

Ferropport Logística
Comercial
Exportadora S.A.

**Condensed interim financial information
as of March 31, 2022**

Contents

Independent auditors report on review of condensed parent company and consolidated interim financial information	3
Condensed balance sheets	5
Condensed statements of income	6
Condensed statements of comprehensive income	7
Condensed statements of changes in shareholders' equity	8
Condensed statements of cash flows	9
Notes to the condensed interim financial information	10



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Independent auditors' report on review of condensed parent company and consolidated interim financial information

To the Shareholders, Board of Directors and Management of Ferroport Logística Comercial Exportadora S.A.

Rio de Janeiro – RJ

Introduction

We have reviewed the condensed parent company and consolidated balance sheets of Ferroport Logística Comercial Exportadora S.A. ("Company"), as of March 31, 2022, and the related condensed statements of income, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation and fair presentation of the condensed parent company and consolidated interim financial information in accordance with standard CPC 21(R1) - Demonstração Intermediária. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Interim Financial Information Review Standards (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of condensed and individual interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.


A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the condensed parent company and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed parent company and consolidated interim financial information, as of March 31, 2022, are not prepared, in all material respects, in accordance with CPC 21 (R1) – Interim Financial Reporting.

Rio de Janeiro, May 03, 2022

KPMG Auditores Independentes Ltda
CRC SP-014428/O-6 F-RJ


Juliana Ribeiro de Oliveira
CRC RJ-095335/O-0

Ferropport Logística Comercial Exportadora S.A.

Condensed balance sheets of March 31, 2022 and December 31, 2021

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Assets					
Current assets					
Cash and cash equivalents	4	171,873	139,851	172,471	140,452
Accounts receivable from related parties	13	95,323	90,578	95,323	90,578
Inventories	5	40,018	39,381	40,018	39,381
Recoverable taxes	7	261	485	363	626
Income taxes and social contribution recoverable	7	17,356	15,143	17,400	15,143
Prepaid expenses		47	1,419	47	1,419
Other		6,949	2,674	6,950	2,674
Total current assets		331,827	289,531	332,572	290,273
Noncurrent assets					
Judicial deposits	8	33,803	33,499	33,803	33,499
Related parties - asset to be transferred	13	210,102	210,102	210,102	210,102
Investments in subsidiary	9	741	739	-	-
Right of use assets	10	2,601	2,403	2,601	2,403
Property, plant and equipment	11	2,057,542	2,064,262	2,057,542	2,064,262
Intangible assets	12	2,987	3,122	2,987	3,122
Deferred charges		1,644	1,808	1,644	1,808
Total noncurrent assets		2,309,420	2,315,935	2,308,679	2,315,196
Total assets		2,641,247	2,605,466	2,641,251	2,605,469
Liabilities and equity					
Current liabilities					
Trade accounts payable		35,872	33,883	35,874	33,885
Payroll and related charges		23,168	20,141	23,168	20,141
Taxes payable	14	13,497	13,296	13,497	13,296
Lease liabilities	10	1,655	1,845	1,655	1,845
Income taxes and social contribution payable	14	26,529	25,127	26,532	25,129
Related parties - loans	13	-	97,083	-	97,083
Total current liabilities		100,721	191,375	100,726	191,379
Noncurrent liabilities					
Income taxes and social contribution payable	14	55,322	57,428	55,322	57,428
Lease liabilities	10	1,174	805	1,174	805
Deferred income tax and social contribution	6	146,245	139,792	146,245	139,792
Related parties - accounts payable	13	210,102	210,102	210,102	210,102
Deferred revenue with related party	13	45,705	46,254	45,705	46,254
Provision for contingencies	15	24,361	22,360	24,361	22,360
Taxes payable	14	33,841	33,551	33,841	33,551
Other		18,906	18,964	18,905	18,963
Total noncurrent liabilities		535,656	529,256	535,655	529,255
Shareholders' equity					
Share Capital	16	1,197,152	1,197,152	1,197,152	1,197,152
Profits to be allocated		413,294	413,294	413,294	413,294
Capital reserve		94,589	94,589	94,589	94,589
Contingencies reserve		109,595	109,595	109,595	109,595
Legal reserve		70,205	70,205	70,205	70,205
Accumulated Profit		120,035	-	120,035	-
Total shareholders' equity		2,004,870	1,884,835	2,004,870	1,884,835
Total liabilities and shareholders' equity		2,641,247	2,605,466	2,641,251	2,605,469

The notes are an integral part of these condensed interim financial information .

Ferropport Logística Comercial Exportadora S.A.

Condensed statements of income

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Net revenue of services	17	245,395	235,266	245,395	235,266
Costs of services	18	(55,514)	(66,157)	(55,514)	(66,157)
Gross profit		189,881	169,109	189,881	169,109
Operating income (expenses)					
General and administrative expenses	19	(12,134)	(8,231)	(12,142)	(8,240)
Expected Credit Loss		-	895	-	895
Other operating income (expenses), net	20	3,781	2,549	3,781	2,549
		(8,353)	(4,787)	(8,361)	(4,796)
Income before financial income (expenses) and taxes		181,528	164,322	181,520	164,313
Equity income (loss), net		2	(8)	-	-
Financial income (expenses)					
Financial income	21	3,459	581	3,473	582
Financial expenses	21	(2,713)	(8,910)	(2,713)	(8,910)
Income before taxes		182,276	155,985	182,280	155,985
Income and social contribution taxes					
Current	6	(55,788)	(50,903)	(55,792)	(50,903)
Deferred	6	(6,453)	12,926	(6,453)	12,926
Total income and social contribution taxes		(62,241)	(37,977)	(62,245)	(37,977)
Net income for the period		120,035	118,008	120,035	118,008

The notes are an integral part of these condensed interim financial information.

Ferroport Logística Comercial Exportadora S.A.

Condensed statements of comprehensive income

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais)

	Parent Company and Consolidated	
	March 31, 2022	March 31, 2021
Net income for the period	120,035	118,008
Total comprehensive income for the year	120,035	118,008

The notes are an integral part of these condensed interim financial information.

Ferroport Logística Comercial Exportadora S.A.

Condensed statements of changes in shareholders' equity

Three-month period ended on March 31, 2022 and 2021

(In thousands of Reais)

Parent Company and Consolidated								
	Note	Share Capital	Profits to be allocated	Capital reserve	Contingencies reserve	Legal reserve	Accumulated profit	Total
Balances as of January 1st, 2021	16	803,404	393,748	94,589	109,595	48,471	-	1,449,807
Net income for the year		-	-	-	-	-	118,008	118,008
Balances as of March 31, 2021		803,404	393,748	94,589	109,595	48,471	118,008	1,567,815
Balances as of January 1st, 2022		1,197,152	413,294	94,589	109,595	70,205	-	1,884,835
Net income for the year		-	-	-	-	-	120,035	120,035
Balances as of March 31, 2022		1,197,152	413,294	94,589	109,595	70,205	120,035	2,004,870

The notes are an integral part of these condensed interim financial information.

Ferropport Logística Comercial Exportadora S.A.

Condensed statements of cash flows

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais)

	Parent Company		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Operating activities				
Income before taxes	182,276	155,985	182,280	155,985
Adjustments to reconcile income before taxes and net cash provided by operating activities:				
Depreciation and amortization	17,094	35,130	17,094	35,129
Monetary variation and interest	1,102	4,732	1,102	4,732
Tax Provision	1,633	4,293	1,633	4,293
Amortization of insurance	1,373	1,280	1,373	1,282
Provision for bonus	2,607	2,469	2,607	2,469
Provision for legal proceeding	2,001	(408)	2,001	(408)
Deferred revenue amortization	(549)	(549)	(549)	(549)
Shares of results of investee	(2)	8	-	-
Provision for expected credit losses	-	(895)	-	(895)
	207,535	202,045	207,541	202,038
(Increase) decrease of assets and increase (decrease) of liabilities:				
Account receivable from related parties	(4,745)	72,542	(4,745)	72,542
Inventories	(289)	(2,285)	(289)	(2,285)
Recoverable taxes	-	(136)	-	(138)
Trade accounts payable	(2,620)	(24,289)	(2,620)	(24,289)
Taxes payable	(3,731)	(9,107)	(3,731)	(9,107)
Payroll and related charges	464	37	464	37
Taxes payable related to intercompany loans	(232)	(705)	(232)	(705)
Interest paid	(1,295)	(3,995)	(1,295)	(3,995)
Income tax and social contribution paid	(56,584)	(34,116)	(56,591)	(34,116)
Interest on leases	(82)	(100)	(82)	(100)
Other	(4,320)	426	(4,322)	428
	134,101	200,317	134,098	200,310
Investing activities				
Acquisition of intangible assets	(87)	(180)	(87)	(180)
Acquisition of property, plant and equipment	(4,911)	(9,698)	(4,911)	(9,698)
	(4,998)	(9,878)	(4,998)	(9,878)
Financing activities				
Intercompany loans settled	(96,544)	(133,748)	(96,544)	(133,748)
Lease payments	(537)	(463)	(537)	(463)
	(97,081)	(134,211)	(97,081)	(134,211)
Increase in cash and cash equivalents	32,022	56,228	32,019	56,221
Cash and cash equivalents				
At beginning of the period	139,851	78,553	140,452	79,143
At end of the period	171,873	134,781	172,471	135,364
	32,022	56,228	32,019	56,221

The notes are an integral part of these condensed interim financial information.

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

1 The Company and its operations

In 2007, Ferroport Logística Comercial Exportadora S.A. (“Ferroport” or the “Company”), located in the state of Rio de Janeiro, Rua da Passagem 123/ 11th floor - Botafogo, was incorporated with the purpose of developing and operating port facilities and providing logistics support services.

Ferroport is the joint owner of an area of 300 hectares in the Açú Port which is responsible for iron ore processing, handling, and storage, and an offshore structure comprising an access bridge, access canal, breakwater and two berths for iron ore loading. The development of the project was established by the Framework Agreement and Asset Allocation Agreement (“Agreement”) which sets forth the operating and commercial relations between the Company, Prumo Participações e Investimentos S.A. (“Prumopar”), Prumo’s subsidiary Açú Petróleo S.A. (“Açú Petróleo”) and Anglo American Minério de Ferro do Brasil S.A. (“AAMFB”).

In 2022, the Company loaded 4.59 million tons (unreviewed) of iron ore in 28 vessels (unreviewed) (5.4 million tons (unreviewed) in 36 vessels (unreviewed) during three-month period of 2021). Since the beginning of operations in October 2014, the Company loaded 119.2 million tons (unreviewed) of iron ore, reaching a mark of 722 vessels (unreviewed) berthing at the port.

In 2022, Açú Petróleo S.A. performed 22 operations (unreviewed) in 48 vessels (unreviewed), loading 3.8 million metric tons (unreviewed) of oil transshipment. In the same period of 2021, Açú Petróleo S.A. performed 20 operations (unreviewed) in 48 vessels (unreviewed), loading 3.8 million metric tons (unreviewed) of oil transshipment. Since the beginning of operations in August 2016, they carried out 267 operations (unreviewed) in 634 Suezmax and VLCC vessels (unreviewed). According to the port access contract, Ferroport receives monthly variable fees from Açú Petróleo, due to the use of the area to provide the service.

In the first quarter of 2022, outstanding loan balances with Shareholders were fully settled. Signed in June 2015 and effective January 1, 2016, the side agreement to the shareholders' agreement sets out the terms of the IC Loan, including the maximum settlement period until December 31, 2030. Early settlement is a milestone for the Company, as it reflects the ability to generate cash, in addition to making the operation totally sustainable, subsidized only with equity.

1.1 Subsidiary

See out below the subsidiary of Ferroport Logística:

Subsidiary / Activity	Ownership interest
Ferroport Serviços / Service of maintenance	100%

In August 2018, Ferroport Serviços EIRELI (“Ferroport Serviços”), a fully controlled subsidiary of Ferroport Logística, started the operations providing maintenance and engineering services to the companies located in the port terminal.

2 Licenses

Type	Issue date	Maturity
Permit the management of terrestrial fauna in the port terminal AA N° IN003173. License in the process of renewal. Protocol 011.10481/2021.	April 04, 2019	April 04, 2021
Permit to Use Water Resources OUT IN05405 authorizes the extraction of raw water through tubular wells, for human consumption, and other applications (in civil construction works and to spray on roads), in the Hydrographic Basin RH-IX – Baixo Paraíba do Sul.	September 27, 2019	September 27, 2024
INEA (State Institute of Environment): Statutory law for receipts of iron ore, stockyard iron transfer unit, access bridge, loading pier, areas of utilities and repair shop, administrative area, , dredging for maintenance of draught for access and navigation, trans-shipment of waste of vessels and food loading activities, inputs of drinking water on vessels. Permit temporary refueling, by using tank trucks, tug boats, and speed boats on Porto do Açú iron ore terminal. Statutory Law - Regulatory Procedure 027024. (IN051807).	December 23, 2020	May 29, 2024
ANTAQ (Supervising Office for Grants of the National Waterway Agency) authorizes Ferroport to start operating the port terminal.	September 02, 2014	September 02, 2039
Permit temporary refueling, by using tank trucks, tug boats, and speed boats on Porto do Açú iron ore terminal LI no.IN 047638.	December 13, 2018	December 13, 2023

3 Basis of preparation and presentation of the condensed interim financial information and summary of significant accounting practices

a. Statement of compliance

The condensed parent company and consolidated interim financial information have been prepared in accordance with CPC 21 - Interim Financial Reporting issued by the Accounting Pronouncements Committee (“CPC”).

The condensed parent company and consolidated interim financial information do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the financial statements as of December 31, 2021, prepared in accordance with accounting practices adopted in Brazil (“BR GAAP”), which comprise dispositions of the Brazilian Corporate Law, as determined by Law 6,404/76 with updates on Law 11,638/07 and accounting pronouncements, interpretations and orientations issued by the Accounting

Pronouncements Committee (CPC) approved by Brazilian CVM.

The accounting policies mentioned adopted in this condensed interim financial information are consistent with those followed in the preparation of the Company's financial statements for the year ended December 31, 2021 and concluded on March 10, 2022.

The Company's Directors authorized the conclusion of these condensed interim financial information on May 03, 2022.

b. Basis of measurement

The condensed interim financial information has been prepared on the historical cost .

c. Functional and reporting currency

This condensed interim financial information is presented in Brazilian Reais, which is the Company's functional and reporting currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4 Cash and cash equivalents

	Parent Company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Cash and banks	205	536	213	544
Cash equivalents				
Bank deposit certificate (CDB)	171,668	139,315	172,258	139,908
	171,873	139,851	172,471	140,452

Highly liquid short-term investments are readily convertible into a known amount of cash and subject to insignificant risk of change in their value. The return of investments was 102,20% of Interbank Deposit (DI) rate in the first quarter of 2022. The portfolio currently consist of deposits certificates issued by Santander and Banco ABC.

5 Inventories

In March 31, 2022, the parent company and consolidated balance of inventories applied to equipment maintenance totaled R\$ 40,018 (R\$ 39,381 in December 31, 2021).

6 Income tax and social contribution

The changes in the deferred income and social contribution taxes assets and liabilities are as follows:

	Parent Company and Consolidated		
	December 31, 2021	Additional amount/offset (liability) recorded	March 31, 2022
Assets			
Temporary differences:			
Provisions of bonus, contingencies and others	17,935	1,365	19,300
Other	1,724	175	1,899
Total deferred income taxes assets	19,659	1,540	21,199
Liabilities			
Temporary differences:			
Difference between tax basis and book value of depreciation rates	(61,897)	(2,410)	(64,307)
Capitalized interests	(96,548)	(5,674)	(102,222)
Judicial deposits	(1,006)	91	(915)
Total deferred income taxes liabilities	(159,451)	(7,993)	(167,444)
Net effect	(139,792)	(6,453)	(146,245)

The recoverability of the deferred income tax assets is supported by a business plan approved by the Executive Board. The Company's Management evaluates the carrying value of the deferred tax assets based on the Company's projected future taxable income and maintain these assets at their expected realization value.

The reconciliation of the reported income tax and social contribution and the amount determined by applying the nominal rate for the periods ended March 31, 2022 and 2021, are as follows:

Income Tax and Social Contribution	Parent Company		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Income before income taxes	182,276	155,985	182,280	155,985
Income tax at the nominal rate 34%	(61,974)	(53,035)	(61,975)	(53,035)
Tax aliquot effect over presumed profit	-	-	(3)	(53)
Tax adjustments:				
Deferred - Capitalized interest (a)	-	21,863	-	21,863
Effect of addition depreciation adjustment	-	(6,644)	-	(6,644)
Other	(267)	(161)	(267)	(108)
Total	(62,241)	(37,977)	(62,245)	(37,977)
Current income and social contribution tax	(55,788)	(50,903)	(55,792)	(50,903)
Deferred income and social contribution tax	(6,453)	12,926	(6,453)	12,926
Total income and social contribution tax	(62,241)	(37,977)	(62,245)	(37,977)
Effective rate	34%	24%	34%	24%

- (a) Effect of the adjustment in the tax amortization period of capitalized interest (from 45 years to 25 years, according to the Brazilian IRS depreciation table).

7 Recoverable taxes

	Parent Company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
PIS and COFINS	206	430	233	460
INSS	-	-	59	59
ISS	48	48	48	48
Other	7	7	23	59
Subtotal recoverable taxes	261	485	363	626
Income tax (a)	13,415	11,202	13,447	11,202
Social contribution (a)	3,941	3,941	3,953	3,941
Total income taxes and social contribution recoverable	17,356	15,143	17,400	15,143
Total	17,617	15,628	17,763	15,769
Current	17,617	15,628	17,763	15,769

- (a) Negative balance of income tax and social contribution constituted due to the tax loss calculated in the year 2018.

8 Judicial deposits

Company and Consolidated

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Income tax and social contribution (a)	33,346	33,051
Other	457	448
	<u>33,803</u>	<u>33,499</u>

(a) The Company challenges the payment of income tax and social contribution on net income recognized in its pre-operating phase and filed an injunction in January 2008, making a judicial deposit in the original amount of R\$ 16,403. Ferroport obtained an unfavorable decision and is awaiting decision on its appeal, the amount deposited is fully reserved under "Taxes payable". In December 2020, the 10th federal court of Rio de Janeiro was granted a favorable decision, with partial return of the judicial deposit in the amount of R\$ 3,358. The amount was received on December 4, 2020. The total amount in March 2022 is R\$ 33,346 (R\$33,051 in December 2021).

9 Investment in subsidiary

The investments in subsidiary are as follows:

a. Movement of participation in subsidiary

	<u>December 31, 2021</u>	<u>Addition</u>	<u>Equity</u>	<u>March 31, 2022</u>
Ferroport Serviços EIRELLI (a)	739	-	2	741

(a) As mentioned in note 1.1, Ferroport Serviços operations started in August 2018.

b. Relevant information about subsidiary

<u>As of March 31, 2022</u>							
Direct subsidiaries	%	Number of shares (thousand)	Asset	Liability	Shareholders ' equity	Capital	Profit for the period
Ferroport Serviços EIRELI	100	100	746	(4)	(742)	100	2

<u>As of March 31, 2021</u>							
Direct subsidiaries	%	Number of shares (thousand)	Asset	Liability	Shareholders ' equity	Capital	Loss for the period
Ferroport Serviços EIRELI	100	100	725	(2)	(723)	100	(8)

10 Right-of-use assets/Lease liabilities

The table below shows the contracts within the scope of CPC 06 R2, segregated by supplier, with their respective current values, contractual terms and interest rates applied as of March 31, 2022:

Parent Company and Consolidated						
Suppliers	Assets	Right of use assets	Lease Liabilities	Months	Interest rates	
Localiza	Vehicles	1,139	1,274	38	1.0280%	
Transbarra	Machinery and equipment	473	542	36	0.9902%	
Ornec	Machinery and equipment	127	138	22	0.9902%	
Solaris (Mills)	Machinery and equipment	705	708	60	0.9902%	
Trimak	Machinery and equipment	157	167	36	0.9902%	
		2,601	2,829			

To obtain the interest rates, the Company simulated obtaining funds from financial institutions for the acquisition of the underlying assets, with similar terms to the respective contracts.

The movements of the right of use assets and lease liabilities, with their respective final balances on March 31, 2022 and December 31, 2021, are as follows:

Lease Assets	December 31, 2021	Additions	(-) Depreciation	March 31, 2022
Right of use - Vehicles	1,459	-	(184)	1,275
Right of use - Machinery and equipment	944	717	(335)	1,326
	2,403	717	(519)	2,601

Lease Assets	December 31, 2020	Additions	(-) Depreciation	March 31, 2021
Right of use - Vehicles	1,186	-	(166)	1,020
Right of use - Machinery and equipment	1,881	256	(306)	1,831
	3,067	256	(472)	2,851

Parent Company and Consolidated						
Lease Liabilities	December 31, 2021	Additions	Transfer	Interest	Payments	March 31, 2022
Current	1,845	145	203	82	(620)	1,655
Non-current	805	572	(203)	-	-	1,174
	2,650	717	-	82	(620)	2,829
Parent Company and Consolidated						
Lease Liabilities	December 31, 2020	Additions	Transfer	Interest	Payments	March 31, 2021
	1.890	75	512	100	(563)	2.014

Current						
Non-current	1.400	180	(512)	-	-	1.068
	<u>3.290</u>	<u>255</u>	<u>-</u>	<u>100</u>	<u>(563)</u>	<u>3.082</u>

Parent Company and Consolidated		
Payments	March 31, 2022	March 31, 2021
	Fixed (Lease)	Fixed (Lease)
Vehicles	(222)	(200)
Machinery and equipment	(398)	(363)
	<u>(620)</u>	<u>(563)</u>

The table below describes the maturity terms of the lease liabilities, considering the future cash flows of principal and interest payments according to the contractual forecast, with position as of March 31, 2022:

	Maturity				Total
	up to 6 months	From 6 to 12 months	From 1 to 2 years	Above 2 years	
Lease Liabilities	1,117	538	706	468	2,829

11 Property, plant and equipment

Parent Company and Consolidated	Annual depreciation rate %	Cost	Accumulated depreciation	March 31, 2022	December 31, 2021
Improvements	4	66,619	(61,726)	4,893	4,880
Furniture and fixtures	10	1,253	(641)	612	680
Vehicles	20 and 25	1,767	(872)	895	965
IT equipment	20	11,369	(6,977)	4,392	4,485
Machinery and equipment	10, 20 and 50	46,380	(7,800)	38,580	30,937
Electronic equipment	20	2,237	(962)	1,275	1,324
Defenses	10	4,031	(3,089)	942	1,043
Breakwater	2.22	865,016	(133,805)	731,211	722,441
Maritime access canal	2.22	466,346	(72,345)	394,001	384,357
Pier - Port Terminal	2.22	835,788	(111,574)	724,214	726,133
Safety equipment	10	24,820	(16,824)	7,996	11,522
Operational tools and equipment	5 and 20	60,470	(16,017)	44,453	40,967
Construction in progress	-	89,925	-	89,925	119,887
Other equipments	10 and 5	27,692	(13,539)	14,153	14,641
		<u>2,503,713</u>	<u>(446,171)</u>	<u>2,057,542</u>	<u>2,064,262</u>

Changes in property, plant and equipment

Parent Company and Consolidated

Parent Company and Consolidated	Annual depreciation rate %	December 31, 2021	Additions	Writte-offs	Transfers	March 31, 2022
Cost						
Improvements	4	66,220	-	-	399	66,619
Furniture and fixtures	10	1,263	-	(10)	-	1,253
Vehicles	20	1,760	7	-	-	1,767
IT equipment	20	11,118	12	-	239	11,369
Machinery and equipment	10	38,057	17	(4)	8,310	46,380
Electronic equipment	20	2,187	50	-	-	2,237
Defenses	10	4,031	-	-	-	4,031
Breakwater	2.22	855,692	2,536	-	6,788	865,016
Maritime access canal	2.22	451,987	-	-	14,359	466,346
Pier - Port Terminal	2.22	835,171	-	-	617	835,788
Safety equipment	10	23,704	-	-	1,116	24,820
Operational tools and equipment	5 and 20	55,347	2,011	(3)	3,115	60,470
Construction work in progress	-	119,889	5,153	(299)	(34,818)	89,925
Others equipments	10 and 5	27,818	-	-	(126)	27,692
		2,494,244	9,786	(316)	-	2,503,713

Parent Company and Consolidated						
Parent Company and Consolidated	Annual depreciation rate %	December 31, 2021	Additions	Writte-offs	Transfers	March 31, 2022
Depreciation						
Improvements	4	(61,340)	(386)	-	-	(61,726)
Furniture and fixtures	10	(583)	(27)	9	(40)	(641)
Vehicles	20	(795)	(77)	-	-	(872)
IT equipment	20	(6,633)	(344)	-	-	(6,977)
Machinery and equipment	10	(7,120)	(720)	4	36	(7,800)
Electronic equipment	20	(863)	(99)	-	-	(962)
Defenses	10	(2,988)	(101)	-	-	(3,089)
Breakwater	2.22	(133,251)	(554)	-	-	(133,805)
Maritime access canal	2.22	(67,629)	(4,716)	-	-	(72,345)
Pier - Port Terminal	2.22	(109,038)	(2,538)	-	2	(111,574)
Safety equipment	10	(12,183)	(4,641)	-	-	(16,824)
Operational tools and equipment	10 and 5	(14,380)	(1,574)	1	(64)	(16,017)
Others equipments	10 and 5	(13,179)	(426)	-	66	(13,539)
		(429,982)	(16,203)	14	-	(446,171)
Property and equipment, net		2,064,262	(6,417)	(302)	-	2,057,542

Asset allocation

As aforementioned, the Company, Açú Petróleo and AAMFB signed the Asset Allocation Agreement, which determines that the Company is responsible for the construction of the T1 port terminal and sets out the allocation of assets between the parties, means of payment, transfer of divisible assets and joint ownership rules for the indivisible assets. The divisible assets will be transferred to the parties individually as stated in the Agreement.

As for the indivisible assets, each company has its share of participation in the assets (“condominium agreement”) according to a formula defined in the Agreement at construction cost.

12 Intangible assets

Company and Consolidated

	<u>Amortization</u>	<u>December 31, 2021</u>	<u>Additions</u>	<u>March 31, 2022</u>
Cost				
Software use license	5 years	13,328	87	13,415
Total Cost		<u>13,328</u>	<u>87</u>	<u>13,415</u>
Amortization				
Software use license	5 years	(10,206)	(222)	(10,428)
Total Amortization		<u>(10,206)</u>	<u>(222)</u>	<u>(10,428)</u>
		<u>3,122</u>	<u>(135)</u>	<u>2,987</u>

13 Transactions with related parties

	<u>Parent Company and Consolidated</u>	
	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Assets to be transferred to AAMFB (a)	210,102	210,102
Accounts receivable from AAMFB (b)	82,568	85,249
Accounts receivable from Açú Petróleo (c)	3,077	1,662
	<u>295,747</u>	<u>297,013</u>
Credit Note		
AAMFB	358	322
Açú Petróleo	9,320	3,345
Current	95,323	90,578
Noncurrent	210,102	210,102
	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Liabilities		
Advances of the asset allocation		
AAMFB (a)	210,102	210,102
Intercompany loans		
Prumo Participações e Investimentos	-	73,355
Withholding income tax on loan	-	84
Anglo American Capital London	-	23,644
	<u>210,102</u>	<u>307,185</u>
Deferred revenue		
Deferred revenue with related party (d)	45,705	46,254
Current	-	97,083
Noncurrent	210,102	210,102

- (a) This refers to the divisible assets that will be transferred to AAMFB, according to the Agreement;
- (b) Receivables from the take-or-pay agreement with AAMFB;
- (c) Receivables from the Port Access agreement related to T-Oil operations.
- (d) In January 2008, an agreement was entered into with Porto do Açú for granting the right of accessing the port facilities to load and unload ships. This contract, amounting to R\$ 62,159, is effective for 35 years, renewable for another 35 years, and was fully paid as of December 31, 2009. The revenue will be recognized over the contract term. After the start-up of operation in October 2014, this amount started to be monthly recognized as other revenues.

Maturity and interest

Intercompany loans are determined in Brazilian Reais (BRL) and are subject to annual interest of 100% of the CDI plus 2% p.a. Intercompany loans have no covenants or guarantees.

The Company shall repay all amounts outstanding, including any outstanding interest thereon, under all shareholder loans by no later than December 31, 2030.

In March, 2022, due to the company's cash generating capacity, shareholder loans were fully repaid, as described in note 1.

The transactions that affect the condensed income statements are as follows:

	<u>Parent Company and Consolidated</u>	
	<u>Revenues (expenses)</u>	
	<u>March 31,</u>	<u>March 31,</u>
	<u>2022</u>	<u>2021</u>
Revenue		
AAMFB - take-or-pay agreement	239,899	231,279
Açu Petróleo	6,748	5,093
Financial expenses		
Interest on loans		
Prumo Participações e Investimentos	(874)	(2,540)
Anglo American Capital London	(113)	(2,089)
	<u>245,660</u>	<u>231,744</u>

Reconciliation of assets and liabilities to cash flows from financing activities:

	<u>Liabilities</u>
	Intercompany loans
Opening balances on January 1, 2022	307,101
Variations in cash	
Interest paid	(1,294)
Intercompany loans settled	(96,544)
Total variations in financing cash flows	<u>(97,838)</u>
Other variations	
Related liabilities	
Income tax on intercompany loans	(145)
Interest expense	984
Total other variations related liabilities	<u>839</u>
Closing balances on March 31, 2022	<u>210,102</u>

	March	March
	31, 2022	31, 2021
Key management compensation was as follows:		
Payroll and related charges	1,036	976

14 Taxes payable

	Parent Company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
PIS and COFINS	29,431	30,465	29,431	30,465
ISS	190	142	190	142
ICMS	16,992	15,753	16,992	15,753
Income tax and social contribution (*)	81,372	81,437	81,375	81,439
Other	1,204	1,605	1,204	1,605
	129,189	129,402	129,192	129,404
Current	40,026	38,423	40,029	38,425
Noncurrent (*)	89,163	90,979	89,163	90,979

(*) This refers mainly to the judicial deposit for income tax and social contribution described in Note 8, and parcellation of taxes..

15 Provision for contingencies

Contingent liabilities

The Company is subject to legal proceedings involving civil and administrative matters arising from the ordinary course of business, the Company classified as probable risk of loss the following amounts:

	Parent Company and Consolidated	
	March 31, 2022	December 31, 2021
Labor claims	6,736	6,633
Civil claims (a)	17,625	15,727
	24,361	22,360

(a) In 2018, ARG/Civilport filed a new litigation related to services claimed as rendered in the amount of R\$ 10,890 classified as probable loss. As of March 31, 2022, the amount is R\$ 17,157 (R\$ 15,302 on December 31, 2021).

Provision movements

Parent Company and Consolidated

	December 31, 2021	Additions	Write-offs/Payments	March 31, 2022
Labor	6,633	3,115	(3,012)	6,736
Civil	15,727	1,898	-	17,625
	22,360	5,013	-3,012	24,361

According to the legal counsel, the main proceedings classified as possible risk of loss are demonstrated below:

Possible:	Parent Company and Consolidated	
	March 31, 2022	December 31, 2021
Labor claims	4,133	5,031
Tax claims (a)	252,498	257,489
Civil claims (b)	306,406	292,973
	563,037	555,493

- (a) Impacted mainly by the tax assessment of the Federal Revenue of Brazil (“RFB”) referring to the deduction of capitalized interest in the calculation of income tax and social contribution, and amortization of deferred tax on the merger goodwill, both from 2015 to 2017, in the amount of R\$ 248,476 (R\$ 242,941 in December, 2021).
- (b) Impacted mainly by ARG/Civilport litigation in the amount of R\$ 202,769 (R\$ 193,879 in December 31, 2021) and Arcoenge R\$ 64,198 (R\$ 61,383 in December 31, 2021). The claims are due to breach of the contract (Lump Sum and Turn Key contracts) and the costs related to decommissioning.

16 Shareholders’ equity

Capital

The Company’s shareholding structure at March 31, 2022 and December 31, 2021, is as follows:

Shareholders	Number of shares	%
Prumo Participações e Investimentos S.A	875,617	50
Anglo American Investimentos - Minério de Ferro Ltda.	875,617	50
	1,751,234	100

Reserves

In accordance with the Brazilian Corporate Law, the legal reserve, which is intended to ensure the integrity of capital and may only be used to offset losses or increase the capital stock, is set up on an annual basis at 5% of the net income for the year and it cannot exceed 20% of the capital stock.

As of March 31, 2022, the Company has a balance of R\$ 413,294 of profits to be allocated; the destination of which will be defined later, during the General Meeting.

The general meeting may, at the proposal of the management bodies, allocate part of the net profit to the formation of a contingency reserve, with the purpose of offsetting, in a future year,

the decrease in profit resulting from a loss deemed probable, the amount of which can be estimated. On March 31, 2022, the contingency reserve has the amount of R\$ 109,595 (R\$ 109,595 on December 31, 2021).

Capital reserves are constituted with amounts received by the Company and which do not pass through the result, do not refer to the delivery of goods or services by the company. On March 31, 2014, Ferroport approved at the Extraordinary General Meeting the merger of Centennial Asset Participações Minas-Rio SA and part of the spun off assets of Anglo American Participações Ltda. With the merger, Ferroport recorded a tax benefit of R\$ 94,589, arising from the acquisition of equity interest in the Company, against the capital reserve. As of March 31, 2022 the capital reserves total R\$ 94,589 (R\$ 94,589 on December 31, 2021).

Dividends

The Shareholder's Agreement determines that dividends will be distributed after loans and financings with related parties are fully settled.

With the full repayment of the loan with shareholders in March 2022, from the same year the company will pay dividends of at least 25%, in accordance with law 6.404/76.

17 Net revenue from services

	Parent Company and Consolidated	
	March 31, 2022	March 31, 2021
Gross revenue	276,504	265,072
Shipment of iron ore (Take or Pay)	269,725	259,487
Port access (T-Oil)	6,779	5,585
Port services	-	-
Taxes	(31,109)	(29,806)
Taxes on gross revenue - PIS/COFINS	(25,577)	(24,519)
Tax on services – ISS	(5,532)	(5,287)
Net revenue from services	245,395	235,266

18 Costs of services

Parent Company and Consolidated

	March 31, 2022	March 31, 2021
Payroll and related charges	(12,792)	(11,597)
Depreciation and amortization	(12,655)	(32,011)
Third-parties services	(11,217)	(9,138)
Leases and rents	(1,011)	(799)
Insurance	(1,354)	(1,261)
Consumables spare parts	(13,422)	(9,569)
Environmental expenses	(618)	(494)
Depreciation of rights of use assets	(471)	(425)
Other	(1,974)	(863)
	<u>(55,514)</u>	<u>(66,157)</u>

19 General and administrative expenses

	Parent Company		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payroll and related charges	(4,032)	(3,806)	(4,032)	(3,806)
Third party services	(1,441)	(1,619)	(1,441)	(1,626)
Depreciation and amortization	(3,933)	(2,646)	(3,933)	(2,646)
Insurance	(19)	(19)	(19)	(21)
Travel expenses	(36)	(13)	(36)	(13)
Leases and rents	(101)	(80)	(101)	(80)
Depreciation of rights of use assets	(48)	(48)	(48)	(48)
Provision for contingencies	(2,001)	-	(2,001)	-
Other	(523)	-	(531)	-
	<u>(12,134)</u>	<u>(8,231)</u>	<u>(12,142)</u>	<u>(8,240)</u>

20 Other operating income (expenses)

	Parent Company and Consolidated	
	March 31, 2022	March 31, 2021
Non-consumed electric energy (a)	3,536	2,038
Provision for expected credit losses - Non-consumed electric energy (a)	-	895
Deferred revenue - right of use	498	498
Other	(253)	13
	<u>3,781</u>	<u>3,444</u>

- (a) Refers to the sale of non-consumed electric energy with CCEE - *Câmara de Comércio de Energia Elétrica* and other energy traders. The income is associated with the power trading, regarding the CCEE, to which Ferroport is an agent, which means, Company is associated with the CCEE, participating with rights and duties in its operations.

21 Financial income (expenses)

Parent Company and Consolidated

	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial expenses				
Tax on financial transactions (IOF)	(55)	(50)	(55)	(50)
Interest - intercompany loan	(983)	(4,629)	(983)	(4,629)
Interest on leases	(82)	(100)	(82)	(100)
Penalty due to tax parcellation	-	(3,817)	-	(3,817)
Interest on tax parcellation	(386)		(386)	
Update – Selic interest rate	(863)		(863)	
Other	(344)	(314)	(344)	(314)
	(2,713)	(8,910)	(2,713)	(8,910)
Financial income				
Interest income	3,459	581	3,473	582
	3,459	581	3,473	582
Financial results, net	746	(8,329)	760	(8,328)

22 Commitments

The Company undertook future purchase commitments amounting to R\$ 442,479 on March 31, 2022 (R\$ 210,248 on December 31, 2021) and these should be fulfilled in the course of the operations.

Ferroport Logística
Comercial Exportadora S.A.
Condensed interim financial
information March 31, 2022

	March 31, 2022	December 31, 2021	Description
Asset			
Property, plant and equipment / Intangible / Right of use assets			
Construction in progress	1,910	1,976	Repowering and emergency routes
	1,417	3,082	Structural reform to adapt the facilities
Right of use assets - Lease	5,057	2,933	Leasing of vehicles, machinery and equipment
Electric equipments	2,906	7,304	Purchase of electrical panels
Intangible	213	174	Systems licenses
Total asset	11,503	15,469	
Result			
Cost/Expenses	47,431	56,174	Electricity purchase agreement
	9,974	2,765	Pier piling repair
	28,523	31,072	Industrial cleaning and facilities services
	6,606	7,220	Support for navigation and underwater activities
	4,172	5,000	Transport of employees
	3,597	4,109	Vigilance and Security
	4,092	3,914	Health and medical services plan
	9,723	11,747	Legal and financial consultancy
	7,749	8,620	Reforestation and waste management
	3,393	2,729	Employee benefits
	2,335	2,106	IT Services
	29,400	31,923	Preventive and corrective maintenance
	3,169	3,727	Medical services and occupational health
	243,094	-	Maintenance dredging
	27,718	23,673	Others
Total Results	430,976	194,779	
Total	442,479	210,248	

23 Financial instruments

The estimated realizable values of the financial assets and liabilities of the Company were determined based on available market information and proper valuation methodologies. However, considerable judgment was required in interpreting market data to develop the most adequate estimate of realizable value. Consequently, the estimates do not necessarily indicate the values that could be realized in the currency exchange market.

Financial assets and liabilities on March 31, 2022 and December 31, 2021 are as follows:

Classifications	Parent Company					
	March 31, 2022			December 31, 2021		
	Book Value	Amortized cost	Fair value measurement hierarchy	Book Value	Amortized cost	Fair value measurement hierarchy
Assets						
Cash and cash equivalents	171,873	171,873	2	139,851	139,851	2
Accounts receivable	95,323	95,323	2	90,578	90,578	2
Liabilities						
<i>Other financial liabilities</i>						
Lease liabilities	2829	2,829	2	2,650	2,650	2
Trade accounts payable	35,872	35,872	2	33,883	33,883	2
Related parties - loans	-	-	-	97,083	97,083	2
Related parties - accounts payable	210,102	210,102	2	210,102	210,102	2
Classifications	Consolidated					
	March 31, 2022			December 31, 2021		
	Book Value	Amortized cost	Fair value measurement hierarchy	Book Value	Amortized cost	Fair value measurement hierarchy
Assets						
Cash and cash equivalents	172,471	172,471	2	140,452	140,452	2
Accounts receivable	95,323	95,323	2	90,578	90,578	2
Liabilities						
<i>Other financial liabilities</i>						
Lease liabilities	2,829	2,829	2	2,650	2,650	2
Trade accounts payable	35,872	35,872	2	33,883	33,883	2
Related parties - loans	-	-	-	97,083	97,083	2
Related parties - accounts payable	210,102	210,102	2	210,102	210,102	2

- **Level 1:** quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- **Level 3:** valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The financial assets and liabilities, due to their characteristics and due dates, Management understands that fair values do not differ relevantly from their booking values.

The valuation technique used by the Company considers discounted cash flows. The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

The Company's financial transactions are subject to the following risk factors:

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales are denominated and the Group's functional currency. The Group's functional currency is mainly the Real. The currency in which these transactions are primarily denominated is the Dollar.

The Group's sales expectation from April to December 2021 is at US\$ 159,748 and may be impacted by exchange rate variations.

Liquidity risk

The table below provides the Company's main financial liabilities on March 31, 2022. These amounts are gross and are not discounted and include payments of estimated interest and exclude the impact of the offsetting agreements.

	No maturity	Up to 6 months	Total
Financial liabilities			
Trade accounts payable	-	35,872	35,872
Asset Allocation	210,102	-	210,102
Total by maturity range	210,102	35,872	245,974

The Company's shareholders have supported the implementation of the business plan. The remaining Capex to completion will be funded by Company's cash generation and the shareholders when required by the Agreement.

Credit risk

This risk arises from the possibility of the Company incurring in losses arising from the default of their counterparties or financial institutions depository of funds.

The Company uses rating analysis of the financial institutions through rating reports provided by the risk agencies, for the purpose of classifying and systematically following up on the risk and performance of each bank.

The Company exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of the customer base, including the default risk associated with the industry in which customers operate.

The Company held consolidated cash and cash equivalents of R\$ 172,471 on March 31, 2022 (R\$ 140,452 on December 31, 2021). The cash and cash equivalents are held with the bank and financial institution counterparties, which are rated AAA, based on rate S&P agency rating.

The exposures to credit risk are the following:

Financial instruments	March 31, 2022	December 31, 2021
Cash equivalents	172,471	140,452
Accounts receivable (Related parties)	95,323	90,578
	<u><u>267,794</u></u>	<u><u>231,030</u></u>

For the period ended on March 31, 2022 and December 31, 2021, the Company's services revenue is entirely related to services provided to the related parties. Cash and cash equivalents are invested in banks with at least an A- rating.

Capital Management

The Company's funds to develop its business plan have been entirely funded through capital contributions and loans from the shareholders. The Company started its operations in October 2014 and started generating operating cash since then; the additional funds needed for the conclusion of the port construction will also be funded by its shareholders through additional loans when required by the Agreement, and operational cash generation.

24 Insurance coverage

The Company's policy consists of entering into insurance coverage for assets subject to risks at amounts deemed sufficient by management to cover claims, if any, considering the nature of its activity. The policies are in force and the premiums were duly paid.

As of March 31, 2022 and December 31, 2021, the insurance coverage was as follows:

	March 31, 2022	December 31, 2021
Property and equipment damages	3,524,108	3,094,000
Civil liability	236,800	279,025
Environmental Liability	30,000	30,000
Directors & Management	60,000	60,000

Carsten Bosselmann
Chief Executive Officer

Marcelo Amaral Palladino
Chief Financial Officer

Douglas dos Santos Guimarães
Accountant CRC-RJ-110416/O-0