

# Açu Petróleo S.A.

**Financial statements as of and for  
the year ended december 31, 2020  
and 2019**

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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, 2020, 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, 2020, 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, 2020, the Company has the amount of US\$ 77,304 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 01/01/2021 to 01/31/2021 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, 2020 taken as whole.</p>

## Other matters - Statements of Added Value

The statements of added value for the year ended December 31, 2020, 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.

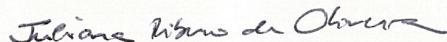
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we 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, March 17, 2021



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

# Açu Petróleo S.A.

## Balance sheets as of december 31, 2020 and 2019

(In thousands of u.s. Dollars)

	Note	12/31/2020	12/31/2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,117	1,346
Marketable securities	5	81,011	17,097
Accounts receivable	7	4,015	10,623
Recoverable income and social contribution taxes	8	-	3
Recoverable taxes	8	2,248	4,942
Prepaid expenses		2,945	662
Other current assests		10	94
		<u>91,346</u>	<u>34,767</u>
<b>Non-current assets</b>			
Accounts receivable	7	149	142
Escrow accounts	6	19,395	11,565
Other non-current assets		37	83
Property, plant and equipment	11	329,013	347,367
Right-of-use assets		372	413
Intangible assets	12	12,206	12,725
		<u>361,172</u>	<u>372,295</u>
<b>Total assets</b>		<b><u>452,518</u></b>	<b><u>407,062</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	13	7,051	2,824
Loans and borrowings	14	10,567	8,739
Salaries and social charges payable		1,232	1,409
Accounts payable to related parties	10	2,483	3,532
Taxes and contributions payable	15	310	480
Income tax and social contribution payable	15	29	169
Advances from clients		921	-
Lease liabilities		76	76
Other current liabilities		3	44
		<u>22,672</u>	<u>17,273</u>
<b>Non-current liabilities</b>			
Loans and borrowings	14	221,020	87,950
Deferred income taxes	9	25,642	5,811
Lease liabilities		244	403
		<u>246,906</u>	<u>94,164</u>
<b>Total liabilities</b>		<b><u>269,578</u></b>	<b><u>111,437</u></b>
<b>Shareholders' equity</b>			
Share capital	17	191,606	52,438
Capital reserve		7,780	245,526
Accumulated losses		(16,446)	(2,339)
		<u>182,940</u>	<u>295,625</u>
<b>Total shareholders' equity</b>		<b><u>182,940</u></b>	<b><u>295,625</u></b>
<b>Total liabilities and shareholders' equity</b>		<b><u>452,518</u></b>	<b><u>407,062</u></b>

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

# Açu Petróleo S.A.

## Statement of income

Years ended on december 31, 2020 and 2019

*(In thousands of u.s. Dollars, except earnings per share data)*

	Note	2020	2019
Net revenue of services	18	77,304	59,938
Cost of services provided	19	<u>(42,586)</u>	<u>(43,523)</u>
<b>Gross profit</b>		<b><u>34,718</u></b>	<b><u>16,415</u></b>
<b>Operating income (expenses)</b>			
General and administrative expenses	20	(4,507)	(5,526)
Expected credit losses		5	(2)
Other operating income (expenses)		<u>(39)</u>	<u>107</u>
<b>Income before financial result and taxes</b>		<b><u>30,177</u></b>	<b><u>10,994</u></b>
Financial income	21	154	1,311
Financial expenses	21	<u>(20,303)</u>	<u>(11,780)</u>
<b>Financial result</b>		<b><u>(20,149)</u></b>	<b><u>(10,469)</u></b>
<b>Profit before taxes</b>		<b><u>10,028</u></b>	<b><u>525</u></b>
Current income and social contribution taxes	9	(5,921)	(1,518)
Deferred income tax and social contribution taxes	9	<u>(18,214)</u>	<u>(2,711)</u>
<b>Net loss for the year</b>		<b><u>(14,107)</u></b>	<b><u>(3,704)</u></b>
<b>Net loss per share</b>			
Loss per share - basic and diluted (in U.S. Dollars)	22	<b>(0,0316)</b>	<b>(0.0139)</b>

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

# Açu Petróleo S.A.

## Statement of comprehensive loss

Years ended on december 31, 2020 and 2019

*(In thousands of u.s. Dollars)*

	2020	2019
Net loss for the year	(14,107)	(3,704)
<b>Total comprehensive loss for the year</b>	<b><u>(14,107)</u></b>	<b><u>(3,704)</u></b>

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

# Açu Petróleo S.A.

## Statement of changes in shareholders' equity

Years ended as of december 31, 2020 and 2019

*(In thousands of u.s. Dollars)*

	Share capital	Capital reserve	Profit reserve	Accumulated losses	Total shareholders' equity
<b>Balance on January 1, 2019</b>	<b><u>65,597</u></b>	<b><u>245,526</u></b>	<b><u>1,365</u></b>	<b><u>-</u></b>	<b><u>312,488</u></b>
Net loss for the year	-	-	-	(3,704)	(3,704)
Capital reduction (note 17)	(13,159)	-	-	-	(13,159)
Absorption of loss with reserves	-	-	(1,365)	1,365	-
<b>December 31, 2019</b>	<b><u>52,438</u></b>	<b><u>245,526</u></b>	<b><u>-</u></b>	<b><u>(2,339)</u></b>	<b><u>295,625</u></b>
Net loss for the year	-	-	-	(14,107)	(14,107)
Capital increase (note 17)	237,746	(237,746)	-	-	-
Capital reduction (note 17)	(98,578)	-	-	-	(98,578)
<b>December 31, 2020</b>	<b><u>191,606</u></b>	<b><u>7,780</u></b>	<b><u>-</u></b>	<b><u>(16,446)</u></b>	<b><u>182,940</u></b>

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

# Açu Petróleo S.A.

## Statement of cash flows

Years ended as of december 31, 2020 and 2019

(In thousands of u.s. Dollars)

	2020	2019
<b>Cash flows from operating activities</b>		
Profit before taxes	10,028	525
<b>Adjustments for:</b>		
Depreciation and amortization	19,002	19,686
Interest on loans	9,654	6,708
Expected credit losses	(5)	2
Result from variable income operations	1,372	-
Amortization of transaction cost	716	481
Exchange variation	6,410	1,463
	<u>47,177</u>	<u>28,865</u>
<b>Changes in:</b>		
<b>(Increase) decrease in assets and increase (decrease) in liabilities:</b>		
Recoverable taxes	2,695	4,529
Income and social contribution taxes recoverable	-	838
Accounts receivable	6,613	(1,853)
Accounts receivable from related parties	1,048	3,902
Prepaid expenses	(2,282)	(339)
Other accounts receivable	84	(115)
Trade payables	4,325	1,336
Accounts payable to related parties	(1,049)	939
Taxes and contributions payable	(169)	110
Salaries and social charges payable	(178)	470
Other current liabilities	(41)	(2)
Income and social contribution taxes paid	(4,626)	169
<b>Net cash generated by operating activities</b>	<u>53,597</u>	<u>38,849</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,754)	(3,409)
Acquisition of intangible assets	(12)	(32)
Investment in variable income operations	(64,519)	(17,097)
<b>Net cash used in investing activities</b>	<u>(70,285)</u>	<u>(20,538)</u>
<b>Cash flows from financing activities</b>		
Escrow accounts	(7,830)	(413)
Transaction cost	(437)	-
Payment of interest on loans	(8,656)	(6,781)
Payment of loans	(12,739)	(7,042)
Capital reduction	(98,578)	(13,159)
Payment of Lease	(97)	-
Loans and borrowings obtained	145,000	-
<b>Net cash generated by(used in) financing activities</b>	<u>16,663</u>	<u>(27,395)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<u>(24)</u>	<u>(9,084)</u>
Cash and cash equivalents at the beginning of period	1,346	13,734
Cash and cash equivalents at the end of year	1,117	1,346
Effect of exchange rate variation on cash and cash equivalents	205	3,304
<b>Increase (decrease) in cash and cash equivalents</b>	<u>(24)</u>	<u>(9,084)</u>

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

# Açu Petróleo S.A.

## Statement of added value

Years ended as of december 31, 2020 and 2019

(In thousands of u.s. Dollars)

	2020	2019
<b>Revenue</b>		
Service revenue	87,100	67,604
Expected credit losses	5	(2)
	<u>87,105</u>	<u>67,602</u>
<b>Inputs acquired from third parties</b>		
Costs of services provided	(23,589)	(23,687)
Materials, electric power, third party services and others	(1,144)	(1,520)
	<u>(24,733)</u>	<u>(25,207)</u>
<b>Gross added value</b>	<u>62,372</u>	<u>42,395</u>
Depreciation and amortization	(19,002)	(19,686)
<b>Net added value produced by the Company</b>	<u>43,370</u>	<u>22,709</u>
<b>Added value received through as transfer</b>		
Financial income	154	1,311
<b>Total added value to be distributed</b>	<u>43,524</u>	<u>24,020</u>
<b>Distribution of added value:</b>		
<b>Personnel</b>		
Direct compensation	2,544	2,771
Benefits	252	288
Severance pay fund (FGTS)	72	79
	<u>2,868</u>	<u>3,138</u>
<b>Taxes, fees and contributions</b>		
Federal	34,547	12,632
Municipal	1,723	1,429
	<u>36,270</u>	<u>14,061</u>
<b>Remuneration of third party capital</b>		
Interest	18,364	10,307
Leases	50	141
Others	799	78
	<u>18,493</u>	<u>10,525</u>
<b>Remuneration of own capital</b>		
Loss for the year	(14,107)	(3,704)
<b>Total added value distributed:</b>	<u>43,524</u>	<u>24,020</u>

The accompanying notes are an integral part of these 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”), with headquarters in Brazil, 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 service contracts related to “double banking transshipment, which occurs when ships are moored at the pier, for the transportation of liquid cargo. With the first operation in August 2016, Açu Petróleo S.A. is controlled by Prumo Logística S.A. (Prumo), which has the objective of developing infrastructure projects and integrated logistical solutions, mainly in the port sector.

Açu Petróleo’s terminal has three berths available along the 1,4 km Error! Bookmark not defined. breakwater, two of which, the North and Central berths, have a capacity to receive Very Large Crude Carrier (“VLCC”) export ships and the South berth, with capacity to operate Suezmax ships. 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 width and depth of the access channel and of the north and central berths of T-Oil,.., allowing the operation of VLCC ships. The first operation with a VLCC vessel, with two million\* barrels of capacity, was carried out in May 2018.

### Highlights of 2020

#### *Shell arbitration resolution*

In 2017, Açu Petróleo filed an arbitration proceeding 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*

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 previously named Overseas Private Investment Corporation (“OPIC”), the North American development finance agency. Of this amount, Açu Petróleo had withdrawn the amount of US\$ 115 million until December 31, 2018 and, in June 2020, the Company obtained an additional US\$ 145 million from its credit line with DFC, maturing in October 2035 and with an interest rate of 4.62% per year, to be paid in semiannual installments, as mentioned in Note 14 – Loans and borrowings. With this new fundraising, the Company has withdrawn US\$ 260 million from the credit line of US\$ 350 million. This line of credit is intended to balance the Company’s capital structure.

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(\*) Unaudited information

### ***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.

### ***Capital restructuring***

On May 8, 2020, the Company increased its share capital in the amount of US\$ 237,746, using a balance of the capital reserve, issuing new shares and maintaining unchanged the participation of each shareholder in the Company's share capital.

On July 30, 2020, the Company's shareholders decided to adjust the capital structure of the Company and approved a capital reduction in the amount of US\$ 98,578. The minutes of the shareholders' meeting were published on July 30, 2020, reducing the share capital on the same day. Therefore, the Company's share capital is US\$ 191,606. The justification for the reduction is detailed in note 17.

### ***Power Supply***

On December 1, 2020, the Company completed the construction of a feeder cubicle at the Ferroport SE-01 substation, connected to the existing 13.8kV\* rail and a 34.5kV\* cubicle, considering the use of a transformer. This panel is responsible for the electrical supply of two transformers, that generates a reduction in electricity costs at the terminal, the need for diesel-based energy generators, which in turn, reduces fuel rental and purchase costs and greater stability in the terminal's electrical network.

### ***COVID-19 impacts***

On March 11, 2020, the World Health Organization 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;
- In the port, 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.

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(\*) Unaudited information

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 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.

Açu Petróleo 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 the 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, 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.

## **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, 2020 on March 17, 2021. 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.

### **b. Basis of measurement**

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

**c. 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.

For presentation purposes, these financial statements are presented in United States dollar ("US\$") as the Company believes that this is how international investors analyze the financial statements.

The exchange rates used by the Company to translate its operations are as follows:

	<i>Closing rate</i>		<i>Average rate for the year ended</i>	
	2020	2019	2020	2019
US Dollar ("US\$")	5,1967	4,0307	5,1578	3,9461

**d. 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, 2020, 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 9** – recognition of deferred income and social contribution taxes;
- **Note 12** – definition of the useful life of intangibles and amortization of these assets;
- **Note 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.

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

A series of new standards came into effect as of January 1, 2020:

- Definition of Material (Amendments to IAS 1 and IAS 8)
- Definition of a Business (Amendments to IFRS 3)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Based on management's assessment, these new standards did not materially affect the Company's financial statements.

**3 Summary of significant accounting policies**

Significant accounting policies used in the preparation of these financial statements are disclosed in the respective notes. The accounting policies have been consistently applied to all years presented, except for the adoption of the new accounting standards described as follows:

**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 income. 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 income.

### ***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 fixed asset 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 fixed asset (determined by the difference between the proceeds from the sale and the book value of fixed asset), 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, if applicable. The amount of current taxes payable or receivable is recognized in the balance sheet as a tax asset or liability by the best estimate of the expected amount of taxes to be paid or received that reflects the uncertainties related to their calculation, if any. It is measured based on the expected total annual profit, that is, the estimated average effective annual rate is applied to earnings before taxes in the interim period.

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 estimated average effective annual rate applied to earnings before taxes in the interim period, and reflects the uncertainty related to the tax on profit, if any. It is measured based on the expected total annual profit, that is, the estimated average effective annual rate is applied to earnings before taxes in the interim period. Management considers exchange rate fluctuations to be a single event in each period.

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 and 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 income in the exchange variation line in the financial result.

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. 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.

**j. 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 Açu's main decision makers.

**k. 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.

**l. New standards and interpretations**

A number of new standards already issued have effective adoption dates for years beginning after January 1, 2021. 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).

- Onerous contracts (amendments IAS 37);
- Interest rate benchmark reform – Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 e IFRS 16);
- COVID-19 related rent concessions (amendment to IFRS 16);
- PP&E: Proceeds before Intended use (amendment to IAS 16);
- Reference to conceptual framework (amendment to IFRS 3);
- Classification of liability as current or non-current (amendment to IAS 1); and
- IFRS 17 insurance contracts and amendments to IFRS 17 insurance contracts;

These new and amended standards are not expected to have a significant impact on the Company's financial statements.

**4 Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
Cash and bank	730	612
Short-term investments	387	734
	<b>1,117</b>	<b>1,346</b>

The amount of cash and cash equivalents includes balances held in banking accounts, onshore, at Citibank bank. In addition to these balances, the Company has short investments in funds invested in a Fixed Income Investment Fund, with Citibank; which has daily liquidity, and quotas are readily convertible to known amounts of cash and subject to a minimum risk of change in value.

## 5 Marketable securities

	<b>2020</b>	<b>2019</b>
Foreign exchange fund	<u>81,011</u>	<u>17,097</u>
	<b><u>81,011</u></b>	<b><u>17,097</u></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, are subject to a significant risk of change in value and are presented in current assets according to the expected realization.

The increase in the period occurred mainly due to the amounts obtained in the loan from the Company's credit line with the US International Development Finance Corporation (DFC) that were invested in the foreign exchange fund, according to Note 14 – Loans and borrowings.

## 6 Escrow accounts

The escrow accounts of Açu Petróleo in the amount of US\$ 19,395 (US\$ 11,565 at December 31, 2019) refer to funds held in US dollars in accounts offshore. 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, 2020 and 2019 can be seen below:

	<b>2020</b>	<b>2019</b>
Escrow Accounts	19,396	11,566
(-) Expected credit losses	<u>(1)</u>	<u>(1)</u>
	<b><u>19,395</u></b>	<b><u>11,565</u></b>

## 7 Accounts receivable

	<b>2020</b>	<b>2019</b>
Accounts receivable	4,169	10,776
(-) Expected credit losses	<u>(5)</u>	<u>(11)</u>
	<b><u>4,164</u></b>	<b><u>10,765</u></b>
Current	4,015	10,623
Non Current	149	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, 2020:

Risk analysis	Rating <sup>(1)</sup>	2020			2019		
		Gross Balance	Loss rate (1)	Loss Provision	Gross Balance	Loss rate (1)	Loss Provision
Nível 1	Not due	4,169	0.1%	(5)	10,776	0.1%	(11)
<b>Total</b>		<b>4,169</b>	<b>-</b>	<b>(5)</b>	<b>10,776</b>	<b>-</b>	<b>(11)</b>

(i) Company's internal rating and loss rate

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

	2020	2019
Opening balance	(11)	(9)
Provision recorded during the year	6	(2)
	<b>(5)</b>	<b>(11)</b>

## 8 Recoverable taxes

	2020	2019
Income and social contribution taxes ("IRPJ/CSLL")	-	3
Withholding income tax ("IRRF")	791	1,627
Withholding social contribution tax ("CSLL")	4	142
Non-cumulative credit ("PIS")	264	519
Non-cumulative credit ("COFINS")	1,038	2,352
Tax on services ("ISS")	100	235
Others	51	67
<b>Total of current recoverable taxes</b>	<b>2,248</b>	<b>4,945</b>

## 9 Income taxes

### a. Deferred income tax assets and liabilities

As of December 31, 2020, deferred taxes summarizes a liability of US\$ 25,642 (US\$ 5,811 as of December 31, 2019).

	<b>2020</b>	<b>2019</b>
<b>Deferred taxes</b>		
Tax losses	1,388	4,174
Negative basis of social contribution	500	1,503
Temporary difference		
Provision for profit sharing	70	81
Expeted credit losses	2	1
Exchange variation - cash taxation	4,978	1,220
IFRS 16 lease provision	13	16
Provision	367	-
Loss on investment fund	1,411	-
Other	52	66
	<u>8,781</u>	<u>7,061</u>
<b>Total of deferred tax assets</b>		
Effect of functional currency on non-monetary assets (a)	<u>(34,423)</u>	<u>(12,872)</u>
<b>Total of deferred tax liabilities</b>	<u>(34,423)</u>	<u>(12,872)</u>
<b>Total tax liabilities, net</b>	<u>(25,642)</u>	<u>(5,811)</u>

- (a) 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.

### b. Changes in deferred tax are as follows

<b>Balance at December 31,2018</b>	<u>(2,857)</u>
Utilization of taxes losses carryforward	(633)
Timing differences arising on assets and liabilities	1,318
Effect of functional currency on non-monetary assets	<u>(3,396)</u>
<b>Effect in deferred income statement</b>	<u>(2,711)</u>
Financial result - exchange variation	(243)
Other comprehensive income	<u>-</u>
<b>Balance at December 31, 2019</b>	<u>(5,811)</u>
Utilization of taxes losses carryforward	(2,515)
Timing differences arising on assets and liabilities	5,819
Effect of functional currency on non-monetary assets	<u>(21,518)</u>
<b>Effect in deferred income statement</b>	<u>(18,214)</u>
Financial result - exchange variation	(1,617)
Other comprehensive income	<u>-</u>
<b>Balance at December 31, 2020</b>	<u>(25,642)</u>

**c. Effect on statement of income**

	<b>2020</b>	<b>2019</b>
Profit (loss) before Income tax and social contribution	<u>10,028</u>	<u>525</u>
Income tax and social contribution at nominal rate	(3,410)	(179)
<b>Adjustments to derive the effective rate</b>		
Permanent adjustments to the tax base	688	(396)
Functional currency effects over property, plant and equipment	(20,672)	(3,211)
Functional currency effects over intangible assets	(879)	(171)
Other difference between presentation and fiscal basis (*)	(822)	(250)
Others	<u>960</u>	<u>(22)</u>
<b>Total income and social contribution for the year</b>	<b><u>(24,135)</u></b>	<b><u>(4,229)</u></b>
<b>Effective income tax rate</b>	<b><u>(241%)</u></b>	<b><u>(806%)</u></b>
Current income tax and social contribution	(5,921)	(1,518)
Deferred income tax and social contribution	<u>(18,214)</u>	<u>(2,711)</u>
<b>Total income and social contribution for the year</b>	<b><u>(24,135)</u></b>	<b><u>(4,229)</u></b>

(\*) Deferred tax assets and liabilities are updated at the current rate for each reporting period. In turn, items in foreign currency are recognized in the income statement at the average exchange rate, generating others tax differences among tax basis and the Company's functional currency.

**10 Related parties**

The main balances of liabilities on December 31, 2020 and 2019, 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 payable**

<b>Accounts payable to related parties</b>	<b>2020</b>	<b>2019</b>
Oiltanking Açu Serviços Ltda (a)	1,810	2,103
Oiltanking Terminais Ltda (b)	25	-
Ferroport Logística Comercial Exportadora S.A. (c)	551	1,186
Porto do Açu Operações S.A. (d)	9	70
Prumo Logística S.A. (e)	<u>88</u>	<u>173</u>
	<b><u>2,483</u></b>	<b><u>3,532</u></b>

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

## Effect on statement of income

	<b>Costs and expenses</b>	
	<b>2020</b>	<b>2019</b>
Ferroport Logística Comercial Exportadora S.A. (a)	(5,120)	(9,656)
Oiltanking Açu Serviços Ltda (b)	(5,746)	(5,775)
Oiltanking Terminais Ltda (c)	(186)	-
Prumo Logística S.A. (d)	(234)	(102)
Porto do Açu Operações S.A. (d)	(88)	(50)
	<b>(11,374)</b>	<b>(15,583)</b>

- (a) The amount refers to reimbursement of property security expenses and SSO.
- (b) The amount refers to reimbursement of expenses with operation and maintenance of the terminal.
- (c) The amount refers to reimbursement of expenses with the operations directory.
- (d) The amount refers to reimbursement of costs for shared services.

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.

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

	<b>2020</b>	<b>2019</b>
<b>Directors</b>		
Remuneration / Salaries	676	671
Bonus	702	852
Benefits and charges	314	144
	<b>1.692</b>	<b>1.667</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.

Porto do Açu 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**

With the closing of the capital in 2018 of Prumo Logística SA, the controlling shareholder of the Company, the share-based payment plan was replaced in the second quarter of 2019, 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, there was only 36% of vesting (on December 31, 2019, 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, 2020 and 2019 is as follows:

	<b>Annual weighted depreciation rate %</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net 12/31/2020</b>	<b>Net 12/31/2019</b>
Breakwater - T1	1.67	104,372	(9,031)	95,341	97,413
Pier - T1	1.67	53,977	(5,314)	48,663	50,344
Canal - T1	6.67	143,353	(25,047)	118,306	128,614
Improvements	4	230	(48)	182	224
Facilities	10	946	(86)	860	128
Furniture and fixtures	10	240	(56)	184	181
Computer equipment	20	1,108	(920)	188	386
Machinery and equipment	10	57,290	(27,019)	30,271	39,705
Land		23,171	-	23,171	23,171
		<b>384,687</b>	<b>(67,521)</b>	<b>317,166</b>	<b>340,166</b>
Advances for formation of property, plant and equipment		269	-	269	157
Construction in progress and equipment under construction		11,578	-	11,578	7,044
		<b>11,847</b>	<b>-</b>	<b>11,847</b>	<b>7,201</b>
		<b>396,534</b>	<b>(67,521)</b>	<b>329,013</b>	<b>347,367</b>

	<b>Annual weighted depreciation rate %</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net 12/31/2019</b>	<b>Net 12/31/2018</b>
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>

All Property, plant and equipment is located in Brazil.

### Changes in Cost

	<b>2019</b>	<b>Movement</b>			<b>2020</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	-	-	(475)	53,977
Canal T1	145,037	-	-	(1,684)	143,353
Improvement	229	1	-	-	230
Facilities	189	4	-	753	946
Furniture and fixtures	219	21	-	-	240
Computer equipment	1,073	35	-	-	1,108
Machinery and equipment	60,568	148	-	(3,426)	57,290
Land	23,171	-	-	-	23,171
	<b>389,310</b>	<b>209</b>	<b>-</b>	<b>(4,832)</b>	<b>384,687</b>
Advances for formation of property, plant and equipment	157	112	-	-	269
Construction in progress and equipment under construction	7,044	5,433	-	(899)	11,578
	<b>7,201</b>	<b>5,545</b>	<b>-</b>	<b>(899)</b>	<b>11,847</b>
	<b>396,511</b>	<b>5,754</b>	<b>-</b>	<b>(5,731)</b>	<b>396,534</b>

(\*) The amount refers to the Pis / Cofins credit in the amount of USD 5,731.

	<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>

### Changes in accumulated depreciation

	<b>Depreciation 12/31/2019</b>	<b>Additions</b>	<b>Write-off</b>	<b>Depreciation 12/31/2020</b>
Breakwater - T1	(6,959)	(2,072)	-	(9,031)
Pier - Port Terminal - T1	(4,108)	(1,206)	-	(5,314)
Canal - T1	(16,423)	(8,624)	-	(25,047)
Improvements	(5)	(43)	-	(48)
Facilities	(61)	(25)	-	(86)
Furniture and fixtures	(38)	(18)	-	(56)
Computer equipment	(687)	(233)	-	(920)
Machinery and equipment	(20,863)	(6,156)	-	(27,019)
	<b>(49,144)</b>	<b>(18,377)</b>	<b>-</b>	<b>(67,521)</b>
	<b>Depreciation 12/31/2018</b>	<b>Additions</b>	<b>Write-off</b>	<b>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>

## 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, 2020 and 2019, the Company had evaluated and did not identify any trigger for impairment of property, plant and equipment.

## 12 Intangible assets

	Annual amortization rate (%)	Net Cost 12/31/2019	Additions	Amortization	Net Cost 12/31/2020
<b>Cost</b>					
Right of access	3.54	14,463	88	-	14,551
Software license	20	359	14	-	373
Brands and patents		11	-	-	11
		<u>14,833</u>	<u>102</u>	<u>-</u>	<u>14,935</u>
<b>Accumulated amortization</b>					
Right of access		(2,037)	-	(600)	(2,637)
Software license		(71)	-	(21)	(92)
		<u>(2,108)</u>	<u>-</u>	<u>(621)</u>	<u>(2,729)</u>
		<u>12,725</u>	<u>102</u>	<u>(621)</u>	<u>12,206</u>
<b>Cost</b>					
Right of access	3.54	14,463	-	-	14,463
Software license	20	327	32	-	359
Brands and patents		11	-	-	11
		<u>14,801</u>	<u>32</u>	<u>-</u>	<u>14,833</u>
<b>Accumulated amortization</b>					
Right of access		(1,528)	-	(509)	(2,937)
Software license		(50)	-	(21)	(71)
		<u>(1,578)</u>	<u>-</u>	<u>(530)</u>	<u>(2,108)</u>
		<u>13,223</u>	<u>32</u>	<u>(530)</u>	<u>12,725</u>

### 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, 2020 and 2019, the Company had evaluated and did not identify any trigger for impairment of intangible assets.

## 13 Trade payables

The balance payable to suppliers of US\$ 7,051 (US\$ 2,824 on December 31, 2019) 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, dredging services and operational and administrative equipment. In 2020, there was an increase in trade payables due increased demand and operations throughout the year

## 14 Loans and borrowings

	2020				2019	
	Maturity	Rates %	Principal	Interests and monetary adjustment	Total	Total
DFC	10/30/2035	Dollar + 6.17% yr.	66,086	680	66,766	72,015
DFC	10/30/2035	Dollar + 6.46% yr.	29,302	315	29,617	32,112
DFC	10/30/2035	Dollar + 4.62% yr.	139,925	1,077	141,002	-
(-) Transaction cost			(5,798)	-	(5,798)	(7,438)
			<b>229,515</b>	<b>2,072</b>	<b>231,587</b>	<b>96,689</b>
Current					10,567	8,739
Non-current					221,020	87,950

In May 2017, Açu Petróleo obtained financing in the amount of US\$ 80 million from the U.S. International Development Finance Corporation (DFC), the North American development finance agency. In May 2018, the Company obtained an additional US\$35 million in financing. In June 2020, the Company obtained financing in the amount of US\$ 145 million, totaling US\$260 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% per year for the first tranche (US\$80 million), 6.46% per year for the second tranche (US\$35 million), and 4.62% per year for the third tranche (US\$145 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				No Cash Effect				Ending Other balance
	Beginning balance	Funding / Settlement	Payment of interest on loans	Adding Transaction Costs	Interest	Exchange variation	Amortization of Transaction Cost		
<b>2020</b>	96,689	132,261	(8,656)	(437)	9,654	1,666	716	(306)	231,587
<b>2019</b>	103,017	(7,042)	(6,781)	-	6,708	306	481	-	96,689

### *Escrows attached to the financing operation*

	Beginning balance	Cash flow	Ending balance
		Additions	
<b>2020</b>	<b>11,565</b>	7,830	<b>19,395</b>
<b>2019</b>	<b>11,152</b>	413	<b>11,565</b>

### **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 and (iv) Fiduciary sale of Açu Petróleo's relevant "Offtake" contracts. More information on deposits related to loans can be found in explanatory note No. 6.

### **Covenants**

DFC financing is subject to financial covenant clauses as of December 31, 2020, 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

	<b>2020</b>	<b>2019</b>
Tax on services (ISS)	99	191
Retention of withholding taxes (PIS/COFINS/CSLL)	46	32
Non-cumulative credit PIS/COFINS	158	-
Building and Urban territorial taxation (IPTU)	-	195
Others	7	62
<b>Taxes and contributions payable</b>	<b>310</b>	<b>480</b>
Income and social contribution taxes (IRPJ/CSLL)	29	169
<b>Income tax and social contribution payable</b>	<b>29</b>	<b>169</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.

### (a) Provision for contingencies

Provisions for losses resulting from lawsuits are estimated and updated by the Company, based on analysis from the Company's legal consultants. As of December 31, 2020, the Company has no process involving risk probable.

### (b) Contingent liabilities

The Company has contingent liabilities where claims are debated in both administrative and judicial claims and whose expected loss is classified as possible, and for which the recognition of a provision is not considered necessary by the Company. Based in the legal opinions, the presentation of the litigations classified with expected loss as possible are presented as follow:

	<b>2020</b>	<b>2019</b>
Tax litigations	343	424
Labor litigations	12	-
<b>Total</b>	<b>355</b>	<b>406</b>

- I. Tax litigations - The most relevant contingent tax liabilities are associated with proceedings related to the collection of IRPJ. The lawsuit refers to Income tax compensation and approval of the Compensation Declaration ("DCOMP") for income tax withheld at source.
- II. Labor litigations - Represents individual claims by employees and service providers, primarily involving demands for additional compensation for overtime work, time spent commuting or health and safety conditions.

## 17 Shareholder's equity

### a. Share capital

The share capital composition of the Company as of December 31, 2020 and 2019 is as follows:

Shareholder	12/31/2020		12/31/2019	
	Number of common shares	%	Number of common shares	%
Prumo Logística	268,225,386	60.00	160,225,386	60.00
Açu Petróleo Investimentos	89,408,462	20.00	53,408,462	20.00
Oiltanking	89,408,462	20.00	53,408,462	20.00
	<b>447,042,310</b>	<b>100.00</b>	<b>267,042,310</b>	<b>100.00</b>

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, using a balance of the capital reserve, issuing new shares and maintaining unchanged the participation of each shareholder in the Company's share capital.

On July 30, 2020, our shareholders decided to adjust the capital structure of the Company and approved a capital reduction in the amount of US\$ 98,578, reducing the share capital of the Company from US\$ 290,184 as of June 30, 2020, to US\$ 191,606 as of December 31, 2020. The objective of the previously mentioned operations 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, 2020, the capital reserve represents a total of US\$ 7,780 (US\$ 245,526 as of December 31, 2019).

### c. Profit Reserve

Pursuant to Brazilian Corporate Law, the Company absorbed the loss with a profit reserve.

### d. Dividends distribution

The current Bylaws of the Company approved according to the minutes of the Extraordinary Shareholders' Meeting that resolved its reform and consolidation, dated October 20, 2020, and foresees the destination of the net income for the year that remains, after the following deductions or additions, made decreasingly (i) 5% for the formation of the Legal Reserve, which may be waived if its balance (a) exceeds 20% of the Capital Stock; or (b) plus the amount of capital reserves, exceeds 30% of the Capital Stock; (ii) up to 70% will be allocated to the special reserve to cover capital expenditure (capital expenditure) and related costs (Operational Expenditure, that is, maintenance for capital expenditure), (ii) up to the equivalent amount in US \$ 3 million, required to pay the operating costs (in accordance with the nature of note 19) of the Company and SG&A (expenses in accordance with the nature of note 20), will be allocated to the minimum capital reserve, and (iv) if any, 100% of the net income for the year, adjusted under the terms of article 202 of Law 6,404 / 76, is annually distributed to shareholders as mandatory dividend.

The dividend distribution policy follows the rule of the Brazilian Corporate Law, i.e., annual distribution. Furthermore, the Board of Directors may declare interim dividends, to the account of accumulated profits or profit reserves existing in the last annual balance sheet.

In addition to the provisions of the Brazilian Corporate Law, the Company has restrictions on the distribution of dividends provided for in the Bylaws, which are transitional provisions and will remain in force until full compliance with the obligations provided for in the Financing Agreement concluded between the Company and the Overseas Private Investment Corporation ("OPIC") on November 26, 2016, which was subsequently transferred to International Development Finance Corporation ("DFC").

According to the Financing Agreement, payments to shareholders may only occur (i) through the resources available in a linked account ("Distribution Account"), which is the last in order of priority of 7 deposit accounts of the Company's revenues; or (ii) when it is (a) before the completion of the projects financed by said contract, only in the case of reimbursement of capital investment of the Principal Shareholders, cumulated with other requirements, or (b) after the completion of the projects financed by said contract, only after the payment of a certain amount of installments of the principal value, cumulated with other requirements.

## 18 Net revenue of services

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

	<b>2020</b>	<b>2019</b>
Revenue from double banking transshipment	86,961	67,604
Revenue of vessel monitoring services	139	-
Taxes on services rendered (PIS / COFINS / ISS)	<u>(9,796)</u>	<u>(7,666)</u>
<b>Net revenue of services</b>	<b><u>77,304</u></b>	<b><u>59,938</u></b>

## 19 Costs of services provided

	<b>2020</b>	<b>2019</b>
Staff cost	(294)	(337)
Third-party services	(1,341)	(1,632)
Surveillance and Security	(163)	(410)
Leases	(321)	(309)
Depreciation and amortization	(18,703)	(19,499)
Miscellaneous insurance	(750)	(678)
Port services	(20,683)	(20,245)
Taxes and fees	(217)	(367)
Support materials	<u>(114)</u>	<u>(46)</u>
	<b><u>(42,586)</u></b>	<b><u>(43,523)</u></b>

## 20 General and administrative expenses

	<b>2020</b>	<b>2019</b>
Salaries and social charges	(2,961)	(3,485)
Third-party services	(529)	(700)
Rental and leases	(50)	(141)
Representations and events	(14)	(23)
Consumables	(5)	(16)
Travel and stay	(18)	(54)
Software License	(79)	(77)
Depreciation and amortization	(299)	(187)
Taxes and fees	(12)	(8)
Other expenses	(119)	(147)
Shared costs	(421)	(688)
	<u>(4,507)</u>	<u>(5,526)</u>

## 21 Financial result

	<b>2020</b>	<b>2019</b>
<b>Financial income</b>		
Income from financial investments	33	674
Interest receivable	121	216
Fines and interests	-	415
Exchange variation	-	6
	<u>154</u>	<u>1,311</u>
<b>Financial expenses</b>		
Interests on loans	(9,802)	(6,714)
Bank expenses	(47)	(62)
IOF (Tax on financial operations)	(107)	(91)
Fine and interests	(13)	(9)
Commissions and Brokerage	(53)	(1,443)
Loan costs	(1,794)	(1,382)
Losses on variable fund investment	(2,047)	(648)
Others	(30)	(16)
Exchange variation	(6,410)	(1,415)
	<u>(20,303)</u>	<u>(11,780)</u>
<b>Net financial result</b>	<u>(20,149)</u>	<u>(10,469)</u>

## 22 Loss per share

The calculation of earnings (loss) per share was based on the net profit (loss) attributed to holders of common shares and the weighted average number of outstanding common shares. Diluted earnings (loss) per share are equal to basic earnings (loss) per share due to the absence of potentially dilutive effects in the periods presented

	<b>2020</b>	<b>2019</b>
Loss attributed to holders of common shares	(14,107)	(3,704)
Weighted average number of common shares outstanding during the year	<u>447,042,310</u>	<u>267,042,310</u>
<b>Loss per share - basic and diluted (in US\$)</b>	<u>(0,0316)</u>	<u>(0,0139)</u>

## 23 Commitments

The Company has assumed future purchase commitments in the amount of US\$ 19,125 (US\$ 32,628 on December 31, 2019), which must be fulfilled in the continuity of the Company's activities. The commitments are segregated by currency according to the following table:

Commitments 2020:

	2021	2022	2023	2024	2025	After 2026	Total
<b>Brazilian reais</b>							
Administrative	1,485	321	83	61	32	349	2,331
Legal	7	-	-	-	-	-	7
Operational	9,179	2,304	1,026	1,002	1,000	579	15,090
	<u>10,671</u>	<u>2,625</u>	<u>1,109</u>	<u>1,063</u>	<u>1,032</u>	<u>928</u>	<u>17,428</u>
	2021	2022	2023	2024	2025	After 2026	Total
<b>U.S. Dollar</b>							
Administrative	86	41	41	41	41	409	659
Comercial	2	2	2	2	2	24	34
<b>Euro</b>							
Administrative	154	-	-	-	-	-	154
Operational	849	-	-	-	-	-	849
	<u>1,091</u>	<u>43</u>	<u>43</u>	<u>43</u>	<u>43</u>	<u>433</u>	<u>1,696</u>
<b>Total 2020</b>	<u>11,762</u>	<u>2,668</u>	<u>1,153</u>	<u>1,106</u>	<u>1,075</u>	<u>1,361</u>	<u>19,125</u>

Commitments 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	27,660
	<u>20,702</u>	<u>2,400</u>	<u>768</u>	<u>448</u>	<u>448</u>	<u>6,963</u>	<u>31,729</u>
<b>U.S. Dollar</b>							
Administrative	78	39	39	39	39	422	656
Comercial	70	2	2	2	2	24	102
<b>Euro</b>							
Administrative	141	-	-	-	-	-	141
	<u>289</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>446</u>	<u>899</u>
<b>Total 2019</b>	<u>20,991</u>	<u>2,441</u>	<u>809</u>	<u>489</u>	<u>489</u>	<u>7,409</u>	<u>32,628</u>

(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:

		<b>2021</b>			<b>2022</b>			<b>Total</b>	
<b>Brazilian reais</b>									
Administrative		786			184			970	
Operational		<u>285</u>			<u>-</u>			<u>285</u>	
		<u><b>1.071</b></u>			<u><b>184</b></u>			<u><b>1.255</b></u>	
<b>U.S. Dollar</b>									
		<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025+</b>			<b>Total</b>
Comercial		<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>26</u>			<u>34</u>
		<u><b>2</b></u>	<u><b>2</b></u>	<u><b>2</b></u>	<u><b>2</b></u>	<u><b>26</b></u>			<u><b>34</b></u>
<b>Euro</b>									
						<b>2021</b>			<b>Total</b>
Administrative						154			154
Operational						<u>849</u>			<u>849</u>
						<u><b>399</b></u>			<u><b>399</b></u>

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:

	2020			2019		
	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	1,117	-	-	1,346	-	-
Marketable securities	-	-	81,011	-	-	17,097
Escrow accounts	19,395	-	-	11,565	-	-
Accounts receivable	4,164	-	-	10,765	-	-
Other current assets	10	-	-	94	-	-
	<b>24,686</b>	<b>-</b>	<b>81,011</b>	<b>23,770</b>	<b>-</b>	<b>17,097</b>
<b>Liabilities</b>						
Trade payables	7,051	-	-	2,824	-	-
Loans and borrowings	231,587	-	-	96,689	-	-
Accounts payable with related parties	2,483	-	-	3,532	-	-
Lease	320	-	-	479	-	-
Other current liabilities	3	-	-	44	-	-
	<b>241,443</b>	<b>-</b>	<b>-</b>	<b>103,568</b>	<b>-</b>	<b>-</b>

### Fair value

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 gives priority to unadjusted 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, 2020, 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\$ 231,587 as of December 31, 2020 (US\$ 96,689 as of December 31, 2019). 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, 2020 and 2019.

### **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 manages and controls exposure to market risks within acceptable parameters, while optimizing 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>2020</b>	<b>2019</b>
Cash and cash equivalents	1,117	1,346
Marketable securities	81,011	17,097
Escrow accounts	19,395	11,565
Accounts receivable	4,164	10,765
Other current assets	10	94

The expected credit loss amounts regarding the financial instruments mentioned on the table above can be seen in notes 4, 5, 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>2020</b>	<b>2019</b>
Shell	58%	56%
Galp	21%	21%
Petrobras	5%	21%
Equinor	10%	-

### ***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 an 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, 2020:

<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	7,051	-	-	-	-	7,051
Loans and borrowings	10,465	10,335	23,168	86,882	196,446	327,296
Lease Liabilities	37	39	115	192	-	383
Other current liabilities	-	3	-	-	-	3
<b>Total by maturity range</b>	<b>17,553</b>	<b>10,377</b>	<b>23,283</b>	<b>87,074</b>	<b>196,446</b>	<b>334,733</b>

For comparison purposes, the contractual maturities of financial liabilities existing at December 31, 2019 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	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>9,900</b>	<b>7,002</b>	<b>13,617</b>	<b>41,304</b>	<b>74,360</b>	<b>146,184</b>

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

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 manages and controls exposure to market risks within acceptable parameters, while optimizing return.

	<b>Risk Factor</b>	<b>Amounts in US\$ 12/31/2020</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 equivalentes	USD	1,117	223	372	(372)	(1,117)
Accounts receivable	USD	4,165	833	1,388	(1,388)	(4,165)
Other assets	USD	47	10	16	(16)	(47)
<b>Total assets</b>		<b>5,329</b>	<b>1,066</b>	<b>1,776</b>	<b>(1,776)</b>	<b>(5,329)</b>
<b>Liabilities</b>						
Trade payables	USD	7,051	1,410	2,350	(2,350)	(7,051)
Other accounts payable (with related parties)	USD	2,483	497	828	(828)	(2,483)
Lease liabilities	USD	320	64	107	(107)	(320)
Other liabilities	USD	2	-	1	(1)	(3)
<b>Total liabilities</b>		<b>9,856</b>	<b>1,971</b>	<b>3,286</b>	<b>(3,286)</b>	<b>(9,857)</b>
Assumptions adopted: U.S. dollar rate		5,1967	6,4959	7,7951	3,8975	2,5984

- (i) Increase of 25% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2020.

- (ii) Increase of 50% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2020.
- (iii) Decrease of 25% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2020.
- (iv) Decrease of 50% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2020.

## **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>2020</b>	<b>2019</b>
Material damages	105,114	105,929
Civil responsibility	200,000	185,080
Loss of profits	59,654	49,016
Risk of damage to the environment.	50,000	40,417

\* \* \*

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

Pedro Pullen Parente  
Chairman

Kevin Lee Lowder  
Board Member

Jorge Marques de Toledo Camargo  
Board Member

Carlos Tadeu da Costa Fraga  
Board Member

Holger Cristian Donath  
Board Member

Lavinia Hollanda  
Independent Board Member

Patricia Helena Fonseca Garcia  
Independent Board Member

## **Composition of Management**

Victor Jorge Snabaitis Bomfim  
Chief Executive Officer

Nicholas John Burridge  
Chief Financial Officer

Eduardo Pereira Goulart  
Chief Commercial Officer

Alfredo Nilton Lafuente Covarrubias  
Chief Operating Officer

Mariana Begossi  
Controllership Manager  
Accountant CRC RJ 094602/O