment, with all answers being fully confidential and accessed only by the outsourced consulting firm engaged. It is worth highlighting the Company's commitment to actively contribute to human development and promote a fairer and more inclusive work environment. Investing in diversity and inclusion actions is one of the strategies to achieve this goal and the Census offers the possibility of surveying the company's data with important elements to prepare an action plan.

Still on this topic, we have the **International Women's Day** in March, a date linked to the struggle of women for equity and representativeness. At Santos Brasil, they work from North to South of the country, breaking down barriers and connecting Brazil to the world. Throughout the month, employee stories were told in the "Every woman has her story" series. In conclusion, a conversation was held with the Company's female leaders to discuss the empowerment of women in the workplace.

Regarding initiatives aimed at human development, 1Q23 was marked by important initiatives. Firstly, the new Santos Brasil partnership stands out, through which all employees, dependents and spouses will be able to attend (in-person or remotely) **undergraduate, graduate and MBA courses** at renowned universities within the country with discounts on tuition fees.

Moreover, in February, there was an event for the recognition and certification of the project's classes **2022 Green Belt**, organized by the Continuous Improvement area. The meeting was attended by 55 Santos Brasil employees and leaders, who followed the presentations of the five Lean Six Sigma projects implemented, which include improvements on different areas of the Company and whose main objectives are to reduce costs, increase operational efficiency and increase customer and employee satisfaction. In addition to the award for the best project, all participants were recognized as Continuous Improvement Agents, undertaking to help and disseminate the resolution of problems within Santos Brasil. In March, the classes received the **Yellow Belt 2022** certification.

Additionally, a registration round was opened in February for employees to become **Compliance Multipliers**. Through this initiative, members have the opportunity to participate in training courses, monthly schedules of events with certification, the Recognition Program with awards, in addition to having access to first-hand Compliance news. Moreover, the Company opened the new round of **SB Inova**, a program that aims to foster the generation of innovative ideas that can reduce costs, increase productivity and efficiency, improve the quality of services, increase client satisfaction, improve process safety, among other benefits.

Finally, in March, Santos Brasil carried out the first **Tech Day**, which brought together the Technology team to celebrate the 2022 achievements, develop new skills, discuss the challenges in the area and technological trends. This is yet another initiative by Santos Brasil focused on team development and integration.

Regarding actions aimed at health and safety, the **White January** Campaign was implemented, an initiative dedicated to mental health care, which aims to raise awareness, inform and promote the importance of this topic. Identifying signs of mental exhaustion is the first step to renew perspectives and understand that everyone should, above all, prioritize health and well-being. Who takes care of the mind, takes care of life!

Furthermore, the business units once again showed the company's engagement with the **Zero Accident** Campaign and new safety records were achieved: 365 days without lost-time accidents at Tecon Imbituba and 1,600 days at TEV.

On sports, 1Q23 was marked by initiatives sponsored by Santos Brasil. From January 27 to February 19, Enseada Beach, in the city of Guarujá (SP), brought together big names in beach tennis, footvolley and beach soccer in yet another edition of the **Summer Arena**. The Company provided invitations to 15 employees per day, each entitled to up to three colleagues. In March, registrations were opened for employees to participate in the Santos Brasil team in the **10 KM Tribuna FM**, a street race that takes place in the city of Santos (SP), and **Pedal para Todos**, carried out by the Brazilian Mountain Bike Confederation, with the provision of 100 vacancies for employees of Santos Brasil. Promoting social development through sports is one of Santos Brasil's commitments!

In cultural actions, the Company became a sponsor of *Chorinho no Aquário*, a project that praises an authentically Brazilian rhythm and which takes place in the Municipal Aquarium square in Santos (SP). The Company's contribution is made through the Culture Incentive Law and is among the 41 incentive projects that Santos Brasil will sponsor in 2023. *Chorinho no Aquário* is organized by Organização Social Associação dos Artistas and the Municipal Government of Santos, by the Secretary of Culture. The event is free and open to the public.

Santos Brasil invites everyone to access its **Sustainability Report**. And remember that the IR team is available to answer any questions you may have. To contact the IR team, please send an e-mail to dri@santosbrasil.com.br.

The following table shows the evolution in the key environmental indicators⁹ of Santos Brasil:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	1Q22	1Q23
CO₂ emissions											
CO ₂ emissions (tons)	30,435	30,337	31,437	31,556	32,297	33,515	29,452	34,269	27,891	6,607	5,449
Port operations (kgCO ₂ e/TEU)	17.32	15.49	15.32	14.85	13.99	13.29	13.14	11.50	11.15	11.16	11.33
Bonded warehouses (kgCO ₂ e/TEU)	26.57	27.21	19.81	27.61	25.03	23.62	21.99	17.39	19.65	21.21	18.34
Road transportation (kgCO ₂ e/Km)	1.03	0.97	1.01	1.02	1.02	1.02	1.05	0.92	0.93	0.93	0.83
Distribution Centers (kgCO ₂ e/pallet)	0.99	1.30	0.63	0.53	0.41	0.36	0.90	0.18	0.34	0.50	0.33
Water (m³)											
Water consumption	82,611	69,858	84,817	110,041	82,724	74,176	67,776	65,224	58,884	11,534	14,952
Water consumption <i>per capita</i> ¹⁰	1.70	1.39	1.75	2.52	2.01	1.75	1.71	1.50	1.34	1.17	1.15
Waste (tons)											
Non-recyclable	117	119	723	594	627	645	508	646	696	151	140
Recyclable	395	156	1,454	1,646	1,552	2,175	1,675	3,059	4,215	788	1,070
Total waste	512	275	2,176	2,239	2,179	2,820	2,183	3,705	4,911	939	1,210

⁹ The indicators are subject to retroactive changes due to: (i) CO₂ emissions: recalculation of the government emissions factor (retroactive) and receipt of late electricity bills; (ii) water: receipt of late water bills; and (iii) waste: receipt of late certificates of final disposal.

¹⁰ Considers own employees and permanent outsourced workers.



Voluntary change in accounting policy – CPC 06

As informed in 4Q22 earnings release, the Company, voluntarily, opted to adopt technical pronouncement CPC 06 (R2) from the Accounting Pronouncements Committee (CPC) for all its leased terminals, including those subjects to lease agreements prior to January 1st, 2019. The Company adopted such measure to harmonize and standardize accounting practices related to its leased terminals – considering that the liquid bulk terminals in the Port of Itaqui, in the state of Maranhão, are accounted for under CPC 06 (R2) since the beginning, which, in its view, will bring the benefit of a unified understanding to the reader on the accounting of all leases contracted by the Company.

Considering this change in its accounting policies and aiming to comply with the technical pronouncement CPC 23 of the Accounting Pronouncements Committee (CPC), the financial statements for the year 2021 were restated to provide an adequate comparison with 2022. The Company has already restated the consolidated financial statements for the year of 2022, and restated the financial statements for 1Q22 in this 1Q23 earnings release. The 2Q22 and 3Q22 quarterly financial statements will be restated in the 2Q23 and 3Q23 quarterly earnings releases.

The impacts of such voluntary change in accounting practice on the balance sheet for the fiscal quarter ended March 31, 2022, generated a non-material adjustment of R\$ 3.9 million in the opening balances that impact the individual and consolidated statements of income for 1Q22, as these are mainly qualitative reclassifications between assets and liabilities.

Income Statement and Balance Sheet

The asset related to port lease agreements, previously recognized in the Balance Sheet as “Intangible Assets,” was reclassified as “Fixed Assets.” The liability representing the corresponding entry to lease agreements, previously recognized in “Obligation with concession grantor,” was reclassified as “Leases.”

Given the full adoption of said pronouncement, which contemplated all its leases, the Company revised the incremental interest rate used to calculate at present value of the balance payable of each port lease agreement, as well as the inclusion of PIS and COFINS taxes in the fixed and variable minimum installments established in the agreements. Accordingly, new measurements of Fixed Assets, under assets, and Leases, under liabilities, were made in the financial statements for 1Q22.

As a result, the Company restated its Financial Statements for 1Q22, with a breakdown of the variations in accounts shown in the tables below. This earnings release considers, therefore, as a comparison base, the restated figures for 1Q22. The figures for 1Q23 also adopt the new accounting methodology.

In the Income Statement, the accounts changed were: (i) Operating Cost: change in the calculation of PIS and COFINS tax credits, given the inclusion of these taxes in the installments of lease agreements, and lower costs with depreciation and amortization arising from the reduction in the balance of fixed assets resulting from the new methodology; and (ii) higher expenses with lease interest in the financial result, due to revision of the incremental interest rate of port lease agreements.

The following tables presents a breakdown of the adjustments made to accounts in the Balance Sheet and Income Statement.



Balance Sheet – Consolidated (R\$'000)

ASSETS	03/31/2022	Adjustments CPC 06	03/31/2022 Restated	Adjustments description
Total Assets	4,750,550	-480,325	4,270,225	
Current assets	1,313,374	0	1,313,374	
Cash and cash equivalents	896,040	0	896,040	
Financial investments	165,216	0	165,216	
Accounts receivable	192,333	0	192,333	
Inventories	24,992	0	24,992	
Other	34,793	0	34,793	
Non-current assets	3,437,176	-480,325	2,956,851	
Judicial deposits	324,638	0	324,638	
Other	96,729	-13,990	82,739	
Property, plant and equipment	268,297	2,138,696	2,406,993	Reclassification of the "Intangible" account and change in the calculation of the present value of port lease agreements.
Intangible assets	2,747,512	-2,605,031	142,481	
LIABILITIES	03/31/2022	Adjustments CPC 06	03/31/2022 Restated	Adjustments description
Total liabilities	4,750,550	-480,325	4,270,225	
Current liabilities	531,500	53,677	585,177	
Social and labor obligations	47,672	0	47,672	
Suppliers	107,265	0	107,265	
Fiscal obligations	37,168	0	37,168	
Loans and financing	65,420	0	65,420	
Leases	0	236,616	236,616	Reclassification of the "Obligations with concession grantor" account and change in the calculation of the present value of port lease agreements.
Obligations with concession grantor	172,371	-170,561	1,810	
Other	101,604	-12,378	89,226	
Non-current liabilities	1,970,110	-561,153	1,408,957	
Loans and financing	287,829	0	287,829	
Deferred taxes	13,737	0	13,737	
Provisions	39,531	0	39,531	
Actuarial liabilities	32,275	0	32,275	
Leases	0	947,254	947,254	Reclassification of the "Obligations with concession grantor" account and change in the calculation of the present value of port lease agreements.
Obligations with concession grantor	1,448,536	-1,448,536	0	
Other	148,202	-59,871	88,331	
Shareholders' equity	2,248,940	27,151	2,276,091	
Paid-in capital	1,873,906	0	1,873,906	
Capital reserves	62,889	0	62,889	
Profit reserves	208,884	31,034	239,918	Effect on income for years prior to 2021 due to the change in accounting policy.
Other comprehensive income (loss)	9,026	0	9,026	
Additional proposed dividends	0	0	0	
Earnings/loss accumulated	94,235	-3,883	90,352	



Income Statement – Consolidated (R\$'000)

	03/31/2022	Adjustments CPC 06	03/31/2022 Restated	Adjustments description
Gross operations revenue	503,778	-	503,778	
(-) Deductions	(63,639)	-	(63,639)	
Net operating revenue	440,139	-	440,139	
(-) Operating Costs	235,507	(7,595)	227,912	
<i>Variable and fixed costs</i>	<i>185,727</i>	<i>(1,328)</i>	<i>184,399</i>	Change in the PIS and CONFINS credit calculation criteria due to the inclusion of taxes in the fixed and variable installments of port lease agreements.
<i>Depreciation and amortization</i>	<i>49,780</i>	<i>(6,267)</i>	<i>43,513</i>	Lower cost due to higher incremental interest rate for calculating the present value of fixed assets. Lower fixed asset implies lower depreciation.
Gross profit	204,632	7,595	212,227	
(-) Operating Expenses	76,573	-	76,573	
<i>Selling expenses</i>	<i>46,307</i>	-	<i>46,307</i>	
<i>G&A expenses</i>	<i>29,172</i>	-	<i>29,172</i>	
<i>Depreciation/amortization</i>	<i>1,094</i>	-	<i>1,094</i>	
EBIT	128,059	7,595	135,654	
<i>Depreciation/amortization</i>	<i>50,874</i>	<i>(6,267)</i>	<i>44,607</i>	Lower cost due to higher incremental interest rate for calculating the present value of fixed assets. Lower fixed asset implies lower depreciation.
EBITDA	178,934	1,329	180,263	
(+) Financial result	15,521	(13,478)	2,043	Higher financial expense due to higher incremental interest rate for lease agreements.
(-) Income and social contribution taxes	(49,345)	2,000	(47,345)	Lower expenses with income and social contribution taxes due to lower EBT.
NET INCOME	94,235	(3,883)	90,352	



Appendix

Consolidated Income Statement by operating segment – 1Q23 (R\$ thousand)

	Container and General Cargo Terminals	Logistics	TEV	Liquid Bulk Terminals	Corporate	Eliminations	Consolidated
Gross operating revenue	331,439	126,248	27,688	6,033	-	(2,650)	488,758
(-) Deductions	(37,379)	(19,474)	(3,873)	(1,296)	-	205	(61,817)
Net operating revenue	294,060	106,774	23,815	4,737	-	(2,445)	426,941
(-) Operating costs	181,914	49,508	12,118	12,480	-	(2,445)	253,575
<i>Variable/fixed costs</i>	<i>142,053</i>	<i>45,217</i>	<i>7,517</i>	<i>3,372</i>	-	<i>(2,445)</i>	<i>195,714</i>
<i>Depreciation/amortization</i>	<i>39,861</i>	<i>4,291</i>	<i>4,601</i>	<i>9,108</i>	-	-	<i>57,861</i>
Gross profit	112,146	57,266	11,697	(7,743)	-	-	173,366
(-) Operating expenses	20,699	29,508	1,219	1,124	26,524	-	79,074
<i>Selling expenses</i>	<i>7,804</i>	<i>26,285</i>	<i>891</i>	<i>310</i>	<i>0</i>	-	<i>35,290</i>
<i>G&A expenses</i>	<i>12,848</i>	<i>3,195</i>	<i>328</i>	<i>759</i>	<i>25,491</i>	-	<i>42,621</i>
<i>Depreciation/amortization</i>	<i>47</i>	<i>28</i>	-	<i>55</i>	<i>1,033</i>	-	<i>1,163</i>
EBIT	91,447	27,758	10,478	(8,867)	(26,524)	-	94,292
<i>Depreciation/amortization</i>	<i>39,908</i>	<i>4,319</i>	<i>4,601</i>	<i>9,163</i>	<i>1,033</i>	-	<i>59,024</i>
EBITDA	131,358	32,072	15,077	293	(25,486)	-	153,314
EBITDA proforma¹¹	95,704	29,343	10,869	(1,219)	(25,555)	-	109,142
(+) Financial result	-	-	-	-	(22,278)	-	(22,278)
(-) Income and social contribution taxes	-	-	-	-	(26,153)	-	(26,153)
Net income	N/A	N/A	N/A	N/A	N/A	N/A	45,861

Consolidated Income Statement by operating segment – 1Q22 (R\$ thousand)

	Container and General Cargo Terminals	Logistics	TEV	Liquid Bulk Terminals	Corporate	Eliminations	Consolidated
Gross operating revenue	367,259	115,023	24,672	-	-	(3,177)	503,778
(-) Deductions	(42,887)	(17,417)	(3,606)	-	-	274	(63,639)
Net operating revenue	324,372	97,606	21,066	-	-	(2,903)	440,139
(-) Operating costs	168,189	51,412	10,467	747	-	(2,903)	227,912
<i>Variable/fixed costs</i>	<i>133,232</i>	<i>47,104</i>	<i>6,219</i>	<i>747</i>	-	<i>(2,903)</i>	<i>184,399</i>
<i>Depreciation/amortization</i>	<i>34,957</i>	<i>4,308</i>	<i>4,248</i>	-	-	-	<i>43,513</i>
Gross profit	156,183	46,194	10,599	(747)	-	-	212,227
(-) Operating expenses	29,144	27,522	1,447	1,197	17,263	-	76,573
<i>Selling expenses</i>	<i>19,756</i>	<i>25,238</i>	<i>1,159</i>	<i>138</i>	<i>0</i>	-	<i>46,307</i>
<i>G&A expenses</i>	<i>9,341</i>	<i>2,265</i>	<i>288</i>	<i>1,059</i>	<i>16,234</i>	-	<i>29,172</i>
<i>Depreciation/amortization</i>	<i>47</i>	<i>19</i>	-	-	<i>1,029</i>	-	<i>1,094</i>
EBIT	127,039	18,672	9,152	(1,944)	(17,263)	-	135,654
<i>Depreciation/amortization</i>	<i>35,004</i>	<i>4,327</i>	<i>4,248</i>	-	<i>1,029</i>	-	<i>44,607</i>
EBITDA	162,057	22,984	13,402	(1,947)	(16,233)	-	180,263
EBITDA proforma¹¹	129,456	20,432	9,836	(1,947)	(16,298)	-	141,479
(+) Financial result	-	-	-	-	2,042	-	2,043
(-) Income and social contribution taxes	-	-	-	-	(47,345)	-	(47,345)
Net income	N/A	N/A	N/A	N/A	N/A	N/A	90,352

¹¹ With the adoption of IFRS 16, the EBITDA of port terminals and Santos Brasil Logística no longer reflects expenses with leases and rents. Aiming at maintaining the comparative analysis with prior periods and reflecting, more accurately, the operating “cash” result of the Company, we calculated the “proforma EBITDA”, which subtracts the lease and rent expenses and from the reported EBITDA.



Consolidated Balance Sheet (R\$'000)

ASSETS	03/31/2023	12/31/2022	03/31/2022
Total Assets	4,325,961	4,348,678	4,270,225
Current assets	800,697	857,825	1,313,374
Cash and cash equivalents	540,517	614,631	896,040
Financial investments	0	0	165,216
Accounts receivable	173,832	179,722	192,333
Inventories	31,406	28,647	24,992
Other	54,942	34,825	34,793
Non-current assets	3,525,264	3,490,853	2,956,851
Judicial deposits	330,336	345,565	324,638
Other	106,765	110,353	82,739
Property, plant and equipment	2,927,876	2,871,831	2,406,993
Intangible assets	160,287	163,104	142,481
LIABILITIES	03/31/2023	12/31/2022	03/31/2022
Total liabilities	4,325,961	4,348,678	4,270,225
Current liabilities	567,463	610,469	585,177
Social and labor obligations	53,222	70,195	47,672
Suppliers	107,638	123,525	107,265
Fiscal obligations	31,499	31,310	37,168
Loans and financing	44,218	53,138	65,420
Leases	328,813	314,147	236,616
Obligations with concession grantor	1,727	6,152	1,810
Other	346	12,002	89,226
Non-current liabilities	1,617,454	1,645,326	1,408,957
Loans and financing	247,832	281,929	287,829
Deferred taxes	19,184	17,032	13,737
Provisions	38,749	38,688	39,531
Actuarial liabilities	27,047	26,342	32,275
Leases	1,187,258	1,172,521	947,254
Other	97,384	108,814	0
Shareholders' equity	2,141,044	2,092,883	88,331
Paid-in capital	1,879,484	1,876,956	2,276,091
Capital reserves	66,603	66,974	1,873,906
Profit reserves	121,534	121,391	62,889
Other comprehensive income (loss)	14,626	14,626	239,918
Additional proposed dividends	12,936	12,936	9,026
Earnings/loss accumulated	45,861	0	0



Statement of Cash Flows (R\$ thousand)

	1Q23	1Q22	Δ (%)
OPERATING CASH FLOW	101,131	164,054	-38.4%
Cash from operations	173,108	225,758	-23.3%
Income (loss) before taxes and interest	72,014	137,697	-47.7%
Monetary and foreign-exchange variations	489	287	70.4%
Depreciation and amortization	59,022	44,608	32.3%
Formation (reversal) of provision for contingencies	3,324	4,497	-26.1%
Share purchase option plan	2,099	1,343	56.3%
Write-offs and income in the sale of permanent assets	49	(4)	n.a.
Interest on debentures	866	941	-8.0%
Recognized Interest on Loans	75	110	-31.8%
Interest on financial investments	-	(4,802)	-100.0%
Post-employment benefit – Health care plans	705	859	-17.9%
Allowance (reversal) for doubtful accounts and bad debt losses	(1,423)	11,398	-112.5%
Interest on obligations with the concession grantor	86	74	16.2%
Interest on lease - rents	35,802	28,750	24.5%
Changes in assets and liabilities	(45,387)	(14,041)	223.2%
(Increase) decrease in accounts receivable	7,313	6,258	16.9%
(Increase) decrease in inventories	(2,759)	(601)	359.1%
(Increase) decrease in current tax assets	(13,618)	(1,192)	1042.4%
(Increase) decrease in judicial deposits	15,229	(6,117)	-349.0%
(Increase) decrease in other assets	(6,618)	2,766	-339.3%
Increase (decrease) in suppliers	(4,894)	1,734	-986.5%
Increase (decrease) in suppliers - drawee risk	(10,478)	5,406	-100.0%
Increase (decrease) in salaries and social charges	(16,973)	(20,085)	-15.5%
Increase (decrease) in taxes, rates, and contributions	(1,290)	(4,985)	-74.1%
Increase (decrease) in accounts payable	145	158	-8.2%
Increase (decrease) in taxes on billing - TRA	(11,446)	2,618	-537.2%
Increase (decrease) in other liabilities	2	(1)	-300.0%
Other	(26,590)	(47,663)	-44.2%
Income tax and social contribution paid	(18,816)	(35,263)	-46.6%
Write-off of payment contingencies	(3,263)	(8,189)	-60.2%
Payments - Obligations with the concession grantor	(4,511)	(4,211)	7.1%
INVESTMENT CASH FLOW	(76,675)	42,800	-279.1%
Acquisition of property, plant and equipment/intangible assets	(86,118)	(46,710)	84.4%
Disposal of property, plant and equipment	53	18	194.4%
Interest on capitalized loans	9,390	8,609	9.1%
Financial investments	-	80,883	-100.0%
CASH FLOW FROM FINANCING	(98,570)	(134,154)	-26.5%
Loans obtained	(22)	(22)	0.0%
Payments of debentures, loans and financing	(35,596)	(35,688)	-0.3%
Receipt of exercised share purchase options	2,313	93	2387.1%
Interest paid to debentures, loans and financing	(18,943)	(14,223)	33.2%
Dividends and interest on own capital paid	(11,576)	(55,920)	-79.3%
Payment lease - rentals	(32,634)	(28,394)	14.9%
Payment for repurchase of shares	(2,110)	-	-
Costs of repurchase of shares	(2)	-	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(74,114)	72,700	-201.9%
Opening balance of cash and cash equivalents	614,631	823,340	-25.3%
Closing balance of cash and cash equivalents	540,517	896,040	-39.7%



SANTOS BRASIL

1Q23 | EARNINGS RELEASE

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EARNINGS CONFERENCE CALL

(with simultaneous translation into English)

May 12, 2023

10:00 am (Brasilia) | 9:00 am (EST) | 2:00 pm (London)

Dial-in information:

Zoom: <https://bit.ly/41j0cxY>

Replay:

Recording will be made available on Investor Relations website: ri.santosbrasil.com.br/en

Disclaimer

We make statements on future events that are subject to risks and uncertainties. These statements are based on our Management's beliefs and assumptions and on information to which the Company has current access. Forward-looking statements include information on our current plans, beliefs or expectations, as well as those of the Board of Directors and Executive Officers.

The reservations concerning forward-looking statements include information related to presumed or possible operating results, as well as declarations preceded, followed by, or including such expressions as "believe", "may", "will", "continue", "expect", "forecast", "intend", "plan", "estimate" or similar wording.

Statements and information on the future are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events, thus depending on circumstances that may or may not occur. Future results and the creation of value for shareholders may significantly differ from those expressed or suggested by statements on the future. Many of the factors that will determine these results and values are beyond Santos Brasil control or foresight capacity.