Ferroport Logística Comercial Exportadora S.A.

Financial Statements as of December 31, 2022 and 2021

Contents

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Independent Auditor's Report on Individual and Consolidated Financial Statements

To the Shareholders, Board of Directors and Management of

Ferroport Logística Comercial Exportadora S.A.

Rio de Janeiro – RJ

Introduction

We have audited the individual and consolidated financial statements of Ferroport Logística Comercial Exportadora S.A. ("the Company"), - which comprise the balance sheets as of December 31, 2022, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and the related notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the financial position of the Company, as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Basis for opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade"), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the individual and consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting policies adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is required to evaluate whether there are conditions or events, considered the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect possible existing material misstatements. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is greater than the one deriving from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are substantiated by the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rio de Janeiro, March 8, 2023

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

Juliana Ribeiro de Oliveira

CRC RJ-095335/O-0

Ferroport Logística Comercial Exportadora S.A.

Balance sheets as of December 31, 2022 and 2021

(In thousands of Reais)

		Parent Company		Consolidated	
	Note	**2022**	**2021**	**2022**	**2021**
Assets					
Current assets					
Cash and cash equivalents	**5**	167,177	139,851	167,839	140,452
Accounts receivable from related parties	**16**	121,210	90,578	121,545	90,578
Inventories	**6**	38,626	39,381	38,626	39,381
Recoverable taxes	**8**	55	485	159	626
Income taxes and social contribution recoverable	**8**	-	15,143	43	15,143
Prepaid expenses		1,346	1,419	1,346	1,419
Other		1,348	2,674	1,015	2,674
Total current assets		**329,762**	**289,531**	**330,573**	**290,273**
Noncurrent assets					
Judicial deposits	**9**	35,140	33,499	35,140	33,499
Related parties - asset to be transferred	**16**	210,102	210,102	210,102	210,102
Investments in subsidiary	**10**	806	739	-	-
Right of use assets	**11**	8,741	2,403	8,741	2,403
Property, plant and equipment	**12**	2,064,241	2,064,262	2,064,241	2,064,262
Intangible assets	**13**	2,998	3,122	2,998	3,122
Deferred charges		1,151	1,808	1,151	1,808
Total noncurrent assets		**2,323,179**	**2,315,935**	**2,322,373**	**2,315,196**
Total assets		**2,652,941**	**2,605,466**	**2,652,946**	**2,605,469**
Liabilities and equity					
Trade accounts payable	**14**	34,562	33,883	34,562	33,885
Payroll and related charges	**15**	24,344	20,141	24,344	20,141
Taxes payable	**17**	14,755	13,296	14,756	13,296
Lease liabilities	**11**	2,390	1,845	2,390	1,845
Income taxes and social contribution payable	**17**	25,481	25,127	25,486	25,129
Dividends payable	**19**	154,689	-	154,689	-
Deferred revenue with related party	**16**	2,194	-	2,194	-
Related parties - accounts payable	**16**	10,944	-	10,944	-
Related parties - loans	**16**	-	97,083	-	97,083
Total current liabilities		**269,359**	**191,375**	**269,365**	**191,379**
Noncurrent liabilities					
Income taxes and social contribution payable	**15**	51,182	57,428	51,182	57,428
Lease liabilities	**11**	6,607	805	6,607	805
Deferred income tax and social contribution	**7**	166,351	139,792	166,351	139,792
Related parties - accounts payable	**16**	210,102	210,102	210,102	210,102
Deferred revenue with related party	**16**	41,866	46,254	41,866	46,254
Provision for contingencies	**18**	21,889	22,360	21,889	22,360
Taxes payable	**17**	34,093	33,551	34,093	33,551
Other		18,802	18,964	18,801	18,963
Total noncurrent liabilities		**550,892**	**529,256**	**550,891**	**529,255**
Shareholders' equity	**19**				
Share Capital		1,197,152	1,197,152	1,197,152	1,197,152
Profits reserve		337,467	413,294	337,467	413,294
Capital reserve		94,589	94,589	94,589	94,589
Contingencies reserve		109,595	109,595	109,595	109,595
Legal reserve		93,887	70,205	93,887	70,205
Total shareholders' equity		**1,832,690**	**1,884,835**	**1,832,690**	**1,884,835**
Total liabilities and shareholders' equity		**2,652,941**	**2,605,466**	**2,652,946**	**2,605,469**

See the accompanying notes to the individual and consolidated financial statements.

Ferroport Logística Comercial Exportadora S.A.

Income Statement

Years ended December 31, 2022 and 2021

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		2022	2021	2022	2021
Net revenue of services	20	1,012,575	915,914	1,012,598	915,914
Costs of services	21	(265,602)	(225,029)	(265,602)	(225,029)
Gross profit		**746,973**	**690,885**	**746,996**	**690,885**
Operating income (expenses)					
General and administrative expenses	22	(55,126)	(42,703)	(55,133)	(42,712)
Expected Credit Loss	23	-	2,010	-	2,010
Other operating income (expenses), net	23	7,084	13,367	7,084	13,366
		(48,042)	(27,326)	(48,049)	(27,336)
Income before financial income (expenses) and taxes		**698,931**	**663,559**	**698,947**	**663,549**
Equity income (loss), net		67	8	-	-
Financial income (expenses)					
Financial income	24	23,305	5,650	23,359	5,674
Financial expenses	24	(7,957)	(24,617)	(7,943)	(24,617)
Income before taxes		**714,346**	**644,600**	**714,363**	**644,606**
Income and social contribution taxes					
Current	7	(214,150)	(200,338)	(214,167)	(200,344)
Deferred	7	(26,558)	(9,234)	(26,558)	(9,234)
Total income and social contribution taxes		(240,708)	(209,572)	(240,725)	(209,578)
Net income for the year		**473,638**	**435,028**	**473,638**	**435,028**

See the accompanying notes to the individual and consolidated financial statements.

Ferroport Logística Comercial Exportadora S.A.

Statements of comprehensive income

Years ended December 31, 2022 and 2021

(In thousands of Reais)

	Parent Company and Consolidated	
	2022	**2021**
Net income for the year	473,638	435,028
Total comprehensive income for the year	**473,638**	**435,028**

See the accompanying notes to the individual and consolidated financial statements.

Ferroport Logística Comercial Exportadora S.A.

Statements of changes in shareholders' equity

Years ended December 31, 2022 and 2021

(In thousands of Reais)

		Parent Company and Consolidated						
	Note	**Share Capital**	**Profits reserve**	**Capital reserve**	**Contingencies reserve**	**Legal reserve**	**Acumulated profit**	**Total**
Balances as of January 1st, 2021	**19**	**803,404**	**393,748**	**94,589**	**109,595**	**48,471**	**-**	**1,449,807**
Net income for the year		-	-	-	-	-	435,028	**435,028**
Reserves constitution - profit allocation		-	-	-	-	21,734	(21,734)	-
Capital increase		393,748	(393,748)	-	-	-	-	-
Proposed capital increase		-	413,294	-	-	-	(413,294)	-
Balances as of December 31, 2021		**1,197,152**	**413,294**	**94,589**	**109,595**	**70,205**	**-**	**1,884,835**
Net income for the year		-	-	-	-	-	473,638	**473,638**
Reserves constitution - profit allocation		-	-	-	-	23,682	(23,682)	-
Proposed additional dividends		-	337,467	-	-	-	(337,467)	-
Mandatory minimum dividends			-	-	-	-	(112,489)	**(112,489)**
Dividends distribution		-	(413,294)	-	-	-	-	**(413,294)**
Balances as of December 31, 2022		**1,197,152**	**337,467**	**94,589**	**109,595**	**93,887**	**-**	**1,832,690**

See the accompanying notes to the individual and consolidated financial statements.

Ferroport Logística Comercial Exportadora S.A.

Statements of cash flows

Years ended December 31, 2022 and 2021

(In thousands of Reais)

	Parent Company		Consolidated	
	2022	2021	2022	2021
Operating activities				
Income before taxes	714,346	644,600	714,363	644,606
Adjustments to reconcile income before taxes and net cash provided by operating activities:				
Depreciation and amortization	72,130	83,746	72,130	83,746
Monetary variation and interest	1,649	17,554	1,649	17,554
Tax Provision	5,910	(25)	5,910	(25)
Amortization of insurance	5,293	5,382	5,293	5,386
Provision for bonus	11,702	15,062	11,702	15,062
Provision for legal proceeding	(471)	(26)	(471)	(26)
Deferred revenue amortization	(2,194)	(2,194)	(2,194)	(2,194)
Shares of results of investee	(67)	(8)	-	-
Provision for expected credit losses	-	(2,010)	-	(2,010)
	808,298	**762,081**	**808,382**	**762,099**
(Increase) decrease of assets and increase (decrease) of liabilities:				
Account receivable from related parties	(30,965)	71,433	(30,965)	71,433
Inventories	(3,300)	(9,165)	(3,300)	(9,165)
Recoverable taxes	31	312	-	311
Prepaid expenses	(5,220)	(516)	(5,220)	(516)
Trade accounts payable	13,122	(30,571)	13,122	(30,571)
Taxes payable	(13,861)	(25,523)	(13,846)	(25,526)
Payroll and related charges	(7,712)	(11,237)	(7,712)	(11,237)
Taxes payable related to intercompany loans	(232)	(2,616)	(232)	(2,616)
Interest paid	(1,295)	(14,822)	(1,295)	(14,822)
Income tax and social contribution paid	(198,030)	(178,136)	(198,036)	(178,136)
Interest on leases	(501)	(407)	(501)	(407)
Other	1,761	2,041	1,760	2,038
Net cash flows generated by operating activities	**562,096**	**562,874**	**562,157**	**562,885**
Investing activities				
Acquisition of intangible assets	(724)	(1,515)	(724)	(1,515)
Acquisition of property, plant and equipment	(64,183)	(41,447)	(64,183)	(41,447)
Net cash flows used in investing activities	**(64,907)**	**(42,962)**	**(64,907)**	**(42,962)**
Financing activities				
Intercompany loans settled	(96,544)	(456,630)	(96,544)	(456,630)
Lease payments	(2,225)	(1,984)	(2,225)	(1,984)
Dividends paid	(371,094)	-	(371,094)	-
Net cash flows used in financing activities	**(469,863)**	**(458,614)**	**(469,863)**	**(458,614)**
Increase in cash and cash equivalents	**27,326**	**61,298**	**27,387**	**61,309**
Cash and cash equivalents				
At beginning of the period	139,851	78,553	140,452	79,143
At end of the period	167,177	139,851	167,839	140,452
Increase in cash and cash equivalents	**27,326**	**61,298**	**27,387**	**61,309**

See the accompanying notes to individual and consolidated the financial statements.

Notes to the financial statements

(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 21.38 million tons (unaudited) of iron ore in 131 vessels (unaudited) (23.14 million tons (unaudited) in 150 vessels (unaudited) during 2021). Since the beginning of operations in October 2014, the Company loaded 136 million tons (unaudited) of iron ore, reaching a mark of 853 vessels (unaudited) berthing at the port.

In 2022, Vast Infraestrutura S.A. performed 130 operations (unaudited) in 297 vessels (unaudited), loading 21.97 million metric tons (unaudited) of oil transshipment. In the same period of 2021, Vast Infraestrutura S.A. performed 86 operations (unaudited) in 210 vessels (unaudited), loading 16.2 million metric tons (unaudited) of oil transshipment. Since the beginning of operations in August 2016, they carried out 397 operations (unaudited) in 931 Suezmax and VLCC vessels (unaudited). 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.

On December 29, 2022, the Company signed a contract with Grupo Omega Energia to guarantee the supply of energy for 20 years, starting in January 2024, with the objective of guaranteeing long-term operations, sustainable energy and cost reduction.

Subsidiary

See out below the subsidiary of Ferroport Logística:

Subsidiary / Activity	**Ownership interest**
Ferroport Serviços / Maintenance Services	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 to Use Water Resources OUT IN050405 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
NEA (State Institute for the Environment): Organic Law for the activities of reception and storage of solid mineral bulk, storage yard, access bridge, pier for loading and unloading of solid mineral bulk, utility areas and workshop, administrative area, dredging to maintain the access draft, navigation, turning basin and mooring berth, transshipment of waste from vessels, activities for loading food, inputs and drinking water onto vessels, berthing of platform, semi-submersible and floating vessels in one of the berths for mooring the ore terminal, in addition to supplying, by means of tank trucks, tugboats and support boats at the 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

3 Basis of preparation and presentation of the financial statements and summary of significant accounting practices

a. Statement of compliance

The Company's financial statements were 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 Law 11.941/09 and accounting pronouncements, interpretations and orientations issued by the Accounting Pronouncements Committee (CPC) approved by the Brazilian CVM.

The Company's Directors authorized the issuance of these financial statements on March 08, 2023.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis.

c. Functional and reporting currency

These financial statements are 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.

d. Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions which affect the application of accounting policies and practices and the reported amounts of assets, liabilities, income and expenses.
Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates are recognized in the year in which they are reviewed and in any future periods that may be affected. Actual results may differ from these estimates.

The significant issues that may be affected by the use of estimates are:

Recognition of deferred income tax and social contribution;

Determining the useful lives of property and equipment;

Determining the useful lives of intangible assets;

Recognition of impairment of non-financial assets;

Estimate of the expected returns of accounts receivable;

Recognition and measurement of provision and contingencies;

Future settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the uncertainties inherent to the determination process. The Company reviews its estimates and assumptions at least once a year.

e. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company considers cash equivalents a short-term investment with a maturity of three months or less, which are subject to an insignificant risk of change in value.

f. Financial instruments

Financial assets are initially recognized at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets at fair value through profit or loss is recorded in the balance sheet at fair value, and their corresponding gains or losses are recognized in the statement of income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated considering any discount on acquisition and fees or costs that are an integral part of the effective interest rate.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. When there is objective evidence of impairment, the impairment loss is measured as the difference between the asset book value and the present value of the estimated future cash flows (excluding future credit losses expected but not incurred). The present value of estimated future cash flows is discounted at the original effective interest rate of the financial asset. When applicable, the asset book value is decreased by a provision and the loss amount is recognized in profit or loss. If in a subsequent year the estimated impairment loss increases or decrease due to an event occurred after the impairment loss recognition, the loss previously recognized is increased or decreased, adjusting the related provision.

A financial asset is written off when the rights to receive cash flows from the asset expire and/or when the Company transfers its rights to receive cash flows of the asset or assumes an obligation to fully pay cash flows received and has transferred substantially all the risks and rewards related to the asset.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

Contingent events that would change the amount or timing of cash flows;

Terms that may adjust the contractual coupon rate, including variable-rate features;

Prepayment and extension feature; and

Terms that limit the Company claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

g. Inventories

Inventories are represented by maintenance items and are stated at the average cost of acquisition, not exceeding net realizable value.

h. Property, plant and equipment

These are measured at historical acquisition or construction cost, less accumulated depreciation and accumulated impairment losses, if any. Costs include expenditures directly attributable to an asset acquisition, and the construction costs include:

The cost of materials and direct labor;

Costs attributable to bringing the asset to the location and condition required for it to operate in the manner intended by management; and

Borrowing costs on qualifying assets.

Gains and losses on disposal of a property and equipment item (determined by comparing the proceeds from disposal with the book value of property and equipment) are recognized in other operating income (expenses) in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Property and equipment are depreciated on a straight-line basis, according to the estimated economic useful life of each item (as described in Note 12). Land is not depreciated. Property and equipment items are depreciated as of the date they are installed and are available for use.

The Company classifies under "construction in progress" all activity at the construction and installation phase to the moment in which they start operating, when they are reclassified to the accounts relating to assets in operation.

i. Intangible assets

Intangible assets are represented by software acquired by the Company with finite useful lives, and are measured at cost, less accumulated amortization and impairment losses, when applicable.

j. Impairment of non-financial assets

The Company assesses at each reporting date whether is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognized when the book value of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the higher of an assets or cash-generating unit's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions as to the recoverability period of capital and the risks specific to the asset.

Impairment loss related to other assets (except for goodwill) is only reversed to the extent that the book value of an asset does not exceed the book value that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

k. Provisions

A provision is set up when the Company has a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation.

The Company recognizes provision for civil, labor and tax proceedings. Assessment of the probability of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors.

Provisions are reviewed and adjusted considering changes in existing circumstances, such as the applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in the estimation process.

l. Operating revenue

Revenue is measured based on the consideration specified in a contract with the customer. The Company recognizes revenue when it transfers control over a service to the customer.

The following table provides information about the nature and timing of the satisfaction of contracts with customer, including payment terms, and the related revenue recognition policy. Revenue is recognized on an accrual basis as the service is rendered, which is linked to the storage services, shipping, logistics operations and port access.

The company's shipment of iron ore contracts have take-or-pay clauses. Take-or-pay clauses are contractual mechanisms that ensure receipt of a minimum number of transactions, regardless of their physical performance, if the customer does not exercise the right to perform them within the established term. For these cases, the Company recognizes revenue from breakage when the likelihood of the customer exercising its rights becomes remote.

Type of service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**
Shipment of iron ore (Take-or-pay) and Port Access (Oil transshipment)	Invoices for take-or-pay and oil transshipment services are issued on a monthly basis and are usually payable within 30 days.

m. Financial income and expenses

Financial income includes interest income on short-term investments and foreign exchange variation recognized in the profit or loss.

Financial expenses include interest expenses on related-party loans. Borrowing costs which are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest rate method. After the beginning of the operations, capitalization of the borrowing costs was ceased, and those expenses are recognized in profit or loss. Interests on loans paid in the year are presented under operating activities within the statement of cash flow.

n. Income tax and social contribution

Deferred income tax and social contribution are recorded over tax losses carryforward and temporary differences existing between assets and liabilities tax base versus the corresponding book values. Deferred tax assets and liabilities are offset when there is a legally enforceable right to settle the tax assets and liabilities, and when levied by the same tax authority on the same taxable entity. Deferred income tax and social contribution assets are reviewed on an annual basis and reduced to the extent that their realization is no longer probable, when applicable.

Income tax for the current year is calculated based on the 15% rate, plus the additional 10% on annual taxable income exceeding R$ 240 thousand; and 9% of the taxable income for social contribution and consider the compensation of tax loss and negative basis of social contribution, limited to 30% of the real profit.

Current tax expense is the tax payable or receivable estimated on taxable profit or loss for the year and any adjustment to taxes payable in relation to previous years, if applicable. The amount of current taxes payable or receivable is recognized in the balance sheet as a tax asset or liability by the best estimate of the expected amount of taxes to be paid or received that reflects the uncertainties related to their calculation, if any. It is measured based on the expected total annual profit, that is, the estimated average effective annual rate is applied to earnings before taxes in the interim period.

o. Other current and noncurrent assets and liabilities

An asset is recognized in the balance sheet when its future economic benefits are likely to flow to the Company, and its cost or value can be reliably measured.

A liability is recognized in the balance sheet when the Company has a legal or constructive obligation arising from a past event, the settlement of which is expected to result in an outflow of economic benefit. Provisions are set up reflecting the best estimates of the risk involved.

Noncurrent monetary assets and liabilities are adjusted to present value and so are current monetary assets and liabilities whenever the effects are considered significant on the overall financial statements. The present value adjustment is calculated using contractual cash flows and the explicit, and sometimes implicit, interest rates of the respective assets and liabilities.

p. Lease

The Company initially applied CPC 06 (R2)/IFRS 16 Leases from 1 January 2019.

Definition of a Lease

The Company previously classified leases as operating, or finance leases based on this assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Company. Under CPC 06/IFRS 16, the Company recognizes right-of-use assets and lease liabilities for most of these leases are on-balance sheet.

CPC 06 introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains like the current standard - i.e. lessors continue to classify leases as finance or operating leases. CPC 06 (R2)/IFRS 16 replaces existing leases guidance including CPC 06 Leases and ICPC 03 (IFRIC 4, SIC 15 and SIC 27).

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate on 1 January 2019. The weighted average rate applied is 12,83% per year.

q. New standards issued from January 01, 2022:

Onerous contracts - Costs of fulfilling a contract (IAS 37/CPC 25)

Changes to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, which clarify the types of costs a company includes as the ‘costs of fulfilling a contract’ when assessing whether a contract is onerous.

Annual improvements to IFRS standards (Amendments to IFRS 1/CPC CPC 37, IFRS 9/CPC 48, IFRS 16/CPC 06 and IAS 41/CPC 29)

As part of its process to make non-urgent but necessary amendments to IFRS® Standards, the IASB International Accounting Standards Board (the Board) has issued the Annual Improvements to IFRS Standards 2018–2020.

Accounting for proceeds before an asset’s intended use (Amendments to IAS 16/CPC 27)

Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognized in profit or loss, together with the costs of producing those items.

The Company's management and its subsidiary analyzed the new definitions and understood that there is no significant impacts from the initial application on their financial statements.

4 New standards and interpretations not yet effective

The main standards issued by the IASB and CPC that have not yet come into force and have not been adopted by the Company until December 31, 2022.

Standard	Description	Effective date
Classifying liabilities as current or non-current – Amendments to IAS 1/CPC 26 and IAS 8/CPC 23	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.	January 1, 2023, Retrospective application.
IFRS 17/CPC 11 – insurance contracts	This IFRS replaces IFRS 4 - Insurance Contracts and establishes the requirements that must be applied in the recognition and disclosure related to insurance and reinsurance contracts.	January 1, 2023, Prospective application.
Accounting estimates - Definition (IAS 8/CPC 23)	The Board has now issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.	January 1, 2023, Prospective application.
Deferred tax on certain transactions (IAS 12/CPC 32)	Targeted amendments to IAS 12 Income Taxes clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.	January 1, 2023, Prospective application.

With respect to the changes listed above, the Company does not expect significant impacts from the initial application in its financial statements.

5 Cash and cash equivalents

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Cash and banks	268	536	283	544
Cash equivalents				
Bank deposit certificate (CDB)	166,909	139,315	167,556	139,908
	167,177	**139,851**	**167,839**	**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 102,87% of Interbank Deposit (DI) rate as of December 31, 2022 (100.22% as of December 30, 2021). The portfolio currently consists of deposits certificates issued by Santander and Banco ABC.

6 Inventories

In 2022, the Parent Company and Consolidated balance of inventories applied to equipment maintenance totaled R$ 38,626 (R$ 39,381 in 2021).

7 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		
	2021	Additional amount/offset (liability) recorded	2022
Assets			
Temporary differences:			
Difference between tax basis and book value - deferred assets	17,935	4,871	22,806
Other	1,724	708	2,432
Total deferred income taxes assets	**19,659**	**5,579**	**25,238**
Liabilities			
Difference between tax basis and book value of depreciation rates	(61,897)	(9,806)	(71,703)
Temporary differences:			
Capitalized interests	(96,548)	(22,697)	(119,245)
Judicial deposits	(1,006)	365	(641)
Total deferred income taxes liabilities	**(159,451)**	**(32,138)**	**(191,589)**
Net effect	**(139,792)**	**(26,559)**	**(166,351)**

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 years ended December 31, 2022 and 2021, are as follows:

	Parent Company		Consolidated	
Income Tax and Social Contribution	**2022**	**2021**	**2022**	**2021**
Income before income taxes	**714,346**	**644,600**	**714,363**	**644,606**
Income tax at the nominal rate 34%	(242,878)	(219,164)	(242,866)	(219,160)
Tax aliquot effect about presumed profit			(17)	(6)
Tax adjustments:				
Defferred - Capitalized interest (a)	-	21,863	-	21,863
Effect of addition - infraction notice's fine	-	(3,325)	-	(3,325)
Effect of addition - depreciation adjustment	-	(5,567)	-	(5,567)
Complementary income tax and social contribution - 2019 and 2020	-	(3,306)	-	(3,306)
Permanent adjustments	-	61	-	61
Deductions related to social projects with tax incentives	1,606	-	1,606	-
Other	564	(134)	552	(138)
Total	**(240,708)**	**(209,572)**	**(240,725)**	**(209,578)**

Current income and social contribution tax	(214,150)	(200,338)	(214,167)	(200,344)
Deferred income and social contribution tax	(26,558)	(9,234)	(26,558)	(9,234)
Total income and social contribution tax	**(240,708)**	**(209,572)**	**(240,725)**	**(209,578)**
Effective rate	**34%**	**33%**	**34%**	**33%**

(a) Adjustment in the amortization of capitalized interest (45 years to 25 years).

8 Recoverable taxes

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
PIS and COFINS	-	430	33	460
INSS	-	-	59	59
ISS	48	48	48	48
Other	7	7	19	59
Subtotal recoverable taxes	**55**	**485**	**159**	**626**
Income tax	-	11,202	33	11,202
Social contribution	-	3,941	10	3,941
Total income taxes and social contribution recoverable	**-**	**15,143**	**43**	**15,143**
Total	**55**	**15,628**	**202**	**15,769**
Current	**55**	**15,628**	**202**	**15,769**

9 Judicial deposits

	Parent Company and Consolidated	
	2021	**2020**
Income tax and social contribution (a)	34,535	33,051
Other	605	448
	35,140	**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 granted a favorable decision, with partial return of the judicial deposit in the amount of R$ 3,358. The amount was received in December 4, 2020. The total amount in December 2022 is 34,535 (R$ 33,051 in December 2021).

10 Investments in subsidiary

The investments in subsidiary are as follow:

a. Movement of participation in subsidiary

	2021	Addition	Equity gain	2022
Ferroport Serviços EIRELLI (a)	739	-	67	806

(a) As mentioned in footnote 1, Ferroport Serviços operations started on August 2018.

b. Relevant information about subsidiary

2022							
Direct subsidiary	**%**	**Number of shares (thousand)**	**Asset**	**Liability**	**Shareholders' equity**	**Capital**	**Profit for the year**
Ferroport Serviços EIRELI	100	100	812	(6)	(806)	845	67

2021							
Direct subsidiary	**%**	**Number of shares (thousand)**	**Asset**	**Liability**	**Shareholders' equity**	**Capital**	**Profit for the year**
Ferroport Serviços EIRELI	100	100	743	(4)	(739)	845	8

11 Right-of-use assets / Lease Liabilities

The table below describes 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 December 31, 2022:

Parent Company and Consolidated					
Suppliers	**Assets**	**Right of use assets**	**Lease Liabilities**	**Months**	**Interest rates**
Localiza	Vehicles	1,402	1,532	68	1,0280%
Transbarra	Machinery and equipment	6,448	6,536	60	0,9902%
Ormec	Machinery and equipment	202	201	36	0,9902%
Solaris (Mills)	Machinery and equipment	597	625	60	0,9902%
Trimak	Machinery and equipment	92	103	36	0,9902%
		8.741	**8.997**		

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 as of December 31, 2022, are as follows:

Parent Company and Consolidated

Lease Assets	**2021**	**Additions**	**(-) Depreciation**	**2022**
Right of use - Vehicles	1,459	848	(768)	1,539
Right of use - Machinery and equipment	944	7,724	(1,466)	7,202
	2,403	**8,572**	**(2,234)**	**8,741**

Parent Company and Consolidated

Lease Assets	**2020**	**Additions**	**(-) Depreciation**	**2021**
Right of use - Vehicles	1,186	984	(711)	1,459
Right of use - Machinery and equipment	1,881	360	(1,297)	944
	3,067	**1,344**	**(2,008)**	**2,403**

Parent Company and Consolidated

Lease Liabilities	**2021**	**Additions**	**Transfer**	**Interest**	**Payments**	**2022**
Current	1,845	1,847	923	501	(2,726)	2,390
Non-current	805	6,725	(923)	-	-	6,607
	2,650	**8,572**	**-**	**501**	**(2,726)**	**8,997**

Parent Company and Consolidated

Lease Liabilities	**2020**	**Additions**	**Transfer**	**Interest**	**Payments**	**2021**
Current	1,890	541	1,398	407	(2,391)	1,845
Non-current	1,400	803	(1,398)	-	-	805
	3,290	**1,344**	**-**	**407**	**(2,391)**	**2,650**

Parent Company and Consolidated

Payments	**2022**			**2021**		
	Fixed (Lease)	**Variable (Cost)**	**Total**	**Fixed (Lease)**	**Variable (Cost)**	**Total**
Vehicles	(934)	-	(934)	(859)	-	(859)
Machinery and equipment	(1,792)	-	(1,792)	(1,532)	-	(1,532)
	(2,726)	**-**	**(2,726)**	**(2,391)**	**-**	**(2,391)**

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 December 31, 2022:

Parent Company and Consolidated

	Up to 6 months	**From 6 to 12 months**	**From 1 to 2 years**	**Above 2 years**	**Total**
Lease Liabilities	1,168	1,221	2,023	4,585	**8,997**

12 Property, plant and equipment

Parent Company and Consolidated	Annual depreciation rate %	Cost	Acumulated depreciation	2022	2021
Improvements	**4**	66,619	(65,293)	1,326	999
Furniture and fixtures	**10**	1,462	(688)	774	679
Vehicles	**20 and 25**	1,760	(1,104)	656	965
IT equipment	**20**	13,359	(8,008)	5,351	4,486
Machinery and equipment	**10, 20 and 50**	55,287	(13,228)	42,059	30,052
Electronic equipment	**20**	3,188	(1,352)	1,836	1,324
Defenses	**10**	4,031	(3,140)	891	1,294
Breakwater	**2,22**	867,128	(152,188)	714,940	722,443
Maritime access canal	**2,22**	506,347	(78,305)	428,042	384,358
Pier - Port Terminal	**2,22**	835,788	(127,608)	708,180	726,133
Safety equipment	**10**	56,864	(14,524)	42,340	11,522
Operational tools and equipment	**10 and 5**	83,760	(17,820)	65,940	45,733
Construction in progress	**-**	46,301	-	46,301	119,889
Other equipments	**10 and 5**	20,720	(15,115)	5,605	14,385
		2,562,614	**(498,373)**	**2,064,241**	**2,064,262**

Parent Company and Consolidated	Annual depreciation rate %	2021	Additions	Writte-offs	Transfers	2022
Cost						
Improvements	**4**	66,220	-	-	399	**66,619**
Furniture and fixtures	**10**	1,263	213	(14)	-	**1,462**
Vehicles	**20**	1,760	-	-	-	**1,760**
IT equipment	**20**	11,118	2,002	-	239	**13,359**
Machinery and equipment	**10**	38,057	8,871	(4)	8,363	**55,287**
Electronic equipment	**20**	2,187	1,001	-	-	**3,188**
Defenses	**10**	4,031	-	-	-	**4,031**
Breakwater	**2,22**	855,692	4,649	-	6,787	**867,128**
Maritime access canal	**2,22**	451,987	1,814	-	52,546	**506,347**
Pier - Port Terminal	**2,22**	835,171	-	-	617	**835,788**
Safety equipment	**10**	23,704	31,537	-	1,623	**56,864**
Operational tools and equipment	**10 and 5**	55,347	19,652	(50)	8,811	**83,760**
Construction work in progress	**-**	119,889	5,970	(257)	(79,301)	**46,301**
Others equipments	**10 and 5**	27,818	179	(7,193)	(84)	**20,720**
		2,494,244	**75,888**	**(7,518)**	**-**	**2,562,614**

Parent Company and Consolidated	Annual depreciation rate %	2020	Additions	Writte-offs	Transfers	2021
Cost						
Improvements	**4**	66,220	-	-	-	**66,220**
Furniture and fixtures	**10**	1,067	198	(2)	-	**1,263**
Vehicles	**20**	1,332	834	(406)	-	**1,760**
IT equipment	**20**	10,176	945	(3)	-	**11,118**
Machinery and equipment	**10**	30,038	8,025	(6)	-	**38,057**
Electronic equipment	**20**	1,396	798	(7)	-	**2,187**
Defenses	**10**	4,031	-	-	-	**4,031**
Breakwater	**2,22**	853,058	2,634	-	-	**855,692**
Maritime access canal	**2,22**	451,796	191	-	-	**451,987**
Pier - Port Terminal	**2,22**	830,479	1,702	-	2,990	**835,171**
Safety equipment	**10**	20,854	2,850	-	-	**23,704**
Operational tools and equipment	**10 and 5**	33,920	16,228	(101)	5,300	**55,347**
Construction work in progress	**-**	127,759	4,623	(4,203)	(8,290)	**119,889**
Others equipments	**10 and 5**	17,421	10,397	-	-	**27,818**
		2,449,547	**49,425**	**(4,728)**	**-**	**2,494,244**

Parent Company and Consolidated	Annual depreciation rate %	2021	Additions	Writte-offs	Transfers	2022
Depreciation						
Improvements	**4**	(65,221)	(72)	-	-	**(65,293)**
Furniture and fixtures	**10**	(584)	(115)	11	-	**(688)**
Vehicles	**20**	(795)	(309)	-	-	**(1,104)**
IT equipment	**20**	(6,632)	(1,376)	-	-	**(8,008)**
Machinery and equipment	**10**	(8,005)	(5,224)	4	(3)	**(13,228)**
Electronic equipment	**20**	(863)	(489)	-	-	**(1,352)**
Defenses	**10**	(2,737)	(403)	-	-	**(3,140)**
Breakwater	**2,22**	(133,249)	(18,939)	-	-	**(152,188)**
Maritime access canal	**2,22**	(67,629)	(10,676)	-	-	**(78,305)**
Pier - Port Terminal	**2,22**	(109,038)	(18,571)	-	1	**(127,608)**
Safety equipment	**10**	(12,182)	(2,342)	-	-	**(14,524)**
Operational tools and equipment	**10 and 5**	(9,614)	(8,143)	1	(64)	**(17,820)**
Others equipments	**10 and 5**	(13,433)	(1,748)	-	66	**(15,115)**
		(429,982)	**(68,407)**	**16**	**-**	**(498,373)**
Property and equipment, net		**2,064,262**	**7,481**	**(7,502)**	**-**	**2,064,241**

Parent Company and Consolidated	Annual depreciation rate %	2020	Additions	Writte-offs	2021
Depreciation					
Improvements	**4**	(65,144)	(5,247)	5,170	**(65,221)**
Furniture and fixtures	**10**	(554)	(93)	63	**(584)**
Vehicles	**20**	(1,054)	(147)	406	**(795)**
IT equipment	**20**	(4,182)	(1,345)	(1,105)	**(6,632)**
Machinery and equipment	**10**	(5,958)	(3,629)	1,582	**(8,005)**
Electronic equipment	**20**	(530)	(338)	5	**(863)**
Defenses	**10**	(2,315)	(433)	11	**(2,737)**
Breakwater	**2,22**	(114,125)	(18,942)	(182)	**(133,249)**
Maritime access canal	**2,22**	(44,462)	(20,714)	(2,453)	**(67,629)**
Pier - Port Terminal	**2,22**	(85,996)	(28,844)	5,802	**(109,038)**
Safety equipment	**5 and 20**	(8,306)	(2,400)	(1,476)	**(12,182)**
Operational tools and equipment	**10**	(9,718)	(180)	(76)	**(9,614)**
Others equipments	**10 and 5**	(5,523)	(1,732)	(6,178)	**(13,433)**
		(347,867)	**(83,684)**	**1,569**	**(429,982)**
Property and equipment, net		**2,101,680**	**(34,258)**	**(3,160)**	**2,064,262**

Asset allocation

As aforementioned, the Company, Vast Infraestrutura 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 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.

13 Intangible assets

		Parent Company and Consolidated		
	Amortization	**2021**	**Additions**	**2022**
Cost				
Software use license	5 years	13,328	724	14,052
Total Cost		**13,328**	**724**	**14,052**
Amortization				
Software use license	5 years	(10,206)	(848)	(11,054)
Total Amortization		**(10,206)**	**(848)**	**(11,054)**
		3,122	**(124)**	**2,998**

14 Trade accounts payable

The balance payable to the suppliers of R$ 34,562 (R$ 33,884 on December 31, 2021) represents company's obligations arising from the purchase of products and services for the development of the Company's activities:

	Parent Company and consolidated	
	2022	**2021**
Environmental services	5,255	5,477
Energy comsumption	2,860	2,872
Property security	341	323
Administrative services	4,498	4,918
Law services	1,278	990
Operational services	14,249	12,470
I.T.	854	834
Others	5,227	6,000
	34,562	**33,884**

15 Payroll and related charges

	Parent Company and consolidated	
	2022	**2021**
Net profit sharing (NPS/Bonus)	17,698	14,110
Provision for vacations and 13th salary	3,610	3,179
Payroll charges	3,034	2,851
Others	2	1
	24,344	**20,141**

Salaries are paid within the current month, up to the last working day of the month.

16 Transactions with related parties

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Assets				
Assets to be transferred to AAMFB (a)	210,102	210,102	210,102	210,102
Accounts receivable from AAMFB (b)	91,931	85,249	92,264	85,249
Accounts receivable from Vast Infraestrutura (c)	8,510	1,662	8,512	1,662
	310,543	**297,013**	**310,878**	**297,013**
Credit Note				
AAMFB	441	322	441	322
Vast infraestrutura (d)	20,328	3,345	20,328	3345
Current	121,210	90,578	121,545	90,578
Noncurrent	210,102	210,102	210,102	210,102
	2022	**2021**	**2022**	**2021**
Liabilities				
Advances of the asset allocation				
AAMFB (a)	210,102	210,102	210,102	210,102
Debit Note				
Vast infraestrutura (e)	10,703	-	10,703	-
Prumo Participações	15	-	15	-
Porto do Açu	226	-	226	-
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
	221,046	**307,185**	**221,046**	**307,185**
Deferred revenue				
Deferred revenue with related party (f)	44,060	46,254	44,060	46,254
Current	13,138	97,083	13,138	97,083
Noncurrent	251,968	256,356	251,968	256,356

(a) This refers to the divisible assets to 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) Receivables related to the repair of the pier piles (incident involving Dracares);

(e) Accounts payable from the fuel consumed by the dredger during the dredging process carried out during the year 2022. As agreed between the parties, the fuel will be fully paid by Vast Infraestrutura, and shared with Ferroport;

(f) In January 2008, an agreement was entered into with Porto do Açu 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.
On 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 income statements are as follows:

	Revenues (expenses)			
	Parent Company		Consolidated	
	2022	2021	2022	2021
Revenue				
AAMFB - take-or-pay agreement	975,649	896,267	975,649	896,267
Vast infraestrutura - T-Oil	20,349	23,334	20,349	23,334
Vast infraestrutura - (Services)	-	-	23	-
Cost				
Vast infraestrutura	(10,582)	-	(10,582)	-
Porto do Açu	(226)	-	(226)	-
Prumo Participações	(15)	-	(15)	-
Financial expenses				
Interest on loans				
Prumo Participações e Investimentos	(874)	(9,990)	(874)	(9,990)
Anglo American Capital London	(113)	(6,968)	(113)	(6,968)
	984,188	**902,643**	**984,211**	**902,643**

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

	Liabilities
	Intercompany loans
Opening balances on January 1, 2022	**96,999**
Variations in cash	
Interest paid	(1,295)
Intercompany loans Settled	(96,544)
Total variations in financing cash flows	**(97,839)**
Other variations	
Related liabilities	
Interest Expense	984
Income tax on intercompany loans	(144)
Total other variations related liabilities	**840**
Closing balances in December 31, 2022	-

Key management compensation was as follows:	**2022**	**2021**
Payroll and related charges	4,375	3,964

17 Taxes payable

	Parent Company		**Consolidated**	
	2022	**2021**	**2022**	**2021**
PIS and COFINS	28,624	30,465	28,625	30,465
ISS	111	142	111	142
ICMS	19,479	15,753	19,479	15,753
Income tax and social contribution (*)	75,681	81,437	75,686	81,440
Other	1,616	1,605	1,615	1,604
	125,511	**129,402**	**125,516**	**129,404**
Current	40,236	38,423	40,241	38,425
Noncurrent (*)	85,275	90,979	85,275	90,979

(*) This refers mainly to the judicial deposit for income tax and social contribution described in Note 9, and parcellation of taxes.

18 Provision for contingencies

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

Probable:	**2022**	**2021**
Labor claims	2,943	6,633
Civil claims	18,925	15,727
Tax claims	21	-
	21,889	**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 December 31, 2022, the amount is R$ 17,909 (R$ 15,302 in December 31, 2021).

Provision movements

	Parent Company and Consolidated			
	2021	**Additions**	**Write-offs/Payments**	**2022**
Labor	6,633	415	(4,105)	2,943
Civil	15,727	3,198	-	18,925
Tax	-	21	-	21
	22,360	**3,634**	**(4,105)**	**21,889**

According to the legal counsel and management assessment, the main proceedings classified as possible loss are demonstrated bellow:

	Parent Company and Consolidated	
Possible:	**2022**	**2021**
Labor claims	5,075	5,031
Tax claims [(a)]	276,457	257,489
Civil claims[(b)]	320,321	292,973
	601,853	**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$ 272,078 (R$ 242,941 in December 31, 2021).

(b) Impacted mainly by ARG/Civilport litigation in the amount of R$ 211,979 (R$ 193,879 in December 31, 2021) and Arcoenge R$ 67,114 (R$ 61,383 in December 31, 2021). The claims are due to breach of the contract (Lump Sum and Turnkey contracts) and the costs related to decommissioning.

19 Shareholders' equity

Capital

The Company's shareholding structure as of December 31, 2022 and 2021, is as follows:

Shareholders	**Number of shares**		**%**
	2022	**2021**	
Prumo Participações e Investimentos S.A.	875,617	875,617	50
Anglo American Investimentos - Minério de Ferro Ltda.	875,617	875,617	50
	1,751,234	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 December 31, 2022, the Company has a balance of R$ 337,467 of proposed additional dividends; whose approval 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. In December 31, 2022, the contingency reserve has the amount of R$ 109,595 (R$ 109,595 in 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 capital reserve. As of December 31, 2022 the capital reserves total R$ 94,589 (R$ 94,589 in December 31, 2021).

Dividends

The Shareholder´s Agreement determines that dividends will be distributed after loans and financings with related parties are fully settled. Considering the settlement of outstanding loan balances in the first quarter of 2022, the dividend distribution was initiated in 2022.

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 December 2022, the third payment of dividends to shareholders was made, in the amount of R$ 131,140. In 2022, a total of R$ 371,094 was paid to shareholders:

Shareholders	June, 2022	September, 2022	December, 2022	Total
AAMFB	58,376	61,601	65,570	185,547
Prumo Participações	58,376	61,601	65,570	185,547
	116,752	**123,202**	**131,140**	**371,094**

In December 2022, mandatory minimum dividends were recognized as a liability, corresponding to 25% of adjusted net income, in accordance with law 6404/76, in the amount of R$ 112,489.

20 Net revenue from services

	Parent Company		Consolidated	
	2022	2021	2022	2021
Gross revenue	**1,140,901**	**1,036,158**	**1,140,925**	**1,036,158**
Shipment of iron ore (Take or Pay)	1,091,020	1,009,865	1,091,020	1,009,865
Oil transshipment (T-Oil)	45,139	26,293	45,139	26,293
Port services	4,742	-	4,766	-
Taxes	**(128,326)**	**(120,244)**	**(128,327)**	**(120,244)**
Taxes on gross revenue - PIS/COFINS	(105,533)	(99,532)	(105,534)	(99,532)
Tax on services – ISS	(22,793)	(20,712)	(22,793)	(20,712)
Net revenue from services	**1,012,575**	**915,914**	**1,012,598**	**915,914**

21 Costs of services

	Parent Company and Consolidated	
	2022	**2021**
Payroll and related charges	(52,733)	(51,663)
Depreciation and amortization	(52,202)	(71,974)
Third-parties services	(77,268)	(34,549)
Leases and rents	(6,773)	(3,599)
Insurance	(4,959)	(5,564)
Consumables spare parts	(57,496)	(52,642)
Environmental expenses	(2,406)	(2,448)
Depreciation of rights of use assets	(2,040)	(1,817)
Other	(9,725)	(773)
	(265,602)	**(225,029)**

22 General and administrative expenses

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Payroll and related charges	(20,704)	(19,270)	(20,704)	(19,270)
Third party services	(8,646)	(8,197)	(8,646)	(8,197)
Depreciation and amortization	(17,710)	(10,207)	(17,710)	(10,207)
Insurance	(79)	(76)	(79)	(78)
Travel expenses	(332)	(110)	(332)	(110)
Leases and rents	(476)	(318)	(476)	(318)
Depreciation of rights of use assets	(194)	(191)	(194)	(191)
Contingencies	(2,552)	26	(2,552)	26
Other	(4,433)	(4,360)	(4,440)	(4,367)
	(55,126)	**(42,703)**	**(55,133)**	**(42,712)**

23 Other operating income (expenses)

	Parent Company and Consolidated	
	2022	**2021**
Non-consumed electric energy (a)	6,557	11,250
Reversal for expected credit losses - Non-consumed electric energy (a)	-	2,010
Deferred revenue - right of use	1,991	1,991
Write-off - Inventories	(1,420)	-
Other	(44)	126
	7,084	**15,377**

(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 to the power trading, regarding the CCEE, which Ferroport is an agent, which means, Company associated to the CCEE, participating with rights and duties in its operations.

24 Financial income (expenses)

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Financial expenses				
Tax on financial transactions (IOF)	(800)	(556)	(800)	(556)
Interest - intercompany loan	(983)	(16,982)	(983)	(16,982)
Interest on Leases	(501)	(407)	(501)	(407)
Penalty due to tax parcellation	-	(4,999)	-	(4,999)
Interest on tax parcellation	(739)	-	(740)	-
Update - Selic interest rate	(4,539)	-	(4,539)	-
Other	(395)	(1,673)	(380)	(1,673)
	(7,957)	**(24,617)**	**(7,943)**	**(24,617)**
Financial income				
Update - Selic interest rate	4,350	10	4,350	10
Interest income	18,955	5,640	19,009	5,664
	23,305	**5,650**	**23,359**	**5,674**
Financial results, net	**15,348**	**(18,967)**	**15,416**	**(18,943)**

25 Commitments

The Company undertook future purchase commitments amounting to R$ 480,094 as of December 31, 2022 (R$ 210,248 as of December 31, 2021) and these should be fulfilled in the course of the operations:

	2022	**2021**	**Description**
Asset			
Property, plant and equipment / Intangible / Right of use assets			
Construction in progress	-	1,976	Repowering and emergency routes
	14,892	3,082	Structural reform to adapt the facilities
Right of use assets - Lease	20,054	2,933	Leasing of vehicles, machinery and equipment
Electric equipments	-	7,304	Purchase of electrical panels
Intangible	90	174	Systems licenses
Total asset	**35,036**	**15,469**	
Result			
Cost/Expenses	232,603	56,174	Electricity purchase *
	831	2,765	Pier piling repair
	36,200	31,072	Industrial cleaning and facilities services
	7,519	7,220	Support for navigation and underwater activities
	3,035	5,000	Transport of employees

	3,798	4,109	Vigilance and Security
	262	3,914	Health and medical services plan
	11,697	11,747	Legal and financial consultancy
	4,916	8,620	Reforestation and waste management
	4,916	2,729	Employee benefits
	3,831	2,106	IT Services
	18,277	31,923	Preventive and corrective maintenance
	2,180	3,727	Medical services and occupational health
	85,831	-	Maintenance dredging
	7,554	410	Catering
	21,608	23,263	Others
Total Results	**445,058**	**194,779**	
Total	**480,094**	**210,248**	

* Signed in December 2022 with Omega, the agreement provides for a new energy supply source, effective from January 1, 2024 to December 31, 2043. The total estimated cost of R$ 177,884.

26 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 current exchange market.

Financial assets and liabilities as of December 2022 and 2021 are as follows:

	Parent Company					
	2022			**2021**		
Classifications	**Book Value**	**Amortized cost**	**Fair value measurement hierarchy**	**Book Value**	**Amortized cost**	**Fair value measurement hierarchy**
Assets						
Cash and cash equivalents	167,177	167,177	2	139,851	139,851	2
Accounts receivable	121,210	121,210	2	90,578	90,578	2
Liabilities						
Other financial liabilities						
Lease liabilities	8997	8,997	2	2,650	2,650	2
Trade accounts payable	34,562	34,562	2	33,883	33,883	2
Related parties - loans	-	-	2	97,083	97,083	2
Related parties - accounts payable	221,046	221,046	2	210,102	210,102	2

	Consolidated					
	2022			2021		
Classifications	**Book Value**	**Amortized cost**	**Fair value measurement hierarchy**	**Book Value**	**Amortized cost**	**Fair value measurement hierarchy**
Assets						
Cash and cash equivalents	167,839	167,839	2	140,452	140,452	2
Accounts receivable	121,545	121,545	2	90,578	90,578	2
Liabilities						
Other financial liabilities						
Lease liabilities	8,997	8,997	2	2,650	2,650	2
Trade accounts payable	34,562	34,562	2	33,883	33,883	2
Related parties - loans	-	-	2	97,083	97,083	2
Related parties - accounts payable	221,046	221,046	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 consider 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.

Liquidity risk

The table below provides the Company's main financial liabilities at December 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	-	34,562	34,562
Related parties - accounts payable	-	10,944	10,944
Asset Allocation	210,102	-	210,102
Total by maturity range	**210,102**	**45,506**	**255,608**

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 losses arising from 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 follow 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 customer base, including the default risk associated with the industry in which customers operate.

The Company held consolidated cash and cash equivalents of R$ 167,839 at 31 December 2022 (R$ 140,452 at 31 December 2021). The cash and cash equivalents are held with bank and financial institution counterparties, which is rated AAA based on rate S&P agency rating.

At the exposure to credit risk are the following:

Financial instruments	**2022**	**2021**
Cash equivalents	167,839	140,452
Accounts receivable (Related parties)	121,545	90,578
	289,384	**231,030**

For the year ended in December 31, 2022 and 2021, the Company's service revenue is entirely related to services provided to the related parties and cash and cash equivalents are invested in banks with at least 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.

27 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 December 31, 2022 and 2021, the insurance coverage was as follows:

	2022	**2021**
Property and equipment damages	3,524,108	3,094,000
Civil liability	260,885	279,025
Environmental Liability	30,000	30,000
Directors & Management	60,000	60,000

* * *

Carsten Bosselmann
Chief Executive Officer

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