Ferroport Logística Comercial Exportadora S.A.

Financial Statements as of December 31, 2023, and 2022

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 sheet as of December 31, 2023, 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 material accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company, as at December 31, 2023, and of its individual and consolidated financial performance and its individual and consolidated 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 other 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 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 of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, responsible for assessing 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.

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 a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated 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 higher than for one resulting 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, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content 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 01, 2024

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

Juliana Ribeiro de Oliveira

Juliana Ribeiro de Oliveira

CRC RJ-095335/O-0

Ferroport Logística Comercial Exportadora S.A.

Balance sheets as of December 31, 2023 and 2022

(In thousands of Reais)

		Parent Company		Consolidated	
	Note	**2023**	**2022**	**2023**	**2022**
Assets					
Current assets					
Cash and cash equivalents	**5**	216,026	167,177	216,752	167,839
Accounts receivable from related parties	**16**	97,653	121,210	97,658	121,545
Inventories	**6**	38,744	38,626	38,744	38,626
Recoverable taxes	**8**	767	55	885	159
Income taxes and social contribution recoverable	**8**	-	-	43	43
Prepaid expenses		1,502	1,346	1,502	1,346
Other		1,557	1,348	1,559	1,015
Total current assets		**356,249**	**329,762**	**357,143**	**330,573**
Noncurrent assets					
Judicial deposits	**9**	36,867	35,140	36,867	35,140
Related parties - asset to be transferred	**16**	-	210,102	-	210,102
Investments	**10**	4,627	806	3,740	-
Right of use assets	**11**	6,560	8,741	6,560	8,741
Property, plant and equipment	**12**	2,052,526	2,064,241	2,052,526	2,064,241
Intangible assets	**13**	3,642	2,998	3,642	2,998
Deferred charges		493	1,151	493	1,151
Total noncurrent assets		**2,104,715**	**2,323,179**	**2,103,828**	**2,322,373**
Total assets		**2,460,964**	**2,652,941**	**2,460,971**	**2,652,946**
Liabilities and equity					
Trade accounts payable	**14**	48,345	34,562	48,345	34,562
Payroll and related charges	**15**	22,555	24,344	22,555	24,344
Taxes payable	**17**	14,741	14,755	14,741	14,756
Lease liabilities	**11**	2,244	2,390	2,244	2,390
Income taxes and social contribution payable	**17**	21,777	25,481	21,782	25,486
Dividends payable	**19**	116,279	154,689	116,279	154,689
Deferred revenue with related party	**16**	2,194	2,194	2,194	2,194
Related parties - accounts payable	**16**	179	10,944	179	10,944
Total current liabilities		**228,314**	**269,359**	**228,319**	**269,365**
Noncurrent liabilities					
Income taxes and social contribution payable	**17**	45,720	51,182	45,720	51,182
Lease liabilities	**11**	4,812	6,607	4,812	6,607
Deferred income tax and social contribution	**7**	198,450	166,351	198,450	166,351
Related parties - accounts payable	**16**	-	210,102	-	210,102
Deferred revenue with related party	**16**	39,672	41,866	39,672	41,866
Provision for contingencies	**18**	23,385	21,889	23,385	21,889
Taxes payable	**17**	33,943	34,093	33,943	34,093
Other		18,186	18,802	18,188	18,801
Total noncurrent liabilities		**364,168**	**550,892**	**364,170**	**550,891**
Shareholders' equity	**19**				
Share Capital		1,197,152	1,197,152	1,197,152	1,197,152
Profits reserve		348,783	337,467	348,783	337,467
Capital reserve		94,589	94,589	94,589	94,589
Contingencies reserve		109,595	109,595	109,595	109,595
Legal reserve		118,363	93,887	118,363	93,887
Total shareholders' equity		**1,868,482**	**1,832,690**	**1,868,482**	**1,832,690**
Total liabilities and shareholders' equity		**2,460,964**	**2,652,941**	**2,460,971**	**2,652,946**

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

Ferroport Logística Comercial Exportadora S.A.

Income Statement

Years ended December 31, 2023 and 2022

(In thousands of Reais)

		Parent Company		Consolidated	
	Note	**2023**	**2022**	**2023**	**2022**
Net revenue of services	**20**	1,053,021	1,012,575	1,053,052	1,012,598
Costs of services	**21**	(258,080)	(265,602)	(258,080)	(265,602)
Gross profit		**794,941**	**746,973**	**794,972**	**746,996**
Operating income (expenses)					
General and administrative expenses	**22**	(66,482)	(55,126)	(66,491)	(55,133)
Other operating income (expenses), net	**23**	2,987	7,084	2,987	7,084
		(63,495)	(48,042)	(63,504)	(48,049)
Income before financial income (expenses) and taxes		**731,446**	**698,931**	**731,468**	**698,947**
Equity income, net		81	67	-	-
Financial income (expenses)					
Financial income	**24**	25,300	23,305	25,382	23,359
Financial expenses	**24**	(7,154)	(7,957)	(7,155)	(7,943)
Income before taxes		**749,673**	**714,346**	**749,695**	**714,363**
Income and social contribution taxes					
Current	**7**	(228,052)	(214,150)	(228,074)	(214,167)
Deferred	**7**	(32,101)	(26,558)	(32,101)	(26,558)
Total income and social contribution taxes		(260,153)	(240,708)	(260,175)	(240,725)
Net income for the year		**489,520**	**473,638**	**489,520**	**473,638**

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, 2023 and 2022

(In thousands of Reais)

	Parent Company and Consolidated	
	2023	**2022**
Net income for the year	489,520	473,638
Total comprehensive income for the year	**489,520**	**473,638**

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, 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	**19**	**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**
Balances as of January 1st, 2023		**1,197,152**	**337,467**	**94,589**	**109,595**	**93,887**	**-**	**1,832,690**
Net income for the year		-	-	-	-	-	489,520	**489,520**
Reserves constitution - profit allocation		-	-	-	-	24,476	(24,476)	-
Proposed additional dividends		-	348,783	-	-	-	(348,783)	-
Mandatory minimum dividends		-	-	-	-	-	(116,261)	**(116,261)**
Dividends distribution		-	(337,467)	-	-	-	-	**(337,467)**
Balances as of December 31, 2023		**1,197,152**	**348,783**	**94,589**	**109,595**	**118,363**	**-**	**1,868,482**

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, 2023 and 2022

(In thousands of Reais)

	Parent Company		Consolidated	
	2023	2022	2023	2022
Operating activities				
Income before taxes	749,673	714,346	749,695	714,363
Adjustments to reconcile income before taxes and net cash provided by operating activities:				
Depreciation and amortization	83,739	72,130	83,739	72,130
Monetary variation and interest	1,121	1,649	1,121	1,649
Tax Provision	5,218	5,910	5,218	5,910
Amortization of insurance	5,623	5,293	5,623	5,293
Provision for bonus	9,320	11,702	9,320	11,702
Provision for legal proceeding	1,495	(471)	1,495	(471)
Deferred revenue amortization	(2,194)	(2,194)	(2,194)	(2,194)
Shares of results of investee	(81)	(67)	-	-
	853,914	**808,298**	**854,017**	**808,382**
(Increase) decrease of assets and increase (decrease) of liabilities:				
Account receivable from related parties	30,463	(30,965)	30,460	(30,965)
Inventories	28	(3,300)	28	(3,300)
Recoverable taxes	31	31	-	-
Trade accounts payable	4,421	13,122	4,421	13,122
Prepaid expenses	(5,779)	(5,220)	(5,779)	(5,220)
Taxes payable	(34,907))	(13,861)	(34,898)	(13,846)
Payroll and related charges	(11,077)	(7,712)	(11,077)	(7,712)
Taxes payable related to intercompany loans	-	(232)	-	(232)
Interest paid	-	(1,295)	-	(1,295)
Income tax and social contribution paid	(213,137)	(198,030)	(213,152)	(198,036)
Interest on leases	(950)	(501)	(950)	(501)
Other	(345)	1,761	(344)	1,760
Net cash flows generated by operating activities	**622,662**	**562,096**	**622,726**	**562,157**
Investing activities				
Aquisition of equity interest	(3,740)		(3,740)	-
Acquisition of intangible assets	(1,494)	(724)	(1,494)	(724)
Acquisition of property, plant and equipment	(74,033)	(64,183)	(74,033)	(64,183)
Net cash flows used in investing activities	**(79,267)**	**(64,907)**	**(79,267)**	**(64,907)**
Financing activities				
Intercompany loans settled	-	(96,544)	-	(96,544)
Lease payments	(2,407)	(2,225)	(2,407)	(2,225)
Dividends paid	(492,139)	(371,094)	(492,139)	(371,094)
Net cash flows used in financing activities	**(494,546)**	**(469,863)**	**(494,546)**	**(469,863)**
Increase in cash and cash equivalents	**48,849**	**27,326**	**48,913**	**27,387**
Cash and cash equivalents				
At beginning of the year	167,177	139,851	167,839	140,452
At end of the year	216,026	167,177	216,752	167,839
Increase in cash and cash equivalents	**48,849**	**27,326**	**48,913**	**27,387**

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 2023, the Company loaded 24.04 million tons (unaudited) of iron ore in 145 vessels (unaudited) (21.38 million tons (unaudited) in 131 vessels (unaudited) during 2022). Since the beginning of operations in October 2014, the Company loaded 160 million tons (unaudited) of iron ore, reaching a mark of 998 vessels (unaudited) berthing at the port.

In 2023, Vast Infraestrutura S.A. performed 157 operations (unaudited) in 371 vessels (unaudited), loading 28.71 million metric tons (unaudited) of oil transshipment. In the same period of 2022, Vast Infraestrutura S.A. performed 130 operations (unaudited) in 297 vessels (unaudited), loading 21.97 million metric tons (unaudited) of oil transshipment. Since the beginning of operations in August 2016, they carried out 554 operations (unaudited) in 1.302 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.

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. In July 2023, Ferroport acquired part of the common shares of SPE (Special Purpose Company) Omega Desenvolvimento de Energia 4 S.A., as described in note 10.

In 2021, we began a test period to receive iron ore by truck. 40 thousand tons of ore were moved in six weeks, in an operation called "Sinter Feed". In September 2023, we resumed the second stage of operational tests, now called “Pellet Feed”. We received another 40 thousand tons, ending the test operation on October 10th, totaling 80 thousand since the beginning of the operation. During this year, we broke the record of 106 trucks moved in a single day.

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 financial statements and summary of material 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 01, 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 paramount, 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 annual profit, before taxes.

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, 2023:

Insurance contracts (IFRS 17/CPC 11)

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.

Disclosure of Accounting Policies (changes to CPC 26/IAS 1 and IFRS Practice Statement 2)

To help preparers of financial statements, the IASB had previously refined its definition of 'material' and issued non-mandatory practical guidance on applying the concept of materiality. As the final piece of the materiality improvements, in February 2021 the IASB issued amendments on applying materiality to disclosure of accounting policies.

The changes require entities to disclose their "material" accounting policies, rather than their "significant" accounting policies.

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.

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.

International tax reform - Pillar two model rules (changes to CPC 32/IAS 12)

These amendments provide a welcome relief from deferred tax accounting and allow companies to focus on assessing the potential current tax impacts of the global minimum top-up tax.

Top-up tax differs from income taxes that arise under 'traditional' tax regimes. Traditional income taxes are generally based on a company's taxable profit; top-up tax will arise only if a group pays insufficient income tax at a jurisdictional level.

The standard became effective from May 23, 2023.

The Company's management and its subsidiary analyzed the new definitions and understood that there are 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, 2023:

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, 2024, Retrospective application.
Lease liability in a sale and leaseback (changes to CPC 06/IFRS 16)	This change provides a new concept on how to recognize a leaseback transaction;	January 1, 2024, Prospective application.
Supplier finance arrangements ("Risk Drawee") (amendments to CPC 03/IAS 7 and CPC 40/IFRS 7)	The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.	January 1, 2024, Prospective application.
Lack of exchangeability (changes to CPC 02/IAS 21)	In accordance with IAS 21 The Effects of Changes in Exchange Rates, a company uses a spot exchange rate when converting a transaction into a foreign currency. However, in rare cases, it is possible that one currency cannot be exchanged for another. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial parallel markets. The amendments address when and how to estimate a spot rate, to these cases.	January 1, 2025, 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	
	2023	**2022**	**2023**	**2022**
Cash and banks	271	268	286	283
Cash equivalents				
Bank deposit certificate (CDB)	215,755	166,909	216,466	167,556
	216,026	**167,177**	**216,752**	**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 102,84% of Interbank Deposit (DI) rate in last 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.

6 Inventories

In 2023, the Parent Company and Consolidated balance of inventories applied to equipment maintenance totaled R$ 38,744 (R$ 38,626 in 2022).

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		
	2022	Additional amount/offset (liability) recorded	2023
Assets			
Temporary differences:			
Difference between tax basis and book value - deferred assets	22,806	(734)	22,072
Other	2,432	925	3,357
Total deferred income taxes assets	**25,238**	**191**	**25,429**
Liabilities			
Temporary differences:			
Difference between tax basis and book value of depreciation rates	(71,703)	(9,959)	(81,662)
Capitalized interests	(119,245)	(22,697)	(141,942)
Judicial deposits	(641)	366	(275)
Total deferred income taxes liabilities	**(191,589)**	**(32,290)**	**(223,879)**
Net effect	**(166,351)**	**(32,099)**	**(198,450)**

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, 2023 and 2022, are as follows:

	Parent Company		Consolidated	
Income Tax and Social Contribution	**2023**	**2022**	**2023**	**2022**
Income before income taxes	**749,673**	**714,346**	**749,695**	**714,363**
Income tax at the nominal rate 34%	(254,889)	(242,878)	(254,874)	(242,866)
Tax aliquot effect about presumed profit	-	-	(22)	(17)
Tax adjustments:				
Complementary income tax and social contribution - 2022	(4,038)	-	(4,038)	-
Deductions related to social projects with tax incentives	5,056	1,606	5,056	1,606
Non-deductible expenses	(5,206)	-	(5,206)	-
Other	(1,076)	564	(1,091)	552
Total	**(260,153)**	**(240,708)**	**(260,175)**	**(240,725)**
Current income and social contribution tax	(228,052)	(214,150)	(228,074)	(214,167)
Deferred income and social contribution tax	(32,101)	(26,558)	(32,101)	(26,558)
Total income and social contribution tax	**(260,153)**	**(240,708)**	**(260,175)**	**(240,725)**
Effective rate	**35%**	**34%**	**35%**	**34%**

8 Recoverable taxes

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
PIS and COFINS	671	-	702	33
INSS	-	-	59	59
ISS	48	48	48	48
Other	48	7	76	19
Subtotal recoverable taxes	**767**	**55**	**885**	**159**
Income tax	-	-	33	33
Social contribution	-	-	10	10
Total income taxes and social contribution recoverable	**-**	**-**	**43**	**43**
Total	**767**	**55**	**928**	**202**
Current	**767**	**55**	**928**	**202**

9 Judicial deposits

	Parent Company and Consolidated	
	2023	**2022**
Income tax and social contribution (a)	36,171	34,535
Other	696	605
	36,867	**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 on December 2023 is 36,171 (R$ 34,535 on December 2022).

10 Investments

The investments are as follow:

Company	Activity	Ownership interest	Classification
Ferroport Serviços Eireli	Maintenance services	100%	Controlled/Subsidiary
SPE Omega Desenvolvimento de Energia 4 S.A.	Energy generation	6,73%	Financial asset

a. Movement of participation

	2022	Addition	Equity gain	2023
Ferroport Serviços EIRELLI (a)	806	-	81	887
SPE Omega Desenvolvimento de Energia 4 S.A.	-	3,740	-	3,740

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

b. Relevant information about subsidiary

2023

Direct subsidiary	%	Number of shares (thousand)	Asset	Liability	Shareholders’ equity	Capital	Profit for the year
Ferroport Serviços EIRELI	100	100	894	(7)	(887)	845	81

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

c. Relevant information about minority interests

In July 2023, Ferroport acquired part of the common shares of SPE (Special Purpose Company) Omega Desenvolvimento de Energia 4 S.A., as show in the table below:

(In thousands of Reais)

Company	Activity	Number of Shares (thousand)	(%)	Value
SPE Omega Desenvolvimento de Energia 4 S.A.	Energy generation	25.697	6,73%	3,600

**IPCA accumulated from June 2022 to June 2023*

This investment did not attribute control or significant influence to Ferroport Logística Exportadora S.A. and is classified as a financial asset.

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, 2023:

Parent Company and Consolidated

Suppliers	Assets	Right of use assets	Lease Liabilities	Months	Interest rates
Localiza	Vehicles	561	651	68	1,0280%
Transbarra	Machinery and equipment	5,090	5,446	60	0,9902%
Ormec	Machinery and equipment	448	450	24	0,9902%
Solaris (Mills)	Machinery and equipment	454	501	60	0,9902%
Trimak	Machinery and equipment	7	8	36	0,9902%
		6,560	**7,056**		

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, 2023, are as follows:

Parent Company and Consolidated

Lease Assets	2022	Additions	(-) Depreciation	2023
Right of use - Vehicles	1,539	-	(841)	698
Right of use - Machinery and equipment	7,202	467	(1,807)	5,862
	8,741	**467**	**(2,648)**	**6,560**

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 Liabilities	2022	Additions	Transfer	Interest	Payments	2023
Current	2,390	220	2,042	949	(3,357)	2,244
Non-current	6,607	247	(2,042)	-	-	4,812
	8,997	**467**	**-**	**949**	**(3,357)**	**7,056**

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

Payments	2023			2022		
	Fixed (Lease)	**Variable (Cost)**	**Total**	**Fixed (Lease)**	**Variable (Cost)**	**Total**
Vehicles	(1,021)	-	(1,021)	(934)	-	(934)
Machinery and equipment	(2,336)	-	(2,336)	(1,792)	-	(1,792)
	(3,357)	**-**	**(3,357)**	**(2,726)**	**-**	**(2,726)**

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, 2023:

Parent Company and Consolidated

	Maturity				
	Up to 6 months	**From 6 to 12 months**	**From 1 to 2 years**	**Above 2 years**	**Total**
Lease Liabilities	1,261	984	1,762	3,049	**7,056**

12 Property, plant and equipment

Parent Company and Consolidated	Annual depreciation rate %	Cost	Accumulated depreciation	2023	2022
Improvements	**4**	66,619	(65,365)	1,254	1,326
Furniture and fixtures	**10**	1,556	(818)	738	774
Vehicles	**20 and 25**	1,760	(1,379)	381	656
IT equipment	**20**	15,540	(9,546)	5,994	5,351
Machinery and equipment	**10, 20 and 50**	72,413	(24,657)	47,756	42,059
Electronic equipment	**20**	3,715	(1,791)	1,924	1,836
Defenses	**10**	4,031	(3,543)	488	891
Breakwater	**2.22**	860,694	(170,880)	689,814	714,940
Maritime access canal	**2.22**	509,254	(89,108)	420,146	428,042
Pier - Port Terminal	**2.22**	835,788	(146,181)	689,607	708,180
Safety equipment	**10**	62,031	(17,668)	44,363	42,340
Operational tools and equipment	**10 and 5**	127,768	(39,969)	87,799	65,940
Construction in progress	**-**	60,902	-	60,902	46,301
Other equipments	**10 and 5**	8,377	(7,017)	1,360	5,605
		2,630,448	**(577,922)**	**2,052,526**	**2,064,241**

Parent Company and Consolidated	Annual depreciation rate %	2022	Additions	Write-offs	Transfers	2023
Cost						
Improvements	**4**	66,619	-	-	-	**66,619**
Furniture and fixtures	**10**	1,462	94	-	-	**1,556**
Vehicles	**20 and 25**	1,760	-	-	-	**1,760**
IT equipment	**20**	13,359	2,301	(7)	(113)	**15,540**
Machinery and equipment	**10, 20 and 50**	55,287	19,252	-	(2,126)	**72,413**
Electronic equipment	**20**	3,188	900	-	(373)	**3,715**
Defenses	**10**	4,031	-	-	-	**4,031**
Breakwater	**2.22**	867,128	775	(6,678)	(531)	**860,694**
Maritime access canal	**2.22**	506,347	2,811	-	96	**509,254**
Pier - Port Terminal	**2.22**	835,788	-	-	-	**835,788**
Safety equipment	**10**	56,864	7,477	(18)	(2,292)	**62,031**
Operational tools and equipment	**10 and 5**	83,760	24,999	(5)	19,014	**127,768**
Construction work in progress	**-**	46,301	15,933	-	(1,332)	**60,902**
Others equipments	**10 and 5**	20,720	-	-	(12,343)	**8,377**
		2,562,614	**74,542**	**(6,708)**	**-**	**2,630,448**

Parent Company and Consolidated	**Annual depreciation rate %**	**2021**	**Additions**	**Write-offs**	**Transfers**	**2022**
Cost						
Improvements	**4**	66,220	-	-	399	**66,619**
Furniture and fixtures	**10**	1,263	213	(14)	-	**1,462**
Vehicles	**20 and 25**	1,760	-	-	-	**1,760**
IT equipment	**20**	11,118	2,002	-	239	**13,359**
Machinery and equipment	**10, 20 and 50**	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 %**	**2022**	**Additions**	**Write-offs**	**Transfers**	**2023**
Depreciation						
Improvements	**4**	(65,293)	(72)	-	-	**(65,365)**
Furniture and fixtures	**10**	(688)	(130)	-	-	**(818)**
Vehicles	**20 and 25**	(1,104)	(275)	-	-	**(1,379)**
IT equipment	**20**	(8,008)	(1,481)	-	(57)	**(9,546)**
Machinery and equipment	**10, 20 and 50**	(13,228)	(11,988)	-	559	**(24,657)**
Electronic equipment	**20**	(1,352)	(545)	-	106	**(1,791)**
Defenses	**10**	(3,140)	(403)	-	-	**(3,543)**
Breakwater	**2,22**	(152,188)	(18,915)	223	-	**(170,880)**
Maritime access canal	**2,22**	(78,305)	(10,803)	-	-	**(89,108)**
Pier - Port Terminal	**2,22**	(127,608)	(18,573)	-	-	**(146,181)**
Safety equipment	**10**	(14,524)	(2,962)	10	(192)	**(17,668)**
Operational tools and equipment	**10 and 5**	(17,820)	(13,077)	4	(9,076)	**(39,969)**
Others equipments	**10 and 5**	(15,115)	(562)	-	8,660	**(7,017)**
		(498,373)	**(79,786)**	**237**	**-**	**(577,922)**
Property and equipment, net		**2,064,241**	**(5,244)**	**(6,471)**	**-**	**2,052,526**

Parent Company and Consolidated	Annual depreciation rate %	2021	Additions	Write-offs	Transfers	2022
Depreciation						
Improvements	**4**	(65,221)	(72)	-	-	**(65,293)**
Furniture and fixtures	**10**	(584)	(115)	11	-	**(688)**
Vehicles	**20 and 25**	(795)	(309)	-	-	**(1,104)**
IT equipment	**20**	(6,632)	(1,376)	-	-	**(8,008)**
Machinery and equipment	**10, 20 and 50**	(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**

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

		Company and Consolidated				
	Amortization	**2021**	**Additions**	**2022**	**Additions**	**2023**
Cost						
Software use license	5 years	13,328	724	14,052	1,495	15,547
Total Cost		**13,328**	**724**	**14,052**	**1,495**	**15,547**
Amortization						
Software use license	5 years	(10,206)	(848)	(11,054)	(851)	(11,905)
Total Amortization		**(10,206)**	**(848)**	**(11,054)**	**(851)**	**(11,905)**
		3,122	**(124)**	**2,998**	**644**	**3,642**

14 Trade accounts payable

The balance payable to the suppliers of R$ 48,345 (R$ 34,562 on December 31, 2022) represents company's obligations arising from the purchase of products and services for the development of the Company's activities:

	Parent Company and Consolidated	
	2023	**2022**
Environmental services	4,449	5,255
Energy comsumption	2,106	2,860
Property security	398	341
Administrative services	6,506	4,498
Law services	2,731	1,278
Operational services	26,216	14,249
I.T.	1,784	854
Others	4,155	5,227
	48,345	**34,562**

15 Payroll and related charges

	Parent Company and Consolidated	
	2023	**2022**
Net profit sharing (NPS/Bonus)	15,233	17,698
Provision for vacations	5,381	3,610
Payroll charges	1,380	3,034
Others	561	2
	22,555	**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	
	2023	**2022**	**2023**	**2022**
Assets				
Assets to be transferred to AAMFB (a)	-	210,102	-	210,102
Accounts receivable from AAMFB (b)	88,855	91,931	88,855	92,264
Accounts receivable from Vast Infraestrutura (c)	8,024	8,510	8,029	8,512
	96,879	**310,543**	**96,884**	**310,878**
Credit Note				
AAMFB	474	441	474	441
Vast Infraestrutura (d)	293	20,328	293	20,328
Porto do Açu	3	-	3	-
Prumo Logística	4	-	4	-
Current	97,653	121,210	97,658	121,545
Noncurrent	-	210,102	-	210,102

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Liabilities				
Advances of the asset allocation				
AAMFB (a)	-	210,102	-	210,102
Debit Note				
Vast Infraestrutura (e)	38	10,703	38	10,703
Prumo Participações	21	15	21	15
Porto do Açu	120	226	120	226
	179	**221,046**	**179**	**221,046**
Deferred revenue				
Deferred revenue with related party (f)	41,866	44,060	41,866	44,060
Current	2,373	13,138	2,373	13,138
Noncurrent	39,672	251,968	39,672	251,968

(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), in 2022;

(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.

The transactions that affect the income statements are as follows:

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Revenue				
AAMFB - take-or-pay agreement	975,212	975,649	975,212	975,649
Vast Infraestrutura - T-Oil	79,519	20,349	79,519	20,349
Vast Infraestrutura - (Services)	-	-	32	23
Cost				
Prumo Participações	(104)	(15)	(104)	(15)
Porto do Açu	(349)	(226)	(349)	(226)
Vast Infraestrutura	-	(10,582)	-	(10,582)
Financial Expenses				
Prumo Participações e Investimentos	-	(874)	-	(874)
Anglo American Capital London	-	(113)	-	(113)
	1,054,278	**984,188**	**1,054,310**	**984,211**

Key management compensation was as follows:	**2023**	**2022**
Payroll and related charges	4,164	4,375

17 Taxes payable

	Parent Company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
PIS and COFINS	25,492	28,624	25,492	28,625
ISS	221	111	221	111
ICMS	22,047	19,479	22,047	19,479
Income tax and social contribution (*)	66,440	75,681	66,445	75,686
Other	1,981	1,616	1,981	1,616
	116,181	**125,511**	**116,186**	**125,517**
Current	36,518	40,236	36,523	40,242
Noncurrent (*)	79,663	85,275	79,663	85,275

(*) 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:

	Parent Company and Consolidated	
Probable:	**2023**	**2022**
Labor claims	3,314	2,943
Tax claims	-	21
Civil claims (a)	20,071	18,925
	23,385	**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 December 31, 2023, the amount is R$ 20,063 (R$ 17,909 on December 31, 2022).

Provision movements

	Parent Company and Consolidated			
	2022	**Additions**	**Write-offs**	**2023**
Labor	2,943	1,283	(912)	3,314
Tax	21	-	(21)	-
Civil	18,925	2,155	(1,009)	20,071
	21,889	**3,438**	**(1,942)**	**23,385**

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

	Parent Company and Consolidated	
Possible:	**2023**	**2022**
Labor claims	7,593	5,075
Tax claims [(a)]	198,910	276,457
Civil claims[(b)]	258,749	320,321
	465,252	**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$ 143,694 (R$ 272,078 on December 31, 2022). In July 2023, the Federal Revenue of Brazil (“RFB”) partially considered the challenge made by Ferroport to be valid, considerably reducing the value of the notice.

(b) Impacted mainly by ARG/Civilport litigation in the amount of R$ 216,618 (R$ 211,979 on December 31, 2022). In 2023, due to Ferroport's success in the first and second instance, the prognosis of the process related to Arcoenge was entirely changed from "possible" to "remote", in the amount of R$ 67,114. 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, 2023 and 2022, 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, 2023, the Company has a balance of R$ 348,783 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. On December 31, 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 December 31, 2023 the capital reserves total R$ 94,589 (R$ 94,589 on December 31, 2021).

Dividends

On March 10, 2023, at the Annual Shareholders' Meeting, the Board of Directors approved the proposal for the distribution of dividends related to profits for the year 2022, in the amount of R$ 449,956.

In 2023, a total of R$ 492,140 was paid to shareholders:

Shareholders	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	Total
AAMFB	75,583	55,050	66,576	48,861	**246,070**
Prumo Participações	75,583	55,050	66,576	48,861	**246,070**
	151,166	**110,100**	**133,152**	**97,722**	**492,140**

In December 2023, 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$ 116,261.

20 Net revenue from services

	Parent Company		Consolidated	
	2023	2022	2023	2022
Gross revenue	**1,193,165**	**1,140,901**	**1,193,198**	**1,140,925**
Shipment of iron ore (Take or Pay)	1,103,132	1,091,020	1,103,132	1,091,020
Oil transshipment (T-Oil)	90,033	45,139	90,033	45,139
Port services		4,742	33	4,766
Taxes	**(140,144)**	**(128,326)**	**(140,146)**	**(128,327)**
Taxes on gross revenue - PIS/COFINS	(110,368)	(105,533)	(110,369)	(105,534)
Tax on services – ISS	(29,776)	(22,793)	(29,777)	(22,793)
Net revenue from services	**1,053,021**	**1,012,575**	**1,053,052**	**1,012,598**

21 Costs of services

	Parent Company and Consolidated	
	2023	2022
Payroll and related charges	(63,414)	(52,733)
Depreciation and amortization	(59,841)	(52,202)
Third-parties services	(56,022)	(77,268)
Leases and rents	(6,862)	(6,773)
Insurance	(5,544)	(4,959)
Consumables spare parts	(51,596)	(57,496)
Environmental expenses	(1,786)	(2,406)
Depreciation of rights of use assets	(2,427)	(2,040)
Other	(10,588)	(9,725)
	(258,080)	**(265,602)**

22 General and administrative expenses

	Parent Company		Consolidated	
	2023	2022	2023	2022
Payroll and related charges	(17,327)	(20,704)	(17,327)	(20,704)
Third party services	(8,976)	(8,646)	(8,976)	(8,646)
Depreciation and amortization	(21,250)	(17,710)	(21,250)	(17,710)
Insurance	(81)	(79)	(81)	(79)
Travel expenses	(419)	(332)	(419)	(332)
Leases and rents	(479)	(476)	(479)	(476)
Depreciation of rights of use assets	(221)	(194)	(221)	(194)
Contingencies	(2,570)	(2,552)	(2,570)	(2,552)
Donations (a)	(10,615)	-	(10,615)	-
Other	(4,544)	(4,433)	(4,553)	(4,440)
	(66,482)	**(55,126)**	**(66,491)**	**(55,133)**

(a) In 2023, the company carried out various social projects, promoting development and integration with the local community.

23 Other operating income (expenses)

	Parent Company and Consolidated	
	2023	2022
Non-consumed electric energy (a)	5,380	6,557
Deferred revenue - right of use	1,991	1,991
Write-off inventories	(4,690)	(1,420)
Other	306	(44)
	2,987	**7,084**

(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	
	2023	**2022**	**2023**	**2022**
Financial expenses				
Tax on financial transactions (IOF)	(616)	(800)	(616)	(800)
Interest - intercompany loan	-	(983)	-	(983)
Interest on leases	(950)	(501)	(950)	(501)
Interest on tax parcellation	(1,365)	(739)	(1,365)	(740)
Update - Selic interest rate	(3,469)	(4,539)	(3,469)	(4,539)
Other	(754)	(395)	(755)	(380)
	(7,154)	**(7,957)**	**(7,155)**	**(7,943)**
Financial income				
Update - Selic interest rate	1,651	4,350	1,651	4,350
Interest income	23,541	18,955	23,623	19,009
Other	108	-	108	-
	25,300	**23,305**	**25,382**	**23,359**
Financial results, net	**18,146**	**15,348**	**18,227**	**15,416**

25 Commitments

The Company undertook future purchase commitments amounting to R$ 469,527 as of December 31, 2022 (R$ 480,094 as of December 31, 2022) and these should be fulfilled in the course of the operations:

Asset	**2023**	**2022**	**Description**
Property, plant and equipment / Intangible / Right of use assets			
Construction in progress	7,245	14,892	Structural reform to adapt the facilities
Right of use assets - Lease	14,065	20,054	Leasing of vehicles, machinery and equipment
Intangible	37	90	Systems licenses
Total asset	**21,347**	**35,036**	
Result			
Cost/Expenses	171,026	232,603	Electricity purchase agreement*
	-	831	Pier piling repair
	21,407	36,200	Industrial cleaning and facilities services
	33,358	7,519	Support for navigation and underwater activities
	3,219	3,035	Transport of employees
	6,616	3,798	Vigilance and Security
	13,342	262	Health and medical services plan
	10,282	11,697	Legal and financial consultancy
	12,245	4,916	Reforestation and waste management
	5,479	4,916	Employee benefits
	3,850	3,831	IT Services
	18,106	18,277	Preventive and corrective maintenance
	900	2,180	Medical services and occupational health
	111,055	85,831	Maintenance dredging
	5,700	7,554	Catering
	31,595	21,608	Others
Total Results	**448,180**	**445,058**	
Total	**469,527**	**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 is 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 2023 and 2022 are as follows:

	Parent Company						
	2023				**2022**		
Classifications	**Book Value**	**Amortized cost**	**Fair value through profit or loss (FVTPL)**	**Fair value measurement hierarchy**	**Book Value**	**Amortized cost**	**Fair value measurement hierarchy**
Assets							
Cash and cash equivalents	216,026	216,026	-	2	167,177	167,177	2
Accounts receivable from related parties	97,653	97,653	-	2	121,210	121,210	2
Investiments - others participations	3,740	-	3,740	3	-	-	-
Liabilities							
Other financial liabilities							
Lease liabilities	7,056	7,056	-	2	8,997	8,997	2
Trade accounts payable	48,344	48,344	-	2	34,562	34,562	2
Related parties - accounts payable	179	179	-	2	221,046	221,046	2

	Consolidated						
	2023				**2022**		
Classifications	**Book Value**	**Amortized cost**	**Fair value through profit or loss (FVTPL)**	**Fair value measurement hierarchy**	**Book Value**	**Amortized cost**	**Fair value measurement hierarchy**
Assets							
Cash and cash equivalents	216,752	216,752	-	2	167,839	167,839	2
Accounts receivable	97,658	97,658	-	2	121,212	121,212	2
Investiments - others participations	3,740	-	3,740	3	-	-	-
Liabilities							
Other financial liabilities							
Lease liabilities	7,056	7,056	-	2	8,997	8,997	2
Trade accounts payable	48,345	48,345	-	2	34,562	34,562	2
Related parties - accounts payable	179	179	-	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 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, 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	-	48,344	48,344
Related parties - accounts payable	-	179	179
Total by maturity range	**-**	**48,523**	**48,523**

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$ 216,752 at 31 December 2023 (R$ 167,839 at 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	**2023**	**2022**
Cash equivalents	216,752	167,839
Accounts receivable (Related parties)	97,658	121,545
	314,410	**289,384**

For the year ended on December 31, 2023 and 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.

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, 2023 and 2022, the insurance coverage was as follows:

	2023	**2022**
Property and equipment damages	3,924,158	3,524,108
Civil liability	242,035	260,885
Environmental Liability	30,000	30,000
Directors & Management	60,000	60,000

*   *   *

Carsten Bosselmann
Chief Executive Officer

Alessandra Maia Marinho Basile
Chief Financial Officer

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