

Ferropport Logística
Comercial
Exportadora S.A.

**Condensed interim financial
information as of June 30, 2022**

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KPMG Auditores Independentes Ltda.
Rua do Passeio, 38 - Setor 2 - 17º andar - Centro
20021-290 - Rio de Janeiro/RJ - Brasil
Caixa Postal 2888 - CEP 20001-970 - Rio de Janeiro/RJ - Brasil
Telefone +55 (21) 2207-9400
kpmg.com.br

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 June 30, 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 and six-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.

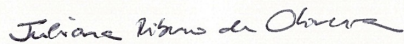
A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an 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 June 30, 2022, are not prepared, in all material respects, in accordance with CPC 21 (R1) – Interim Financial Reporting.

Rio de Janeiro, July 29, 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

Six-month period ended June 30, 2022 and December 31, 2021

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Assets					
Current assets					
Cash and cash equivalents	4	161,251	139,851	161,869	140,452
Accounts receivable from related parties	13	109,648	90,578	109,653	90,578
Inventories	5	42,432	39,381	42,432	39,381
Recoverable taxes	7	55	485	159	626
Income taxes and social contribution recoverable	7	17,779	15,143	17,821	15,143
Prepaid expenses		3,817	1,419	3,817	1,419
Other		982	2,674	984	2,674
Total current assets		335,964	289,531	336,735	290,273
Noncurrent assets					
Judicial deposits	8	34,189	33,499	34,189	33,499
Related parties - asset to be transferred	13	210,102	210,102	210,102	210,102
Investments in subsidiary	9	764	739	-	-
Right of use assets	10	2,076	2,403	2,076	2,403
Property, plant and equipment	11	2,051,985	2,064,262	2,051,985	2,064,262
Intangible assets	12	3,058	3,122	3,058	3,122
Deferred charges		1,479	1,808	1,479	1,808
Total noncurrent assets		2,303,653	2,315,935	2,302,889	2,315,196
Total assets		2,639,617	2,605,466	2,639,624	2,605,469
Liabilities and equity					
Trade accounts payable		58,405	33,883	58,406	33,885
Payroll and related charges		16,243	20,141	16,243	20,141
Taxes payable	14	13,895	13,296	13,895	13,296
Lease liabilities	10	1,368	1,845	1,368	1,845
Income taxes and social contribution payable	14	20,412	25,127	20,416	25,129
Dividends payable	16	296,542	-	296,542	-
Related parties - loans	13	-	97,083	-	97,083
Total current liabilities		406,865	191,375	406,870	191,379
Noncurrent liabilities					
Income taxes and social contribution payable	14	53,905	57,428	53,905	57,428
Lease liabilities	10	911	805	911	805
Deferred income tax and social contribution	6	155,621	139,792	155,621	139,792
Related parties - accounts payable	13	210,102	210,102	210,102	210,102
Deferred revenue with related party	13	45,157	46,254	45,157	46,254
Provision for contingencies	15	25,104	22,360	25,104	22,360
Taxes payable	14	34,175	33,551	34,175	33,551
Other		18,846	18,964	18,848	18,963
Total noncurrent liabilities		543,821	529,256	543,823	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
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
Acumulated Profit		217,390	-	217,390	-
Total shareholders' equity		1,688,931	1,884,835	1,688,931	1,884,835
Total liabilities and shareholders' equity		2,639,617	2,605,466	2,639,624	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 and six-month period ended June 30, 2022 and 2021

(In thousands of Reais)

	Note	Parent Company			
		Three-month period ended		Six-month period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net revenue of services	17	244,484	221,746	489,879	455,619
Costs of services	18	(91,906)	(53,660)	(147,420)	(118,424)
Gross profit		152,578	168,086	342,459	337,195
Operating income (expenses)					
General and administrative expenses	19	(10,986)	(9,693)	(23,120)	(17,924)
Expected Credit Loss			949	-	1,844
Other operating income (expenses), net	20	1,410	2,922	5,191	5,471
		(9,576)	(5,822)	(17,929)	(10,609)
Income before financial income (expenses) and taxes		143,002	162,264	324,530	326,586
Equity income (loss), net		23	4	25	(4)
Financial income (expenses)					
Financial income	21	5,894	945	9,353	1,604
Financial expenses	21	(1,218)	(12,320)	(3,931)	(21,308)
Income before taxes		147,701	150,893	329,977	306,878
Income and social contribution taxes					
Current	6	(40,970)	(46,869)	(96,758)	(97,772)
Deferred	6	(9,376)	(10,614)	(15,829)	2,312
Total income and social contribution taxes		(50,346)	(57,483)	(112,587)	(95,460)
Net income for the period		97,355	93,410	217,390	211,418

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

Ferropport Logística Comercial Exportadora S.A.

Condensed statements of income

Three and six-month period ended June 30, 2022 and 2021

(In thousands of Reais)

		Consolidated			
		Three-month period ended		Six-month period ended	
	Note	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net revenue of services	17	244,494	221,746	489,889	455,619
Costs of services	18	(91,906)	(53,660)	(147,420)	(118,424)
Gross profit		152,588	168,086	342,469	337,195
Operating income (expenses)					
General and administrative expenses	19	(10,985)	(9,693)	(23,127)	(17,933)
Expected Credit Loss		-	949	-	1,844
Other operating income (expenses), net	20	1,410	2,922	5,191	5,471
		(9,575)	(5,822)	(17,936)	(10,618)
Income before financial income (expenses) and taxes		143,013	162,264	324,533	326,577
Financial income (expenses)					
Financial income	21	5,911	952	9,384	1,612
Financial expenses	21	(1,220)	(12,321)	(3,933)	(21,309)
Income before taxes		147,704	150,895	329,984	306,880
Income and social contribution taxes					
Current	6	(40,973)	(46,871)	(96,765)	(97,774)
Deferred	6	(9,376)	(10,614)	(15,829)	2,312
Total income and social contribution taxes		(50,349)	(57,485)	(112,594)	(95,462)
Net income for the period		97,355	93,410	217,390	211,418

Ferroport Logística Comercial Exportadora S.A.

Condensed statements of comprehensive income

Three and six-month period ended June 30, 2022 and 2021

(In thousands of Reais)

	Parent Company and Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net income for the period	97,355	93,410	217,390	211,418
Total comprehensive income for the year	97,355	93,410	217,390	211,418

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

Ferropport Logística Comercial Exportadora S.A.

Condensed statements of changes in shareholders' equity

Six-month period ended on June 30, 2022 and 2021

(In thousands of Reais)

	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 period		-	-	-	-	-	211,418	211,418
Balances as of June 30, 2021		803,404	393,748	94,589	109,595	48,471	211,418	1,661,225
Balances as of January 1st, 2022		1,197,152	413,294	94,589	109,595	70,205	-	1,884,835
Net income for the period		-	-	-	-	-	217,390	217,390
Dividends proposed			(413,294)					(413,294)
Balances as of June 30, 2022		1,197,152	-	94,589	109,595	70,205	217,390	1,688,931

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

Ferropport Logística Comercial Exportadora S.A.

Condensed statements of cash flows

Six-month period ended June 30, 2022 and 2021

(In thousands of Reais)

	Parent Company		Consolidated	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Operating activities				
Income before taxes	329,977	306,878	329,984	306,880
Adjustments to reconcile income before taxes and net cash provided by operating activities:				
Depreciation and amortization	34,708	53,741	34,708	53,741
Monetary variation and interest	1,222	9,552	1,222	9,552
Tax Provision	3,308	11,480	3,308	11,480
Amortization of insurance	2,679	2,686	2,679	2,688
Provision for bonus	2,402	5,115	2,402	5,115
Provision for legal proceeding	2,744	(1,370)	2,744	(1,370)
Deferred revenue amortization	(1,097)	(1,097)	(1,097)	(1,097)
Shares of results of investee	(25)	5	-	-
Provision for expected credit losses	-	(1,844)	-	(1,844)
	375,918	385,146	375,950	385,145
(Increase) decrease of assets and increase (decrease) of liabilities:				
Account receivable from related parties	(19,070)	80,831	(19,075)	80,831
Inventories	(2,150)	(3,508)	(2,150)	(3,508)
Recoverable taxes	-	(237)	-	(239)
Prepaid expenses	(5,077)	(74)	(5,077)	(74)
Trade accounts payable	24,735	(24,210)	24,735	(24,210)
Taxes payable	(24,733)	(16,167)	(24,737)	(16,168)
Payroll and related charges	(6,350)	(8,491)	(6,350)	(8,491)
Taxes payable related to intercompany loans	(232)	(951)	(232)	(951)
Interest paid	(1,294)	(7,964)	(1,294)	(7,964)
Income tax and social contribution paid	(86,330)	(77,214)	(86,336)	(77,214)
Interest on leases	(162)	(210)	(162)	(210)
Other	1,729	2,891	1,729	2,891
Net cash flows generated by operating activities	256,984	329,842	257,001	329,838
Investing activities				
Acquisition of intangible assets	(373)	(513)	(373)	(513)
Acquisition of property, plant and equipment	(20,828)	(19,158)	(20,828)	(19,158)
Net cash flows used in investing activities	(21,201)	(19,671)	(21,201)	(19,671)
Financing activities				
Intercompany loans settled	(96,544)	(249,880)	(96,544)	(249,880)
Lease payments	(1,087)	(953)	(1,087)	(953)
Dividends paid	(116,752)	-	(116,752)	-
Net cash flows used in financing activities	(214,383)	(250,833)	(214,383)	(250,833)
Increase (decrease) in cash and cash equivalents	21,400	59,338	21,417	59,334
Cash and cash equivalents				
At beginning of the period	139,851	78,553	140,452	79,143
At end of the period	161,251	137,891	161,869	138,477
Decrease in cash and cash equivalents	21,400	59,338	21,417	59,334

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 Açu 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 Vast Infraestrutura S.A. and Anglo American Minério de Ferro do Brasil S.A. (“AAMFB”).

In 2022, the Company loaded 8.92 million tons (unreviewed) of iron ore in 55 vessels (unreviewed) (5.4 million tons (unreviewed) in 36 vessels (unreviewed) during six-month period of 2021). Since the beginning of operations in October 2014, the Company loaded 123.5 million tons (unreviewed) of iron ore, reaching a mark of 749 vessels (unreviewed) berthing at the port.

In 2022, Vast Infraestrutura S.A. performed 54 operations (unreviewed) in 125 vessels (unreviewed), loading 9.6 million metric tons (unreviewed) of oil transshipment. In the same period of 2021, Vast Infraestrutura S.A. performed 37 operations (unreviewed) in 89 vessels (unreviewed), loading 7.0 million metric tons (unreviewed) of oil transshipment. Since the beginning of operations in August 2016, they carried out 299 operations (unreviewed) in 711 Suezmax and VLCC vessels (unreviewed). According to the port access contract, Ferroport receives monthly variable fees from Vast Infraestrutura S.A., 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 July 29, 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	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Cash and banks	268	536	279	544
Cash equivalents				
Bank deposit certificate (CDB)	160,983	139,315	161,590	139,908
	161,251	139,851	161,869	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 102,67% of Interbank Deposit (DI) rate in second quarter of 2022. The portfolio currently consists of deposits certificates issued by Santander and Banco ABC.

5 Inventories

In June 30, 2022, the parent company and consolidated balance of inventories applied to equipment maintenance totaled R\$ 42,432 (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

	Company and Consolidated		
	December 31, 2021	Additional amount/offset (liability) recorded	June 30, 2022
Assets			
Temporary differences:			
Difference between tax basis and book value - deferred assets	17,935	(152)	17,783
Other	1,724	343	2,067
Total deferred income taxes assets	19,659	191	19,850
Liabilities			
Difference between tax basis and book value of depreciation rates	(61,897)	(4,854)	(66,751)
Temporary differences:			
Capitalized interests	(96,548)	(11,349)	(107,897)
Judicial deposits	(1,006)	183	(823)
Total deferred income taxes liabilities	(159,451)	(16,020)	(175,471)
Net effect	(139,792)	(15,829)	(155,621)

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 June 30, 2022 and 2021, are as follows:

Income Tax and Social Contribution	Parent Company			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Income before income taxes	147,701	150,893	329,977	306,878
Income tax at the nominal rate 34%	(50,218)	(51,304)	(112,192)	(104,339)
Tax adjustments:				
Deffered - Capitalized interest (a)	-	-	-	21,863
Effect of addition - infraction notice's fine	-	(3,325)	-	(3,325)
Effect of addition - depreciation adjustment	-	-	-	(6,644)
Other	(128)	(2,854)	(395)	(3,015)
Total	(50,346)	(57,483)	(112,587)	(95,460)
Current income and social contribution tax	(40,970)	(46,869)	(96,758)	(97,772)
Deferred income and social contribution tax	(9,376)	(10,614)	(15,829)	2,312
Total income and social contribution tax	(50,346)	(57,483)	(112,587)	(95,460)
Effective rate	34%	38%	34%	31%

- (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)

	Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Income before income taxes	147,704	150,895	329,984	306,880
Income tax at the nominal rate 34%	(50,216)	(51,303)	(112,187)	(104,337)
tax aliquot effect about presumed profit	(3)	(1)	(8)	(2)
Tax adjustments:				
Deferred - Capitalized interest (a)	-	-	-	21,863
Effect of addition - infraction notice's fine	-	(3,325)	-	(3,325)
Effect of addition - depreciation adjustment	-	-	-	(6,644)
Other	(130)	(2,856)	(399)	(3,017)
Total	(50,349)	(57,485)	(112,594)	(95,462)
Current income and social contribution tax	(40,973)	(46,871)	(96,765)	(97,774)
Deferred income and social contribution tax	(9,376)	(10,614)	(15,829)	2,312
Total income and social contribution tax	(50,349)	(57,485)	(112,594)	(95,462)
Effective rate	34%	38%	34%	31%
(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	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
PIS and COFINS	3	430	33	460
INSS	-	-	59	59
ISS	48	48	48	48
Other	4	7	19	59
Subtotal recoverable taxes	55	485	159	626
Income tax (a)	13,788	11,202	13,818	11202
Social contribution (a)	3,991	3,941	4,003	3941
Total income taxes and social contribution recoverable	17,779	15,143	17,821	15143
Total	17,834	15,628	17,980	15,769
Current	17,834	15,628	17,980	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	
	June 30, 2022	December 31, 2021
Income tax and social contribution (a)	33,710	33,051
Other	479	448
	34,189	33,499

(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 June 2022 is R\$ 33,710 (R\$33,051 in December 2021).

9 Investment in subsidiary

The investments in subsidiary are as follows:

a. Movement of participation in subsidiary

	December 31, 2021	Addition	Equity	June 31, 2022
Ferroport Serviços EIRELLI (a)	739	-	25	764

- (a) As mentioned in note 1,1, Ferroport Serviços operations started in August 2018.

b. Relevant information about subsidiary

As of June 30, 2022							
Direct subsidiaries	%	Number of shares (thousand)	Asset	Liability	Shareholders ' equity	Capital	Profit for the period
Ferroport Serviços EIRELI	100	100	770	(6)	(764)	100	25

As of June 30, 2021							
Direct subsidiaries	%	Number of shares (thousand)	Asset	Liability	Shareholders ' equity	Capital	Loss for the period
Ferroport Serviços EIRELI	100	100	746	(4)	(742)	100	2

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 June 30, 2022:

Parent Company and Consolidated						
Suppliers	Assets	Right of use assets	Lease Liabilities	Months	Interest rates	
Localiza	Vehicles	955	1,089	38	1.0280%	
Transbarra	Machinery and equipment	236	275	36	0.9902%	
Ormec	Machinery and equipment	80	88	22	0.9902%	
Solaris (Mills)	Machinery and equipment	669	681	60	0.9902%	
Trimak	Machinery and equipment	136	146	36	0.9902%	
		2,076	2,279			

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 June 30, 2022 and December 31, 2021, are as follows:

Lease Assets				
	December 31, 2021	Additions	(-) Depreciation	June 30, 2022
Right of use - Vehicles	1,459	-	(367)	1,092
Right of use - Machinery and equipment	944	716	(676)	984
	2,403	716	(1,043)	2,076

Lease Assets				
	December 31, 2020	Additions	(-) Depreciation	June 30, 2021
Right of use - Vehicles	1,186	984	(342)	1,828
Right of use - Machinery and equipment	1,881	360	(634)	1,607
	3,067	1,344	(976)	3,435

Parent Company and Consolidated						
Lease Liabilities	December 31, 2021	Additions	Transfer	Interest	Payments	June 30, 2022
Current	1,845	145	465	162	(1,249)	1,368
Non-current	805	571	(465)	-	-	911
	2,650	716	-	162	(1,249)	2,279

Parent Company and Consolidated

Lease Liabilities	December 31, 2020	Additions	Transfer	Interest	Payments	June 30, 2021
Current	1,890	542	604	209	(1,163)	2,082
Non-current	1,400	802	(604)	-	-	1,598
	<u>3,290</u>	<u>1,344</u>	<u>-</u>	<u>209</u>	<u>(1,163)</u>	<u>3,680</u>

Parent Company and Consolidated		
Payments	June 30, 2022	June 30, 2021
	Fixed (Lease)	Fixed (Lease)
Vehicles	(445)	(415)
Machinery and equipment	(804)	(748)
	<u>(1,249)</u>	<u>(1,163)</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 June 30, 2022:

	Maturity				Total
	Up to 6 months	From 6 to 12 months	From 1 to 2 years	Above 2 years	
Lease Liabilities	850	518	477	434	2,279

11 Property, plant and equipment

Parent Company and Consolidated	Annual depreciation rate %	Cost	Acumulated depreciation	June 30, 2022	December 31, 2021
Improvements	4	66,619	(62,287)	4,332	4,880
Furniture and fixtures	10	1,375	(627)	748	680
Vehicles	20 and 25	1,760	(949)	811	965
IT equipment	20	11,818	(7,311)	4,507	4,485
Machinery and equipment	10, 20 and 50	46,737	(8,512)	38,225	30,937
Electronic equipment	20	2,932	(1,075)	1,857	1,324
Defenses	10	4,031	(3,190)	841	1,043
Breakwater	2,22	865,626	(134,385)	731,241	722,441
Maritime access canal	2,22	474,625	(77,086)	397,539	384,358
Pier - Port Terminal	2,22	835,788	(114,210)	721,578	726,133
Safety equipment	10	39,743	(21,467)	18,276	11,521
Operational tools and equipment	10 and 5	70,258	(17,801)	52,457	40,967
Construction in progress	-	72,003	-	72,003	119,889
Other equipments	10 and 5	21,431	(13,861)	7,570	14,639
		<u>2,514,746</u>	<u>(462,761)</u>	<u>2,051,985</u>	<u>2,064,262</u>

Changes in property, plant and equipment

Parent Company and Consolidated Cost	Company and Consolidated					June 30, 2022
	Annual depreciation rate %	December 31, 2021	Additions	Writte-offs	Transfers	
Improvements	4	66,220	-	-	399	66,619
Furniture and fixtures	10	1,263	125	(13)	-	1,375
Vehicles	20	1,760	-	-	-	1,760
IT equipment	20	11,118	461	-	239	11,818
Machinery and equipment	10	38,057	324	(4)	8,360	46,737
Electronic equipment	20	2,187	745	-	-	2,932
Defenses	10	4,031	-	-	-	4,031
Breakwater	2,22	855,692	3,147	-	6,787	865,626
Maritime access canal	2,22	451,987	-	-	22,638	474,625
Pier - Port Terminal	2,22	835,171	-	-	617	835,788
Safety equipment	10	23,704	15,153	-	886	39,743
Operational tools and equipment	10 and 5	55,347	6,100	-	8,811	70,258
Construction work in progress	-	119,889	1,023	(258)	(48,651)	72,003
Others equipments	10 and 5	27,818	-	(6,301)	(86)	21,431
		2,494,244	27,078	(6,576)	-	2,514,746

Parent Company and Consolidated Depreciation	Company and Consolidated					June 30, 2022
	Annual depreciation rate %	December 31, 2021	Additions	Writte-offs	Transfers	
Improvements	4	(61,340)	(907)	-	(40)	(62,287)
Furniture and fixtures	10	(583)	(55)	11	-	(627)
Vehicles	20	(795)	(154)	-	-	(949)
IT equipment	20	(6,633)	(678)	-	-	(7,311)
Machinery and equipment	10	(7,120)	(1,433)	4	37	(8,512)
Electronic equipment	20	(863)	(212)	-	-	(1,075)
Defenses	10	(2,988)	(202)	-	-	(3,190)
Breakwater	2,22	(133,251)	(1,134)	-	-	(134,385)
Maritime access canal	2,22	(67,629)	(9,457)	-	-	(77,086)
Pier - Port Terminal	2,22	(109,038)	(5,174)	-	2	(114,210)
Safety equipment	10	(12,183)	(9,284)	-	-	(21,467)
Operational tools and equipment	10 and 5	(14,380)	(3,358)	1	(64)	(17,801)
Others equipments	10 and 5	(13,179)	(747)	-	65	(13,861)
		(429,982)	(32,795)	16	-	(462,761)
Property and equipment, net		2,064,262	(5,717)	(6,560)	-	2,051,985

Asset allocation

As aforementioned, the Company, Vast Infraestructura S.A. 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

	Amortization	Company and Consolidated		
		December 31, 2021	Additions	June 30, 2022
Cost				
Software use license	5 years	13,328	373	13,701
Total Cost		13,328	373	13,701
Amortization				
Software use license	5 years	(10,206)	(437)	(10,643)
Total Amortization		(10,206)	(437)	(10,643)
		3,122	(64)	3,058

13 Transactions with related parties

	Parent Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Assets				
Assets to be transferred to AAMFB (a)	210,102	210,102	210,102	210,102
Accounts receivable from AAMFB (b)	91,317	85,249	91,317	85,249
Accounts receivable from Vast infraestrutura (c)	1,903	1,662	1,908	1,662
	303,322	297,013	303,327	297,013
Credit Note				
AAMFB	434	322	434	322
Vast Infraestrututra	15,994	3,345	15,994	3345
Current	109,648	90,578	109,653	90,578
Noncurrent	210,102	210,102	210,102	210,102
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Liabilities				
Advances of the asset allocation				
AAMFB (a)	210,102	210,102	210,102	210,102
Intercompany loans				
Prumo Participações e Investimentos	-	73,355	-	73,355
Withholding income tax on loan	-	84	-	84
Anglo American Capital London	-	23,644	-	23,644
	210,102	307,185	210,102	307,185
Deferred revenue				
Deferred revenue with related party (d)	45,157	46,254	45,157	46,254
Current	-	97,083	-	97,083
Noncurrent	210,102	210,102	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 31, 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:

	Parent Company			
	Revenues (expenses)			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue				
AAMFB - take-or-pay agreement	236,447	217,185	476,346	448,464
Vast infraestrutura - T-Oil	9,259	5,272	16,007	10,365
				-
Financial expenses				
Interest on loans				
Prumo Participações e Investimentos	-	(2,586)	(874)	(5,126)
Anglo American Capital London	-	(1,984)	(113)	(4,073)
	245,706	217,887	491,366	449,630
	Consolidated			
	Revenues (expenses)			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue				
AAMFB – (take-or-pay agreement)	236,447	217,185	476,346	448,464
Vast Infraestrutura – (T-Oil)	9,259	5,272	16,007	10,365
Vast Infraestrutura – (Services)	-	-	11	-
Financial expenses				
Interest on loans				
Prumo Participações e Investimentos	-	(2,586)	(874)	(5,126)
Anglo American Capital London	-	(1,984)	(113)	(4,073)
	245,706	217,887	491,377	449,630

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

	Liabilities
	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 June 30, 2022		<u>210,102</u>
Key management compensation was as follows:	June	June
	30, 2022	30, 2021
Payroll and related charges	2,102	1,952

14 Taxes payable

	<u>Parent Company</u>		<u>Consolidated</u>	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
PIS and COFINS	28,373	30,465	28,373	30,465
ISS	314	142	314	142
ICMS	18,062	15,753	18,062	15,753
Income tax and social contribution (*)	73,790	81,437	73,794	81,437
Other	1,848	1,605	1,848	1,605
	122,387	129,402	122,391	129,402
Current	34,307	38,423	34,311	38,423
Noncurrent (*)	88,080	90,979	88,080	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:

	<u>Parent Company and Consolidated</u>	
	June 30, 2022	December 31, 2021
Labor claims	7,181	6,633
Tax claims	21	-
Civil claims (a)	17,902	15,727
	<u>25,104</u>	<u>22,360</u>

- (a) In 2018, ARG/Civilport filed a litigation related to services claimed as rendered in the amount of R\$ 10,890 classified as probable loss, As of June 30, 2022, the amount is R\$ 17,398 (R\$ 15,302 on December 31, 2021),

Provision movements

	Parent Company and Consolidated			June 30, 2022
	December 31, 2021	Additions	Write-offs/Payments	
Labor	6,633	818	(270)	7,181
Tax	-	21	-	21
Civil	15,727	2,175	-	17,902
	22,360	3,014	(270)	25,104

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

Possible:	Parent Company and Consolidated	
	June 30, 2022	December 31, 2021
Labor claims	3,658	5,031
Tax claims (a)	259,554	257,489
Civil claims (b)	317,775	292,973
	580,987	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\$ 255,473 (R\$ 242,941 in December, 2021).
- (b) Impacted mainly by ARG/Civilport litigation in the amount of R\$ 210,294 (R\$ 193,879 in December 31, 2021) and Arcoenge R\$ 66,580 (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 June 30, 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.

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 June 30, 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 June 30, 2022 the capital reserves total R\$ 94,589 (R\$ 94,589 on December 31, 2021).

Dividends

On April 29, 2022, at the Annual Shareholders' Meeting, the Board of Directors approved the proposal for the distribution of dividends related to profits for the year 2021, in the amount of R\$ 413,294.

In June 2022, the first payment of dividends to shareholders was made, in the amount of R\$116,752.

17 Net revenue from services

	Parent Company			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Gross revenue	275,459	249,875	551,963	513,555
Shipment of iron ore (Take or Pay)	266,401	243,889	536,126	501,985
Oil transshipment (T-Oil)	9,058	5,986	15,837	11,570
Port services	-	-	-	-
Taxes	(30,975)	(28,129)	(62,084)	(57,936)
Taxes on gross revenue - PIS/COFINS	(25,480)	(23,114)	(51,057)	(47,633)
Tax on services – ISS	(5,495)	(5,015)	(11,027)	(10,303)
Net revenue from services	244,484	221,746	489,879	455,619
	Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Gross revenue	275,470	249,876	551,974	513,555

Shipment of iron ore (Take or Pay)	266,401	243,889	536,126	501,984
Oil transshipment (T-Oil)	9,058	5,987	15,837	11,571
Port services	11	-	11	-
Taxes	(30,976)	(28,130)	(62,085)	(57,936)
Taxes on gross revenue - PIS/COFINS	(25,480)	(23,114)	(51,057)	(47,633)
Tax on services – ISS	(5,496)	(5,016)	(11,028)	(10,303)
Net revenue from services	244,494	221,746	489,889	455,619

18 Costs of services

	Parent Company and Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Payroll and related charges	(11,705)	(12,053)	(24,497)	(23,650)
Depreciation and amortization	(12,818)	(14,147)	(25,473)	(46,158)
Third-parties services	(38,483)	(9,184)	(49,700)	(16,929)
Leases and rents	(3,037)	(865)	(4,048)	(1,664)
Insurance	(1,032)	(1,389)	(2,386)	(2,650)
Consumables spare parts	(22,344)	(13,119)	(35,766)	(22,688)
Environmental expenses	(476)	(565)	(1,094)	(1,059)
Depreciation of rights of use assets	(478)	(455)	(949)	(880)
Other	(1,533)	(1,883)	(3,507)	(2,746)
	(91,906)	(53,660)	(147,420)	(118,424)

19 General and administrative expenses

	Parent Company			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Payroll and related charges	(3,177)	(4,001)	(7,209)	(7,807)
Third party services	(1,287)	(2,313)	(2,728)	(3,932)
Depreciation and amortization	(4,273)	(3,962)	(8,206)	(6,608)
Insurance	(20)	(19)	(39)	(38)
Travel expenses	(58)	(43)	(94)	(56)
Leases and rents	(150)	(71)	(251)	(151)
Depreciation of rights of use assets	(48)	(48)	(96)	(96)
Contingencies	(743)	962	(2,744)	1,370
Other	(1,230)	(198)	(1,753)	(606)
	(10,986)	(9,693)	(23,120)	(17,924)

	Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Payroll and related charges	(3,177)	(4,001)	(7,209)	(7,807)
Third party services	(1,287)	(2,313)	(2,728)	(3,932)
Depreciation and amortization	(4,273)	(3,962)	(8,206)	(6,608)
Insurance	(20)	(19)	(39)	(40)

Travel expenses	(58)	(43)	(94)	(56)
Leases and rents	(150)	(71)	(251)	(151)
Depreciation of rights of use assets	(48)	(48)	(96)	(96)
Contingencies	(743)	962	(2,744)	1,370
Other	(1,229)	(198)	(1,760)	(613)
	(10,985)	(9,693)	(23,127)	(17,933)

20 Other operating income (expenses)

	Parent Company and Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Non-consumed electric energy (a)	894	2,390	4,430	4,428
Reversal for expected credit losses - Non-consumed electric energy (a)	-	949	-	1,844
Deferred revenue - right of use	497	498	995	996
Other	19	34	(234)	47
	1,410	3,871	5,191	7,315

- (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			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Financial expenses				
Tax on financial transactions (IOF)	(385)	(332)	(440)	(382)
Interest - intercompany loan	-	(4,570)	(983)	(9,199)
Interest on leases	(80)	(110)	(162)	(210)
Penalty due to tax parcellation	-	(7,622)	-	(11,439)
Interest on tax parcellation	(241)	-	(627)	-
Update - Selic interest rate	(512)	-	(1,375)	-
Other	-	314	(344)	(78)
	(1,218)	(12,320)	(3,931)	(21,308)
Financial income				
Interest income	5,894	945	9,353	1,604
	5,894	945	9,353	1,604
Financial results, net	4,676	(11,375)	5,422	(19,704)

	Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Financial expenses				
Tax on financial transactions (IOF)	(387)	(332)	(442)	(382)
Interest - intercompany loan	-	(4,570)	(983)	(9,199)
Interest on leases	(80)	(110)	(162)	(210)
Penalty due to tax parcellation	-	(7,622)	-	(11,439)
Interest on tax parcellation	(241)	-	(627)	-
Update - Selic interest rate	(512)	-	(1,375)	-
Other	-	313	(344)	(79)
	(1,220)	(12,321)	(3,933)	(21,309)
Financial income				
Interest income	5,911	952	9,384	1,612
	5,911	952	9,384	1,612
Financial results, net	4,691	(11,369)	5,451	(19,697)

22 Commitments

The Company undertook future purchase commitments amounting to R\$ 271,902 on June 30, 2022 (R\$ 210,248 on December 31, 2021) and these should be fulfilled in the course of the operations.

	June 30, 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
	814	3,082	Structural reform to adapt the facilities
Right of use assets - Lease	4,162	2,933	Leasing of vehicles, machinery and equipment
Electric equipments		7,304	Purchase of electrical panels
Intangible	203	174	Systems licenses
Total asset	7,089	15,469	
Result			
Cost/Expenses	38,863	56,174	Electricity purchase agreement
	3,875	2,765	Pier piling repair
	32,628	31,072	Industrial cleaning and facilities services
	5,801	7,220	Support for navigation and underwater activities
	4,638	5,000	Transport of employees
	3,255	4,109	Vigilance and Security

2,826	3,914	Health and medical services plan
9,863	11,747	Legal and financial consultancy
6,872	8,620	Reforestation and waste management
2,759	2,729	Employee benefits
1,786	2,106	IT Services
25,650	31,923	Preventive and corrective maintenance
2,585	3,727	Medical services and occupational health
91,941	-	Maintenance dredging
31,471	23,673	Others

Total Results	264,813	194,779
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Total	271,902	210,248
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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 June 30, 2022 and December 31, 2021 are as follows:

Parent Company

Classifications	June 30, 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	161,251	161,251	2	139,851	139,851	2
Accounts receivable	109,648	109,648	2	90,578	90,578	2
Liabilities						
<i>Other financial liabilities</i>						
Lease liabilities	2279	2,279	2	2,650	2,650	2
Trade accounts payable	58,406	58,406	2	33,883	33,883	2
Related parties - loans	-	-	2	97,083	97,083	2
Related parties - accounts payable	210,102	210,102	2	210,102	210,102	2

Consolidated

Classifications	June 30, 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	161,869	161,869	2	140,452	140,452	2
Accounts receivable	109,653	109,653	2	90,578	90,578	2

Liabilities

Other financial liabilities

Lease liabilities	2,279	2,279	2	2,650	2,650	2
Trade accounts payable	58,405	58,405	2	33,883	33,883	2
Related parties - loans	-	-	2	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 July to December 2022 is at US\$ 106,531 and may be impacted by exchange rate variations.

Liquidity risk

The table below provides the Company's main financial liabilities on June 30, 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	-	58,405	58,405
Asset Allocation	210,102	-	210,102
Total by maturity range	210,102	58,405	268,507

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\$ 161,869 on June 30, 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	June 30, 2022	December 31, 2021
Cash equivalents	161,869	140,452
Accounts receivable (Related parties)	109,653	90,578
	271,522	231,030

For the period ended on June 30, 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 June 30, 2022 and December 31, 2021, the insurance coverage was as follows:

	June 30, 2022	December 31, 2021
Property and equipment damages	3,524,108	3,094,000
Civil liability	261,900	279,025
Environmental Liability	30,000	30,000
Directors & Management	70,000	60,000

Carsten Bosselmann
Chief Executive Officer

Marcelo Amaral Palladino
Chief Financial Officer

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