



Hidrovias do Brasil

RESULTS

2Q21

10 anos

São Paulo, August 16, 2021 – Hidroviás do Brasil [B3: HBSA3], an integrated waterway logistics solutions company listed in B3's Novo Mercado, announces today the results for the second quarter of 2021 and the first half of 2021. The results presented here follow Brazilian and international accounting rules (IFRS) and compare 2Q21 to 2Q20 and 1H21 to 1H20, except when otherwise indicated.

Hidroviás do Brasil reversed the 2Q20 loss and closed 2Q21 with a net income of R\$97.8 million and Adjusted EBITDA including JVs record of R\$223.9 million amidst a year with several non-recurring and one-off challenges, proving the Company's solid foundations.

2Q21 and 1H21 HIGHLIGHTS

- The Company handled **3.8 million tons** of grains, fertilizers, bauxite, iron ore, and other products in 2Q21, highlighting the **200.0% increase in iron ore volume** in the Southern Corridor (vs. 2Q20), reflecting the commodity's favorable conditions in the international scenario - which justified Vale's request for full use of the contract - as well as the **81.0% growth in fertilizers** in the Northern Corridor, that continues with a very positive trend and reflects the Company's efforts to capture this cargo. In 1H21, **6.5 million tons** were handled, highlighting the **204.7% growth in iron ore** in the South and **74.6% growth in fertilizers** in North;
- Net Operating Revenue** (excluding "OTM" and hedge accounting) totaled **R\$411.8 million** in 2Q21 (+18.0% vs. 2Q20), with **double-digit growth** in the main operating corridors. There was an **16.5%** growth in 1H21 vs. 1H20, totaling **R\$683.9 million**, reflecting the real increase in tariffs in the Northern Corridor and the revenue from Vale's agreement which is now linked to the volume actually handled;
- Adjusted EBITDA, including JVs Results**, totaled **R\$223.9 million** in 2Q21 (+19.5% vs. 2Q20), with a strong adjusted EBITDA margin of **54.4%**. In 1H21, EBITDA adjusted including JVs totaled **R\$362.2 million** (+24.2% vs. 1H20), with a 3.3 p.p. increase in the adjusted EBITDA margin, at **53.0%**. **The strong result proves the business resilience amidst a scenario of a rare combination of atypical external factors, showing that the Company is very well positioned to benefit from the positive scenarios we envision for the coming years**

Consolidated	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Net Revenue	466.9	426.2	9.5%	666.5	639.7	4.2%
Net Operating Revenue ¹	411.8	349.0	18.0%	683.9	586.9	16.5%
Net Operating Revenue "Road Transportation (OTM)" ²	-	115.8	-	1.4	180.4	-99.2%
Hedge Accounting ³	55.1	(38.6)	-	(18.8)	(127.6)	-85.3%
Operating Costs	(178.5)	(275.7)	-35.3%	(307.7)	(461.9)	-33.4%
Operating Costs	(178.5)	(158.1)	12.9%	(306.5)	(279.5)	-
Operating Costs "Road Transportation (OTM)" ²	-	(117.5)	-	(1.2)	(182.4)	-99.3%
Operating Expenses (Revenues)	(31.1)	(29.2)	6.5%	(59.5)	(59.8)	-0.5%
AFRMM, Tax Credits and Other ⁴	11.2	9.1	23.1%	31.9	19.6	62.8%
Equity Accounting	4.5	1.8	150.0%	1.6	(0.5)	-
EBITDA	273.1	132.3	106.4%	332.8	137.1	142.7%
Margin %	66.3%	37.9%	28.4 p.p.	48.7%	23.4%	25.3 p.p.
Hedge Accounting	(55.1)	38.6	-	18.8	127.6	-85.3%
Equity Accounting	(4.5)	(1.8)	150.0%	(1.6)	0.5	-
Non recurring ⁵	0.9	8.1	-88.9%	1.1	15.2	-92.8%
Adjusted EBITDA	214.4	177.2	21.0%	351.0	280.3	25.2%
Margin %	52.1%	50.8%	1.3 p.p.	51.3%	47.8%	3.6 p.p.
JV's EBITDA	9.5	10.1	-5.9%	11.2	11.3	-0.9%
Adjusted EBITDA Including JVs impact⁶	223.9	187.3	19.5%	362.2	291.6	24.2%
Margin %	54.4%	53.7%	0.7 p.p.	53.0%	49.7%	3.3 p.p.

¹ Net Operating Revenue: Refers to the net revenue from shipping, transshipping, and lifting products at the Company's operating terminals;

² Net Operating Revenue | Operating Costs with Road Transportation (OTM): Obtained by subcontracting road transportation to customers, providing an integrated logistical solution ("from MT to the ship's hold").

³ Hedge Accounting: The Company's functional currency is the Brazilian Real. However, South Corridor and Coastal Navigation agreements are denominated in US dollars. Therefore, hedge accounting was used to mitigate this exposure to another currency, with the existing US dollar debt hedging long-term agreements in foreign currency. This move has no impact on cash;

⁴ AFRMM, Tax Credits and Others: Including the positive effect from the Additional Freight to Renew the Trading Navy, as well as other credits and other non-operating revenues.

⁵ 2Q21 Non-Recurring includes: R\$0.7 million in consultancy services and R\$0.2 million in COVID-19 donations; 2Q20 includes: R\$5.4 million in IPO expenses; R\$0.3 million in tax credit reversals/provisions, R\$0.7 million in the stock option program and R\$1.7 million in COVID-19 donations. 1H21 Non-Recurring includes: R\$0.9 million in consultancy services and R\$0.2 million in COVID-19 donations; in 1H20: R\$10.7 million in IPO expenses; R\$1.1 million in tax credit reversals/provisions, R\$1.7 million in the stock option program and R\$1.7 million in COVID-19 donations.

⁶ Includes the results from the Company's interest in TGM, Limday and Baden.

MESSAGE FROM THE MANAGEMENT

“The results for the second quarter of 2021 show that the Company’s foundations are very solid. We are going through a very challenging year, with a pandemic scenario in place, significant corn crop failure in Brazil and droughts in the southern region – keeping the draft of rivers at a level below historical averages.

We continue working to achieve operational improvements and preparing our operations to benefit from the positive scenarios we envision for the coming years. In April this year, we acquired the South America operations of Imperial Logistics, bringing us more flexibility to overcome the atypical challenges in the Southern Corridor and allowing us to continue operating while most of the waterway logistics companies in the region no longer operated and thus positioned ourselves as the largest logistic player for iron ore in Corumbá – responsible for nearly 70% total volume handled in the region.

The Northern corridor, which has a significant growth forecast for the coming years, is going through a one-off and non-recurring scenario, with a high percentage of damaged soybeans in the 1H21 and a change in the commercial dynamics between the domestic market and external market in the 2H21 due to a significant shortfall in the corn crop – right after a record crop year in 2020. Even so, the adequate competitiveness level of the Northern Corridor allowed the market share of Northern ports to grow year-on-year, and Hidroviás do Brasil kept its leadership role in the region, gaining market share in Miritituba even with the real tariff increase. This fact, together with the existence of long-term contracts under the “take or pay” model, give us more flexibility to face the pressure of volumes observed in 2021.

We continue our commitment to transparency with all our stakeholders, seeking alternatives to increase productivity and reduce costs and expenses while expanding our internal and external goals to grow sustainably and in line with the Company’s culture of continuous innovation.

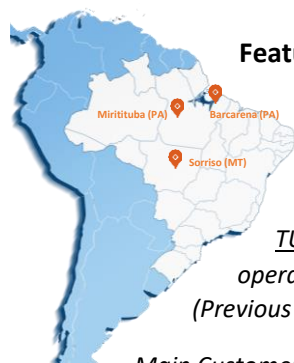
We remain confident that we are on the right path and are increasingly prepared to benefit from the optimistic forecast we envision for the coming years due to the larger grain production and export in Mato Grosso, as well as improved navigation conditions in the Southern Corridor, and a positive result for new projects that are under implementation.

Fabio Schettino - CEO, Hidroviás do Brasil

PERFORMANCE BY CORRIDOR

North Corridor

The **North Corridor** is one of the Company's main operations, where we offer integrated logistics services to transport solid bulk through river navigation. The capacity of the North Corridor is represented by a) Cargo Transshipment Station (ETC) in Miritituba (PA), b) Private Use Terminal (TUP) in Barcarena (PA) and c) own fleet of pushers and barges to handle products.



Features:

ETC Miritituba Capacity: Grain handling capacity updated to 7.2 million tons/year, growing due to an operational excellence program and productivity gains, with no need for significant additional investments (Previous capacity was 6.1 million tons/year).

TUP Barcarena Capacity: Grain handling capacity updated to 7.2 million tons/year, growing due to an operational excellence program and productivity gains, with no need for significant additional investments (Previous capacity was 6.7 million tons/year).

Main Customers: COFCO and Sodru

BRL Agreements

Volume:

Volume (kt)	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
North Corridor	1,826	2,080	-12.2%	3,213	3,493	-8.0%
Grains	1,277	1,611	-20.7%	2,363	2,773	-14.8%
Fertilizers	109	60	81.0%	176	101	74.6%
"Direct Road" ¹	440	409	7.6%	674	620	8.8%

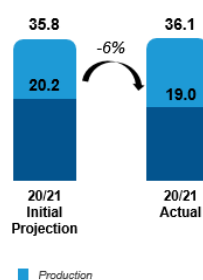
¹ "Direct Road" refers to grain volume transported by road directly to Barcarena TUP and is presented isolated, as it is not part of the Company's integrated system.

The **total volume** handled in the Northern Corridor reached **1.8 million** tons in 2Q21 (-12.2% vs. 2Q20), highlighting the growth in fertilizers (+81.0% vs. 2Q20), with a more positive trend, reflecting the considerable increase in investment in agricultural production and internal efforts to increase volume. Additionally, there was 7.6% growth in the volume of grain handled via direct road, originated in regions with less affected crops in Brazil (PA: +7% vs. 2020).

In 1H21, the Company handled **3.2 million** tons (-8.0% vs. 1H20).

SOYBEAN VOLUME IN MT (M tons)

Source: IMEA | Comexstat



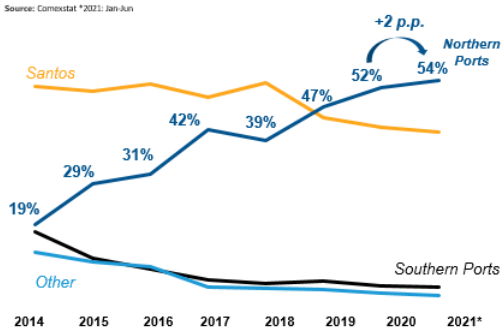
According to Comexstat data, the export of soybean produced in MT was 6% below expectations at the beginning of the year, totaling 19.0 million tons and reflecting a lower demand from China and a large percentage of damaged grains due to weather conditions during the planting period and heavy rains during the harvest period.

The average damaged grains, and consequently non-standard export, in the state of MT was around 9.1%, according to IMEA, and the Company's influence area (mid-north) had the highest average, totaling 15%, impacting the volume of grains handled by the Company during the first half of 2021, as damaged grains end up sent to the domestic market, where they are mixed with better quality fillers, adjusting the average to domestic market standards.

Regarding soybeans, it is worth noting that weather conditions caused delays in the 2021 harvest, generating greater logistical concentration and greater logistical dispersion of grains between modals at the beginning of the export period. Even in this scenario, according to Comexstat data, the Northern ports continued to gain market share and were responsible for 54% of grain exports originated in MT (compared to 52% YoY), showing that this logistical corridor remains very competitive.

EXPORT MARKET SHARE IN MT(%)

Source: Comestat *2021: Jan-Jun



According to internal surveys based on ANTAQ data, the Miritituba region handled 6.4 million tons in the first half of 2021, down by 14.7% YoY, affected by the lack of soybeans in January and the lack of corn in June. Even in this challenging scenario and strong 2020 comparison base - which had a record production and export crop - Hidroviás gained market share in the region and was responsible for 38.0% of Miritituba’s total volume (vs. 37% in 2020), consolidating its leadership role in the North Corridor.

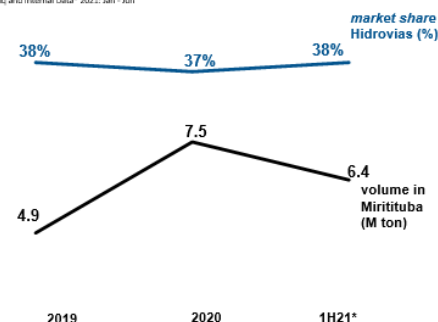
The 2H21 scenario is still challenging and with low predictability. The delay in soybeans meant that the

second corn crop was planted outside the ideal timeframe, and this, together with the increased drought between April and May and heavy frosts in June and July, led to a very significant crop failure in Brazil (~20% breakage in the country). In MT, the impact was smaller (~12% breakage), however, the significant loss in other states generates a change in commercial dynamics, reducing the volume available for export.

According to CONAB data, the second corn production in Brazil could reach 67.0 million tons in 2021, compared to 75.1 million in 2020 and may be even lower due to recent frosts (~60 million tons). In MT, production should be around 32.0 million, compared to 35.5 million in 2020, according to IMEA.

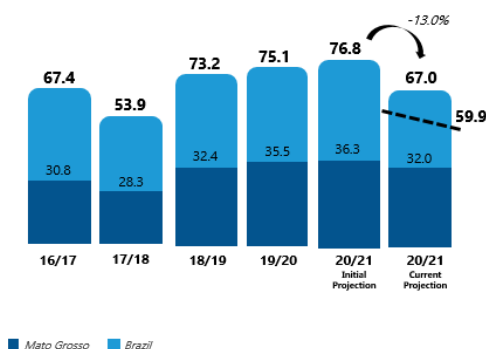
MIRITTUBA

Source: Antaq and Internal Data* 2021: Jan - Jun



SECOND CROP CORN PRODUCTION - BRAZIL AND MT (M tons)

Source: CONAB | IMEA | Agriconsult



Despite the production failure, domestic consumption remained stable, driven by both the corn ethanol and protein industries (mainly poultry and swine farmers). The high protein price in the foreign market, tend to shift to the domestic market a relevant part of the grain that would be exported. As a result, it is estimated that corn exports will fall almost 30% vs. initial estimates, with volume close to 15 million tons (vs. 21.3 million initially projected).

The 2H21 scenario is more challenging and with important external variables, beyond the Company’s control and, therefore, the 2021 guidance for volume to be handled in the Northern corridor is being revised – and the new range is between 4.5 and 5.1 million tons, considering a scenario with lower spot volume contracted for the last quarter of the year.

It should be noted that the issues in the 2021 crop (soybean and corn) are one-off and non-recurring, not impacting the crops of the following years and, for this reason, we reinforce the expected 2025 guidance for volume in this corridor, keeping our accelerated expansion plan by increasing the capacity in Miritituba and Barcarena and the new project in Porto Velho.

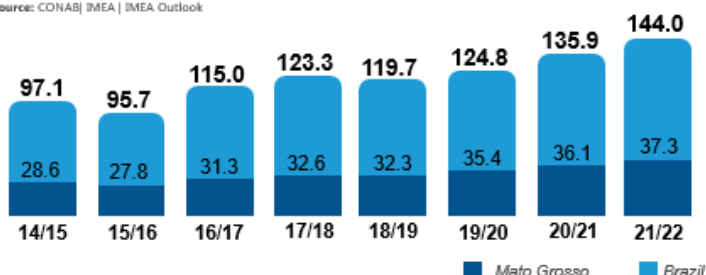
Finally, it is worth mentioning that we have contracts under “take or pay” model in the corridor, which guarantee a very resilient and profitable result for the Northern operation, mitigating the external impacts such those mentioned above.

The high international commodities prices bring an optimistic scenario for 2022, with producers more encouraged to increase their planted area, as well as to make greater investments in fertilizers with higher quality, seeds and pesticides, which may result in greater productivity and, consequently, increase in projected production.

USDA estimate that Brazil should produce around 144.0 million tons of soybean and 118.0 million tons of corn in 2022.

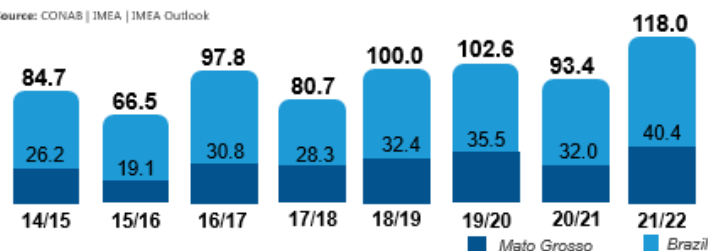
SOYBEAN PRODUCTION IN BRAZIL AND MT (M tons)

Source: CONAB | IMEA | IMEA Outlook



CORN PRODUCTION IN BRAZIL AND MT (M tons)

Source: CONAB | IMEA | IMEA Outlook



Result:

North Corridor	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Net Revenue¹	176.4	275.8	-36.0%	300.4	439.0	-31.6%
Net Operating Revenue	176.4	160.0	10.3%	299.1	258.6	15.7%
Net Operating Revenue "Road Transportation (OTM)" ²	-	115.8	-	1.4	180.4	-99.2%
Operating Costs	(57.9)	(169.5)	-65.8%	(107.6)	(286.5)	-62.4%
Operating Costs	(57.9)	(51.9)	11.6%	(106.5)	(104.1)	2.3%
Operating Costs "Road Transportation (OTM)" ²	-	(117.9)	-	(1.2)	(182.4)	-99.3%
Operating Expenses (Revenues)	(3.3)	(6.4)	-48.4%	(10.8)	(11.4)	-5.3%
AFRMM, Tax Credits and Other	1.8	5.0	-64.0%	20.8	11.8	76.3%
EBITDA	116.9	104.9	11.4%	202.8	152.8	32.7%
Margin %	66.3%	65.6%	0.7 p.p.	67.8%	59.1%	8.7 p.p.
Non recurring ³	-	1.7	-	(0.2)	1.5	-
Adjusted EBITDA	116.9	106.7	9.6%	202.6	154.4	31.2%
Margin %	66.3%	66.7%	-0.4 p.p.	67.7%	59.7%	8.1 p.p.

¹ North Corridor's Net Revenue excludes "Intercompany" for better understanding of the result;

² "Road Transportation" (OTM) refers to the Net Revenue and Operating Costs obtained by subcontracting road transportation to customers, providing an integrated logistics solution ("from MT to the ship's hold");

³ 2Q20 Non-Recurring includes R\$0.4 million in IPO expenses and R\$1.4 million in COVID-19 donations. In 1H21 includes (R\$0.2) million related to equity accounting in the Marabá unit and in 1H20 includes R\$0.4 million in IPO expenses, R\$1.4 million in COVID-19 donations and (R\$0.3) million related to reversals/provisions.

Net Operating Revenue for 2Q21, excluding the result from "Road Transportation (OTM)", reached **R\$176.4 million - up by 10.3%** YoY, mainly due to the real tariff increase in this corridor's agreements, more than offsetting the lower volumes in the period, proving that the Company remains very competitive and with a resilient operation.

In 1H21, **Net Operating Revenue**, excluding "OTM", totaled **R\$299.1 million – up by 15.7%** YoY.

Operating costs excluding "Road Transportation (OTM)" in 2Q21 were 11.6% higher when compared with 2Q20, totaling **R\$ 57.9 million**, explained mainly by lower dilution of fixed costs. In 1H21, operating costs ex-OTM totaled **R\$106.5 million (+2.3%** vs. 1H20), a growth level well below revenue growth.

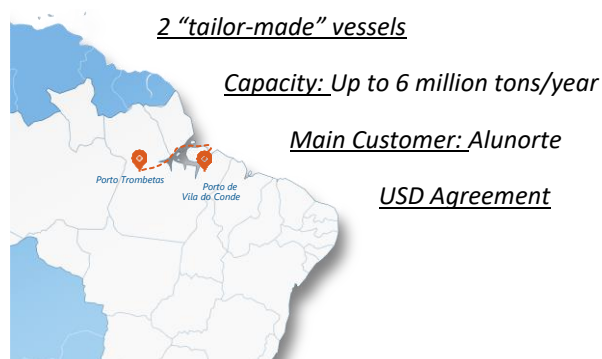
Adjusted EBITDA totaled **R\$116.9 million** in 2Q21, an **expressive 9.6% growth** YoY, even with a more pressured volume scenario, as a benefit of the real tariff increase. The **adjusted EBITDA margin** followed the strong historical level, **remaining at 66.3%** - virtually stable YoY. 1H21 Adjusted EBITDA reached **R\$202.6 million**, up by 31.2% YoY due to the real tariff increase and gains in productivity in 1H21.

With this result, it is evident that the Company remains **very competitive and a profitable alternative for the grain flow from Mato Grosso**, being able to gain market share while presenting real tariff increase.

Coastal Navigation (Cabotage)

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

Features:



Volume:

Volume (kt)	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Coastal Navigation (Cabotage)	594	818	-27.4%	999	1,858	-46.2%
Bauxite	594	818	-27.4%	999	1,858	-46.2%

The **total volume of bauxite** handled in the 2Q21 reached **594 thousand tons** (-27.4% vs. 2Q20) due to the slower-than-expected resumption of the customer's operations after the one-off issue at their unloading pier, impacting this operation's volume since the last quarter of 2020. It is worth pointing out that just like iron ore, the aluminum (product directly derived from bauxite) is constantly appreciating in the market, boosting the resumption of the volume handled to normal contract levels.

In 1H21, **total volume** handled reached **999 thousand tons** (-46.2% vs. 1H20), mainly due to 1Q21's lower volume (-61.0% vs. 1Q20) when the unloading pier situation of our client had not yet been remedied.

The slower-than-expected volume resumption should make this operation's volumes one-time-only and non-recurring lower YoY and, therefore, we revised the 2021 volume guidance for a new range between 2.8 and 3.0 million tons.

It should be noted that the more challenging scenario in 2021 does not affect this operation's result because the agreements are under "take or pay" and do not change the long-term guidance (2025), which remains confirmed.

Result:

Coastal Navigation	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Net Revenue	58.1	49.1	18.3%	99.4	93.3	6.5%
Net operating Revenue	63.1	50.9	24.0%	110.5	98.6	12.1%
Hedge Accounting ¹	(5.1)	(1.8)	183.3%	(11.1)	(5.3)	109.4%
Operating Costs	(34.9)	(22.2)	57.2%	(51.1)	(47.2)	8.3%
Operating Costs	(34.9)	(22.2)	57.2%	(51.1)	(47.2)	8.3%
Operating Expenses (Revenues)	-	(0.1)	-	(0.3)	(0.2)	50.0%
AFRMM, Tax Credits and Other ²	2.2	4.0	-45.0%	3.9	7.7	-49.4%
EBITDA	25.4	30.8	-17.5%	52.0	53.6	-3.0%
Margin %	40.2%	60.5%	-20.4 p.p.	47.0%	54.5%	-7.4 p.p.
Hedge Accounting ¹	5.1	1.8	183.3%	11.1	5.3	109.4%
Adjusted EBITDA	30.5	32.7	-6.7%	63.1	58.9	7.1%
Margin %	48.2%	64.1%	-15.9 p.p.	57.1%	59.8%	-2.7 p.p.

¹ Hedge Accounting: The Company's functional currency is the Brazilian Real. However, South Corridor and Coastal Navigation agreements are denominated in US dollars. Therefore, hedge accounting was used to mitigate this exposure to another currency, with the existing US dollar debt hedging long-term agreements in foreign currency. This move has no impact on cash.

² AFRMM, Tax Credits and Other: Including the positive effect from the Additional Freight to Renew the Trading Navy, as well as other credits and other non-operating revenues.

Net Operating Revenue, excluding hedge accounting, totaled **R\$63.1 million** in 2Q21 (+24.0% vs. 2Q20), proving the strength of this operation's agreements under the take or pay model. In the quarter, hedge accounting reached (R\$5.1) million to equalize the impacts of agreements in foreign currency on the results, given that the Company's functional currency is the Brazilian Real. It is worth noting that this hedge accounting effect has no cash impact.

Net Operating Revenue in 1H21 totaled **R\$110.5 million**, up by 12.1% YoY. In 1H21, hedge accounting reached (R\$11.1) million.

Operating Costs totaled **R\$34.9 million** in 2Q21 (+57.2% vs. 2Q20), reflecting the impact from the charter needed during the docking of one navigation asset in this corridor, in line with the plan for the year. In 1H21, **Operating Costs** totaled **R\$51.1 million** (+8.3% vs. 1H20). It should be noted that this operation's docking occurs every 2.5 years (as there are 2 ships and each one is docked every five years, interspersed).

Adjusted EBITDA totaled **R\$30.5 million** in 2Q21, down by 6.7% YoY, reflecting higher one-off costs to charter asset and in line with forecasts for the year, as well as the impact of the lower average dollar in 2Q21 when compared to 2Q20, affecting the conversion to Reais in the result of this corridor. Adjusted EBITDA margin was 48.2% due to higher costs and a strong revenue base. In 1H21, adjusted EBITDA totaled **R\$63.1 million** (+7.1% vs. 1H20), with an adjusted EBITDA margin of 57.1% - keeping a robust operating margin level in the corridor.

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 encompasses the result of two other joint ventures in port terminals, the first for the grain port operation in Montevideo (TGM), being the only terminal in the region capable of loading a Panamax-type vessel and the second for the port operation bulk solids in the region of Concepción, Paraguay (Baden).

Features:



Main Products: Iron ore, grains, fertilizers, and pulp

Main customers with agreements: Vale, Cofco, Sodru

USD Agreements

Volume:

Volume (kt)	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
South Corridor	1,275	946	34.8%	1,951	1,578	23.6%
Iron Ore	663	221	200.0%	1,048	344	204.7%
Grains	289	377	-23.3%	396	627	-36.8%
Fertilizers	18	38	-52.6%	27	58	-53.4%
Other ¹	-	2	-	-	64	-
TOTAL (ex-JV)	969	638	51.9%	1,471	1,094	34.5%
JVs ²	305	308	-1.0%	479	484	-1.0%

¹ Other: Refers to the transportation of other products such as pulp and coke.

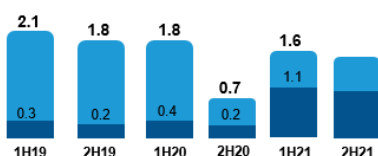
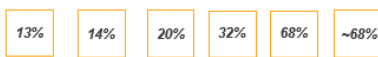
² JVs: Volume proportional to the interest in TGM, Limday and Baden.

The **total volume** handled in the Southern Corridor reached **1.3 million tons** in 2Q21, an expressive 34.8% growth over 2Q20, highlighting the higher iron ore volume (+200.0% vs. 2Q20).

MARKET SHARE IN CORUMBÁ

Source: Datasur + Internal projections

Market share HBSA



■ HBSA Volume ■ Total volume in Corumbá

Hidroviás has established itself as the largest logistics player for iron ore in the Corumbá region, accounting for nearly 70% of all volume handled in this region, according to Datasur data. Besides strengthening the Company's position in this corridor, the acquisition of the southern operations of Imperial Logistics in April 2021 proved timely and right, giving more flexibility to operations and adding complementary assets, allowing the Company to navigate in an even more restrictive scenario. Thus, Hidroviás is one of the few companies currently operating in the Corumbá region.

The volume of grains handled in the Paraná-Paraguay waterway was lower when compared to the same period last year, totaling 289 thousand tons, reflecting the lower production of soybeans in Paraguay due to weather conditions this year, which also caused delays in the logistical program. It is

important to note that this grain volume dynamic occurs throughout the Southern Corridor and Hidroviás maintained its market share in the region.

The level of the rivers we navigate in this region has shown a more challenging trend since June this year and the draft remains below historical averages, a still atypical situation. There was a recent change in trend, with drought starting earlier than expected, reducing the predictability for the second half of this year.

In order to mitigate these impacts, the Company developed an operational plan called “Low waters” (“Águas Baixas”) and redirected some assets to optimize routes, allocating convoys that navigate at a more restrictive draft to the most critical regions. This fact allowed the Company to handle more volume this quarter, while several other waterway logistics players in the region were no longer operating.

In addition to the plan implemented by the Company, other actions with other interested parties are under implementation to improve the current scenario, such as river dredging. Even so, due to the current low predictability, the Company understands that it is necessary to change the volume of its guidance for 2021, addressing different scenarios: a) more restrictive draft than the current one, with lower volumes than initially expected, b) possible scenario of non-navigation of iron ore for 2 months, considering worsening of river levels in the coming weeks.

The new 2021 volume guidance for the Southern Corridor is now between 3.4 and 4.6 million tons, with non-navigation scenario for two months (September and October) currently as the most credible scenario. For transparency, the Company will report monthly through a Notice to the Market information about the river situation and Company’s capacity of navigation.

It should be noted that the atypical draft situation is linked to the atypical drought and should not be understood as permanent, given that lower draft scenarios happen in cyclical ways, resuming to regular levels as the rains resume, historically not lasting for long consecutive periods. Therefore, the Company reaffirms its 2025 guidance, considering a return of river levels to a regular navigation scenario.

Results:

South Corridor	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Net Revenue¹	227.2	94.1	141.4%	243.4	100.2	142.9%
Net Operating Revenue	167.0	130.8	27.7%	251.0	222.5	12.8%
Hedge Accounting ²	60.2	(36.8)	-	(7.7)	(122.3)	-93.7%
Operating Costs	(80.4)	(73.3)	9.7%	(132.6)	(116.5)	13.8%
Operating Costs	(80.4)	(73.3)	9.7%	(132.6)	(116.5)	13.8%
Operating Expenses (Revenues)	(7.3)	(2.5)	192.0%	(9.5)	(4.6)	106.5%
AFRMM, Tax Credits and Other ³	0.4	-	-	0.4	-	-
Equity Accounting	4.8	1.8	166.7%	2.0	(0.5)	-
EBITDA	144.7	20.1	619.9%	103.6	(21.3)	-
Margin %	86.6%	15.4%	71.2 p.p.	41.3%	-9.6%	-
Hedge Accounting ²	(60.2)	36.8	-	7.7	122.3	-93.7%
Equity Accounting	(4.8)	(1.8)	166.7%	(2.0)	0.5	-
Non recurring ⁴	6.9	0.3	-	6.9	1.4	392.9%
Adjusted EBITDA	86.6	55.4	56.3%	116.3	102.8	13.1%
Margin %	51.9%	42.4%	9.5 p.p.	46.3%	46.2%	0.1 p.p.
JV's EBITDA ⁵	9.5	10.1	-5.9%	11.2	11.3	-0.9%
Adjusted EBITDA Including JVs	96.1	65.5	46.7%	127.4	114.1	11.7%
Margin %	57.6%	50.1%	7.5 p.p.	50.8%	51.3%	-0.5 p.p.

¹ South Corridor's Net Revenue excludes "intercompany" to better understanding of the result;

² Hedge Accounting: The Company's functional currency is the Brazilian Real. However, South Corridor and Coastal Navigation agreements are denominated in US dollars. Therefore, hedge accounting was used to mitigate this exposure to another currency, with the existing US dollar debt hedging long-term agreements in foreign currency. This move has no impact on cash;

³ AFRMM, Tax Credits and Other: Including the positive effect from the Additional Freight to Renew the Trading Navy, as well as other credits and other non-operating revenues;

⁴ 2Q21 Non-Recurring includes: R\$6.9 million related to business combination that were managerial allocated in the Southern Corridor, in 2Q20: R\$0.3 million in reversal/provision of tax credits; in 1H21: R\$6.9 million related to business combination that were managerial allocated in the Southern Corridor, in 1H20: R\$1.4 million in reversal/provision of tax credits;

⁵ Includes the results from the Company's interest in TGM, Limday and Baden.

Net Operating Revenue, excluding hedge accounting, totaled **R\$167.0 million** in 2Q21 (+27.7% vs. 2Q20), showing the operational resilience of this Corridor.

Net Operating Revenue, ex-hedge accounting, totaled **R\$251.0 million** in 1H21 (+12.8% vs. 1H20), reflecting the higher iron ore volume and Vale's net revenue, which is now recognized according to the volume actually handled and no longer linearly over the months.

The hedge accounting impact was R\$60.2 million in 2Q21 and (R\$7.7) million in 1H21, both with no cash effect.

Operating Costs totaled **R\$80.4 million** in 2Q21 (+9.7% vs. 2Q20) due to the higher volume handled as well as adaptations for navigation in the current draft scenario, that remains below historical averages. We continue to navigate with barges with reduced capacity and, for this reason, transporting less cargo per trip. In 1H21, operating costs totaled **R\$132.6 million** (+13.8% vs. 1H20).

Adjusted EBITDA including JVs totaled **R\$96.1 million** in 2Q21, an expressive 46.7% growth YoY. Adjusted EBITDA Margin including JVs grew 7.5 p.p. vs. 2Q20, reaching a strong level of 57.6%. Adjusted EBITDA including JVs in 1H21 totaled **R\$127.4 million**, with an adjusted EBITDA margin of 50.8% - very healthy given the many challenges in this corridor, proving the business resilience.

Santos | Salt

We started two new projects in the last two years, which are still under implementation: Santos Terminal's operation and Salt's logistics operation.

*The **Santos** project has 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 started partially in 2020, at the same time we started renovating and adapting the terminal, as provided for in the auction notice. The renovation was accelerated during 2021 and, for this reason, the terminal will be out of operation during 2H21, resuming its activities in 2022.*

*The **Salt** project consists of a contract for the transshipment and transport of salt in the northeast region of Brazil, and the operation would start its activities gradually at the end of 2021, reaching full capacity in 2022. The Company has been dealing with regulatory procedures for the start of this operation and opted to adjust the start-up schedule for 2022, also taking advantage to evaluate some new optionality and opportunities in this operation.*

Features - Santos:



Three warehouses

One mooring dock

Capacity: 3.7 million/ton (Salt + Fertilizer)

BRL Agreements

Features - Salt:



Capacity: 2.5 million/ton

Main Customer: Salinor

BRL Agreement

Volume:

Volume (kt)	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Santos	63	151	-58.3%	332	151	119.5%
Total	63	151	-58.3%	332	151	119.5%

In line with the Company's plans, we temporarily stopped Santos operation in early 2Q21 to modernize the terminal structures and "rebuild" one of the warehouses provided in the lease notice.

As a result, there were operations for just a few days in 2Q21, totaling **63 thousand tons** of fertilizers in the quarter. We closed the first half of 2021, handling **332 thousand tons** (+119.5% vs. 1H20), and there is no additional volume forecast for this operation for the rest of this year. It should be noted that this operation's renovation and modernization project should be finished in 2022.

Regarding the Salt operation that will be carried out in Rio Grande do Norte, the Company continues to deal with regulatory procedures to start this operation and chose to adjust the start-up schedule for 2022, also aiming to evaluate some new optionality and opportunities in this operation.

Due to this new scenario, we revisited the 2021 guidance, excluding the volume forecast for the salt operation and, for this reason, the Salt | Santos operations already has their volume set for 2021, being the **332 thousand tons** already recognized.

As the salt transportation project in Rio Grande do Norte is maintained, the 2025 guidance is confirmed, with no need for revision.

Results:

Santos	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Net Revenue	5.2	7.3	-28.8%	23.3	7.3	219.2%
Net Operating Revenue	5.2	7.3	-28.8%	23.3	7.3	219.2%
Operating Costs	(5.2)	(10.7)	-51.4%	(16.3)	(11.7)	39.3%
Operating Costs	(5.2)	(10.7)	-51.4%	(16.3)	(11.7)	39.3%
Operating Expenses (Revenues)	(0.6)	(0.4)	50.0%	(0.8)	(0.8)	0,0%
EBITDA	(0.6)	(3.8)	-84.2%	6.1	(5.3)	-
Margin %	-11.1%	-52.5%	41.4 p.p.	26.2%	-72.5%	-
Non recurring ¹	0.2	0.3	-33.3%	0.2	0.3	-33.3%
Adjusted EBITDA	(0.4)	(3.5)	-88.6%	6.3	(5.0)	-
Margin %	-8.2%	-48.4%	40.2 p.p.	26.9%	-68.3%	-

¹The non-recurring line in 2Q21 and 1H21 includes: R\$0.2 million in donations related to COVID-19 and in 2Q20 and 1H20: R\$0.3 million in donations related to COVID-19.

Net Operating Revenue totaled R\$5.2 million in 2Q21 (-28.8% vs. 2Q20), as there was no operation for most part of the quarter. In 1H21, Net Operating Revenue totaled **R\$23.3 million** (+219.2% vs. 1H20).

Operating Costs reached R\$5.2 million in the quarter (-51.4% vs. 2Q20), reflecting the lower volume handled and lower dilution of fixed costs. In 1H21, Operating Costs totaled **R\$16.3 million** (+39.3%).

Adjusted EBITDA reached (R\$0.4) million in 2Q21 (vs. -3.5 million in 2Q20) and **R\$6.3 million** in 1H21 (vs. -5.0 million in 1H20), not yet reflecting the potential of the operation that currently is under renovation and implementation process.

It is important to remember that both operations are strategic and bring more diversification to the Company's portfolio.

Holding Results

Holding	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Operating Expenses (Revenues)	(19.9)	(19.8)	0.3%	(38.2)	(42.8)	-10.8%
EBITDA	(19.9)	(19.8)	0.3%	(38.2)	(42.8)	-10.8%
Advisory and Consultancy	0.7	5.0	-85.6%	0.7	10.3	-93.2%
Stock Options Plan	-	0.7	-	-	1.7	-
Adjusted EBITDA	(19.1)	(14.1)	36.1%	(37.4)	(30.8)	21.5%

Holding Expenses adjusted for non-recurring effects totaled **R\$19.1 million**, up by 36.1% YoY, reflecting the structure adjustments to adapt to the IPO (held in September 2020), creating support areas and developing structured processes.

In 1H21, Adjusted holding expenses totaled **R\$37.4 million** (+21.5% vs. 1H20), reflecting the abovementioned effects.

CONSOLIDATED RESULTS

CAPEX

Expansion and Maintenance CAPEX reached **R\$609.8 million** in 2Q21, with only 4% of this total allocated to **maintenance**, which structurally remains at a low level and were in line with the Company's forecast. It is important to note that this CAPEX also includes the docking of one bauxite ship, which occurs only every 5 years.

The CAPEX used for expansion includes the development of an innovative electric pusher project, with the first units already under construction, also includes the implementation of the Company's new projects and acquisition of the South America operations of Imperial Logistics, which, besides adding assets with lower drafts will also bring growth and generate additional cash as of 2022.

In the first half 2021, CAPEX with expansion and maintenance, including Santos grant, totaled **R\$737.9 million**, with only 5% allocated for maintenance.

The Company keeps a **very robust expansion plan** and is getting ready for a new growth cycle. Therefore, the 2021 and consolidated 2021 to 2025 guidance for CAPEX remains the same. We are on track to reach the numbers expected for 2021.

CAPEX - Consolidated	2Q21	2Q20	1H21	1H20
Maintenance	26.1	7.6	35.2	16.4
Expansion ¹	583.6	65.2	684.6	103.5
STS20 Grant	-	-	18.1	28.1
CAPEX Total	609.8	72.7	737.9	148.0

¹ Includes CAPEX related to the acquisition of South America operations of Imperial Logistics, totaling US\$86 million.

Note: The R\$5.0 million difference between the CAPEX in the table above and the cash flow from investments is due to the divergence between activation and cash disbursement to pay suppliers, as described in Note n. 31. In 1H21 the difference is R\$19.3 million.

Consolidated P&L

Consolidated	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Net Revenue	466.9	426.2	9.5%	666.5	639.7	4.2%
Net Operating Revenue ¹	411.8	349.0	18.0%	683.9	586.9	16.5%
Net Operating Revenue "Road Transportation (OTM)" ²	-	115.8	-	1.4	180.4	-99.2%
Hedge Accounting ³	55.1	(38.6)	-	(18.8)	(127.6)	-85.3%
Operating Costs	(178.5)	(275.7)	-35.3%	(307.7)	(461.9)	-33.4%
Operating Costs	(178.5)	(158.1)	12.9%	(306.5)	(279.5)	-
Operating Costs "Road Transportation (OTM)" ²	-	(117.5)	-	(1.2)	(182.4)	-99.3%
Operating Expenses (Revenues)	(31.1)	(29.2)	6.5%	(59.5)	(59.8)	-0.5%
AFRMM, Tax Credits and Other ⁴	11.2	9.1	23.1%	31.9	19.6	62.8%
Equity Accounting	4.5	1.8	150.0%	1.6	(0.5)	-
EBITDA	273.1	132.3	106.4%	332.8	137.1	142.7%
Margin %	66.3%	37.9%	28.4 p.p.	48.7%	23.4%	25.3 p.p.
Depreciation & Amortization	(96.4)	(54.6)	76.6%	(172.0)	(104.2)	65.1%
EBIT	176.7	77.6	127.7%	160.8	32.8	390.2%
Financial Results	(65.3)	(67.0)	-2.6%	(223.2)	(146.0)	52.8%
Net Income before taxes and social contribution	111.4	10.6	950.9%	(62.4)	(113.2)	-44.9%
Income Tax and Social Contribution	(13.6)	(18.1)	-24.9%	(22.8)	(21.0)	8.6%
Net Income/Loss	97.8	(7.4)	-	(85.2)	(134.2)	-36.5%

¹ Net Operating Revenue: Refers to the net revenue from shipping, transshipping, and lifting products at the Company's operating terminals;

² Obtained by subcontracting road transportation to customers, providing an integrated logistics solution ("From MT to the ship's hold").

³ Hedge Accounting: The Company's functional currency is the Brazilian Real. However, South Corridor and Coastal Navigation agreements are denominated in US dollars. Therefore, hedge accounting was used to mitigate this exposure to another currency, with the existing US dollar debt hedging long-term agreements in foreign currency. This move has no impact on cash;

⁴ AFRMM, Tax Credits and Other: Including the positive effect from the Additional Freight to Renew the Trading Navy, as well as other credits and other non-operating revenues.

Financial Results

Consolidated	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Financial Results	(65.3)	(67.0)	-2.6%	(223.2)	(146.0)	52.8%
Financial Income	1.2	11.2	-89.3%	31.4	64.5	-51.3%
Financial Expenses	(102.8)	(57.5)	78.7%	(254.1)	(110.5)	129.9%
Recurring financial expenses	(102.8)	(57.5)	78.7%	(158.6)	(110.5)	43.5%
Non-recurring financial expenses (debt restructuring: premium and fees)	-	-	-	(95.5)	-	-
Exchange rate change	36.3	(20.7)	-275.1%	(0.6)	(100.1)	-99.4%

2Q21 Consolidated Financial Result totaled **(R\$65.3) million**, up by R\$1.7 million YoY, mainly due to:

- i) **Financial Income:** reduction of R\$10 million in revenues obtained from financial investments, explained by the appreciation of the Real, since a great part of the cash is kept in foreign currency, as well as lower average cash held in the period;
- ii) **Financial Expense:** R\$45.3 million growth, reflecting the impact of the devaluation of the Dollar vs. the Real on investments;
- iii) **Exchange Rate Change:** improvement of R\$57 million when compared to the same period last year, reflecting directly the appreciation of the Real in the period.

1H21 Financial Result was affected by one-off and non-recurring items from the debt restructuring process that negatively impacted the 1Q21 financial result, but which will help to reduce interest expenses in the future, as shown in the table above. Excluding this non-recurring effect, the 1H21 Financial Result would have totaled (R\$127.7) million.

Net Income/Loss

For the reasons abovementioned, the Company closed 2Q21 with a **Net Income** totaling **R\$97.8 million**, compared to net loss of (R\$7.4) million in 2Q20.

1H21 presented **net loss of (R\$85.2) million**, impacted by non-cash items, hedge accounting and exchange rate change mentioned above (vs. - R\$134.2 million in 1H20).

Cash Generation

The significant growth in 2Q21 Consolidated EBITDA helped to **generate R\$142.6 million in operating cash in the quarter** (+19.9% vs. 2Q20).

When including the investments for expansion and maintenance and the financial cash flow, there was a cash consumption of R\$619.2 million in the quarter, explained mainly by the payment for the acquisition of the South America operations of Imperial Logistics (US\$86 million), whose payment was fully made in April 2021, as well as the ongoing investment in expansion, which will ensure the Company's new growth cycle.

We closed the quarter with over R\$547.4 million in cash, **in line with Company's expectations and compatible with the Company's future obligations**.

In the six-month period, Operating Cash Generation reached R\$219.3 million (+21.2% vs. 1H20), mainly due to the strong increase in the period's EBITDA (+142.7% cv. 1H20).

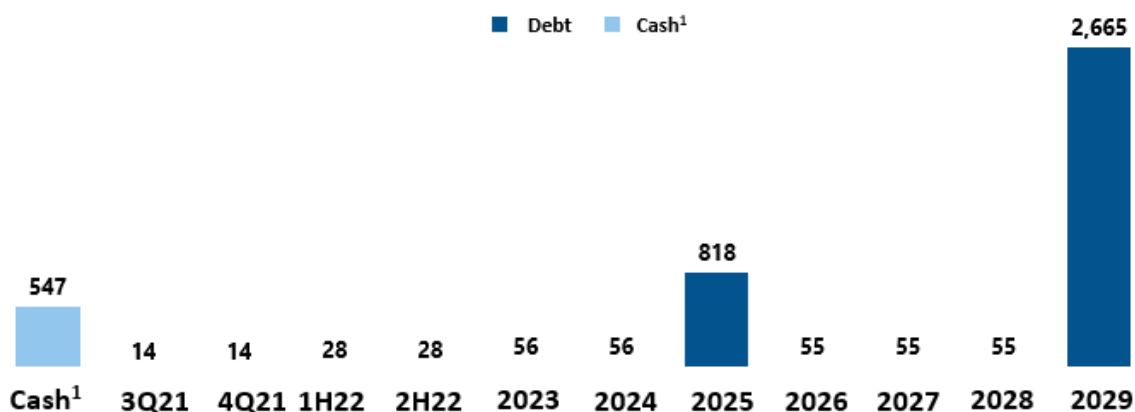
Including investments made for expansion and maintenance and the financial cash flow, there was a cash consumption of R\$498.5 million in the six-month period (vs. generation of R\$157.6 million in 1H20).

Cash Flow	2Q21	2Q20	Ch. %	1H21	1H20	Ch. %
Cash beginning of the period	1,166.6	1,094.4	6.6%	1,045.8	974.5	7.00%
(+) Adjusted EBITDA	273,1	132,2	106.4%	332,8	137,1	142.7%
(+) Change in working capital	(75.4)	(51.9)	45.3%	(132.3)	(83.7)	-21.7%
(+/-) Hedge Accounting	(55.1)	38,6	-	18,8	127,6	-69.8%
= Operating Cash Flow (OCF)	142.6	118.9	19.9%	219.3	181	68.9%
(-) CAPEX	(136.6)	(71.5)	91.0%	(232.3)	(118.7)	137.9%
<i>Maintenance</i>	(26.1)	(6.4)	307.8%	(35.2)	(15.2)	131.6%
<i>Expansion</i>	(110.4)	(65.2)	69.3%	(197.2)	(103.5)	138.9%
<i>Imperial Acquisition</i>	(484.4)	-	-	(484.4)	-	-
= Investing Cash Flow (ICF)	(621.0)	(71.5)	768.5%	(716.8)	(118.7)	546.1%
(+) Debt Issuance/Amortization	(14.6)	(7.4)	97.3%	394,8	(21,4)	-
(-) Interest Payments	(8.1)	(9.3)	-12.9%	(123.1)	(94.8)	29.9%
(-) Lease Payments	(23.5)	(1.6)	1368.8%	(63.8)	(4.1)	1497.6%
(-) Bond repurchase	-	(52.6)	-	(113.4)	(71.8)	89.4%
(-/+) Dividends Paid/Received	-	(4.4)	-	-	2.0	-
= Financing Cash Flow (FCF)	(46.2)	(75.2)	-38.6%	(94.5)	(190.1)	-57.1%
Impact of exchange rate change on cash balances	(94.6)	65,4	-244.6%	(95.5)	285,5	-84.5%
= Cash Generation	(619.2)	37.7	-	(498.5)	157.6	-
= Cash end of the period	547.4	1,132.1	-51.6%	547.4	1,132.1	-51.6%

Indebtedness

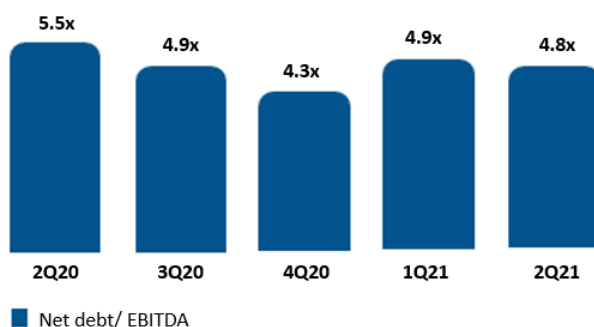
The Company restructured its debt in early 2021, buying back US\$425 million in bonds due in 2025, replacing them with new bonds due in 2031. Besides postponing the maturity from 4 to 10 years, the Company issued the new debt at the cost of 4.950% per year, an important savings of 100 bps compared to the previous one. As a result, the **Company's amortization flows have become even smaller in coming years, with no material maturity in coming years**.

The current amortization schedule can be seen below:



The adjusted net debt/EBITDA ratio decreased by 0.7x in 2Q21 when compared to the same period last year, mainly due to **strong EBITDA growth in the period**.

The company's leverage considering adjusted EBITDA stood at 4.8x in 2Q21 (vs. 4.9x in 1Q21). Gross indebtedness grew when compared to the same period of the previous year, mainly due to the acquisition made in 2Q21, which was fully executed with the Company's cash position, in addition to the impact of the 2025 Bonds repurchase operation and the issuance of new 2031 Bonds, **not compromising the Company's ability to pay**.



* Considers Adjusted EBITDA excluding hedge accounting, equity accounting and non-recurring items in the quarter.

NOTE: Due to the Company's debt restructuring, we started assessing the covenant on a consolidated base and, as a result, there was a change in the above, calculated from the Net Debt with no adjustment due to the exchange rate change.

NEW GUIDANCE

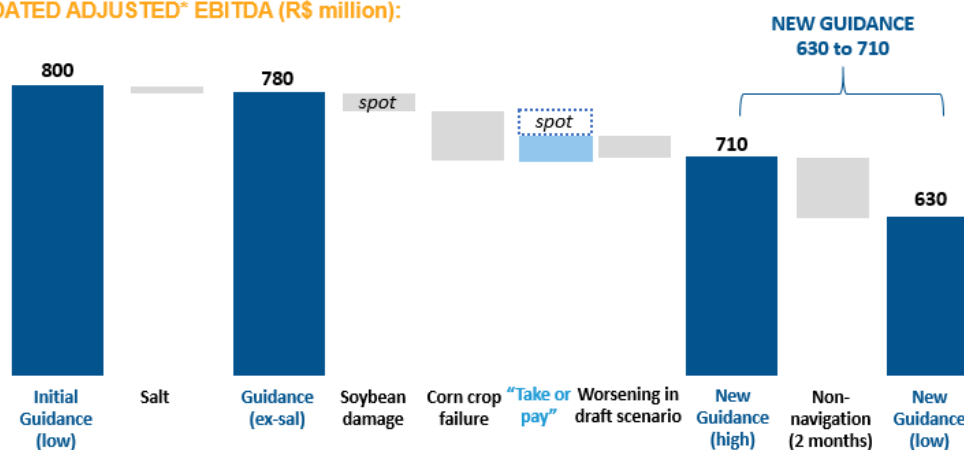
In line with the explanations already made in this report, the Company is reviewing the 2021 guidance to reflect the impacts of the rare coincidence of external factors presented this year. For this reason, the new volumes expected by the Company for the year 2021 are as follows:

Guidance (Hidroviás do Brasil)

Million tons	2020	2021			2025		CAGR 20-25%
		Low	High	Ch. %	Low	High	
North Corridor Volume	6.3	4.5	5.1	-23.8%	10.2	11.2	11.2%
South Corridor Volume	2.8	3.4	4.6	42.9%	5.5	6.1	15.7%
Coastal Navigation Volume	3.4	2.8	3.0	-14.7%	4.5	5.0	7.0%
Salt Santos Volume	0.6	0.3	0.3	-50.0%	3.7	4.1	45.4%
Consolidated Volume	13.1	11.2	13.0	-7.6%	23.9	26.4	13.9%

It is important to note that the existence of long-term contracts under the “take or pay” format ensure that the impact of such events on EBITDA and cash generation is proportionally smaller than the pressure of volumes, as can be seen in the chart below.

CONSOLIDATED ADJUSTED* EBITDA (R\$ million):



Scenario of non-navigation considered only for the region where we transport iron ore, not estimated for the grain region where navigation remains regular
* EBITDA adjusted for Non-recurring Items, Hedge Accounting and Equity Income.

The new EBITDA guidance for 2021 reflects the non-structural and one-off impacts of the worsening production and export estimates for the 2nd corn crop in Brazil, as well as the worsening of the draft level in the region of Corumbá, with a possible scenario of non-navigation for 2 months. Even in the midst of this challenging scenario, the Company proves the resilience of its operations, maintaining an EBITDA level similar to that presented in 2020 – which also had an atypical draft scenario, although better than this year, and a record crop in Brazil – different from what was observed in 2021.

The Company's foundations remain very solid and the investment thesis untouched. The waterway modal, along with multimodality, will continue to be the most competitive solution to support the growth of bulk cargo transport in South America. Grain harvest projections in MT for the coming years remain very positive and international prices makes the production of iron ore very attractive, which allows to confirm the guidance initially presented for 2025. In addition, the strong expansion plan is maintained, through the expansion of the capacity in the North Corridor, as well as the inclusion of new innovative projects that will contribute to additional generation of EBITDA and, for this reason, the CAPEX guidance remains maintained both for 2021 and consolidated 2021 to 2025.

The new EBITDA guidance for 2021, as well as the confirmed CAPEX guidance, can be seen in the tables below.

Guidance (Hidrovias do Brasil)

R\$ Million	2020	2021			2025		CAGR 20-25%
		Low	High	Ch. %	Low	High	
Adjusted EBITDA (Consolidated)	637.4	630.0	710.0	5.1%	1,350.0	1,500.0	17.4%

*Changes presented were calculated from the midpoint of the range shown in the tables.

Guidance (Hidrovias do Brasil)

R\$ Million	2020	2021		2021 to 2025	
		Low	High	Low	High
Consolidated CAPEX	302.6	900	1,100	2,550	3,000

*Changes presented were calculated from the midpoint of the range shown in the tables.

Sustainability

Sustainability goals:

Between May and July 2021, we advanced with the discussion of our sustainability goals for the years 2022-2025, aiming to meet the **SIX POSITIVE IMPACT COMMITMENTS** defined by the Company. The goals are aligned with the ONU Sustainable Development Goals and propose to deliver results on the following themes: Climate Change; Local and Human Development; Environmental Impacts; Ethics and Transparency; Value Chain Development; and Employee Health, Safety, and Development. The process was multidisciplinary and integrated, with 40 hours of workshops, having the participation of more than 100 employees from all areas, in addition to all the organization's leadership. We also have the generous inspiration of eight experts recognized by the market. As a next step, the goals will be presented to the Board of Directors to be validated and implemented.

Hidrovias Institute starts a sewing training program for women from Miritituba, in Itaituba:

The Hidrovias Institute, launched this August/21 the Programa Tecer, an initiative that promotes the reuse of inputs to generate income through sewing training for the residents of Itaituba, in the southwest of Pará.

Twenty women are being contemplated in the course, which will be divided into three modules during the months of July, August and September, working as an "incubator project" model, which focuses on stimulating female entrepreneurship and material recycling through sewing. The training will take place in two classes, in the morning and in the afternoon, and will be managed by the creator of Lixo Xiki. The course will be held at the Reference Center for Social Assistance (CRAS) of Miritituba, with the support of the Municipal Secretary of Social Assistance, and the first module has already taken place between July 26th and 30th.

Around R\$30 thousand were invested by the Hidrovias Institute in the purchase of equipment and in the course structure. We are committed to promote sustainable development in the locations where we operate. Part of this commitment is related to offer capacity, and training female leaders so that they can sustain the business over time. This initiative started in 2018, with the training of the students on how to create and take care of a company, culminating in the donation of inputs and technical training.

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 analyzes. This means that statements 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 adverse situations that may impact the expected results so that our expectations do not materialize within the considered 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.

EXHIBITS

HIDROVIAS DO BRASIL S.A.
BALANCE SHEETS AT JUNE 30, 2021 AND DECEMBER 31, 2020
(In thousands of reais – R\$)

ASSETS	Consolidated	
	06/30/2021	12/31/2020
Current assets		
Cash and cash equivalents	229.150	214.848
Securities	305.255	816.044
Trade accounts receivable	194.614	147.852
Inventories	79.825	57.051
Recoverable taxes	38.001	44.912
Income tax and social contribution	37.086	42.986
Advances to suppliers	52.197	34.593
Prepayments	49.263	32.149
Related party credits	3.676	-
Dividends receivable	-	-
Other receivables	<u>36.805</u>	<u>37.076</u>
Total current assets	<u>1.025.872</u>	<u>1.427.511</u>
Non-current assets		
Linked securities	12.947	14.952
Related party credits	3.155	3.820
Trade accounts receivable	6.400	6.400
Judicial deposits	41.827	40.774
Guarantees and pledge deposits	8.277	9.491
Deferred tax assets	139.236	148.862
Recoverable taxes	82.912	77.588
Income tax and social contribution	38.669	37.373
Advances to suppliers	-	8.358
Prepayments	48.433	29.256
Investments	85.141	74.479
Property, plant and equipment	3.842.262	3.355.604
Right-of-use asset	243.603	157.114
Intangible assets	<u>323.263</u>	<u>322.915</u>
Total non-current assets	<u>4.876.125</u>	<u>4.286.986</u>
Total assets	<u>5.901.997</u>	<u>5.714.497</u>

LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated	
	06/30/2021	12/31/2020
Current liabilities		
Suppliers	99.934	68.506
Loans and financing	136.159	185.954
Social charges and labor legislation obligations	38.971	39.460
Lawsuits	12.817	9.794
Taxes payable	20.505	26.241
Income tax and social contribution	31.810	67.622
Accounts payable with related parties	-	-
Advances from clients	3.949	7.315
Dividends payable	237	237
Lease liabilities	93.612	14.446
Obligation with concession - grant	19.648	18.547
Other accounts payable	<u>49.830</u>	<u>7.841</u>
Total current liabilities	<u>507.472</u>	<u>445.963</u>
Non-current liabilities		
Loans and financing	3.708.740	3.537.180
Accounts payable with related parties	-	-
Lease liabilities	162.036	150.301
Obligation with concession - grant	<u>39.320</u>	<u>55.226</u>
Total non-current liabilities	<u>3.910.096</u>	<u>3.742.707</u>
SHAREHOLDERS' EQUITY		
Capital	1.334.584	1.334.584
Capital reserves	34.176	34.176
Retained earnings (loss)	(106.246)	(21.046)
Equity valuation adjustment	<u>221.915</u>	<u>178.113</u>
Total shareholders' equity	<u>1.484.429</u>	<u>1.525.827</u>
Total liabilities and shareholders' equity	<u>5.901.997</u>	<u>5.714.497</u>

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
 STATEMENTS OF INCOME
 FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
 (In thousands of reais - R\$, except earnings/loss per share)

	Consolidated	
	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020
Net operating revenue	666.480	639.717
Cost of services rendered	(413.024)	(555.632)
Gross income	<u>253.456</u>	<u>84.085</u>
OPERATING EXPENSES		
General and administrative expenses	(125.617)	(70.293)
Provision for expected credit losses	(494)	-
Equity in net income of subsidiaries	1.622	(475)
Other revenues	<u>31.850</u>	<u>19.562</u>
Operating income (loss) before financial income (loss) and taxes	160.817	32.879
Financial revenues	31.396	64.528
Financial expenses	<u>(254.636)</u>	<u>(210.567)</u>
Financial income (loss)	(223.240)	(146.039)
Operating income (loss) before income tax and social contribution	(62.423)	(113.160)
Income tax and social contribution		
Current	(31.626)	(30.069)
Deferred	8.849	9.112
Net income (loss) for the period	<u>(85.200)</u>	<u>(134.117)</u>
Basic earnings per share - R\$	(0,1120)	(0,1792)
Diluted earnings per share - R\$	(0,1120)	(0,1774)

See the accompanying notes to the interim financial information.

HIDROVIAS DO BRASIL S.A.
**STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(In thousands of reais – R\$)**

	Consolidated	
	06/30/2021	06/30/2020
Cash flow from operating activities		
Net (loss)/income for the period	(85.200)	(134.117)
Adjustments to reconcile loss for the year with net cash generated by (invested) in operating activities:		
Provision for bonus	8.876	11.458
Current and deferred income tax and social contribution	22.777	20.957
Adjustment to present value of lease and concession	7.065	-
Reversal of provision for estimated losses	494	-
(Formation) Reversal of provision for contingency	3.023	206
Interest incurred on loans	108.200	106.582
Reversal of loan funding costs	26.408	1.771
Inflation and foreign exchange adjustments on debt	27.963	90.577
Recognized interest - lease and concession	(7.293)	-
Stock option plan	2.367	887
Yield from interest earning bank deposits and securities	-	1.745
Depreciation and amortization	(5.672)	(63.784)
Amortization from right-of-use asset	110.880	100.580
Equity in net income of subsidiaries	47.182	3.623
Revenue realized from hedge	(1.622)	475
	18.771	127.569
(Increase) decrease in operating assets:		
Accounts receivable	(29.673)	(91.486)
Inventories	(16.670)	(12.636)
Recoverable taxes	(12.662)	(25.135)
Advances to suppliers	(9.246)	31.581
Prepayments	(36.291)	(16.641)
Judicial deposits	(1.053)	(939)
Guarantees and pledge deposits	1.214	(2.295)
Other receivables	(1.319)	2.551
Increase (decrease) in operating liabilities:		
Suppliers	(2.007)	56.267
Social charges and labor legislation obligations	(12.695)	(3.190)
Taxes payable	(5.736)	8.482
Advances from clients	(3.366)	(21.587)
Other accounts payable	23.623	10.699
Income tax and social contribution paid	(67.438)	(20.105)
Payment of interest on loans and financing	(123.081)	(94.794)
Net cash (invested in) from operating activities	(12.181)	89.301
Cash flows from investment activities		
Acquisition of fixed assets	(222.232)	(111.708)
Acquisition of intangible assets	(10.102)	(6.837)
Acquisition of right-of-use asset	-	-
Acquisition of subsidiaries	(468.201)	-
Securities (investment)	(1.192.784)	(815.226)
Securities (redemptions)	1.711.249	913.818
Dividends received	-	6.316
Loan granted between related parties	(3.011)	-
Capital increase (decrease) in subsidiaries	-	-
Net cash (invested in) generated by investment activities	(185.080)	(13.637)
Cash flows from financing activities		
Borrowings	2.848.650	-
Funding cost	(113.441)	-
Dividends payable	-	-
Amortization of principal - loans	(2.453.894)	(21.372)
Amortization - Concession lease	(18.141)	-
Amortization - Paid Lease	(45.614)	(4.135)
Pledged financial investments	-	(4.604)
Payment of dividends	-	(4.359)
Bond repurchase	-	(71.764)
Loan granted between related parties	-	-
Other accounts payable with related parties	-	-
Net cash generated by (invested in) financing activities	217.560	(106.234)
Effect of changes in exchange rate on balance of cash and cash equivalents in foreign currency	(5.997)	7.319
(Decrease)/increase in cash and cash equivalents	(21.582)	(23.251)
Cash and cash equivalents at the beginning of the period	214.848	45.166
Cash and cash equivalents at the end of the period	229.150	21.915
(Decrease)/increase in cash and cash equivalents	14.302	(23.251)