

Ferropport Logística
Comercial
Exportadora S.A.

Condensed interim financial
information as of June 30, 2023

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

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

Rio de Janeiro – RJ

Introduction

We have reviewed the condensed parent company and consolidated balance sheets of Ferroport Logística Comercial Exportadora S.A. ("Company"), as of June 30, 2023, 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 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 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, 2023, are not prepared, in all material respects, in accordance with CPC 21 (R1) – Interim Financial Reporting.

Rio de Janeiro, July 28, 2023

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



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

Ferroport Logística Comercial Exportadora S.A.

Condensed balance sheets of June 30, 2023 and December 31, 2022

(In thousands of Reais)

	Note	Parent Company		Consolidated			
		June 30,	2023	December 31,	2022	June 30,	December 31,
Assets							
Current assets							
Cash and cash equivalents	4		174,211	167,177		174,897	167,839
Accounts receivable from related parties	15		112,211	121,210		112,211	121,212
Inventories	5		40,563	38,626		40,563	38,626
Recoverable taxes	7		765	55		883	159
Income taxes and social contribution recoverable	7		-	-		43	43
Prepaid expenses			4,226	1,346		4,226	1,346
Other			1,885	1,348		1,887	1,348
Total current assets			333,861	329,762		334,710	330,573
Noncurrent assets							
Judicial deposits	9		35,958	35,140		35,958	35,140
Related parties - asset to be transferred	15		-	210,102		-	210,102
Investments in subsidiary	9		842	806		-	-
Right of use assets	10		7,417	8,741		7,417	8,741
Property, plant, and equipment	11		2,059,080	2,064,241		2,059,080	2,064,241
Intangible assets	12		2,933	2,998		2,933	2,998
Deferred charges			822	1,151		822	1,151
Total noncurrent assets			2,107,052	2,323,179		2,106,210	2,322,373
Total assets			2,440,913	2,652,941		2,440,920	2,652,946
Liabilities and equity							
Current liabilities							
Trade accounts payable	13		33,220	34,562		33,220	34,563
Payroll and related charges	14		16,677	24,344		16,677	24,344
Taxes payable	16		16,227	14,755		16,227	14,755
Lease liabilities	11		2,372	2,390		2,372	2,390
Income taxes and social contribution payable	16		22,292	25,481		22,298	25,486
Dividends payable	18		230,890	154,689		230,890	154,689
Deferred revenue with related party	15		2,194	2,194		2,194	2,194
Related parties - accounts payable	15		10,713	10,944		10,713	10,944
Total current liabilities			334,585	269,359		334,591	269,365
Noncurrent liabilities							
Income taxes and social contribution payable	16		48,466	51,182		48,466	51,182
Lease liabilities	11		5,456	6,607		5,456	6,607
Deferred income tax and social contribution	6		183,160	166,351		183,160	166,351
Related parties - accounts payable	15		-	210,102		-	210,102
Deferred revenue with related party	15		40,769	41,866		40,769	41,866
Provision for contingencies	17		24,511	21,889		24,511	21,889
Taxes payable	16		33,934	34,093		33,934	34,093
Other			18,486	18,802		18,487	18,801
Total noncurrent liabilities			354,782	550,892		354,783	550,891
Shareholders' equity							
Share Capital	18		1,197,152	1,197,152		1,197,152	1,197,152
Profits Reserve			-	337,467		-	337,467
Capital reserve			94,589	94,589		94,589	94,589
Contingencies reserve			109,595	109,595		109,595	109,595
Legal reserve			93,887	93,887		93,887	93,887
Accumulated Profit / Loss			256,323	-		256,323	-
Total shareholders' equity			1,751,546	1,832,690		1,751,546	1,832,690
Total liabilities and shareholders' equity			2,440,913	2,652,941		2,440,920	2,652,946

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

Ferroport Logística Comercial Exportadora S.A.

Condensed statements of income

Three and six-month period ended June 30, 2023 and 2022

(In thousands of Reais)

		Parent Company			
		Three-month period ended		Six-month period ended	
	Note	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net revenue of services	19	251,995	244,484	527,599	489,879
Costs of services	20	(58,256)	(91,906)	(120,515)	(147,420)
Gross profit		193,739	152,578	407,084	342,459
Operating income (expenses)					
General and administrative expenses	21	(14,770)	(10,986)	(26,438)	(23,120)
Other operating income (expenses), net	22	1,335	1,410	2,999	5,191
		(13,435)	(9,576)	(23,439)	(17,929)
Income before, equity, financial income (expenses) and taxes		180,304	143,002	383,645	324,530
Equity income, net		26	23	35	25
Financial income (expenses)					
Financial income	23	6,081	5,894	12,511	9,353
Financial expenses	23	(2,644)	(1,218)	(4,057)	(3,931)
Income before taxes		183,767	147,701	392,134	329,977
Income and social contribution taxes					
Current	6	(52,260)	(40,970)	(119,001)	(96,758)
Deferred	6	(10,078)	(9,376)	(16,810)	(15,829)
Total income and social contribution taxes		(62,338)	(50,346)	(135,811)	(112,587)
Net income for the period		121,429	97,355	256,323	217,390

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, 2023 and 2022

(In thousands of Reais)

		Consolidated			
		Three-month period ended		Six-month period ended	
	Note	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net revenue of services	19	252,007	244,494	527,613	489,889
Costs of services	20	(58,256)	(91,906)	(120,515)	(147,420)
Gross profit		193,751	152,588	407,098	342,469
Operating income (expenses)					
General and administrative expenses	21	(14,770)	(10,985)	(26,446)	(23,127)
Other operating income (expenses), net	22	1,335	1,410	2,999	5,191
		(13,435)	(9,575)	(23,447)	(17,936)
Income before, equity, financial income (expenses) and taxes		180,316	143,013	383,651	324,533
Financial income (expenses)					
Financial income	23	6,102	5,911	12,552	9,384
Financial expenses	23	(2,645)	(1,220)	(4,058)	(3,933)
Income before taxes		183,773	147,704	392,145	329,984
Income and social contribution taxes					
Current	6	(52,266)	(40,973)	(119,012)	(96,765)
Deferred	6	(10,078)	(9,376)	(16,810)	(15,829)
Total income and social contribution taxes		(62,344)	(50,349)	(135,822)	(112,594)
Net income for the period		121,429	97,355	256,323	217,390

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

Ferroport Logística Comercial Exportadora S.A.

Condensed statements of comprehensive income

Three and six-month period ended June 30, 2023 and 2022

(In thousands of Reais)

	Parent Company and Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net income for the period	121,429	97,355	256,323	217,390
Total comprehensive income for the period	121,429	97,355	256,323	217,390

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, 2023 and 2022

(In thousands of Reais)

Parent Company and Consolidated								
Note	Share Capital	Profits reserve	Capital reserve	Contingencies reserve	Legal reserve	Accumulated profit	Total	
Balances as of January 1st, 2022	18	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
Balances as of January 1st, 2023		1,197,152	337,467	94,589	109,595	93,887	-	1,832,690
Net income for the period	-	-	-	-	-	256,323	256,323	
Dividends distribution	-	(337,467)	-	-	-	-	(337,467)	
Balances as of June 30, 2023		1,197,152	-	94,589	109,595	93,887	256,323	1,751,546

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

Ferroport Logística Comercial Exportadora S.A.

Condensed statements of cash flows

Six-month period ended June 30, 2023 and 2022

(In thousands of Reais)

	Parent Company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Operating activities				
Income before taxes	392,134	329,977	392,145	329,984
Adjustments to reconcile income before taxes and net cash provided by operating activities:				
Depreciation and amortization	40,252	34,708	40,252	34,708
Monetary variation and interest	596	1,222	596	1,222
Tax Provision	2,524	3,308	2,524	3,308
Amortization of insurance	2,748	2,679	2,748	2,679
Provision for bonus	2,209	2,402	2,209	2,402
Provision for legal proceeding	2,621	2,744	2,621	2,744
Deferred revenue amortization	(1,097)	(1,097)	(1,097)	(1,097)
Shares of results of investee	(36)	(25)	-	-
	441,951	375,918	441,998	375,950
(Increase) decrease of assets and increase (decrease) of liabilities:				
Account receivable from related parties	8,999	(19,070)	9,002	(19,075)
Inventories	(1,270)	(2,150)	(1,270)	(2,150)
Recoverable taxes	-	-	-	-
Trade accounts payable	(1,669)	24,735	(1,669)	24,735
Prepaid expenses	(5,627)	(5,077)	(5,627)	(5,077)
Taxes payable	(27,148)	(24,733)	(27,158)	(24,737)
Payroll and related charges	(9,918)	(6,350)	(9,918)	(6,350)
Taxes payable related to intercompany loans	-	(232)	-	(232)
Interest paid	-	(1,294)	-	(1,294)
Income tax and social contribution paid	(102,041)	(86,330)	(102,055)	(86,336)
Interest on leases	(509)	(162)	(509)	(162)
Other	(453)	1,729	(455)	1,729
Net cash flows generated by operating activities	302,315	256,984	302,339	257,001
Investing activities				
Acquisition of intangible assets	(346)	(373)	(346)	(373)
Acquisition of property, plant and equipment	(32,499)	(20,828)	(32,499)	(20,828)
Net cash flows used in investing activities	(32,845)	(21,201)	(32,845)	(21,201)
Financing activities				
Intercompany loans settled	-	(96,544)	-	(96,544)
Lease payments	(1,169)	(1,087)	(1,169)	(1,087)
Dividends paid	(261,267)	(116,752)	(261,267)	(116,752)
Net cash flows used in financing activities	(262,436)	(214,383)	(262,436)	(214,383)
Increase in cash and cash equivalents	7,034	21,400	7,058	21,417
Cash and cash equivalents				
At beginning of the period	167,177	139,851	167,839	140,452
At end of the period	174,211	161,251	174,897	161,869
Increase in cash and cash equivalents	7,034	21,400	7,058	21,417

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 2023, the Company loaded 11.2 million tons (unreviewed) of iron ore in 67 vessels (unreviewed) (8.92 million tons (unreviewed) in 55 vessels (unreviewed) during 2022). Since the beginning of operations in October 2014, the Company loaded 147.2 million tons (unreviewed) of iron ore, reaching a mark of 920 vessels (unreviewed) berthing at the port.

In 2023, Vast Infraestrutura S.A. performed 74 operations (unreviewed) in 172 vessels (unreviewed), loading 13.3 million metric tons (unreviewed) of oil transshipment. In the same period of 2022, Vast Infraestrutura S.A. performed 54 operations (unreviewed) in 125 vessels (unreviewed), loading 9.6 million metric tons (unreviewed) of oil transshipment. Since the beginning of operations in August 2016, they carried out 471 operations (unreviewed) in 1,103 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.

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.

1.1 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
INEA (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 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, 2022, 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, 2022 and concluded on March 8, 2023.

The Company’s Directors authorized the conclusion of these condensed interim financial information on July 28, 2023.

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, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Cash and banks	237	268	254	283
Cash equivalents				
Bank deposit certificate (CDB)	173,974	166,909	174,643	167,556
	174,211	167,177	174,897	167,839

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 103,12% of Interbank Deposit (DI) rate in second quarter of 2023 (102.87% as of December 31, 2022). The portfolio currently consists of deposits certificates issued by Bank Santander, Bank ABC and Bank Bradesco.

5 Inventories

On June 30, 2023, the parent company and consolidated balance of inventories applied to equipment maintenance totaled R\$ 40,563 (R\$ 38,626 on December 31, 2022).

6 Income tax and social contribution

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

	Parent Company and Consolidated		
	December 31, 2022	Additional amount/offset (liability) recorded	June 30, 2023
Assets			
Temporary differences:			
Difference between tax basis and book value - deferred assets	22,806	(1,119)	21,687
Other	2,432	462	2,894
Total deferred income taxes assets	25,238	(657)	24,581
Liabilities			
Difference between tax basis and book value of depreciation rates	(71,703)	(4,986)	(76,689)
Temporary differences:			
Capitalized interests	(119,245)	(11,349)	(130,594)
Judicial deposits	(641)	183	(458)
Total deferred income taxes liabilities	(191,589)	(16,152)	(207,741)

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Net effect	(166,351)	(16,809)	(183,160)
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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, 2023 and December 31, 2022, are as follows:

	Parent Company			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Income Tax and Social Contribution				
Income before income taxes	183,767	147,701	392,134	329,977
Income tax at the nominal rate 34%	(62,481)	(50,218)	(133,326)	(112,192)
Tax adjustments:				
Complementary income tax and social contribution - 2022	-	-	(2,270)	-
Other	143	(128)	(215)	(395)
Total	(62,338)	(50,346)	(135,811)	(112,587)
Current income and social contribution tax	(52,260)	(40,970)	(119,001)	(96,758)
Deferred income and social contribution tax	(10,078)	(9,376)	(16,810)	(15,829)
Total income and social contribution tax	(62,338)	(50,346)	(135,811)	(112,587)
Effective rate	34%	34%	35%	34%

	Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Income before income taxes	183,773	147,704	392,145	329,984
Income tax at the nominal rate 34%	(62,477)	(50,216)	(133,318)	(112,187)
Tax aliquot effect about presumed profit	(6)	(3)	(11)	(8)
Tax adjustments:				
Complementary income tax and social contribution - 2022	-	-	(2,270)	-
Other	139	(130)	(223)	(399)
Total	(62,344)	(50,349)	(135,822)	(112,594)
Current income and social contribution tax	(52,266)	(40,973)	(119,012)	(96,765)
Deferred income and social contribution tax	(10,078)	(9,376)	(16,810)	(15,829)
Total income and social contribution tax	(62,344)	(50,349)	(135,822)	(112,594)
Effective rate	34%	34%	35%	34%

7 Recoverable taxes

	Parent Company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
PIS and COFINS	671	-	702	33
INSS	-	-	59	59
ISS	48	48	48	48
Other	46	7	74	19
Subtotal recoverable taxes	765	55	883	159
Income tax	-	-	33	33
Social contribution	-	-	10	10
Total income taxes and social contribution recoverable	-	-	43	43
Total	765	55	926	202
Current	765	55	926	202

8 Judicial deposits

	Parent Company and Consolidated	
	June 30, 2023	December 31, 2022
Income tax and social contribution (a)	35,355	34,535
Other	603	605
	35,958	35,140

- (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 on December 4, 2020. The total amount as of June 30, 2023 is R\$ 35,355 (R\$ 34,535 as of December 31, 2022).

9 Investments in subsidiary

The investments in subsidiary are as follow:

a. Movement of participation in subsidiary

	December 31, 2022	Addition	Equity gain	June 30, 2023
Ferroport Serviços EIRELLI (a)	806	-	36	842

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

b. Relevant information about subsidiary

June 30, 2023							
Direct subsidiary	%	Number of shares (thousand)	Asset	Liability	Shareholders' equity	Capital	Profit for the year
Ferroport Serviços EIRELI	100	100	849	(7)	(842)	845	(36)

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

10 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 June 30, 2023:

Parent Company and Consolidated						
Suppliers	Assets	Right of use assets	Lease Liabilities	Months	Interest rates	
Localiza	Vehicles	981	1,104	68	1,0280%	
Transbarra	Machinery and equipment	5,769	6,006	60	0,9902%	
Ormec	Machinery and equipment	92	95	36	0,9902%	
Solaris (Mills)	Machinery and equipment	525	565	60	0,9902%	
Trimak	Machinery and equipment	50	58	36	0,9902%	
		7,417	7,828			

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 31, 2023 and December 31, 2022, are as follows:

Parent Company and Consolidated			
Lease Assets	December 31, 2022	(-) Depreciation	June 30, 2023
Right of use - Vehicles	1,539	(421)	1,118
Right of use - Machinery and equipment	7,202	(903)	6,299
	8,741	(1,324)	7,417

Parent Company and Consolidated				
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
	<u>2,403</u>	<u>717</u>	<u>(1,043)</u>	<u>2,076</u>

Parent Company and Consolidated					
Lease Liabilities	December 31, 2022	Transfer	Interest	Payments	June 30, 2023
Current	2,390	1,151	509	(1,678)	2,372
Non-current	6,607	(1,151)	-	-	5,456
	<u>8,997</u>	<u>-</u>	<u>509</u>	<u>(1,678)</u>	<u>7,828</u>

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
	<u>2,650</u>	<u>716</u>	<u>-</u>	<u>162</u>	<u>(1,249)</u>	<u>2,279</u>

Parent Company and Consolidated			
Payments	June 30, 2023	June 30, 2022	
	Fixed (Lease)	Fixed (Lease)	
Vehicles	(510)	(445)	
Machinery and equipment	(1,168)	(804)	
	<u>(1,678)</u>	<u>(1,249)</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, 2023:

Parent Company and Consolidated					
Lease Liabilities	Maturity				Total
	Up to 6 months	From 6 to 12 months	From 1 to 2 years	Above 2 years	
	1,221	1,153	1,614	3,840	<u>7,828</u>

11 Property, plant, and equipment

Parent Company and Consolidated	Annual depreciation rate %	Cost	Accumulated depreciation	June 30, 2023	December 31, 2022
Improvements	4	66,619	(65,329)	1,290	1,326
Furniture and fixtures	10	1,514	(752)	762	774
Vehicles	20 and 25	1,760	(1,247)	513	656
IT equipment	20	14,021	(8,785)	5,236	5,351
Machinery and equipment	10, 20 and 50	64,035	(17,552)	46,483	42,059
Electronic equipment	20	3,242	(1,506)	1,736	1,836
Defenses	10	4,031	(3,342)	689	891
Breakwater	2.22	866,597	(161,670)	704,927	714,940
Maritime access canal	2.22	507,433	(83,464)	423,969	428,042
Pier - Port Terminal	2.22	835,788	(136,894)	698,894	708,180
Safety equipment	10	60,237	(16,112)	44,125	42,340
Operational tools and equipment	10 and 5	107,772	(33,131)	74,641	65,940
Construction in progress	-	54,210	-	54,210	46,301
Others equipments	10 and 5	8,376	(6,771)	1,605	5,605
		2,595,635	(536,555)	2,059,080	2,064,241

Parent Company and Consolidated						
Cost	Annual depreciation rate %	December 31, 2022	Additions	Writte-offs	Transfers	June 30, 2023
Improvements	4	66,619	-	-	-	66,619
Furniture and fixtures	10	1,462	52	-	-	1,514
Vehicles	20 and 25	1,760	-	-	-	1,760
IT equipment	20	13,359	782	(7)	(113)	14,021
Machinery and equipment	10, 20 and 50	55,287	10,874	-	(2,126)	64,035
Electronic equipment	20	3,188	427	-	(373)	3,242
Defenses	10	4,031	-	-	-	4,031
Breakwater	2.22	867,128	-	-	(531)	866,597
Maritime access canal	2.22	506,347	1,086	-	-	507,433
Pier - Port Terminal	2.22	835,788	-	-	-	835,788
Safety equipment	10	56,864	5,665	-	(2,292)	60,237
Operational tools and equipment	10 and 5	83,760	4,955	(5)	19,062	107,772
Construction work in progress	-	46,301	9,192	-	(1,283)	54,210
Others equipments	10 and 5	20,720	-	-	(12,344)	8,376
		2,562,614	33,033	(12)	-	2,595,635

Parent Company and Consolidated

	Annual depreciation rate %	December 31, 2022	Additions	Writte-offs	Transfers	June 30, 2023
Depreciation						
Improvements	4	(65,293)	(36)	-	-	(65,329)
Furniture and fixtures	10	(688)	(64)	-	-	(752)
Vehicles	20 and 25	(1,104)	(143)	-	-	(1,247)
IT equipment	20	(8,008)	(721)	-	(56)	(8,785)
Machinery and equipment	10, 20 and 50	(13,228)	(4,883)	-	559	(17,552)
Electronic equipment	20	(1,352)	(260)	-	106	(1,506)
Defenses	10	(3,140)	(202)	-	-	(3,342)
Breakwater	2.22	(152,188)	(9,482)	-	-	(161,670)
Maritime access canal	2.22	(78,305)	(5,159)	-	-	(83,464)
Pier - Port Terminal	2.22	(127,608)	(9,286)	-	-	(136,894)
Safety equipment	10	(14,524)	(1,396)	-	(192)	(16,112)
Operational tools and equipment	10 and 5	(17,820)	(6,237)	3	(9,077)	(33,131)
Others equipments	10 and 5	(15,115)	(316)	-	8,660	(6,771)
		(498,373)	(38,185)	3	-	(536,555)
Property and equipment, net		2,064,241	(5,152)	(9)	-	2,059,080

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.

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

		Parent Company and Consolidated		
		December 31, 2022	Additions	June 30, 2023
Cost				
Software - use license	5 years	14,052	348	14,400
Total Cost		14,052	348	14,400
Amortization				
Software - use license	5 years	(11,054)	(413)	(11,467)
Total Amortization		(11,054)	(413)	(11,467)
		2,998	(65)	2,933

13 Trade accounts payable

On June 30, 2023 the balance payable to the suppliers is R\$ 33.220 (R\$ 34,562 on December 31, 2022) and represents company's obligations arising from the purchase of products and services for the development of the Company's activities, as described below:

	Parent Company and consolidated	
	June 30, 2023	December 31, 2022
Environmental services	4,734	5,255
Energy consumption	2,758	2,860
Property security	381	341
Administrative services	6,201	4,498
Law services	923	1,278
Operational services	12,357	14,249
I.T.	1,482	854
Others	4,384	5,227
	33,220	34,562

14 Payroll and related charges

	Parent Company and consolidated	
	June 30, 2023	December 31, 2022
Net profit sharing (NPS/Bonus)	8,596	17,698
Provision for vacations and 13th salary	6,581	3,610
Payroll charges	1,497	3,034
Others	3	2
	16,677	24,344

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

15 Transactions with related parties

	Parent Company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Assets				
Assets to be transferred to AAMFB (a)	-	210,102	-	210,102
Accounts receivable from AAMFB (b)	86,739	91,931	86,739	92,264
Accounts receivable from Vast infraestructura (c)	3,721	8,510	3,721	8,512
	90,460	310,543	90,460	310,878
Credit Note				
AAMFB	510	441	510	441
Vast infraestructura (d)	21,241	20,328	21,241	20,328
Current	112,211	121,210	112,211	121,545
Noncurrent	-	210,102	-	210,102

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	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Liabilities				
Advances of the asset allocation				
AAMFB (a)	-	210,102	-	210,102
Debit Note				
Vast infraestrutura (e)	10,703	10,703	10,703	10,703
Prumo Participações	2	15	2	15
Porto do Açú	8	226	8	226
	10,713	221,046	10,713	221,046
Deferred revenue				
Deferred revenue with related party (f)	42,963	44,060	42,963	44,060
Current	12,907	13,138	12,907	13,138
Noncurrent	40,769	251,968	40,769	251,968

- (a) In June 2023, the divisible assets were transferred to AAMFB, according to the free lease agreement. Ferroport will continue operating these assets such as ship loader, reclaimers, stackers, conveyor belts and others. The free lease agreement is not part of the scope of CPC 06/IFRS 16 as it does not meet certain requirements, including the definition of right to control and there are no payments;
- (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 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.

The transactions that affect the income statements are as follows:

	Revenues (expenses)			
	Parent Company			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenue				
AAMFB - take-or-pay agreement	241,231	236,447	492,753	476,346
Vast infraestrutura - T-Oil	10,742	9,259	36,412	16,007
Vast infraestrutura - (Services)				
Cost				
Prumo Participações	(11)	-	(15)	-
Financial Expenses				
Prumo Participações e Investimentos	-	-	-	(874)
Anglo American Capital London	-	-	-	(113)
	251,962	245,706	529,150	491,366

	Revenues (expenses)			
	Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenue				
AAMFB - take-or-pay agreement	241,231	236,447	492,753	476,346
Vast - T-Oil	10,742	9,259	36,412	16,007
Vast - Services	12	-	14	11
Cost				
Prumo Participações	(11)	-	(15)	-
Financial Expenses				
Prumo Participações e Investimentos	-	-	-	(874)
Anglo American Capital London	-	-	-	(113)
	251,974	245,706	529,164	491,377

Key management compensation was as follows:	June 30, 2023	June 30, 2022
Payroll and related charges	1,888	2,102

16 Taxes payable

	Parent Company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
PIS and COFINS	26,392	28,624	26,393	28,625
ISS	78	111	78	111
ICMS	23,207	19,479	23,207	19,479
Income tax and social contribution (*)	70,353	75,681	70,359	75,686
Other	889	1,616	888	1,615
	120,919	125,511	120,925	125,516
Current	38,519	40,236	38,525	40,241
Noncurrent (*)	82,400	85,275	82,400	85,275

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

17 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:	Parent Company and Consolidated	
	June 30, 2023	December 31, 2022
Labor claims	3,930	2,943
Tax claims	22	21
Civil claims	20,559	18,925
	24,511	21,889

- (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 June 30, 2023, the amount is R\$ 19,535 (R\$ 17,909 on December 31, 2022).

Provision movements

	Parent Company and Consolidated			June 30, 2023
	December 31, 2022	Additions	Write-offs	
Labor	2,943	1,240	(253)	3,930
Tax	21	1	-	22
Civil	18,925	1,634	-	20,559
	21,889	2,875	(253)	24,511

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

Possible:	June 30, 2023	December 31, 2022
	Labor claims	6,002
Tax claims (a)	272,870	276,457
Civil claims (b)	322,600	320,321
	601,472	601,853

- (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\$ 259,462 (R\$ 272,078 on December 31, 2022).
- (b) Impacted mainly by ARG/Civilport litigation in the amount of R\$ 213,486 (R\$ 211,979 on December 31, 2022) and Arcoenge R\$ 67,591 (R\$ 67,114 on December 31, 2022). The claims are due to breach of the contract (Lump Sum and Turnkey contracts) and the costs related to decommissioning.

18 Shareholders' equity

Capital

The Company's shareholding structure as of June 30, 2023 and December 31, 2022, is as follows:

Shareholders	Number of shares		%
	June 30, 2023	December 31, 2022	
Prumo Participações e Investimentos S.A.	875,617	875,617	50
Anglo American Investimentos - Minério de Ferro Ltda.	875,617	875,617	50
	<u>1,751,234</u>	<u>1,751,234</u>	<u>100</u>

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, 2023, the contingency reserve has the amount of R\$ 109,595 (R\$ 109,595 on December 31, 2022).

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 June 30, 2023 the capital reserves total R\$ 94,589 (R\$ 94,589 on December 31, 2022).

Dividends

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.

On March 15, 2023, the first payment of dividends in 2023 to shareholders was made, in the amount of R\$ 151,166. In June 2023, the second payment of dividends was made. In 2023, a total of R\$ 261,266 was paid to shareholders:

Shareholders	March, 31, 2023	June 30, 2023	Total
AAMFB	75,583	55,050	130,633
Prumo Participações	75,583	55,050	130,633
	<u>151,166</u>	<u>110,100</u>	<u>261,266</u>

On June 30, 2023, the Company has a balance of R\$ 230,890 of additional dividends payable, whose allocation was approved at the Annual General Meeting, on April 30, 2023.

19 Net revenue from services

	Parent Company			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Gross revenue	285,566	275,459	597,802	551,963
Shipment of iron ore (Take or Pay)	273,632	266,401	557,941	536,126
Oil transshipment (T-Oil)	11,934	9,058	39,861	15,837
Port services	-	-	-	-
Taxes	(33,571)	(30,975)	(70,203)	(62,084)
Taxes on gross revenue - PIS/COFINS	(26,415)	(25,480)	(55,297)	(51,057)
Tax on services – ISS	(7,156)	(5,495)	(14,906)	(11,027)
Net revenue from services	251,995	244,484	527,599	489,879
	Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Gross revenue	285,578	275,470	597,816	551,974
Shipment of iron ore (Take or Pay)	273,631	266,401	557,940	536,126
Oil transshipment (T-Oil)	11,934	9,058	39,861	15,837
Port services	13	11	15	11
Taxes	(33,571)	(30,976)	(70,203)	(62,085)
Taxes on gross revenue - PIS/COFINS	(26,415)	(25,480)	(55,297)	(51,057)
Tax on services – ISS	(7,156)	(5,496)	(14,906)	(11,028)
Net revenue from services	252,007	244,494	527,613	489,889

20 Costs of services

	Parent Company and Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Payroll and related charges	(13,839)	(11,705)	(31,287)	(24,497)
Depreciation and amortization	(14,328)	(12,818)	(28,576)	(25,473)
Third-parties services	(9,669)	(38,483)	(18,776)	(49,700)
Leases and rents	(1,376)	(3,037)	(3,379)	(4,048)
Insurance	(1,422)	(1,032)	(2,707)	(2,386)
Consumables spare parts	(12,073)	(22,344)	(25,077)	(35,766)
Environmental expenses	(647)	(476)	(1,231)	(1,094)
Depreciation of rights of use assets	(607)	(478)	(1,214)	(949)
Other	(4,295)	(1,533)	(8,268)	(3,507)
	(58,256)	(91,906)	(120,515)	(147,420)

21 General and administrative expenses

	Parent Company			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Payroll and related charges	(2,575)	(3,177)	(4,892)	(7,209)
Third party services	(1,834)	(1,287)	(3,240)	(2,728)
Depreciation and amortization	(5,159)	(4,273)	(10,352)	(8,206)
Insurance	(20)	(20)	(40)	(39)
Travel expenses	(98)	(58)	(149)	(94)
Leases and rents	(120)	(150)	(238)	(251)
Depreciation of rights of use assets	(55)	(48)	(110)	(96)
Contingencies	(802)	(743)	(2,621)	(2,744)
Other	(4,107)	(1,230)	(4,796)	(1,753)
	(14,770)	(10,986)	(26,438)	(23,120)

	Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Payroll and related charges	(2,575)	(3,177)	(4,892)	(7,209)
Third party services	(1,834)	(1,287)	(3,240)	(2,728)
Depreciation and amortization	(5,159)	(4,273)	(10,352)	(8,206)
Insurance	(20)	(20)	(40)	(39)
Travel expenses	(98)	(58)	(149)	(94)
Leases and rents	(120)	(150)	(238)	(251)
Depreciation of rights of use assets	(55)	(48)	(110)	(96)
Contingencies	(802)	(743)	(2,621)	(2,744)
Other	(4,107)	(1,229)	(4,804)	(1,760)
	(14,770)	(10,985)	(26,446)	(23,127)

22 Other operating income (expenses)

	Parent Company and Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Non-consumed electric energy (a)	1,229	894	2,493	4,430
Deferred revenue - right of use	497	497	995	995
Other	(391)	19	(489)	(234)
	1,335	1,410	2,999	5,191

- (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.

23 Financial income (expenses)

	Parent Company			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Financial expenses				
Tax on financial transactions (IOF)	(538)	(385)	(597)	(440)
Interest - intercompany loan	-	-	-	(983)
Interest on leases	(246)	(80)	(509)	(162)
Interest on tax parcellation	(328)	(241)	(613)	(627)
Update - Selic interest rate	(849)	(512)	(1,633)	(1,375)
Other	(683)	-	(705)	(344)
	(2,644)	(1,218)	(4,057)	(3,931)
Financial income				
Update - Selic interest rate	419	-	831	-
Interest income	5,648	5,894	11,581	9,353
Other	14	-	99	-
	6,081	5,894	12,511	9,353
Financial results, net	3,437	4,676	8,454	5,422
	Consolidated			
	Three-month period ended		Six-month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Financial expenses				
Tax on financial transactions (IOF)	(538)	(387)	(597)	(442)
Interest - intercompany loan	-	-	-	(983)
Interest on leases	(246)	(80)	(509)	(162)
Interest on tax parcellation	(328)	(241)	(613)	(627)
Update - Selic interest rate	(849)	(512)	(1,633)	(1,375)
Other	(684)	-	(706)	(344)
	(2,645)	(1,220)	(4,058)	(3,933)
Financial income				
Update - Selic interest rate	419	-	831	-
Interest income	5,669	5,911	11,622	9,384
Other	14	-	99	-
	6,102	5,911	12,552	9,384
Financial results, net	3,457	4,691	8,494	5,451

24 Commitments

The Company undertook future purchase commitments amounting to R\$ 473,452 as of June 30, 2023 (R\$ 480,094 as of December 31, 2022) and these should be fulfilled in the course of the operations:

Asset	June 30, 2023	December 31, 2022	Description
Property, plant and equipment / Intangible / Right of use assets			
Construction in progress	10,534	14,892	Structural reform to adapt the facilities
Right of use assets - Lease	17,061	20,054	Leasing of vehicles, machinery and equipment
Intangible	64	90	Systems licenses
Total asset	27,659	35,036	
Result			
Cost/Expenses	212,511	232,603	Electricity purchase agreement*
	-	831	Pier piling repair
	28,595	36,200	Industrial cleaning and facilities services
	19,744	7,519	Support for navigation and underwater activities
	1,401	3,035	Transport of employees
	8,006	3,798	Vigilance and Security
	3,184	262	Health and medical services plan
	11,400	11,697	Legal and financial consultancy
	4,968	4,916	Reforestation and waste management
	2,922	4,916	Employee benefits
	2,637	3,831	IT Services
	25,605	18,277	Preventive and corrective maintenance
	1,578	2,180	Medical services and occupational health
	85,790	85,831	Maintenance dredging
	8,425	7,554	Catering
	29,027	21,608	Others
Total Results	445,793	445,058	
Total	473,452	480,094	

* 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.

25 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 as of June 30, 2023 and December 31, 2022 are as follows:

Classifications	Parent Company					
	June 30, 2023			December 31, 2022		
	Book Value	Amortized cost	Fair value measurement hierarchy	Book Value	Amortized cost	Fair value measurement hierarchy
Assets						
Cash and cash equivalents	174,211	174,211	2	167,177	167,177	2
Accounts receivable from related parties	112,211	112,211	2	121,210	121,210	2
Liabilities						
<i>Other financial liabilities</i>						
Lease liabilities	7,828	7,828	2	8,997	8,997	2
Trade accounts payable	33,220	33,220	2	34,562	34,562	2
Related parties - accounts payable	10,713	10,713	2	221,046	221,046	2
Classifications	Consolidated					
	June 30, 2023			December 31, 2022		
	Book Value	Amortized cost	Fair value measurement hierarchy	Book Value	Amortized cost	Fair value measurement hierarchy
Assets						
Cash and cash equivalents	174,897	174,897	2	167,839	167,839	2
Accounts receivable from related parties	112,211	112,211	2	121,212	121,212	2
Liabilities						
<i>Other financial liabilities</i>						
Lease liabilities	7,828	7,828	2	8,997	8,997	2
Trade accounts payable	33,220	33,220	2	34,562	34,562	2
Related parties - accounts payable	10,713	10,713	2	221,046	221,046	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 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 June 30, 2023. 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	-	33,220	33,220
Related parties - accounts payable	-	10,713	10,713
Total by maturity range	-	43,933	43,933

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\$ 174,897 on June 30, 2023 (R\$ 167,839 on 31 December 2022). 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	June 30, 2023	December 31, 2022
Cash equivalents	174,897	167,839
Accounts receivable (Related parties)	112,211	121,545
	287,108	289,384

For the period ended on June 30, 2023 and December 31, 2022, 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.

26 Insurance coverage

The Company's policy consists of entering 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, 2023 and December 31, 2022, the insurance coverage was as follows:

	June 30, 2023	December 31, 2022
Property and equipment damages	3,924,158	3,524,108
Civil liability	240,930	260,885
Environmental Liability	30,000	30,000
Directors & Management	70,000	70,000

27 Subsequent Event

Following the contracts signed on December 29, 2022, with Omega for the supply of energy, Ferroport finalized all the necessary technical and legal due diligence processes. In addition, on July 19, 2023, an application was submitted to the CCEE (Electric Energy Trading Chamber) for registration and effective benefit of energy self-producers.

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Carsten Bosselmann
Chief Executive Officer

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

Alessandra Maia Marinho Basile
Chief Financial Officer