

# Açu Petróleo S.A.

**Financial statements as of and for  
the year ended December 31, 2019  
and 2018 and January 1, 2018**

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## Independent auditors' report on the financial statements

To the Shareholders, Board of Directors and Management of

Açu Petróleo S.A.

Rio de Janeiro – RJ

### Opinion

We have audited the financial statements of Açu Petróleo S.A. ("the Company"), which comprise the balance sheet as of December 31, 2019, and the statements of operations, comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Açu Petróleo S.A., as of December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB.

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 1 – Revenue Recognition

Refer to notes 3(h) and 18 of the financial statements.

Key audit matter	How the matter was addressed in our audit
<p>As of December 31, 2019, the Company has the amount of US\$ 59,938 thousand in the net revenue, resulting from oil transshipment services.</p> <p>The Company has contracts that have take-or-pay clauses, which ensure receipt of a minimum number of oil transshipment transactions regardless of their physical performance, in case the Company's client does not exercise the right to perform them within the established term. These contracts have start and end dates that can not coincide with the date of the Company's financial statements and variation in the minimum number of operations established for each contract.</p> <p>Due to the relevance of the amounts involved, the nature of these contracts and the risk of revenue recognition in the inappropriate period, we consider this to be a key audit matter</p>	<p>Our audit procedures included, among others:</p> <p>We carry out analysis of oil transshipment service contracts, inspecting the object of the contracts, term clauses, price and adjustment clauses, take-or-pay clauses (when applicable), billing clauses and penalty clauses.</p> <p>We obtained 100% of the issued invoices and supporting documentation related to the services, observing if they are in the name of the Company, comparing the amount with the balance recorded and evaluating if they were recognized in the appropriate period.</p> <p>We inspect the amounts on the bank statement for revenue recognized in the period already received.</p> <p>We compared the total number of transactions in the period with the number of transactions agreed in the contract.</p> <p>Additionally, we obtained the invoices issued in the period from 01/01/2020 to 01/31/2020 and inspected the respective supporting documentation related to the provision of services in order to assess whether they were recognized in the appropriate period.</p> <p>We also assess whether the disclosures in the financial statements consider the relevant information.</p> <p>Based on the evidences obtained by applying the procedures summarized above, we considered that the revenue recognition is acceptable, as well as related disclosures, in the context of the financial statements for the year ended December 31, 2019 taken as whole.</p>

## 2 – Deferred income taxes

Refer to notes 3(e) and 9 of the financial statements.

Key audit matter	How the matter was addressed in our audit
<p>As of December 31, 2019, the Company has deferred income taxes related to tax loss and negative social contribution base and temporary differences, to the extent that it is probable that future taxable profit will be generated, against which they will be utilized.</p> <p>The determination of the future taxable profits based on the estimates of revenue, costs and financial results based on the economic and operational environment of the Company.</p>	<p>Our audit procedures included, among others:</p> <p>Evaluating, with the support of our tax experts, the nature of temporary differences, as well as the reasonableness of the tax loss and the negative social contribution bases.</p> <p>Evaluating, with the support of our corporate finance experts, the assumptions and methodologies used in preparing the projection of future taxable profits, as well as assumptions such as forecast economic growth</p>

Due to the uncertainties inherent in the business that may impact the projections of future taxable income and its estimates to determine the possibility of recovery of those deferred income tax assets and the fact that the Company exercises a significant judgment that may impact the value of those assets in the interim financial statements, we consider this to be a key audit matter.

for the industry and capital investments, comparing them with data obtained from external sources, as well as assessing the sensitivity analysis carried out to estimate revenue and costs, comparing them with the expected future taxable profit.

Examining the accounts of the economic models of future cash flows and estimated results, comparing them with accounting information, managerial reports and business plans approved by the Board of Directors.

We also assessed whether the disclosures in the financial statements consider the relevant information.

Based on the evidence obtained by applying the procedures summarized above, we consider that the deferred income tax balances and the respective disclosures are acceptable in the context of the financial statements for the period ended December 31, 2019 taken as a whole.

### Emphasis of matter – Restatement of financial statements

On April 1, 2020, we issued an unqualified audit report on the financial statements of Açu Petróleo S.A. for the year ended December 31, 2019, which are now being restated. As mentioned in note 2.b, these financial statements have been modified and are being restated to reflect changes in the calculation of the depreciation of machinery and equipment, as described in that note. Consequently, our opinion considers the changes and replaces the one previously issued. Our opinion is not qualified in relation to this matter.

### Other matters - Statements of Added Value

The statements of added value for the year ended December 31, 2019, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted to the same audit procedures followed together with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled to the financial statements and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, these statements of added value have been adequately prepared, in all material respects, according to the criteria set on this Technical Pronouncement and are consistent with the company financial statements taken as a whole.

## Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is 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 Financial Statements

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

As part of the examination performed in accordance with Brazilian and international standards on auditing, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is greater than the one deriving from error, as fraud may involve the act of circumventing internal control, collusion, forgery, omission or deliberate false representations.
- 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are substantiated by the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the corresponding transactions and events in a compatible manner with the objective of a true and fair presentation.

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.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, August 31, 2020

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



Juliana Ribeiro de Oliveira

Contador CRC RJ – 095335/O-0

# Açu Petróleo S.A.

## Balance Sheets as of December 31, 2019 and 2018 and January 1, 2018

(In thousands of U.S. Dollars)

	Note	Restated 12/31/2019	Restated 12/31/2018	Restated 01/01/2018
<b>Assets</b>				
<b>Current</b>				
Cash and cash equivalents	4	1,346	13,734	4,400
Marketable securities	5	17,097	-	271
Accounts receivable	7	10,623	8,914	1,256
Recoverable taxes	8	4,942	9,471	3,309
Accounts receivable with related party	10	-	3,902	5,303
Income and social contribution taxes	8	3	841	1,624
Prepaid expenses		662	323	222
Other current assests		94	23	9
		<u>34,767</u>	<u>37,208</u>	<u>16,394</u>
<b>Non-current</b>				
Accounts receivable	7	142	-	-
Other non-current assets		83	38	43
Deferred income taxes		-	-	15,099
Escrow accounts	6	11,565	11,152	6,868
Property, plant and equipment	11	347,367	362,174	390,015
Right-of-use assets	2.f	413	-	-
Intangible assets	12	12,725	13,223	13,751
		<u>372,295</u>	<u>386,587</u>	<u>425,776</u>
<b>Total assets</b>		<b><u>407,062</u></b>	<b><u>423,795</u></b>	<b><u>442,170</u></b>
<b>Liabilities</b>				
<b>Current</b>				
Trade payables	13	2,824	1,488	5,731
Loans and borrowings	14	8,739	8,190	4,774
Salaries and social charges payable		1,409	939	435
Accounts payable to related parties	10	3,532	2,591	4,674
Taxes and contributions payable	15	480	370	172
Income tax and social contribution payable	15	169	-	-
Lease liabilities	2.f	76	-	-
Other current liabilities		44	45	53
		<u>17,273</u>	<u>13,623</u>	<u>15,839</u>
<b>Non-current</b>				
Loans and borrowings	14	87,950	94,827	65,104
Deferred taxes	9	5,811	2,857	-
Lease liabilities	2.f	403	-	-
		<u>94,164</u>	<u>97,684</u>	<u>65,104</u>
<b>Total liabilities</b>		<b><u>111,437</u></b>	<b><u>111,307</u></b>	<b><u>80,943</u></b>
<b>Shareholders' equity</b>				
Share capital	17	52,438	65,597	91,913
Capital reserve		245,526	245,526	245,526
Profit reserve		-	1,365	23,788
Accumulated losses		(2,339)	-	-
Total shareholders' equity		<u>295,625</u>	<u>312,488</u>	<u>361,227</u>
<b>Total liabilities and shareholders' equity</b>		<b><u>407,062</u></b>	<b><u>423,795</u></b>	<b><u>442,170</u></b>

The accompanying notes are an integral part of the financial statements.

# Açu Petróleo S.A.

## Statements of operations

Years ended on December 31, 2019 and 2018

(In thousands of U.S. Dollars)

	Note	Restated 2019	Restated 2018
Net revenue of services	18	59,938	43,284
Cost of services provided	19	<u>(43,523)</u>	<u>(32,486)</u>
<b>Gross profit</b>		<b><u>16,415</u></b>	<b><u>10,798</u></b>
<b>Operating income/expenses</b>			
General and administrative Expenses	20	(5,526)	(5,721)
Expected credit losses		(2)	(9)
Other operating income / expenses		<u>107</u>	<u>(3)</u>
<b>Income before financial result and taxes</b>		<b><u>10,994</u></b>	<b><u>5,065</u></b>
<b>Financial result</b>			
Financial income	21	1,311	1,543
Financial expenses	21	<u>(11,780)</u>	<u>(11,867)</u>
<b>Financial result</b>		<b><u>(10,469)</u></b>	<b><u>(10,324)</u></b>
<b>Profit (Loss) before taxes</b>		<b><u>525</u></b>	<b><u>(5,259)</u></b>
Current income and social contribution taxes	15	(1,518)	-
Deferred income tax and social contribution taxes	15	<u>(2,711)</u>	<u>(17,164)</u>
<b>Loss for the year</b>		<b><u>(3,704)</u></b>	<b><u>(22,423)</u></b>
<b>Loss per share</b>			
Loss per share - basic and diluted (in U.S. Dollars)	22	<b>(0.0139)</b>	<b>(0.0840)</b>

The accompanying notes are an integral part of the financial statements.

# **Açu Petróleo S.A.**

## **Statements of comprehensive loss**

**Years ended on December 31, 2019 and 2018**

*(In thousands of U.S. Dollars)*

	<b>Restated 2019</b>	<b>Restated 2018</b>
Loss for the year	(3,704)	(22,423)
<b>Total comprehensive loss for the year</b>	<b><u>(3,704)</u></b>	<b><u>(22,423)</u></b>

The accompanying notes are an integral part of the financial statements.

# Açu Petróleo S.A.

## Statements of changes in Shareholders' equity

Years ended as of December 31, 2019 and 2018

*(In thousands of U.S. Dollars)*

	Share capital	Capital reserve	Profit reserve	Accumulated losses	Total shareholders' equity
<b>Balance on January 1, 2018</b>	<b>91,913</b>	<b>245,526</b>	<b>23,788</b>	<b>-</b>	<b>361,227</b>
Loss for the year (restated)	-	-	-	(22,423)	(22,423)
Capital reduction (note 17)	(26,316)	-	-	-	(26,316)
Absorption of loss with reserves	-	-	(22,423)	22,423	-
<b>Balance on December 31, 2018</b>	<b>65,597</b>	<b>245,526</b>	<b>1,365</b>	<b>-</b>	<b>312,488</b>
Loss for the year (restated)	-	-	-	(3,704)	(3,704)
Capital reduction (note 17)	(13,159)	-	-	-	(13,159)
Absorption of loss with reserves	-	-	(1,365)	1,365	-
<b>Balance on December 31, 2019</b>	<b>52,438</b>	<b>245,526</b>	<b>-</b>	<b>(2,339)</b>	<b>295,625</b>

The accompanying notes are an integral part of the financial statements.

# Açu Petróleo S.A.

## Statement of cash flows

Years ended as of December 31, 2019 and 2018

(In thousands of U.S. Dollars)

	Restated 2019	Restated 2018
<b>Cash flows from operating activities</b>		
Profit (Loss) before taxes	525	(5,259)
<b>Adjustments for:</b>		
Depreciation and amortization	19,686	18,114
Interest on loans	6,708	5,333
Expected credit losses	2	9
Amortization of transaction cost	481	509
Exchange variation from loans	(306)	(1,808)
Exchange variation	1,769	5,391
	<u>28,865</u>	<u>22,289</u>
<b>Changes in:</b>		
<b>(Increase) decrease in assets and increase (decrease) in liabilities:</b>		
Recoverable taxes	4,529	3,558
Income and social contribution taxes recoverable	838	693
Accounts receivable	(1,853)	(7,695)
Accounts receivable from related parties	3,902	5,052
Prepaid expenses	(339)	(101)
Amounts receivable from third parties	(60)	34
Other accounts receivable	(55)	(16)
Trade payables	1,336	(4,243)
Accounts payable to related parties	939	(2,082)
Taxes and contributions payable	110	187
Income and social contribution taxes payable	1,523	168
Salaries and social charges payable	470	477
Other current liabilities	(2)	(9)
Income tax and social contribution paid	(1,354)	(129)
	<u>38,849</u>	<u>18,183</u>
<b>Net cash generated by operating activities</b>		
	<u>38,849</u>	<u>18,183</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,409)	(2,228)
Acquisition of intangible assets	(32)	-
Purchase of securities	(17,097)	-
	<u>(20,538)</u>	<u>(2,228)</u>
<b>Net cash used in investing activities</b>		
	<u>(20,538)</u>	<u>(2,228)</u>
<b>Cash flows from financing activities</b>		
Transaction costs with third parties	-	(165)
Escrow accounts	(413)	(4,141)
Payment of interest on loans	(6,781)	(5,830)
Payment of loans	(7,042)	(4,906)
Capital reduction	(13,159)	(26,316)
Loans and borrowings obtained	-	35,000
	<u>(27,395)</u>	<u>(6,358)</u>
<b>Net cash used in financing activities</b>		
	<u>(27,395)</u>	<u>(6,358)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(9,084)</b>	<b>9,597</b>
Cash and cash equivalents at the start beginning of the year	13,734	4,528
Cash and cash equivalents at the end of the year	1,346	13,734
Effect of exchange rate variation on cash and cash equivalents	3,304	391
	<u>(9,084)</u>	<u>9,597</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(9,084)</b>	<b>9,597</b>

The accompanying notes are an integral part of the financial statements.

# Açu Petróleo S.A.

## Statements of added value

Years ended as of December 31, 2019 and 2018

*(In thousands of U.S. Dollars)*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Service revenue	67,604	48,771
Expected credit losses	<u>(2)</u>	<u>(9)</u>
	<b><u>67,602</u></b>	<b><u>48,762</u></b>
<b>Inputs acquired from third parties</b>		
Costs of services provided	(23,687)	(14,865)
Materials, electric power, third party services and others	<u>(1,520)</u>	<u>(1,926)</u>
	<b><u>(25,207)</u></b>	<b><u>(16,791)</u></b>
<b>Gross added value</b>	<b><u>42,395</u></b>	<b><u>31,971</u></b>
<b>Depreciation and amortization</b>	<b><u>(19,686)</u></b>	<b><u>(18,114)</u></b>
<b>Net added value produced by the Company</b>	<b><u>22,709</u></b>	<b><u>13,857</u></b>
<b>Added value received through as transfer</b>		
Financial income	<u>1,311</u>	<u>1,756</u>
	<b><u>1,311</u></b>	<b><u>1,756</u></b>
<b>Total added value to be distributed</b>	<b><u>24,020</u></b>	<b><u>15,613</u></b>
<b>Distribution of added value:</b>	<b><u>24,020</u></b>	<b><u>15,613</u></b>
<b>Personnel</b>		
Direct compensation	2,771	2,231
Benefits	288	273
Severance pay fund (FGTS)	<u>79</u>	<u>70</u>
	<b><u>3,138</u></b>	<b><u>2,574</u></b>
<b>Taxes, fees and contributions</b>		
Federal	12,632	23,569
State	-	-
Municipal	<u>1,429</u>	<u>998</u>
	<b><u>14,061</u></b>	<b><u>24,567</u></b>
<b>Remuneration of third party capital</b>		
Interest	10,307	10,727
Leases	141	103
Others	<u>78</u>	<u>65</u>
	<b><u>10,525</u></b>	<b><u>10,895</u></b>
<b>Remuneration of own capital</b>		
Absorption of losses	<u>(3,704)</u>	<u>(22,423)</u>
	<b><u>(3,704)</u></b>	<b><u>(24,596)</u></b>

The accompanying notes are an integral part of the financial statements.

## Notes to the financial statements

*(In thousands of U.S. Dollars)*

### 1 Operating context

Açu Petróleo S.A. (“Açu Petróleo” or the “Company”), domiciled in Brazil, with headquarters in the capital of the State of Rio de Janeiro, at Rua Lauro Muller - 116, Rio Sul Center building, Botafogo, is engaged in providing logistics services related to “double banking transshipment”, or transshipment, which occurs when vessels are moored at the pier, for the transportation of liquid cargo. Açu Petróleo S.A. is controlled by Prumo Logística S.A. (Prumo), which has the objective of developing infrastructure projects and integrated logistics, mainly in the port sector.

Açu Petróleo’s terminal has three berths available along a 1,4 km breakwater \*, two of which, the North and Central berths, have the capacity to receive VLCC-type (Very Large Crude Carrier) export vessels and the South berth has capacity to operate Suezmax vessels. The terminal (“T-Oil”) is licensed to handle up to 1.2 million barrels\* of oil per day.

Dredging works were concluded at the end of 2017, increasing the depth of the access channel and of the north and central berths. The width of the channel was also increased, allowing the operation of VLCC type ships. The first operation with a VLCC type vessel, with two million barrels\* of capacity, was carried out in May 2018.

#### Highlights for 2019

In the first quarter, the Company signed a 2-year contract for the supply of oil transfer services to Petrobras (Petróleo Brasileiro S.A.). The contract provides for 48 operations of 1 million barrels \*. In 2019, Petrobras carried out 29 operations at the Açu Petróleo Terminal, 10 of which were transshipped using Suezmax type ships and 19 with VLCC type ships.

At the same quarter, the Company signed a 3-year take-or-pay contract with Equinor Energy do Brasil, with a commitment to operate 36 million \* barrels and the possibility of an additional 12 million barrels\* per year. The agreement provides for operations with Suezmax and VLCC and starts in January 2020.

In the second half of 2019, the Company extended the take-or-pay contract with Petrogal Brasil S.A until 2023 and increased the volume to be handled. In this new agreement, another 85 operations of 1 million barrels are scheduled to start in April 2020 and will last for 3 years. As this new agreement started only in 2020 and the number of operations in the existing contract was already running out, a complementary amendment was necessary for the period of 2019, which provided for at least 6 operations. In 2019, Petrogal carried out 27 operations, of which 26 were from the previous arranged “three-year contract” and 1 from the complementary amendment as mentioned before. Since the start of its transshipment operations at the Açu Petróleo Terminal, Petrogal has loaded 20 VLCC and 10 Suezmax vessels. In total, approximately 50 million barrels\* were handled. And, at the end of 2019, the Company signed a contract for a single spot operation with Repsol Sinopec, which took place in October.

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\*Unaudited information

The Company has a line of credit in the amount of US\$ 350 million with the U.S. International Development Finance Corporation (“DFC”) which was prior named as Overseas Private Investment Corporation (“OPIC”), the North American development finance agency. Of this amount, Açu Petróleo has withdrawn the amount of US\$ 115 million until December 31, 2018. This line of credit is intended to balance the Company's capital structure.

## **2 Basis for preparation and presentation of the financial statements**

### **a. Statement of compliance**

These financial statements were prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”); and in accordance with accounting practices adopted in Brazil (BR GAAP), which cover the Brazilian corporate law, the Pronouncements, Guidelines and Interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Exchange Commission (CVM).

The Company's management authorized the conclusion and issue of the financial statements for the year ended December 31, 2019 on August 31, 2020. Accordingly, these financial statements consider subsequent events that could have an effect on them up to that date. All the relevant information pertaining to the financial statements, and nothing more, is being disclosed and corresponds to that used by Management in its administration.

This is the first set of annual financial statements of the Company in which CPC 06 (R2) / IFRS 16 - Leases were applied. The related changes in the main accounting policies are described in Note 2.f.

### **b. Restatement of financial statements**

The financial statements for the year ended December 31, 2019, originally issued on April 1, 2020, are being restated to reflect mandatory disclosure requirements only for publicly-held companies, such as the presentation of the statements of added value, the calculation of earnings per share, sensitivity analysis and supplements in other notes. Additionally, the Company identified that the depreciation of machinery and equipment was overstated since March 2017 and, therefore, the calculation of accumulated depreciation and the depreciation cost, as well as the corresponding deferred income and social contributions are being restated, as a correction of immaterial error, by the amounts corrected in the periods presented as follows:

#### ***Balance sheets***

<b>As of December 31, 2019</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>Current assets</b>	34,767	-	34,767
<b>Non current assets</b>			
Property, plant and equipment	338,037	9,330	347,367
Other non current assets	24,928	-	24,928
	<u>362,965</u>	<u>9,330</u>	<u>372,295</u>
<b>Total assets</b>	<b><u>397,732</u></b>	<b><u>9,330</u></b>	<b><u>407,062</u></b>
<b>Current liabilities</b>	17,273	-	17,273

**Açu Petróleo S.A.**  
*Financial statements as of and for the year ended  
December 31, 2019 and 2018 and January 1, 2018*

<b>As of December 31, 2019</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>Non current liabilities</b>			
Deferred taxes	2,638	3,173	5,811
Other non current liabilities	88,353	-	88,353
	<u>90,991</u>	<u>3,173</u>	<u>94,164</u>
<b>Shareholders' equity</b>			
Capital and reserves	297,964	-	297,964
Accumulated losses	(8,496)	6,157	(2,339)
Total shareholders' equity	<u>289,468</u>	<u>6,157</u>	<u>295,625</u>
<b>Total liabilities and shareholders' equity</b>	<b><u>397,732</u></b>	<b><u>9,330</u></b>	<b><u>407,062</u></b>
<b>As of December 31, 2018</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>Current assets</b>	37,208	-	37,208
<b>Non current assets</b>			
Property, plant and equipment	356,137	6,037	362,174
Other non current assets	24,413	-	24,413
	<u>380,550</u>	<u>6,037</u>	<u>386,587</u>
<b>Total assets</b>	<b><u>417,758</u></b>	<b><u>6,037</u></b>	<b><u>423,795</u></b>
<b>Current liabilities</b>	13,623	-	13,623
<b>Non current liabilities</b>			
Deferred taxes	804	2,053	2,857
Loans and borrowings	94,827	-	94,827
	<u>95,631</u>	<u>2,053</u>	<u>97,684</u>
<b>Shareholders' equity</b>			
Capital and reserves	308,504	3,984	312,488
Total shareholders' equity	<u>308,504</u>	<u>3,984</u>	<u>312,488</u>
<b>Total liabilities and shareholders' equity</b>	<b><u>417,758</u></b>	<b><u>6,037</u></b>	<b><u>423,795</u></b>
<b>As of January 1, 2018</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>Current assets</b>	16,394	-	16,394
<b>Non current assets</b>			
Deferred taxes	16,032	(933)	15,099
Property, plant and equipment	387,271	2,744	390,015
Other non current assets	20,662	-	20,662
	<u>423,965</u>	<u>1,811</u>	<u>425,776</u>
<b>Total assets</b>	<b><u>440,359</u></b>	<b><u>1,811</u></b>	<b><u>442,170</u></b>

<b>As of January 1, 2018</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>Current liabilities</b>	15,839	-	15,839
<b>Non current liabilities</b>	65,104	-	65,104
<b>Shareholders' equity</b>			
Capital and reserves	359,416	-	359,416
Accumulated losses	-	1,811	1,811
Total shareholders' equity	359,416	1,811	361,227
<b>Total liabilities and shareholders' equity</b>	<b>440,359</b>	<b>1,811</b>	<b>442,170</b>

### *Statements of operations*

<b>Year ended December 31, 2019</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
Net revenue of services	59,938	-	59,938
Cost of services rendered	(46,816)	3,293	(43,523)
<b>Gross profit</b>	13,122	3,293	16,415
<b>Operating expenses</b>	(5,421)	-	(5,421)
<b>Income before financial result and taxes</b>	7,701	3,293	10,994
<b>Financial result</b>	(10,469)	-	(10,469)
<b>(Loss) income before taxes</b>	(2,768)	3,293	525
Current income and social contribution taxes	(1,518)	-	(1,518)
Deferred income and social contribution taxes	(1,591)	(1,120)	(2,711)
<b>Loss for the year</b>	<b>(5,877)</b>	<b>2,173</b>	<b>(3,704)</b>
Loss per share – basic and diluted (in US\$)	(0.0220)	0.0081	(0.0139)
<b>Year ended December 31, 2018</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
Net revenue of services	43,284	-	43,284
Cost of services rendered	(35,779)	3,293	(32,486)
<b>Gross profit</b>	7,505	3,293	10,798
<b>Operating expenses</b>	(5,733)	-	(5,733)
<b>Income before financial result and taxes</b>	1,772	3,293	5,065
<b>Financial result</b>	(10,324)	-	(10,324)
<b>Loss before taxes</b>	(8,552)	3,293	(5,259)
Deferred income and social contribution taxes	(16,044)	(1,120)	(17,164)
<b>Loss for the year</b>	<b>(24,596)</b>	<b>2,173</b>	<b>(22,423)</b>
Loss per share – basic and diluted (in US\$)	(0.0921)	0.0081	(0.0840)

***Statements of comprehensive income***

There is no impact in the statements of comprehensive income, other than the loss for the year presented above.

***Statements of cash flows***

<b>Year ended December 31, 2019</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>Cash flows from operating activities</b>			
Loss before taxes	(2,768)	3,293	525
<b>Adjustments for:</b>			
Depreciation and amortization	22,979	(3,293)	19,686
<b>Year ended December 31, 2018</b>	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
<b>Cash flows from operating activities</b>			
Loss before taxes	(8,552)	3,293	(5,259)
<b>Adjustments for:</b>			
Depreciation and amortization	21,407	(3,293)	18,114

This restatement did not impact the total amounts of operating, investing and financing activities in the statements of cash flows.

**c. Basis of measurement**

The financial statements have been prepared based on historical cost, except for marketable securities, which are measured at fair value through profit or loss.

**d. Functional and presentation currency**

The functional currency of a Company is the currency of the main economic environment in which it is inserted and should be the currency that best reflects the Company's business and operations. Management concluded that the US dollar ("US\$") is its functional currency. This conclusion is based on the primary and secondary indicators set forth in CPC 02 (R2) / IAS 21, an accounting standard dealing with the effects of changes in exchange rates and the conversion of financial statements.

These financial statements are prepared by the Company for information of investors outside Brazil and are not used as a basis for dividend calculation. To comply with the Brazilian Corporate Law and used for profit distribution, the Company prepares financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Financial Reporting Standards Board (IASB) and accounting practices adopted in Brazil, but presented in Brazilian reais.

**e. Use of judgements and estimates**

In preparing these financial statements the Company uses estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Company reviews its assumptions and judgments at least annually. The impacts of these reviews are recognized prospectively.

Information on uncertainties related to assumptions and estimates as of December 31, 2019 that have a significant risk of resulting in a material adjustment to the accounting balances of assets and liabilities in the future are included in the following notes:

- **Note no. 9 and 15** – recognition of deferred income and social contribution taxes;
- **Note no. 12** – definition of the useful life of intangibles and amortization of these assets;
- **Note no. 16** – recognition and measurement of provisions for contingencies;

The information about the judgments made in the application of accounting policies that have significant effects on the amounts recognized in the financial statements, refer mainly to judgments made for the definition of the U.S. dollar as functional currency, accordingly with CPC 02/IAS 21 - Effects of changes in exchange rates and conversion of financial statements. When indicators for the determination of functional currency is not such an obvious process, management should use judgment to determine the functional currency that represents with greater reliability the economic effects of transactions, events and underlying conditions. For this judgment, the Company considers the following characteristics:

- The currency that most influences the sale prices of goods and services of the Company is the U.S. dollar. The Company understands that a substantial part of the transactions of its operation are based on the prices defined in U.S. dollars, even if they are contracts with domestic customers and suppliers (with the exception of the contract with Petrobras), all other company contracts are referenced in US dollars, such as the "Take-or-Pay" contracts with the customers mentioned in note 24.
- The currency that most influences costs for providing goods or services is the U.S. dollar, considering that the Company has costs directly connected to the operation denominated in dollars, such as the port tariff and costs with the port operator "Oiltanking Serviços Ltda" (see note 10).
- The financing obtained from the U.S. International Development Finance Corporation (DFC), North American development financial agency, are denominated in dollars and represent the totality of loans obtained, which are resources used to finance the Company's operation.

Based on the above definitions and characteristics presented, the Company considers that the definition of the U.S. dollar as a functional currency is appropriate.

**f. Changes in the main accounting policies**

The Company initially applied CPC 06 (R2) / IFRS 16 as of January 1, 2019. A number of other new standards also came into effect as of January 1, 2019, but did not materially affect the Company's financial statements.

Details of changes in accounting policies are disclosed below, in addition, the disclosure requirements in CPC 06 (R2) / IFRS 16 in general have not been applied to comparative information. Previously, the Company determined, at the beginning of the contract, whether it was or contained a lease, according to Note 3.i.

The Company adopted CPC 06 (R2) / IFRS 16 using the modified retrospective approach, not restating its financial statements for previous periods, as well as applying the following practical expedients:

- Applied the pronouncement to the contracts that were previously identified as lease, according to Note 3.i;
- The lease liability was measured at the present value of the remaining lease payments, net of recoverable taxes, when applicable, and discounted using the incremental borrowing rate on the date of initial application;
- The right-to-use asset was recognized based on the value of the lease liability, adjusted for any anticipated or accumulated lease payments related to that lease, recognized in the balance sheet immediately before the date of initial adoption;

In the transition to CPC 06 (R2) / IFRS 16, the Company chose to apply the practical expedient with respect to the definition of lease. Contracts that were not identified as leases in accordance with CPC 06 (R1) / IAS 17 and ICPC 03/IFRIC 4; and were not reassessed as a lease in accordance with CPC 06 (R2) / IFRS 16, which was applied only to contracts signed or amended on or after January 1, 2019.

The Company used the following expedients when applying CPC 06 (R2) / IFRS 16 to leases previously classified as operating leases, as disclosed in note 3.h, in accordance with CPC 06 (R1) / IAS 17, in particular:

- Did not recognize assets and liabilities for use rights for leases whose lease term ends within 12 months from the date of initial application;
- Did not recognize assets and liabilities for use rights for leasing low value assets;
- Excluded the initial direct costs of right-of-use asset measurement on the initial adoption date;
- Used retrospectively when determining the lease term.

The lease amounts referring to the practical expedients mentioned before, are disclosed in notes 19 and 20.

In September 2019, the Company recognized a right-of-use asset related to the Company's headquarters located in the city of Rio de Janeiro. The lease agreement classified in accordance with CPC 06 (R2) / IFRS 16 started at the end of 2019, recognized as shown in the table below:

	<b>Opening balance on 01/01/2019</b>	<b>Addition in 2019</b>	<b>Final balance on 12/31/2019</b>
<i>Non-current assets</i>			
Right-of-use assets	-	443	443
Amortization	-	(30)	(30)
<b>Total non-current assets</b>	<b>-</b>	<b>413</b>	<b>413</b>
<i>Current liabilities</i>			
Leases payable	-	120	120
(-) Financial charges to be incurred	-	(44)	(44)
<b>Total current liabilities</b>	<b>-</b>	<b>76</b>	<b>76</b>
<i>Non-current liabilities</i>			
Leases payable	-	484	484
(-) Financial charges to be incurred	-	(81)	(81)
<b>Total non-current liabilities</b>	<b>-</b>	<b>403</b>	<b>403</b>
<b>Statement of operations items</b>			
Amortization	-	(30)	(30)
Interest on leases	-	(16)	(16)
<b>Total in result</b>	<b>-</b>	<b>(46)</b>	<b>(46)</b>

As assessed by Management, all lease agreements classified according to CPC 06 (R2) / IFRS 16, as explained above, started their contract in 2019, consequently, did not affect the opening balance. For further details, see note 3.i.

### ***ICPC 22/IFRIC 23 - Uncertainty over Income Tax Treatments***

ICPC 22/IFRIC 23 clarifies how to apply the recognition and measurement requirements in CPC 32/IAS 12 when there is uncertainty about the treatment of taxes on profit. As it is not likely that the tax authority will accept the uncertain tax treatment adopted, such uncertainty should be reflected in the accounting for income tax in the period.

Management did not identify any impacts on the Company regarding the adoption of ICPC 22/IFRIC 23.

### **3 Main accounting policies**

The Company has applied the accounting policies described in detail below in a consistent manner to all periods presented in these financial statements, unless otherwise stated (see also Note 2.f).

#### **a. Financial instruments**

##### ***Recognition and initial measurement***

Accounts receivable from customers are initially recognized on the date they were originated. All other financial assets and liabilities are initially recognized when the Company becomes part of the provisions of the contractual instrument.

A financial asset (unless it is an accounts receivable from customers without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not measured at FVTPL, the transaction costs that are directly attributable to the acquisition or issuance. Accounts receivable from customers without a significant financing component are initially measured at the transaction price.

##### ***Subsequent classification and measurement***

###### ***Financial assets***

Upon initial recognition, a financial asset is classified as measured: (i) at amortized cost, (ii) at fair value through other comprehensive income (FVTOCI) or (iii) at fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to initial recognition, unless the Company changes the business model for the management of financial assets and, in this case, all affected financial assets are reclassified on the first day of the presentation period after the change of the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL: (i) it is maintained within a business model whose objective is to maintain financial assets to receive contractual cash flows; and (ii) its contractual terms generate, on specific dates, cash flows that are related only to the payment of principal and interest on the principal amount outstanding.

The Company does not have instruments that qualify as measured at fair value through other comprehensive income (FVTOCI).

All other financial assets, not classified as measured at amortized cost, as described above, are classified as measured at fair value through profit or loss. Upon initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI to be measured at FVTPL if this eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### ***Financial liabilities***

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss (FVTPL). A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, is a derivative or is designated as such on initial recognition. Financial liabilities measured at FVTPL are measured at fair value and the net result, including interest, is recognized in the profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in the statement of operations. Any gain or loss on derecognition is also recognized in the statement of operations.

### ***Derecognition***

#### ***Financial assets***

The Company derecognizes a financial asset when the contractual rights to the asset's cash flows expire, or when the Company transfers the contractual rights to the cash flows on a financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor maintains substantially all the risks and benefits of the ownership of the financial asset and also does not retain control over the financial asset.

#### ***Financial liabilities***

The Company derecognizes a financial liability when its contractual obligation is withdrawn, canceled or expires. The Company derecognizes a financial liability when the terms are modified and the cash flows of the modified financial liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. In the derecognition of a financial liability, the difference between the extinguished carrying amount and the consideration paid (including transferred assets that do not pass through the assumed cash or liability) is recognized in the statement of operations.

### ***Compensation***

Financial assets or liabilities are offset and the net amount shown in the balance sheet when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### ***Impairment***

#### ***Cash and cash equivalents***

Cash and cash equivalents are held with banks and financial institutions that are rated between AAA and AA +, based on the main rating agencies, S&P, Moodys and Fitch.

The estimated impairment model in cash and cash equivalents was calculated based on the expected loss for 12 months and reflected the short maturities of risk exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of counterparties.

#### *Marketable securities*

Securities classified as fair value through profit or loss refer only to investments in foreign exchange funds, made to protect the cash held in reais from exchange fluctuations in the US dollar, as Açu Petróleo uses the US dollar as its functional currency. The Company also has fixed income investment funds. These financial assets have immediate liquidity and are presented in current assets.

#### *Escrow accounts*

These funds are held in US dollars in external accounts, serving as guarantees required by the long-term financing agreement with the US International Development Finance Corporation (DFC), the US development finance agency. As they have little liquidity, these deposits are not classified as cash equivalents and, based on their expected realization, are presented in non-current assets.

The estimated loss position in cash and cash equivalents and escrow accounts was calculated based on the expected loss rate of 12 months and shows the maturity periods of the risk exposures. The Company used an approach similar to that used for cash and cash equivalent in assessing expected credit loss.

#### *Accounts receivable*

Loss rates used reflect real credit losses in recent years. These rates were multiplied by factors of scale to reflect differences between economic conditions during the period in which historical data were collected, such as current conditions and the Company's view of economic conditions and the expected life of receivables.

### **b. Property, plant and equipment**

Items of property, plant and equipment are measured by historical cost of acquisition or construction deducted from accumulated depreciation and accumulated impairment losses, as described on note 11.

Cost includes expenses that are directly attributable to the acquisition of the asset. The cost of assets built by the Company itself includes: the cost of materials and direct labor; any other costs to place the asset on the premises under conditions necessary for the Company to be able to operate in the manner intended by Management; and Borrowing costs on qualifying assets.

Gains and losses on disposal of an item of property, plant and equipment (determined by the difference between the proceeds from the sale and the book value of property, plant and equipment), are recognized in other operating income / expenses in the statement of operations.

Subsequent expenses are capitalized to the extent that it is probable that future benefits associated with the expenses will be earned by the Company. Recurring maintenance costs and repairs are recognized in the statement of operations when incurred.

Depreciation is calculated to amortize the cost of fixed asset items, net of their estimated residual values, using the straight-line method based on the estimated useful life of the items. Depreciation is recognized in the statement of operations. The depreciation rates can be seen on note 11 as well.

The Company classifies as works in progress all civil works from the construction and installation phase to the start of operation, when they are reclassified to the corresponding accounts of assets in operation. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if appropriate.

**c. Intangible assets**

Intangible assets comprise rights of access, as mentioned in Note 12, which have defined useful lives and are measured at cost, less accumulated amortization and impairment losses, if any.

The amortizable amount of an intangible asset with a defined useful life is systematically appropriated over its estimated useful life. Amortization starts as soon as the asset is available for use, that is, when it is in the location and under the conditions necessary for it to function as intended by management. The amortization rates can be seen on note 12.

The right of access relates to the Port Access Agreement among Porto do Açu and Ferroport (related party company), which an additive was issued in April 2013. On September 17, 2015, the contract was amended passing the right of access from Porto do Açu to Açu Petróleo. The main object of the contract is the concession by Ferroport of the right of access to the port facilities from “T1” to the Company, its representatives and clients.

**d. Impairment of non-financial assets**

On each reporting date, the Company reviews the carrying amount of its non-financial assets to determine whether there is an indication of impairment. If any indication is evident, the asset's recoverable amount is estimated.

For impairment tests, assets are grouped into cash generating units (CGUs), that is, the smallest possible group of assets that generates cash inflows for their use, which are largely independent of cash inflows from other assets or CGUs. As the Company's current operation refers to the operation of a single port terminal, for the purpose of assessing any impairment, the assets are considered to be a single CGU.

The recoverable amount of an asset is the higher of its value in use and its fair value less costs to sell. The value in use is based on estimated future cash flows, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset.

An impairment loss is recognized if the asset's carrying amount exceeds its recoverable amount.

Impairment losses are recognized in the statement of operations. Impairment losses are reversed only to the extent that the new book value of the asset does not exceed the book value that would have been determined, net of depreciation or amortization, had the impairment not been recognized.

**e. Income tax and social contribution**

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.

The expense with income tax and social contribution comprises current and deferred income and social contribution taxes. Current tax and deferred tax are recognized in the statement of operations unless they are related to items directly recognized in equity or other comprehensive income.

Deferred income and social contribution taxes are recorded to reflect the future tax effects attributable to temporary differences between the tax base of assets, liabilities and their respective book value.

The carrying amounts of the financial statements are determined in the functional currency (US dollar), while the income tax base on assets and liabilities is determined in local currency (Brazilian real). Therefore, fluctuations in the exchange rate may significantly affect the amount of deferred income tax and social contribution recognized in each period, mainly due to the impact on non-monetary assets.

***Current income tax and social contribution expense***

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. 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 tax rates enacted at the balance sheet date.

Current tax assets and liabilities are offset only if certain criteria are met.

***Deferred income tax and social contribution expense***

Deferred tax assets and liabilities are recognized in relation to temporary differences between the carrying amounts of assets and liabilities for the purposes of financial statements and those used for tax purposes. Changes in deferred tax assets and liabilities in the year are recognized as deferred income tax and social contribution expenses.

A deferred tax asset is recognized in relation to unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they will be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to fully recognize a deferred tax asset, future taxable profits will be considered, adjusted for reversals of existing temporary differences, based on the Company's business plans.

Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that their realization is no longer probable.

Deferred tax assets and liabilities are measured based on the rates that are expected to be applied to temporary differences when they are reversed, based on the rates that were enacted up to the balance sheet date, and reflect the uncertainty related to the tax on profit, if any.

The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Company expects to recover or liquidate its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

**f. Foreign currency**

Foreign currency is any currency other than the Company's functional currency, transactions in foreign currency are initially recognized at transaction rate or the average monthly rate.

Monetary assets and liabilities denominated and calculated in foreign currencies on the balance sheet date are converted to the functional currency at the exchange rate on the dates of the respective balance sheets; and exchange gains and losses resulting from the settlement of these transactions and the translation at the year-end exchange rates are recognized in the statement of operations.

Non-monetary items are measured at historical cost in foreign currency and are translated using the conversion rate on the date of the transaction.

**g. Provisions**

A provision is recognized based on a past event, whether the Company has a legal or constructive obligation that can be reliably estimated, and it is probable that an economic resource will be required to settle the obligation.

The assessment of likelihood of loss includes assessing the available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance to the legal system, as well as the evaluation of outside lawyers. Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable limitation periods, findings of tax inspections or additional exposures identified on the basis of new matters or court decisions.

Settlement of transactions involving these estimates may result in amounts that are significantly different from those recorded in the financial statements due to the inaccuracies inherent in the determination process. Company's Management reviews its estimates and assumptions at each reporting date.

**h. Revenue from oil transshipment**

The Company evaluated its contracts with customers and verified the performance obligations and the transaction price for each performance obligation. The term "performance obligation", with regard to the accounting standard, refers to the company's obligation to perform its obligation to pass on control of the good or service to the customer.

The company's contracts, with the exception of Petrobras, have take-or-pay clauses, with variation in the number of operations for each contract. Take-or-pay clauses are contractual mechanisms that ensure receipt of a minimum number of double banking 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 and regarding the physical *double banking transshipment* operations, performance obligations are considered fulfilled at the time of disconnection of hoses, at the end of each operation, as per contractual provision. In this way, after the conditions of this performance obligation are satisfied, the revenues are recognized according to the price identified for each contract, that is, as each operation is carried out.

Additionally, in compliance with CPC 47/IFRS 15, the Company discloses, separately, the amounts referring to impairment losses (recognized in accordance with CPC 48/IFRS 9) on any receivables or contract assets arising from the entity's contracts with customers; for which the entity must disclose separately from impairment losses under other contracts.

**i. Leases**

In November 2019, the Company recognized the amount of US\$ 443 in the balances of right-of-use assets and lease liabilities due to the beginning of the lease agreement for the Company's commercial offices. The measurement of the right-of-use asset was equivalent to the lease liability. The underlying asset of the right to use presented represents the office used by the Company's headquarters. Additionally, right-of-use assets and lease liabilities are being presented in a separate line in the Company's financial statements.

As the discount rate to be used for the remainder of the lease term could not be determined immediately using the interest rate implicit in the lease, the Company used the incremental rate on loan as a discount rate, which was 10.33% per year.

For leases in which the Company is a lessee, the rights of use assets are recognized at their book value as if CPC 06 (R2) / IFRS 16 had been applied since the start date, discounted using the defined incremental loan rate by the Company on the date of initial application or by an amount equal to the lease liability, adjusted by the amount of any anticipated or accumulated lease receipts, as per Note 2.f.

**j. Earnings per share**

Basic earnings per share are calculated by dividing the net profit (loss) for the year attributed to the Company's shareholders by the weighted average number of shares available during the year, excluding treasury shares, if any. Diluted earnings per share are the same as basic for all periods presented, due to the absence of transactions with potential dilutive effects.

**k. Operating Segments**

The Company develops its business activities considering a single operating segment, oil transshipment, which is used as a basis for the management of the Company and for decision-making by the Company's main decision makers.

**l. Statements of added value**

This statement is intended to show the wealth created by the Company and its distribution during a certain period and is presented by the Company, as required by Brazilian corporate law, as part of its financial statements and as supplementary information for IFRS, as it is not a mandatory statement under IFRS.

The statement was prepared based on information obtained from the accounting records that serve as the basis for preparing the annual financial statements and following the provisions contained in CPC 09 – Statement of added value. In its first part, it presents the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied on it, other revenues and the effects of the allowance for loan losses), by inputs acquired from third parties (cost of sales and acquisitions of materials, energy and services from third parties, including taxes included at the time of acquisition, the effects of losses and recovery of assets and depreciation and amortization) and the added value received from third parties (profit sharing of subsidiaries), financial income and other income. The second part of this statement presents the distribution of wealth among personnel, taxes, fees and contributions, remuneration of capital from third parties and remuneration of equity.

**m. New standards and interpretations**

A number of new standards already issued have effective adoption dates for years beginning after January 1, 2020. The Company did not adopt these standards in the preparation of these financial statements, as early adoption of standards, although encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncements Committee (CPC).

***Amendments to CPC 26 / IAS 1 and CPC 23 / IAS 8***

Changes the definition of “material” in order to establish that an information is material if its omission, distortion or obscurity can reasonably influence the decision making of the primary users of the financial statements.

This amendments took effect for annual periods beginning on or after January 1, 2020, with prospective application and.

These amendments did not generate impacts when it was adopted by the Company.

**4 Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
Cash and bank deposits	612	197
Fixed income investment funds	734	13,538
Expected credit losses	-	(1)
	<b>1,346</b>	<b>13,734</b>

The amount of cash and cash equivalents includes balances held in checking accounts, onshore at Citibank bank. In addition to these balances, the Company has funds invested in a Fixed Income Investment Fund, with Citibank; which has liquidity of D + 1, and quotas are readily convertible to known amounts of cash and subject to a minimum risk of change in value. The variation on the Fixed income investment funds refers to the withdrawal of part of the resources from this investment for application in the Foreign exchange fund, as per Note 5.

## 5 Marketable securities

	<b>2019</b>	<b>2018</b>
Foreign exchange fund	17,097	-
	<b>17,097</b>	<b>-</b>

The securities are classified as fair value through profit or loss and refer exclusively to the foreign exchange fund with BNP. These financial investments have maturity dates of D + 1 and are presented in current assets according to the expected realization.

## 6 Escrow accounts

Refers to funds held in US dollars in offshore accounts. The loans and financing acquired with the U.S. International Development Finance Corporation (DFC), according to the conditions of the operation described in note 14- item (c), has as guarantee an offshore escrow account, which it's a reserve requirement related to the debt service reserve accounts and the port tariff reserve account. The balances of these deposits, as of December 31, 2019 can be seen below.

	<b>2019</b>	<b>2018</b>
Escrow Accounts	11,566	11,153
Expected credit losses	(1)	(1)
	<b>11,565</b>	<b>11,152</b>

## 7 Accounts receivable

	<b>2019</b>	<b>2018</b>
Accounts receivable - Double banking service*	10,776	8,923
(-) Expected credit losses	(11)	(9)
	<b>10,765</b>	<b>8,914</b>
Current	10,623	8,914
Non Current	142	-

The information about revenue concentration is demonstrated in Credit Risk item on note 24.

The following table provides information on the exposure to credit risk and the estimated loss for receivables, broken down into six levels, according to the maturity date of these receivables, as of December 31, 2019:

Risk analysis	Rating <sup>(1)</sup>	2019			2018		
		Gross Balance	Loss rate (1)	Loss Provision	Gross Balance	Loss rate (1)	Loss Provision
Nível 1	Not due	10,776	0.1%	(11)	8,823	0.1%	(9)
Nível 2	Overdue 30 days	-	0.6%	-	-	0.6%	-
Nível 3	Overdue 31 to 90 days	-	5.3%	-	-	5.3%	-
Nível 4	Overdue 91 to 180 days	-	18.6%	-	-	18.6%	-
Nível 5	Overdue 181 to 360 days	-	86.8%	-	-	86.8%	-
Nível 6	Overdue 360 days	-	100.0%	-	-	100.0%	-
<b>Total</b>		<b>10,776</b>	<b>-</b>	<b>(11)</b>	<b>8,823</b>	<b>-</b>	<b>(9)</b>

(i) Company's internal rating and loss rate

The changes in the allowance for estimated credit losses were as follows:

	2019	2018
Opening balance	(9)	-
Provision recorded during the year	(2)	(9)
	<u>(11)</u>	<u>(9)</u>

## 8 Recoverable taxes

	2019	2018
Income and social contribution taxes ("IRPJ/CSLL")	3	841
Withholding income tax ("IRRF")	1,627	1,927
Withholding social contribution tax ("CSRF")	142	-
Non-cumulative credit ("PIS")	519	1,328
Non-cumulative credit ("COFINS")	2,352	6,087
Value-added tax ("ICMS")	9	9
Tax on services ("ISS")	235	-
Others	58	120
<b>Total of current recoverable taxes</b>	<b><u>4,945</u></b>	<b><u>10,312</u></b>

## 9 Deferred taxes

As of December 31, 2019, deferred taxes summarizes a liability of US\$ 2,638 (US\$ 2,857 as of December 31, 2018).

	<b>Restated 2019</b>	<b>2018</b>
<b>Deferred taxes</b>		
Tax losses	4,174	4,826
Negative basis of social contribution	1,503	1,737
Temporary difference		
Provision for profit sharing	81	65
Expeted credit losses	1	4
Exchange variation - cash taxation (a)	1,220	-
IFRS 16 lease provision	16	-
Provision for Building and Urban territorial taxation (IPTU)	66	-
<b>Total of deferred tax assets</b>	<b><u>7,061</u></b>	<b><u>6,632</u></b>
Effect of functional currency on non-monetary assets (b)	<u>(12,872)</u>	<u>(9,489)</u>
<b>Total of deferred tax liabilities</b>	<b><u>(12,872)</u></b>	<b><u>(9,489)</u></b>
<b>Total tax liabilities, net</b>	<b><u>(5,811)</u></b>	<b><u>(2,857)</u></b>

- (a) The Company adopted the taxation of exchange variations on a cash basis starting 2019.
- (b) Under CPC 32/IAS 12, temporary differences arise when changes in exchange rates cause changes in the tax base rather than in the accounting basis. This situation usually occurs when an entity has a functional currency different from the currency of the country in which it is domiciled. As described in Note 2.d, the functional currency of the company is the US dollar, which is different from the currency of the locality where Açu Petróleo is established, which is the Brazilian Real.
- (c) The total deferred tax assets and liabilities impacted profit and loss.

### **Expected realization of temporary differences and tax losses**

On December 31, 2019, the expectation of recoverability, per year, of deferred income tax credit from tax losses is as follows:

2020	2,624
2021	3,434
2022	109
2023	118
2024	126
2025 to 2026	272
2027 to 2029	379
2030 to 2032	157
2033 to 2035	<u>44</u>
Total tax benefit – temporary differences and tax losses	7,262
(-) Unrecognized portion	<u>(201)</u>
Recognized tax assets	7,061
Taxable temporary differences	<u>(12,872)</u>
<b>Deferred income tax liability</b>	<b><u>(5,811)</u></b>

## **10 Related parties**

The Company's Corporate Governance Policy requires that the members of the Board of Directors must monitor and manage potential conflicts of interests of executives, members of the Board in order to avoid inappropriate use of Company assets and, in particular, abuses in transactions between related parties.

Pursuant to the Brazilian Corporation Law, the Company's Board of Directors members are prohibited from voting at any Meeting or Meeting of the Board or from engaging in any operations or businesses in which they have conflicting interests with those of the Company.

The main balances of assets and liabilities on December 31, 2019 and 2018, related to transactions with related parties, as well as the transactions that influenced the result for the year, are due to transactions of the Company, as follows:

### **Amounts receivable**

<b>Accounts receivable from related parties</b>	<b>2019</b>	<b>2018</b>
Porto do Açu Operações S.A. (a)	-	251
Ferroport Logística Comercial Exportadora S.A. (b)	<u>-</u>	<u>3,651</u>
	<u>-</u>	<b><u>3,902</u></b>

- (a) Subsidiary of the same controlling shareholder of the Company - the amount refers to a portion of the transshipment service to be received from the Company Porto do Açu.
- (b) Entity jointly controlled by the Company's controlling shareholder - the amount refers to the return in 2018 of an overpaid contribution, referring to the breakwater item of the fixed asset, which was fully received throughout 2019.

## Amounts payable

<b>Accounts payable to related parties</b>	<b>2019</b>	<b>2018</b>
Oiltanking Serviços Ltda (a)	2,103	1,289
Ferroport Logística Comercial Exportadora S.A. (b)	1,186	616
Porto do Açu Operações S.A. (c)	70	544
Prumo Logística S.A. (d)	<u>173</u>	<u>142</u>
	<b><u>3,532</u></b>	<b><u>2,591</u></b>

- (a) Subsidiary of the Company's non controlling shareholder - the amount refers to expenses with operation and maintenance of the terminal.
- (b) Entity jointly controlled by the Company's controlling shareholder - the amount refers to property security expenses, SSO and port fees;
- (c) Entity controlled by the Company's Controlling Shareholder - the amount refers to costs for shared services
- (d) Controlling shareholder - The amount refers to costs for shared services.

## Effect on statement of operations

	<u>Revenues</u>	
	<b>2019</b>	<b>2018</b>
Porto do Açu Operações S.A.(a)	-	11,623
	<u>Costs and expenses</u>	
	<b>2019</b>	<b>2018</b>
Ferroport Logística Comercial Exportadora S.A. (b)	(9,656)	(4,726)
Oiltanking Açu Serviços Ltda (c)	(5,775)	(5182)
Prumo Logística S.A. / Porto do Açu Operações S.A. (d)	<u>(152)</u>	<u>(526)</u>
	<b><u>(15,583)</u></b>	<b><u>(10,434)</u></b>

- (a) The amount refers to transshipment service from the company Porto do Açu.
- (b) The amount refers to property security expenses, SSO and port fees;
- (c) The amount refers to expenses with operation and maintenance of the terminal.
- (d) The amount refers to costs for shared services.

The amounts related to the remuneration of the members of the Board of Directors are presented below:

	<b>2019</b>	<b>2018</b>
<b>Directors</b>		
Remuneration / Salaries	671	655
Bonus	852	481
Benefits and charges	144	109
	<b>1,667</b>	<b>1,245</b>

### **Asset Allocation Agreement**

The Asset Allocation Agreement, originally dated July 15, 2011, among Anglo Brazil, Açu Petróleo and the Port Operator (Ferroport – related party company) and certain other parties, provides for the transfer of title and ownership from the Port Operator to Anglo Brazil of certain assets, including materials and equipment, and, while the asset is owned by Anglo Brazil, it gives the Port Operator the right to operate and maintain the assets. Additionally, the Asset Allocation Agreement governs the ownership of the Shared Facilities (the access trestle, iron ore pier, breakwater, access channel, turning basin and mooring area), which are owned jointly (condomínio pro indiviso) by Açu Petróleo, Port Operator (Ferroport) and Anglo Brazil due to the funding arrangements established in the Framework Agreement.

The Company may operate, at the port facilities, cargoes that are foreseen in its authorization obtained before ANTAQ- National Waterway Transportation Agency, excluding iron ore. The priority of access and use of port facilities by Ferroport covers the receipt, storage, handling and loading of iron ore from a mine that is owned or directly or indirectly owned by Anglo American and its affiliates. In consideration of the right of access and use of the port facilities, such as access channel and breakwater, Açu Petróleo shall pay Ferroport a monthly fee.

### **Parent company share-based payment**

The share-based payment plan of Prumo was replaced in the second quarter of 2019, after Prumo delisting in 2018, offering the rights to value shares, with cash settlement, duly approved by the Board of Directors of Prumo. For the Company, the mentioned plan is applicable only to an executive of the Company. In this compensation plan based on cash-settled shares (“Phantom Options”) for executive retention, payable in the event of a liquidity event, the Company receives the services as consideration for the rights granted. The conditions for the acquisition of share appreciation rights include a period of 5 years to reach 100% of the rights and on December 31, 2019 there was only 20% of vesting. There was no exercise of rights during the period.

The Company took into account the terms and conditions of the plan, which require expected cash returns, to calculate the fair value of these rights and concluded that there are no material effects to be recorded in its financial statements.

## 11 Property, plant and equipment

The breakdown of the Company's Property, plant and equipment as of December 31, 2019 and 2018 is as follows:

	Annual weighted depreciation rate %	Cost	Restated Accumulated depreciation	Restated Net 12/31/2019	Restated Net 12/31/2018
Breakwater - T1	1.67	104,372	(6,959)	97,413	99,488
Pier - T1	1.67	54,452	(4,108)	50,344	51,561
Canal - T1	6.67	145,037	(16,423)	128,614	137,106
Improvements	4	229	(5)	224	94
Facilities	10	189	(61)	128	150
Furniture and fixtures	10	219	(38)	181	175
Computer equipment	20	1,073	(687)	386	584
Machinery and equipment	10	60,568	(20,863)	39,705	45,647
Land		23,171	-	23,171	23,171
		<b>389,310</b>	<b>(49,144)</b>	<b>340,166</b>	<b>357,976</b>
Advances for formation of property, plant and equipment		157	-	157	537
Construction in progress and equipment under construction		7,044	-	7,044	3,661
		<b>7,201</b>	<b>-</b>	<b>7,201</b>	<b>4,198</b>
		<b>396,511</b>	<b>(58,474)</b>	<b>347,367</b>	<b>362,174</b>

  

	Annual weighted depreciation rate %	Cost	Restated Accumulated depreciation	Restated Net 31/12/2018	Restated Net 31/12/2017
Breakwater - T1	1.67	104,372	(4,884)	99,488	104,912
Pier - T1	1.67	54,452	(2,891)	51,561	61,745
Canal - T1	6.67	144,757	(7,651)	137,106	1,400
Improvements	4	128	(34)	94	85
Facilities	10	189	(39)	150	147
Furniture and fixtures	10	199	(24)	175	140
Computer equipment	20	1,037	(453)	584	717
Machinery and equipment	10	59,689	(14,042)	45,647	50,954
Land		23,171	-	23,171	23,171
		<b>387,994</b>	<b>(30,018)</b>	<b>357,976</b>	<b>243,271</b>
Advances for formation of property, plant and equipment		537	-	537	1,301
Construction in progress and equipment under construction		3,661	-	3,661	145,443
		<b>4,198</b>	<b>-</b>	<b>4,198</b>	<b>146,744</b>
		<b>392,192</b>	<b>(30,018)</b>	<b>362,174</b>	<b>390,015</b>

All Property, plant and equipment is located in Brazil.

### Changes in Cost

	<b>2018</b>	<b>Movement</b>			<b>2019</b>
	<b>Cost</b>	<b>Additions</b>	<b>Write-off</b>	<b>Transfers</b>	<b>Cost</b>
Breakwater - T1	104,372	-	-	-	104,372
Pier - Port Terminal - T1	54,452	-	-	-	54,452
Canal T1	144,757	-	-	280	145,037
Improvement	127	207	(105)	-	229
Facilities	189	-	-	-	189
Furniture and fixtures	199	20	-	-	219
Computer equipment	1,037	35	-	-	1,073
Machinery and equipment	59,690	813	(145)	211	60,568
Land	23,171	-	-	-	23,171
	<b>387,995</b>	<b>1,075</b>	<b>(250)</b>	<b>491</b>	<b>389,310</b>
Advances for formation of property, plant and equipment	537	-	(380)	-	157
Construction in progress and equipment under construction	3,661	3,874	-	(491)	7,044
	<b>4,198</b>	<b>3,874</b>	<b>(380)</b>	<b>(491)</b>	<b>7,201</b>
	<b>392,192</b>	<b>4,949</b>	<b>(630)</b>	<b>-</b>	<b>396,511</b>
	<b>2017</b>	<b>Movement</b>			<b>2018</b>
	<b>Cost</b>	<b>Additions</b>	<b>Write-off</b>	<b>Transfers (*)</b>	<b>Cost</b>
Breakwater - T1(*)	107,793	-	-	(3,421)	104,372
Pier - Port Terminal - T1	63,515	-	-	(9,063)	54,452
Canal T1	1,656	42	-	143,059	144,757
Improvement	85	43	-	-	127
Facilities	165	24	-	-	189
Furniture and fixtures	151	48	-	-	199
Computer equipment	949	88	-	-	1,037
Machinery and equipment	58,219	1,023	-	447	59,690
Land	23,171	-	-	-	23,171
	<b>255,704</b>	<b>1,268</b>	<b>-</b>	<b>131,022</b>	<b>387,994</b>
Advances for formation of property, plant and equipment	1,301	-	-	(764)	537
Construction in progress and equipment under construction	145,443	962	-	(142,744)	3,661
	<b>146,744</b>	<b>962</b>	<b>-</b>	<b>(143,508)</b>	<b>4,198</b>
	<b>402,448</b>	<b>2,230</b>	<b>-</b>	<b>(12,486)</b>	<b>392,192</b>

(\*) Of the total US\$ 12,486, US\$ 9,065 refers to PIS / COFINS credit reimbursed by Ferroport Logística Comercial Exportadora S.A. and US\$ 3,421 returned the overpayment due to transfer referring to the Quebra-Mar T1 asset.

### Changes in accumulated depreciation

	<b>Restated Depreciation 12/31/2018</b>	<b>Restated Additions</b>	<b>Write-off</b>	<b>Restated Depreciation 12/31/2019</b>
Breakwater - T1	(4,884)	(2,075)	-	(6,959)
Pier - Port Terminal - T1	(2,891)	(1,217)	-	(4,108)
Canal - T1	(7,651)	(8,772)	-	(16,423)
Improvements	(34)	(46)	75	(5)
Facilities	(39)	(22)	-	(61)
Furniture and fixtures	(24)	(14)	-	(38)
Computer equipment	(453)	(234)	-	(687)
Machinery and equipment	(14,042)	(6,867)	46	(20,863)
	<b>(30,018)</b>	<b>(19,247)</b>	<b>121</b>	<b>(49,144)</b>
	<b>Restated Depreciation 12/31/2017</b>	<b>Restated Additions</b>	<b>Write-off</b>	<b>Restated Depreciation 12/31/2018</b>
Breakwater - T1	(2,881)	(2,003)	-	(4,884)
Pier - Port Terminal - T1	(1,770)	(1,121)	-	(2,891)
Canal - T1	(256)	(7,395)	-	(7,651)
Improvements	-	(34)	-	(34)
Facilities	(18)	(21)	-	(39)
Furniture and fixtures	(11)	(13)	-	(24)
Computer equipment	(232)	(221)	-	(453)
Machinery and equipment	(7,264)	(6,778)	-	(14,042)
	<b>(12,432)</b>	<b>(17,586)</b>	<b>-</b>	<b>(30,018)</b>

### Impairment

In accordance with CPC 01 (R1) / IAS 36 - Impairment of Assets, the Company reviews annually if there are potential losses due to the inability to recover the carrying amount of assets. In the years ended December 31, 2019 and 2018, the Company had evaluated and did not identify any indications for impairment of property, plant and equipment.

## 12 Intangible assets

	<b>Annual amortization rate (%)</b>	<b>Net Cost 12/31/2018</b>	<b>Additions</b>	<b>Amortization</b>	<b>Net Cost 12/31/2019</b>
<b>Cost</b>					
Right of access	<b>3.54</b>	14,463	-	-	14,463
Software license	<b>20</b>	327	32	-	359
Others		11	-	-	11
		<b>14,801</b>	<b>32</b>	<b>-</b>	<b>14,833</b>
<b>Accumulated amortization</b>					
Right of access		(1,528)	-	(509)	(2,937)
Software license		(50)	-	(21)	(71)
		<b>(1,578)</b>	<b>-</b>	<b>(530)</b>	<b>(2,108)</b>
		<b>13,223</b>	<b>32</b>	<b>(530)</b>	<b>12,725</b>

	<b>Annual amortization rate (%)</b>	<b>Net Cost 12/31/2017</b>	<b>Additions</b>	<b>Amortization</b>	<b>Net Cost 12/31/2018</b>
<b>Cost</b>					
Right of access	<b>3.54</b>	14,463	-	-	14,463
Software license	<b>20</b>	327	-	-	327
Others		11	-	-	11
		<b>14,801</b>	<b>-</b>	<b>-</b>	<b>14,801</b>
<b>Accumulated amortization</b>					
Right of access		(1,019)	-	(509)	(1,528)
Software license		(31)	-	(19)	(50)
		<b>(1,050)</b>	<b>-</b>	<b>(528)</b>	<b>(1,578)</b>
		<b>13,751</b>	<b>-</b>	<b>(528)</b>	<b>13,223</b>

### Right of access

The intangible asset that comprises the "right of access", as mentioned in Note 3.c, has a defined useful life of 27 years and is measured at cost, less accumulated amortization and impairment losses, if any.

The amortization of this intangible asset started in October 2014 with the operation of the T1 terminal. On September 17, 2015, the contract was amended passing Porto do Açu's right of access to Açu Petróleo.

### Impairment

In accordance with CPC 01 (R1) / IAS 36 - Impairment of Assets, the Company reviews annually if there are potential losses due to the inability to recover the carrying amount of assets. In the years ended December 31, 2019 and 2018, the Company had evaluated and did not identify any indications for impairment of intangible assets.

## 13 Trade payables

The balance payable to suppliers of US\$ 2,824 (US\$ 1,488 on December 31, 2018) represents the Company's obligations arising from the purchase of products and services necessary for the development of the Company's activities. Thus, this amount represents the obligations arising from services, materials and operational and administrative equipment.

## 14 Loans and borrowings

			<b>2019</b>			<b>2018</b>	
	<b>Maturity</b>	<b>Rates %</b>	<b>Main</b>	<b>Interests and monetary adjustment</b>	<b>Total</b>	<b>Total</b>	
DFC	10/30/2035	Dollar + 6.17% yr.	71,283	733	72,015	76,831	
DFC	10/30/2035	Dollar + 6.46% yr.	31,769	342	32,112	34,412	
(-) Transaction cost			(7,438)	-	(7,438)	(8,226)	
			<b>95,614</b>	<b>1,075</b>	<b>96,689</b>	<b>103,017</b>	
Current			-	-	8,739	8,190	
Non-current			-	-	87,950	94,827	

In May 2017, Açu Petróleo obtained financing in the amount of US\$ 80 million from the U.S. International Development Finance Corporation (DFC), a North American development finance agency. In May 2018, the Company obtained an additional US \$ 35 million in financing, totaling US \$ 115 million from a credit facility in the total amount of up to US \$ 350 million, as described in note 1.

The financing will expire in October 2035, with an interest rate of 6.17% yr. for the first tranche (US \$ 80 million) and 6.46% yr. for the second tranche (US \$ 35 million), as evidenced in the previous table. The debt is denominated in US dollars and has a principal amortization schedule and payment of interest in semiannual installments.

Additionally, the Company's management assessed that the best disclosure of interest paid on loans and financing is in the cash flows of financing, because the cost of these financial liabilities is intrinsically linked to obtaining resources in order to balance the Company's capital structure

## Reconciliation of equity transactions with cash flows from financing activities

### *Loans and borrowings*

	Cash flow			Transfers		No Cash Effect				
	Beginning balance	Funding / Settlement	Payment of interest on loans	Adding Transaction Costs	Capitalized interest	Other	Interest	Monetary adjustment	Amortization of Transaction Cost	Ending balance
2019	103,017	(7,042)	(6,781)	-	-	-	6,708	306	481	96,689
2018	69,878	30,094	(5,830)	(165)	823	567	5,333	1,808	509	103,017

### *Escrows attached to the financing operation*

	Cash flow		No Cash Effect	
	Beginning balance	Additions	Monetary adjustment	Ending balance
2019	11,152	413	-	11,565
2018	6,868	4,141	143	11,152

### Guarantees provided

The guarantees provided in favor of the U.S. International Development Finance Corporation (DFC) with respect to the loan are: (i) Fiduciary Sale of Açu Petróleo Shares; (ii) Fiduciary Sale of Assets belonging to Açu Petróleo; (iii) Fiduciary sale of reserve accounts, (iv) Fiduciary sale of Açu Petróleo's relevant "Offtake" contracts and (v) a mortgage on the Company's property located in Porto do Açu. More information on deposits related to loans can be found in note No. 6.

### Covenants

DFC financing is subject to financial covenant clauses as of December 31, 2019, which are:

- (a) The financial debt / equity ratio not exceeding 70:30

- (b) DSCR (Debit Service Cover Ratio - Debt Service Coverage Ratio.) not less than 1.15. The DSCR is a financial health indicator used by the company to monitor the ability to pay debts, and is calculated by dividing the operating cash generation net of taxes in correlation to the total installments to be paid (total current debts).
- (c) A projected debt-service coverage ratio of not less than 1.3 to 1 for (a) disbursement of Tranche 1 and 2, (b) any capital reductions, (c) dividend distributions and (d) payments to shareholders; and a reserve requirement related to the debt service reserve accounts and the port tariff reserve account.

## 15 Taxes and contributions payable

	2019	2018
Tax on services (ISS)	191	61
Value-added tax (ICMS)	9	-
Withholding income tax (IRRF)	53	52
Retention of withholding taxes (PIS/COFINS/CSLL)	32	33
Non-cumulative PIS/COFINS	-	167
Building and Urban territorial taxation (IPTU)	<u>195</u>	<u>57</u>
<b>Taxes and contributions payable</b>	<b><u>480</u></b>	<b><u>370</u></b>
Income and social contribution taxes (IRPJ/CSLL)	<u>169</u>	<u>-</u>
<b>Income tax and social contribution payable</b>	<b><u>169</u></b>	<b><u>-</u></b>

The reconciliation of the expense calculated by applying the combined tax rates and income tax and social contribution expenses recorded in the statement of operations is as follows:

	Restated 2019	Restated 2018
Profit (loss) before Income tax and social contribution	<u>525</u>	<u>(5,259)</u>
Income tax and social contribution at nominal rate	(179)	1,788
<b>Adjustments to the effective tax rate:</b>		
Permanent adjustments to the tax base	(396)	(202)
Functional currency effects over property, plant and equipment	(3,211)	(20,356)
Functional currency effects over intangible assets	(171)	(799)
Other difference between presentation and fiscal basis	(250)	2,373
Others	<u>(22)</u>	<u>32</u>
<b>Total income tax and social contribution for the year</b>	<b><u>(4,229)</u></b>	<b><u>(17,164)</u></b>
<b>Effective income tax rate</b>	<b><u>(806%)</u></b>	<b><u>326%</u></b>
Current income tax and social contribution	(1,518)	-
Deferred income tax and social contribution	<u>(2,711)</u>	<u>(17,164)</u>
<b>Total income tax and social contribution for the year</b>	<b><u>(4,229)</u></b>	<b><u>(17,164)</u></b>

## 16 Contingencies

The Company is a part to legal and administrative proceedings. Provisions must be made for all judicial and administrative proceedings for which it is probable that there will be an outflow of funds to settle the contingency / obligation and a reasonable estimate can be made. The assessment of the likelihood of loss includes the assessment of the available evidence, the hierarchy of laws, the case law available, the most recent court decisions and their relevance in the legal system, as well as the assessment of outside lawyers.

As of December 31, 2019, the Company has a tax process involving risk of loss assessed as possible in the amount of US\$ 424 (US\$ 0 on December 31, 2018). The lawsuit refers to Income Tax compensation and approval of the Compensation Declaration (“DCOMP”) for income tax withheld at source.

## 17 Shareholder’s equity

### a. Share capital

The share capital composition of the Company as of December 31, 2019 and 2018 is as follows:

Shareholder	12/31/2019		12/31/2018	
	Number of common shares	%	Number of common shares	%
Prumo Logística	160,225,386	60.00	160,225,386	60.00
Açu Petróleo Investimentos	53,408,462	20.00	53,408,462	20.00
Oiltanking	53,408,462	20.00	53,408,462	20.00
	<b>267,042,310</b>	<b>100.00</b>	<b>267,042,310</b>	<b>100.00</b>

In 2019, the Company reduced its share capital from US\$ 65,597 to US\$ 52,438, representing an effective reduction in the amount of US\$ 13,159; maintaining the percentage of participation of each shareholder in the Company's share capital unchanged.

In December 2018, the Company reduced its share capital from US\$ 91,913 to US\$65,597, representing an effective reduction in the amount of US\$26,316; maintaining the percentage of participation of each shareholder in the Company's share capital unchanged. The objective of the operations previously mentioned was to adjust the Company’s capital structure to a more appropriate structure in line with the shareholders objectives.

### b. Capital Reserve

Pursuant to Brazilian Corporate Law, the capital reserves are comprised of goodwill reserve in the subscription of shares. Through the resolution of the shareholders' meeting, the amounts can be allocated to the capital increase, and may have a different allocation as compensation of losses or dividends distribution.

As of December 31, 2019 and 2018, the capital reserve represents a total of US\$ 245,526.

**c. Profit Reserve**

The allocation of the results for 2016, after the compulsory allocation to the legal reserve, for the constitution of a profit reserve of US\$ 31,238.

Based on the aforementioned compensation rule, the Company absorbed the loss with a profit reserve of US\$ 22,423 in 2018 and, in 2019, the amount of US\$ 1,365 of the profit reserve was fully consumed.

***Legal reserve***

The legal reserve is instituted by the Corporations Law and constituted annually. This resource is intended to ensure the integrity of the company's capital and can only be used to compensate for losses or capital increase. More information on the allocation of reserves and profit for the year can be found in the note below.

**d. Dividends distribution**

The Company's bylaws provide for the allocation of net income for the year in case of positive results, with allocation of 5% of net income for the year (after the compensation of accumulated losses) and may not exceed 20% of the share capital or 30% in the sum of the legal reserve and capital reserves.

After the appropriate allocations of the above reserves have been made, the following deductions will be made: (i) the amount necessary to bear the capital expenditure (capital expenditure) and related costs (Operational Expenditure, i.e. maintenance for the costs of capital expenditure) for a period of 90 days, will be allocated to the special reserve for future investments, (ii) the amount equivalent in Reais to US\$ 3 million, necessary to pay the operating costs (according to the nature of note 19) of the Company and SG&A (Selling, General & Administrative Expense, that is, general administrative expenses according to the natures presented in note 20), the minimum capital reserve will be allocated.

In addition to the provisions of the Bylaws, the Company has the following restrictions on the distribution of dividends provided for in the Financing Agreement with US. International Development Finance Corporation ("DFC"), which shall remain in force until full compliance with the obligations under the Financing Agreement:

- The projection of the DCSR index (Debit Service Cover Ratio - DSCR), as mentioned in Note 14, is not less than 1.3 until the first tranche expires (October 31, 2035).
- No default or default event as defined in the Financing Agreement shall have occurred, continue to occur, or will occur as a result of such dividend distribution.
- Any amount received from Shell by the Company that is greater than the amount due in accordance with annual true-up, determined in the contract between the parties, is duly compensated.
- Index Historic Debt Service Coverage (Debit Service Cover Ratio - DSCR, as described in note 14), not less than 1.3.
- The funds in deposit linked to the financing contract are equal to the port tariff reservation requirements, as can be seen in notes 6 and 14.

If available, 100% of the remaining net income for the year will be distributed annually to shareholders as a mandatory dividend.

## 18 Net revenue of services

The Company's contracts are related to double banking transshipment. All Company's customers are domestic.

The positive variation in double banking services revenue in relation to 2018 refers to (i) an increase in the number of operations carried out with the Galp client and (ii) the start of operations with the Petrobras client.

	2019	2018
Revenue from double banking transshipment	67,604	48,771
Taxes on services rendered (PIS / COFINS / ISS)	<u>(7,666)</u>	<u>(5,487)</u>
<b>Net revenue of services</b>	<b><u>59,938</u></b>	<b><u>43,284</u></b>

## 19 Costs of services provided

	Restated 2019	Restated 2018
Staff cost (a)	(337)	(35)
Third-party services	(1,632)	(1,546)
Surveillance and Security	(410)	(564)
Leases	(309)	(324)
Depreciation and amortization	(19,499)	(17,586)
Miscellaneous insurance	(678)	(670)
Port services	(20,245)	(11,458)
Taxes and fees	(367)	(247)
Support materials	<u>(46)</u>	<u>(56)</u>
	<b><u>(43,523)</u></b>	<b><u>(32,486)</u></b>

- (a) In 2018, Açu Petróleo used the Prumo team operationally and payment was made through "time sheet" report, under the "port services" account. For 2019, the Company made contracts for the operational areas or absorbed professionals who were previously from Prumo, but became employees of Açu Petróleo.

## 20 General and administrative expenses

	2019	2018
Salaries and social charges	(3,485)	(3,087)
Third-party services	(700)	(980)
Rental and leases	(141)	(103)
Representations and events	(23)	(29)
Consumables	(16)	(23)
Travel And Stay	(54)	(85)
Software License	(77)	(65)
Depreciation and amortization	(187)	(528)
Taxes and fees	(8)	(18)
Other expenses	(147)	(155)
Shared costs	<u>(688)</u>	<u>(648)</u>
	<b><u>(5,526)</u></b>	<b><u>(5,721)</u></b>

## 21 Financial result

	<b>2019</b>	<b>2018</b>
<b>Financial income</b>		
Income from financial investments	674	1,208
Interest receivable	216	329
Fines and interests	415	-
Exchange variation	<u>6</u>	<u>6</u>
	<b><u>1,311</u></b>	<b><u>1,543</u></b>
<b>Financial expenses</b>		
Interests on loans	(6,714)	(5,532)
Bank expenses	(62)	(83)
IOF (Tax on financial operations)	(91)	(135)
Fine and interests	(9)	(25)
Commissions and Brokerage	(1,443)	(1,503)
Loan costs	(1,382)	(1,218)
Losses on variable income investment	(648)	-
Interest on lease	(16)	-
Exchange variation	<u>(1,415)</u>	<u>(3,371)</u>
	<b><u>(11,780)</u></b>	<b><u>(11,867)</u></b>
<b>Net financial result</b>	<b><u>(10,469)</u></b>	<b><u>(10,324)</u></b>

## 22 Loss per share

The calculation of loss per share was based on the net loss attributed to holders of common shares and the weighted average number of outstanding common shares.

	<b>2019</b>	<b>2018</b>
Loss attributed to holders of common shares	(3,704)	(22,423)
Weighted average number of common shares outstanding during the year	<u>267,042,310</u>	<u>267,042,310</u>
<b>Loss per share - basic and diluted (in US\$)</b>	<b><u>(0.0139)</u></b>	<b><u>(0.0840)</u></b>

## 23 Commitments

The Company has assumed future purchase commitments in the amount of US\$ 32,628 (US\$ 15,150 on December 31, 2018), which must be fulfilled in the continuity of the Company's activities.

The commitments are segregated by currency according to the following table:

Commitments for 2019:

	2020	2021	2022	2023	2024	After 2025	Total
<b>Brazilian reais</b>							
Administrative	2.092	1.164	140	39	39	462	3.936
Comercial	122	-	-	-	-	-	122
Legal	7	4	-	-	-	-	11
Operational (a)	18.481	1.232	628	409	409	6.501	27.661
<b>Subtotal</b>	<b>20.702</b>	<b>2,400</b>	<b>768</b>	<b>448</b>	<b>448</b>	<b>6,963</b>	<b>31,729</b>
	2020	2021	2022	2023	2024	After 2025	Total
<b>U.S. Dollar</b>							
Administrative	78	39	39	39	39	422	653
Comercial	70	2	2	2	2	24	103
<b>Euro</b>							
Administrative	141	-	-	-	-	-	141
<b>Subtotal</b>	<b>289</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>446</b>	<b>897</b>
<b>Total</b>	<b>20,991</b>	<b>2,441</b>	<b>809</b>	<b>489</b>	<b>489</b>	<b>7,409</b>	<b>32,628</b>

Commitments for 2018:

	2019	2020	2021	2022	2023	After 2023	Total
<b>Brazilian Reais</b>							
Administrative	1,997	676	581	39	38	492	3,823
Comercial	4	-	-	-	-	-	4
Legal	283	13	4	-	-	-	300
Operational	7,531	1,026	339	74	56	952	9,978
	<b>9,815</b>	<b>1,714</b>	<b>924</b>	<b>114</b>	<b>94</b>	<b>1,444</b>	<b>14,105</b>
<b>U.S. Dollar</b>							
Administrative	254	38	38	38	38	458	865
Comercial	2	2	2	2	2	24	34
	<b>256</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>482</b>	<b>899</b>
<b>Euro</b>							
Administrative	145	-	-	-	-	-	145
	<b>145</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145</b>
<b>Total 2018</b>	<b>10,216</b>	<b>1,754</b>	<b>964</b>	<b>154</b>	<b>134</b>	<b>1,926</b>	<b>15,150</b>

(a) Of the operating contracts, US\$ 15,556, represent commitments assumed with the related party "Ferroport".

In accordance with the disclosure requirements of IAS 16 / CPC 27 - Property, plant and equipment, the values of commitments assumed referring to property and equipment are highlighted in the table below:

	2020	2021	2022	Total
<b>Brazilian reais</b>				
Administrative	575	433	63	1.071
Operational	911	-	-	911
	<b>1,486</b>	<b>433</b>	<b>63</b>	<b>1,982</b>

It should be noted that the table of commitments assumed already includes the values of commitments assumed for fixed assets presented above.

## 24 Financial instruments and risk management

The Company maintains operations with financial instruments. The management of these instruments is carried out through operational strategies and internal controls aimed at ensuring liquidity, profitability and security. The control policy consists of the periodic monitoring of contracted rates versus those prevailing in the market. The Company does not make investments of a speculative nature, in derivatives or any other risky assets.

Estimated realizable values of financial assets and liabilities were determined through market information and appropriate valuation methodologies. As a consequence, the following estimates do not necessarily indicate the amounts that may be realized in the current exchange market. The use of different market methodologies may have a material effect on the estimated realization values.

The Company's Management policy regarding capital administration is to maintain a solid capital base to ensure investor, credit and market confidence, as well as to ensure the future development of the business.

Based on this, Management monitors projections of return on capital in multiannual planning.

The table below shows the accounting balances and the respective classifications of financial instruments:

	2019			2018		
	Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss
<b>Assets</b>						
Cash and cash equivalents	1,346	-	-	13,734	-	-
Marketable securities	-	-	17,097	-	-	-
Escrow accounts	11,565	-	-	11,152	-	-
Accounts receivable	10,765	-	-	8,914	-	-
Accounts receivable with related parties	-	-	-	3,902	-	-
Other current assets	94	-	-	23	-	-
	<b>23,770</b>	<b>-</b>	<b>17,097</b>	<b>37,725</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>						
Trade payables	2,824	-	-	1,488	-	-
Loans and borrowings	96,689	-	-	103,017	-	-
Accounts payable with related parties	3,532	-	-	2,591	-	-
Lease liabilities	479	-	-	-	-	-
Other current liabilities	44	-	-	45	-	-
	<b>103,568</b>	<b>-</b>	<b>-</b>	<b>107,141</b>	<b>-</b>	<b>-</b>

### Fair value

The Company has a fair value equal to the book value for cash equivalents, accounts payable and receivable, long and short term Loans and borrowings. The concept of “fair value” provides for the valuation of assets and liabilities based on market prices, when dealing with liquid assets, or mathematical pricing methodologies, otherwise. The level of fair value hierarchy provides priority for quoted prices not adjusted in an active market, as defined below.

- **Level 1** - Prices negotiated (without adjustments) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than prices traded in active markets included in Level 1 that are observable for the asset or liability, directly (as prices) or indirectly (derived from prices).

- **Level 3** - Inputs for the asset or liability that are not based on observable market variables (unobservable inputs).

For the year ended December 31, 2019, only financial instruments classified as Level 2 were observed and there were no relevant transfers of levels for this same period.

Loans and borrowings are measured at amortized cost. The fair values calculated by Management, for reference only, are US\$ 96,689 as of December 31, 2019 (US\$ 103,017 as of December 31, 2018). This amount consists of a loan with the U.S. International Development Finance Corporation, and as it is an exclusive market, the management consider the book value as fair value. For the other financial assets and liabilities, given their characteristics and the maturity dates, the fair values do not differ significantly from the accounting balances.

### **Risk management objectives and strategies**

The security guidelines are applied according to the type of exposure. The decision on the risk of interest rates and inflation arising from the liabilities acquired will be evaluated in the economic and operational context and will occur when Management considers the relevant risk. The Company did not hold derivative contracts on December 31, 2019 and 2018.

### ***Market risk***

Market risk is the risk that changes in market prices - such as exchange rates and interest rates - will affect the company's earnings or the value of its financial instruments. The Company did not identify significant exposure in relation to this item, however, there is market risk management, which consists of managing and controlling exposures to market risks, within acceptable parameters, and at the same time optimizing the return.

### ***Credit risk***

The Company allocates a credit risk score for each exposure based on data it considers to be able to predict the risk of loss and the credit assessment based on its experience. Credit risk scores are defined using qualitative and quantitative factors indicative of default risk, consistent with the definitions of external credit ratings.

The credit risk arises from the possibility of the Company suffering losses due to the default of its counterparties or financial institutions depository of resources or financial investments. This risk factor may come from commercial operations and cash administration.

To mitigate the risks, the Company adopts as practice the analysis of the financial and equity situation, as well as the permanent monitoring of the outstanding positions.

For the evaluation of the financial institutions with which it has operations, the reference is the ratings of the main risk agencies used in the market: S & P, Moody's and Fitch, using the long-term national risk assessment.

The Company has a Financial Investment Policy, in which it establishes application limits per institution and considers the rating evaluation as a benchmark to limit the amount applied. The average maturities are constantly evaluated, as well as the indexes of the applications for portfolio diversification purposes.

The financial instruments subject to credit risk are listed below:

<b>Financial assets</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	1,346	13,734
Marketable securities	17,097	-
Escrow accounts	11,565	11,152
Accounts receivable	10,765	8,914
Accounts receivables with related parties	-	3,902
Other current assets	94	23

The expected credit loss amounts regarding the financial instruments mentioned on the table above can be seen in notes 4, 6 and 7.

The credit risk in accounts receivable is generally not diversified due to the limited number of clients that the Company works with. Due to operations of the Company, the concentration of accounts receivable and revenue are also variable on each balance sheet date. The following table represents a breakdown of the concentrations in relation to the total revenue at each balance sheet date:

<b>Percentage of revenue:</b>	<b>2019</b>	<b>2018</b>
Shell	56%	77%
Galp	21%	23%
Petrobras	21%	-

### ***Exchange risk***

The Company works in the management of currency risk to identify and resolve the risks associated with the fluctuation of the value of the currencies to which global assets and liabilities are associated.

The objective is to identify or create natural hedges, in order to minimize (or even avoid) the use of hedge derivatives, managing the exchange rate risk on the net exposure. Derivative instruments can be used in cases where it is not possible to use the natural hedge strategy.

In this sense, there is a indebtedness that refers to the loan, in US dollars, with the U.S. International Development Finance Corporation (DFC). The cash flow destined to serve the payment of this debt comes from the operations itself, with revenue pegged to the US dollar, with the current oil movement tariff adjusted annually by the North American inflation index PPI and by IPCA. As part of the operating results is denominated in Reais, they are susceptible to the risk of exchange variation, given that the Company's functional currency is the dollar. The appreciation of the real against the US dollar could reduce Açu Petróleo's operating margin and cash flow. With regard to indebtedness, the company understands that the fact that Açu Petróleo's debt service and revenues are tied to the same currency results in a natural hedge for this exposure.

As the functional currency of Açu Petróleo is the US dollar, which is different from the currency in which Açu Petróleo is established, which is the Real; a reasonably possible appreciation (devaluation) of the Real against the US Dollar would have affected the measurement of financial instruments, shareholders' equity and the Company's income.

This risk analysis for the fluctuation in exchange rates to which the Company's assets and liabilities may be associated, considers that all other variables, especially interest rates, remain constant and ignore any impact of the forecast of sales and purchases.

***Liquidity risk***

The Company monitors its level of liquidity considering the expected cash flows against the available amount of cash and cash equivalents. The management of liquidity risk implies maintaining sufficient cash, marketable securities and the ability to settle liabilities and market positions.

The following are the contractual maturities of financial liabilities existing as of December 31, 2019:

<b>Financial liabilities</b>	<b>Up to 6 months</b>	<b>From 6 to 12 months</b>	<b>From 1 to 2 years</b>	<b>From 2 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Trade payables	2,824	-	-	-	-	2,824
Loans and borrowings	7,017	6,897	13,492	40,945	74,360	142,711
Lease Liabilities	59	61	125	359	-	605
Other current liabilities	-	44	-	-	-	44
<b>Total by maturity range</b>	<b><u>9,900</u></b>	<b><u>7,002</u></b>	<b><u>13,617</u></b>	<b><u>41,304</u></b>	<b><u>74,360</u></b>	<b><u>146,184</u></b>

For comparison purposes, the contractual maturities of financial liabilities existing at December 31, 2018 are as follows:

<b>Financial liabilities</b>	<b>Up to 6 months</b>	<b>From 6 to 12 months</b>	<b>From 1 to 2 years</b>	<b>From 2 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Trade payables	1,488	-	-	-	-	1,488
Loans and borrowings	6,930	6,820	13,915	40,727	88,069	156,461
Accounts payable with related parties	2,591	-	-	-	-	2,591
Other current liabilities	-	45	-	-	-	45
<b>Total by maturity range</b>	<b><u>11,009</u></b>	<b><u>6,865</u></b>	<b><u>13,915</u></b>	<b><u>40,727</u></b>	<b><u>88,069</u></b>	<b><u>160,585</u></b>

### **Sensitivity analysis of financial instruments**

The Company, in accordance with the item 40 of CPC 40 (R1)/IFRS 7 - Financial Instruments: Disclosures, discloses a table showing sensitivity analysis, for each type of market risk, considered relevant by Management, originated by financial instruments, to which the Company is exposed at the balance sheet date, as shown below:

	<b>Risk Factor</b>	<b>Amounts in US\$ 12/31/2019</b>	<b>Probable scenario (i)</b>	<b>Scenario +25% (ii)</b>	<b>Scenario +50%(iii)</b>	<b>Scenario -25%(iv)</b>	<b>Scenario -50% (v)</b>
<b>Assets</b>							
Cash and cash equivalents	R\$	1,346	(303)	(269)	(449)	449	1,346
Accounts receivable	R\$	10,765	(2,421)	(2,153)	(3,588)	3,588	10,765
Other assets	R\$	176	(40)	(35)	(59)	59	176
<b>Total assets</b>		<b>12,287</b>	<b>(2,764)</b>	<b>(2,457)</b>	<b>(4,096)</b>	<b>4,096</b>	<b>12,287</b>
<b>Liabilities</b>							
Trade payables	R\$	2,824	(635)	(565)	(941)	941	2,824
Other accounts payable (with related parties)	R\$	3,531	(794)	(706)	(1,177)	1,177	3,532
Lease liabilities	R\$	480	(108)	(96)	(160)	160	479
Other liabilities	R\$	44	(10)	(9)	(15)	15	44
<b>Total liabilities</b>		<b>6,879</b>	<b>(1,547)</b>	<b>(1,376)</b>	<b>(2,293)</b>	<b>2,293</b>	<b>6,879</b>
<b>Net exposure</b>		<b>5,409</b>	<b>(1,216)</b>	<b>(1,082)</b>	<b>(1,803)</b>	<b>1,803</b>	<b>5,408</b>
Assumptions adopted:							
U.S. dollar rate		4.0307	5.2000	5.0384	6.0461	3.0230	2.0154

- (i) The probable scenario considers the market expectation for the exchange rate on December 31, 2020, according to the Focus report released by the Brazilian Central Bank on June 26, 2020.
- (ii) Increase of 25% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2019.
- (iii) Increase of 50% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2019.
- (iv) Decrease of 25% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2019.
- (v) Decrease of 50% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2019.

## **25 Insurance**

The Company adopts the policy of contracting insurance for its assets, loss of profits and risks of possible damages caused to third parties as a result of its operations, in amounts considered sufficient by Management to cover eventual claims, considering the nature of its activity.

The policies are in place and the premiums have been duly paid. The Company believes that insurance coverage is consistent with other similar sized companies operating in the industry.

<b>Operational Risks</b>	<b>2019</b>	<b>2018</b>
Material damages	105,929	89,407
Civil responsibility	185,080	168,174
Loss of profits	49,016	41,371
Risk of damage to the environment.	40,417	42,043

## 26 Subsequent events

### **COVID-19 impacts**

On March 11, 2020, the World Health Organization has declared that the coronavirus outbreak is characterized as a pandemic. The events triggered by this declaration increased the degree of uncertainty for economic agents and may have an impact on the amounts recognized in the financial statements. Management evaluates the implementation of appropriate measures to mitigate the impacts of the outbreak on operations and financial statements. Until the date of authorization for issuing these financial statements, the following main measures were taken:

- Creation of a Crisis Committee;
- Virtual meetings, suspension of events and travels;
- Implementation of work from home for employees of the offices whenever possible; and
- In ports, no ship is authorized by the regulatory agency of the Ministry of Health to dock until the commander's report on the vessel and crews sanitary conditions is approved by the National Health Surveillance Agency (Anvisa).

Considering the current situation of the spread of the outbreak and, in line with the guidelines published in the alert from the Federal Accounting Council (CFC) on March 9, 2020; and in CVM Circular Letter 02/2020 on the effects of Coronavirus (COVID-19) on the financial statements, the Company carried out risk analysis to identify possible impacts of COVID-19 on the financial statements.

In the current scenario, there were no contractual breaks, interruptions in operations as the company performs an activity that is considered essential. Similarly, the Company has not experienced interruptions in supply chain as its suppliers also provide essential services and continued to operate and provide services; and customers continued to operate and the Company has not received any notices from them claiming for force majeure or amendments to the terms of existing double banking transshipment services agreements. The Company does not anticipate an inability to pay creditors on due dates or an inability to comply with the contractual terms of the loan with DFC.

The Company has not had a significant number of employees diagnosed with COVID-19 and working remotely has not significantly impacted operations, including use of financial reporting systems, nor has it significantly impacted internal control environment. The Company has not incurred, and in the future does not expect to incur, significant expenses related to business continuity.

The extent to which COVID-19 may impact the Company's operations, liquidity, financial condition and results of operations will depend on future developments and numerous evolving factors that cannot be predicted, including, but not limited to, the duration and spread of the pandemic, including a "second wave" of infection, its severity, the actions to contain the virus or treat its impact, and the duration, timing and severity of the impact on global financial markets, the oil and gas industry worldwide and the condition of the Brazilian economy. The Company is unable to reasonably predict when, or to what extent, demand for petroleum and petroleum-based products and the overall markets and global economy will stabilize, and the pace of any subsequent recovery for the oil and gas industry.

### **Share capital restructure**

On May 8, 2020, the shareholders of the Company made a capital increase from US\$ 52,438 to US\$ 290,184, representing an increase in the amount of US\$ 237,746, remaining unchanged the participation of each shareholder in the Company's share capital.

On July 31, 2020, our shareholders decided to adjust the capital structure of the Company and approved a capital reduction in the amount of US\$ 134,394. The minutes of the shareholders' meeting were published on July 31, 2020, reducing the share capital of the Company from US\$ 290,184 as of June 30, 2020, to US\$ 191,606 on July 31, 2020.

The objective of the operations previously mentioned was to adjust the Company's capital structure to a more appropriate structure in line with the shareholders objectives.

### **Shell arbitration resolution**

In 2017, Açu Petróleo filed an arbitration lawsuit against Shell Brasil Petróleo Ltda. ("Shell"), in the context of a contractual dispute that had arisen between the parties under the oil transfer services contract, involving the implementation of transshipment operations with VLCC vessels. During the arbitration process, Shell continued to operate regularly at Açu Petróleo's oil terminal with Suezmax vessels, in accordance with the terms and conditions of the contract. In May 2020, the parties reached an agreement to end the dispute and definitively end the arbitration, which allowed Shell to start VLCC operations at the terminal. The completion of the arbitration process did not generate any additional rights or obligations for Açu Petróleo S.A.

### **Financing with DFC**

In June 2020, the Company obtained the release of US \$ 145 million of its credit line with the US International Development Finance Corporation (DFC), with maturity for October 2035 and an interest rate of 4.62% per year, at be paid in semiannual installments. With this new funding, the Company has withdrawn US \$ 260 million of the credit line of up to US\$ 350 million. This credit line aims to balance the Company's capital structure.

### **Night operations started in June 2020**

On June 15, 2020, the Company performed its first night entry maneuver with oil ships, the maneuver performed was a Suezmax ship, further increasing the availability of the company's terminal.

## **Composition of the Board of Directors**

Carlos Tadeu da Costa Fraga  
**Chairman**

Flavio Bernardo Luna do Valle  
**Effective Counselor**

Eugenio Leite de Figueiredo  
**Effective Counselor**

Eduardo Quartarone Campos  
**Effective Counselor**

Holger Cristian Donath  
**Effective Counselor**

Henrique Gonzalez Garcia Filho  
**Deputy Counselor**

Dario Di Luca  
**Deputy Counselor**

## **Composition of Management**

Victor Jorge Snabaitis Bomfim  
**Chief Executive Officer**

Nicholas John Burridge  
**Chief Financial and Investor Relations Officer**

Eduardo Pereira Goulart  
**Commercial Officer**

Alfredo Nilton Lafuente Covarrubias  
**Engineering, Maintenance and Operation Manual**

Mariana Begossi  
**Controllership Manager**  
**Accountant CRC RJ 094602/O**