

# Açu Petróleo S.A.

**Consolidated financial statements  
as of and for the year ended  
December 31, 2021 and 2020**

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# Independent auditors' report on the consolidated financial statements

To the Shareholders, Board of Directors and Management of

Açu Petróleo S.A.

Rio de Janeiro – RJ

## Opinion

We have audited the consolidated financial statements of Açu Petróleo S.A. ("the Company"), which comprise the consolidated balance sheet as of December 31, 2021, the consolidated statements of income and comprehensive income (loss), changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company, as at December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

## Basis for opinion

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

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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(j) and 17 of the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
<p>As of December 31, 2021, the Company has the amount of US\$ 90,271 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>Tests of design and implementation of internal control associated with the Revenue recognition process, including review of proper recognition in the correct period.</p> <p>We carried 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 inspected 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 01/01/2022 to 01/31/2022 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 assessed 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, 2021 taken as whole.</p>

## Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is greater than the one deriving from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

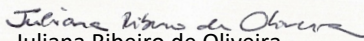
We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 consolidated 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 15, 2022

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

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

# Açu Petróleo S.A.

## Consolidated balance sheets as of December 31, 2021 and 2020

(In thousands of U.S. Dollars)

	Note	2021	2020
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	764	1,117
Marketable securities	5	24,600	81,011
Accounts receivable	7	6,145	4,015
Recoverable income and social contribution taxes	8	393	-
Recoverable taxes	8	644	2,248
Prepaid expenses		2,301	2,945
Other current assests		26	10
		<u>34,873</u>	<u>91,346</u>
<b>Non-current assets</b>			
Accounts receivable	7	190	149
Escrow accounts	6	19,395	19,395
Other non-current assets		34	37
Property, plant and equipment	10	316,105	329,013
Right-of-use assets		270	372
Intangible assets	11	11,454	12,206
		<u>347,448</u>	<u>361,172</u>
<b>Total assets</b>		<b><u>382,321</u></b>	<b><u>452,518</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	12	2,381	7,051
Loans and borrowings	13	13,404	10,567
Salaries and social charges payable		1,524	1,232
Accounts payable to related parties	9	1,244	2,483
Taxes and contributions payable	14	793	310
Income tax and social contribution payable	14	-	29
Advances from clients		-	921
Lease liabilities		78	76
Other current liabilities		-	3
		<u>19,424</u>	<u>22,672</u>
<b>Non-current liabilities</b>			
Loans and borrowings	13	209,018	221,020
Deferred income taxes	8	29,996	25,642
Lease liabilities		149	244
		<u>239,163</u>	<u>246,906</u>
<b>Total liabilities</b>		<b><u>258,587</u></b>	<b><u>269,578</u></b>
<b>Shareholders' equity</b>			
Share capital	16	115,471	191,606
Capital reserve		7,780	7,780
Accumulated income (losses)		483	(16,446)
		<u>123,734</u>	<u>182,940</u>
<b>Total shareholders' equity</b>		<b><u>123,734</u></b>	<b><u>182,940</u></b>
<b>Total liabilities and shareholders' equity</b>		<b><u>382,321</u></b>	<b><u>452,518</u></b>

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

# Açu Petróleo S.A.

## Consolidated statement of income

Years ended on December 31, 2021 and 2020

*(In thousands of U.S. Dollars, except earnings per share data)*

	Note	2021	2020
Net revenue of services	17	90,271	77,304
Cost of services provided	18	<u>(49,343)</u>	<u>(42,586)</u>
<b>Gross profit</b>		<b><u>40,928</u></b>	<b><u>34,718</u></b>
<b>Operating income (expenses)</b>			
General and administrative expenses	19	(6,231)	(4,507)
Expected credit losses		(2)	5
Other operating income (expenses)		<u>-</u>	<u>(39)</u>
		<b><u>(6,233)</u></b>	<b><u>(4,541)</u></b>
<b>Income before financial result and taxes</b>		<b><u>34,695</u></b>	<b><u>30,177</u></b>
Financial income	20	6,919	154
Financial expenses	20	<u>(15,379)</u>	<u>(20,303)</u>
<b>Financial result</b>		<b><u>(8,460)</u></b>	<b><u>(20,149)</u></b>
<b>Profit before taxes</b>		<b><u>26,235</u></b>	<b><u>10,028</u></b>
Current income and social contribution taxes	8	(5,698)	(5,921)
Deferred income and social contribution taxes	8	<u>(3,608)</u>	<u>(18,214)</u>
<b>Net income (loss) for the year</b>		<b><u>16,929</u></b>	<b><u>(14,107)</u></b>
<b>Net income (loss) per share</b>			
Income (loss) per share - basic and diluted (in U.S. Dollars)	21	<b>0.0379</b>	<b>(0.0316)</b>

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

# **Açu Petróleo S.A.**

## **Consolidated statement of comprehensive income (loss)**

**Years ended on December 31, 2021 and 2020**

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

	2021	2020
Net income (loss) for the year	<u>16,929</u>	<u>(14,107)</u>
<b>Total comprehensive income (loss) for the year</b>	<b><u>16,929</u></b>	<b><u>(14,107)</u></b>

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

# Açu Petróleo S.A.

## Consolidated statement of changes in shareholders' equity

Years ended as of December 31, 2021 and 2020

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

	Share capital	Capital reserve	Accumulated income (losses)	Total shareholders' equity
<b>Balance on January 1, 2020</b>	<b>52,438</b>	<b>245,526</b>	<b>(2,339)</b>	<b>295,625</b>
Net loss for the year	-	-	(14,107)	(14,107)
Capital increase (note 16)	237,746	(237,746)	-	-
Capital reduction (note 16)	(98,578)	-	-	(98,578)
<b>Balance on December 31, 2020</b>	<b>191,606</b>	<b>7,780</b>	<b>(16,446)</b>	<b>182,940</b>
Net income for the year	-	-	16,929	16,929
Capital reduction (note 16)	(76,135)	-	-	(76,135)
<b>Balance on December 31, 2021</b>	<b>115,471</b>	<b>7,780</b>	<b>483</b>	<b>123,734</b>

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

# Açu Petróleo S.A.

## Statement of cash flows

Years ended as of december 31, 2021 and 2020

(In thousands of U.S. Dollars)

	2021	2020
<b>Cash flows from operating activities</b>		
Profit before taxes	26,235	10,028
<b>Adjustments for:</b>		
Depreciation and amortization	20,231	19,002
Interest on loans	12,219	9,654
Expected credit losses	2	(5)
Result from variable income operations	1,143	1,372
Amortization of transaction cost	1,087	716
Exchange variation	(6,795)	6,410
	<u>54,122</u>	<u>47,177</u>
<b>Changes in:</b>		
<b>(Increase) decrease in assets and increase (decrease) in liabilities:</b>		
Recoverable taxes	1,604	2,695
Accounts receivable	(3,053)	6,613
Accounts receivable from related parties	-	1,048
Prepaid expenses	644	(2,282)
Other accounts receivable	(16)	84
Trade payables	(4,670)	4,325
Accounts payable to related parties	(1,239)	(1,049)
Taxes and contributions payable	483	(169)
Salaries and social charges payable	292	(178)
Other current liabilities	(3)	(41)
Income and social contribution taxes paid	(5,554)	(4,626)
	<u>42,610</u>	<u>53,597</u>
<b>Net cash generated by operating activities</b>		
	<u>42,610</u>	<u>53,597</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,482)	(5,754)
Acquisition of intangible assets	(30)	(12)
Investment in variable income operations	56,414	(64,519)
	<u>53,902</u>	<u>(70,285)</u>
<b>Net cash generated by (used in) investing activities</b>		
	<u>53,902</u>	<u>(70,285)</u>
<b>Cash flows from financing activities</b>		
Escrow accounts	-	(7,830)
Transaction cost	-	(437)
Payment of interest on loans	(12,305)	(8,656)
Payment of loans	(8,494)	(12,739)
Capital reduction	(76,135)	(98,578)
Payment of Lease	(101)	(97)
Loans and borrowings obtained	-	145,000
	<u>(97,035)</u>	<u>16,663</u>
<b>Net cash generated by (used in) financing activities</b>		
	<u>(97,035)</u>	<u>16,663</u>
<b>Decrease in cash and cash equivalents</b>	<b>(523)</b>	<b>(24)</b>
Cash and cash equivalents at the beginning of period	1,117	1,346
Cash and cash equivalents at the end of year	764	1,117
Effect of exchange rate variation on cash and cash equivalents	(170)	205
	<u>(523)</u>	<u>(24)</u>
<b>Decrease in cash and cash equivalents</b>	<b>(523)</b>	<b>(24)</b>

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

## Notes to the financial statements

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

### 1 Operating context

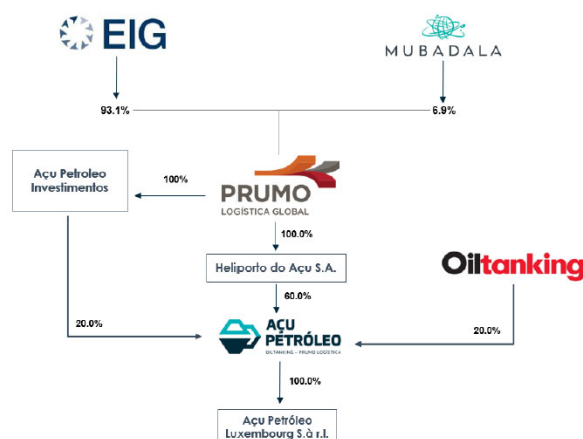
Açu Petróleo S.A. (“Açu Petróleo” or the “Company”), is domiciled in Brazil, with headquarters at Rua Lauro Muller - 116, Rio Sul Center building, Botafogo, Rio de Janeiro, RJ. The consolidated financial statements comprises the Company and its subsidiary (together referred to as the Company). The Company 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.

The Company’s terminal has three berths available along the 1.4 km (\*) breakwater, two of which, the North and Central berths, have a capacity to receive Very Large Crude Carrier (“VLCC”) export vessels and the South berth, with capacity to operate Suezmax vessels. The terminal (“T-Oil”) is licensed to handle up to 1.2 million barrels (\*) of oil per day.

(\*) Unaudited information

### 1.1 Shareholding structure

The Company’s shareholding structure at December 31, 2021 is as follows:



Company	Type of investment	Main activity	Country	% equity interest	
				12/31/2021	12/31/2020
Açu Petróleo Luxembourg (i)	Direct	Investment	Luxembourg	100.00%	-

(i) Subsidiary acquired on December 2, 2021 (see Note 1.3)

## **1.2 Impacts of the Covid-19 pandemic**

On March 11, 2020, the World Health Organization (“WHO”) classified the COVID-19 disease as a “public health emergency of international. The Company has taken several measures to monitor and prevent the effects of COVID-19, including health and safety measures for its employees (such as social distancing and remote working) and actions to secure the supply of materials essential to the Company's production process.

During the entire period of the pandemic, there were no contractual breaches or interruptions in operations, considering that the Company carries out an activity considered essential.

Likewise, no disruptions to the supply chain were observed. The Company's customers continued to operate and no notices of breaches of contract due to force majeure or changes in the terms of the contracts were received.

There have not been a significant number of employees diagnosed with Covid-19 and remote work has not significantly impacted operations.

At this time, the effects of the pandemic have not caused significant impacts in our operations nor on the fair value of the Company's assets and liabilities. However, if the pandemic continues for an extended period of time or increases in intensity in the regions where the Company operates, the Company's financial conditions or results of operations may be adversely impacted. We are continuously monitoring the foreign and domestic market and taking swift action to contain any damage.

## **1.3 Highlights of 2021**

### ***Capital restructuring***

On June 23, 2021, the shareholders decided to adjust the capital structure of the Company and approved a capital reduction in the amount of US\$ 76,135, reducing the share capital of the Company from US\$ 191,606 to US\$ 115,471. The Company's share capital at December 31, 2021 is US\$ 115,471, the justification for the reduction is detailed in note 16.

### ***Acquisition of a subsidiary***

On December 2, 2021, Açu Petróleo S.A. acquired “Açu Petróleo Luxembourg S.à.r.l”, a private limited liability company (société à responsabilité limitée) formed and existing under the laws of the Grand Duchy of Luxembourg (“Luxembourg”), having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies (Registre de commerce et des sociétés, Luxembourg) for specific purposes of issuance of debt securities on the international capital market.

## **2 Basis for preparation and presentation**

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

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

The Company's board of directors approved the consolidated financial statements for the year ended December 31, 2021 on March 14, 2022. Accordingly, these consolidated financial statements consider subsequent events that could have an effect on them up to that date. All the relevant information pertaining to the consolidated financial statements, and nothing more, is being disclosed and corresponds to that used by Management in its administration.

**b. Basis of measurement**

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

**c. Functional 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 IAS 21, an accounting standard dealing with the effects of changes in exchange rates and the conversion of financial statements.

For presentation purposes, these consolidated financial statements are presented in US\$ as the Company believes that this is how international investors analyze the financial statements.

Assets, liabilities and result at the exchange rates in effect on the dates of the transactions;

Equity and non-monetary items accounted for at historical formation value;

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

	Closing rate		Average rate for the year ended	
	2021	2020	2021	2020
Brazilian real ("R\$")	5.5805	5.1967	5.3956	5.1578
Euro ("EUR" or "€")	1.1324	1.227	1.1827	1.1423

**d. Use of judgements and estimates**

In preparing these consolidated 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, 2021, 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 8** – recognition of deferred income and social contribution taxes;
- **Note 15** – 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 consolidated financial statements, refer mainly to judgments made for the definition of the U.S. dollar as functional currency, accordingly with 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 U.S. dollars, such as the "Take-or-Pay" contracts with the customers mentioned in note 23.
- The currency that most influences direct 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 Açu Serviços Ltda" (see note 9).
- 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. New currently effective requirements**

A series of new standards came into effect as of January 1, 2021:

- Onerous contracts – cost of fulfilling a contract (Amendments to IAS 37)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

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

### **3 Summary of significant accounting policies**

Significant accounting policies used in the preparation of these consolidated 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 policy of

consolidation, that was not previously applicable described as follows:

**a. Basis of consolidation**

***Subsidiaries***

Subsidiaries are entities controlled by the Company. The Company ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The control of the company Açu Petróleo Luxembourg began in December 2021, thus requiring the disclosure of our financial statements in a consolidated way. For the year 2020, we disclose only for comparability purposes.

***Transactions eliminated on consolidation***

Intra-group balances and transactions are eliminated entirely, except for foreign currency transaction gains or losses realised, arising from intra-group transactions.

***Foreign currency transactions***

Transactions in foreign currencies are translated into the respective functional currencies of Company and its subsidiaries companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

**b. 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 income.

## ***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 the Group 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 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..

The estimated loss position in cash and cash equivalents and escrow accounts was calculated based on the expected 12 month loss rate 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 was collected, such as current conditions and the Company's view of economic conditions and the expected life of receivables.

**c. Finance result**

The Company's finance result include:

- Interest income;
- Interest expense;
- The net gain or loss on financial assets at FVTPL;
- The foreign currency gain or loss on financial assets and financial liabilities;
- The gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination;

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**d. 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 in note 10.

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 income.

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 income 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 income. The depreciation rates are included in note 10.

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.

**e. Intangible assets**

Intangible assets mainly comprise rights of access, as mentioned in Note 11, 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 are included in note 11.

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 Terminal (“T1”) to the Company, its representatives and clients.

**f. 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 income. 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.

**g. Income tax and social contribution**

In Brazil, the income tax for the current year is calculated based on a 15% rate, plus an additional 10% on annual taxable income exceeding R\$ 240 thousand; and 9% of the taxable income for social contribution and considers the compensation of tax losses and negative basis of social contribution, limited to 30% of the real profit.

In Luxembourg, the income tax (“CIT”) rate is 17%, and municipal business tax (“MBT”) rate is 6.75% in the municipality of Luxembourg. In addition, there is a contribution to the unemployment fund of 7% of the CIT rate. The overall combined corporation tax burden thus currently stands at 24.94%.

Açu Petróleo Luxembourg will be subject to an annual net wealth tax (“NWT”) at a rate of 0.5% for the bracket of net wealth up to EUR 500 million and at a rate of 0.05% for the bracket of net wealth exceeding EUR 500 million. Açu Petróleo Luxembourg will also be subject to a minimum NWT, the amount of which depends on the composition and amount of the balance sheet of Açu Petróleo Luxembourg.

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 income 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 consolidated 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 or Euro). 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 consolidated 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.

**h. 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.

**i. Provisions**

A provision is recognized based on a past event, where 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 consolidated financial statements due to the inaccuracies inherent in the determination process. Company's Management reviews its estimates and assumptions at each reporting date.

**j. 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 variations 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 IFRS 15, the Company discloses, separately, the amounts referring to impairment losses (recognized in accordance with 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.

**k. 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.

**l. 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.

**m. New standards and interpretations**

A number of new standards already issued have effective adoption dates for years beginning after January 1, 2022.

The Company did not adopt these standards in the preparation of these consolidated financial statements, as early adoption of standards, although encouraged by the IASB.

- Onerous contracts (amendments IAS 37);
- PP&E: Proceeds before Intended use (amendment to IAS 16);
- Reference to conceptual framework (amendment to IFRS 3);

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

**4 Cash and cash equivalentes**

	<b>2021</b>	<b>2020</b>
Cash and bank	413	730
Short-term investments	351	387
	<b>764</b>	<b>1,117</b>

The amount of cash and cash equivalents basically 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>12/31/2021</b>	<b>12/31/2020</b>
Foreign exchange fund	<u>24,600</u>	<u>81,011</u>
	<b><u>24,600</u></b>	<b><u>81,011</u></b>

The securities are classified as fair value through profit or loss and refer exclusively to the foreign exchange fund with BNP Bank. 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 reduction in the account when compared to December 31, 2020 is related to the capital reduction requested by the shareholders. See note 16 for details.

## 6 Escrow accounts

The escrow accounts of Açu Petróleo in the amount of US\$ 19,396 (US\$ 19,396 at December 31, 2020) 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 13- 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, 2021 and 2020 can be seen below:

	<b>2021</b>	<b>2020</b>
Escrow Accounts	19,396	19,396
(-) Expected credit losses	<u>(1)</u>	<u>(1)</u>
	<b><u>19,395</u></b>	<b><u>19,395</u></b>

## 7 Accounts receivable

	<b>2021</b>	<b>2020</b>
Accounts receivable	6,342	4,169
(-) Expected credit losses	<u>(7)</u>	<u>(5)</u>
	<b><u>6,335</u></b>	<b><u>4,164</u></b>
Current	6,145	4,015
Non Current	190	149

The information about revenue concentration is demonstrated in Credit Risk item in note 23.

The following table provides information on the exposure to credit risk and the estimated loss for receivables, broken down into levels, according to the maturity date of these receivables, as of December 31, 2021 and 2020:

Risk analysis	Rating <sup>(i)</sup>	2021			2020		
		Gross Balance	Loss rate (1)	Loss Provision	Gross Balance	Loss rate (1)	Loss Provision
Nível 1	Not due	6,342	0.1%	(7)	4,169	0.1%	(5)
<b>Total</b>		<b>6,342</b>		<b>(7)</b>	<b>4,169</b>	-	<b>(5)</b>

(i) Company's internal rating and loss rate

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

	2021	2020
Opening balance	(5)	(11)
Provision recorded during the year	(2)	6
	<u>(7)</u>	<u>(5)</u>

## 8 Taxes

### a. Recoverable taxes

	2021	2020
Recoverable income and social contribution taxes		
Income and social contribution taxes ("IRPJ/CSLL")	393	-
	<b>393</b>	-
Non-cumulative credit ("PIS")	105	264
Non-cumulative credit ("COFINS")	269	1,038
Withholding income tax ("IRRF")	209	791
Tax on services ("ISS")	51	100
Others	10	55
	<u>644</u>	<u>2,248</u>
<b>Total of current recoverable taxes</b>	<b><u>1,037</u></b>	<b><u>2,248</u></b>

**b. Deferred income tax assets and liabilities**

As of December 31, 2021, deferred taxes summarizes a liability of US\$ 29,996 (US\$ 25,642 as of December 31, 2020).

	<b>2021</b>	<b>2020</b>
<b>Deferred taxes</b>		
Tax losses	601	1,388
Negative basis of social contribution	468	500
Temporary difference		
Provision for profit sharing	140	70
Expeted credit losses	1	2
Exchange variation - cash taxation	8,892	4,978
Lease provision	12	13
Provision	264	367
Loss on investment fund	1,168	1,411
Other	156	52
	<u>11,702</u>	<u>8,781</u>
<b>Total of deferred tax assets</b>		
Temporary difference in depreciation rate	(1,987)	-
Effect of functional currency on non-monetary assets (a)	(39,711)	(34,423)
	<u>(41,698)</u>	<u>(34,423)</u>
<b>Total of deferred tax liabilities</b>		
<b>Total tax liabilities, net</b>	<u><u>(29,996)</u></u>	<u><u>(25,642)</u></u>

- (a) Under 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.c, the functional currency of the Company is the US dollar, which is different from the currency of the locality where Açu Petróleo is established, which is the Brazilian Real.

**c. Effect on statement of income**

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

	<b>2021</b>	<b>2020</b>
Profit before Income tax and social contribution	<u>26,235</u>	<u>10,028</u>
Income tax and social contribution at nominal rate (34%)	(8,920)	(3,410)
<b>Adjustments to derive the effective rate</b>		
Permanent adjustments to the tax base	(212)	688
Functional currency effects over property, plant and equipment	(4,471)	(20,672)
Functional currency effects over intangible assets	(1,173)	(879)
Functional currency effects over right of use	(19)	-
Functional currency effects over transaction cost	375	-
Other difference between presentation and fiscal basis (*)	5,609	(822)
Others	(494)	960
	<u>(9,306)</u>	<u>(24,135)</u>
<b>Total income and social contribution for the year</b>		
<b>Effective income tax rate</b>	<u><u>(35%)</u></u>	<u><u>(241%)</u></u>
Current income tax and social contribution	(5,698)	(5,921)
Deferred income tax and social contribution	(3,608)	(18,214)
	<u>(9,306)</u>	<u>(24,135)</u>
<b>Total income and social contribution for the year</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.

## 9 Related parties

The main balances of liabilities on December 31, 2021 and 2020, 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>2021</b>	<b>2020</b>
Oiltanking Açu Serviços Ltda (a)	784	1,810
Oiltanking Terminais Ltda (b)	56	25
Ferroport Logística Comercial Exportadora S.A. (c)	375	551
Porto do Açu Operações S.A. (d)	24	9
Prumo Logística S.A. (e)	5	88
	<u>1,244</u>	<u>2,483</u>

- (a) Subsidiary of the Company's non controlling shareholder - the amount refers to reimbursement of expenses with operation and maintenance of the terminal.
- (b) This company is part of the Company's shareholder's economic group. Reimbursement of costs related to costs 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, and port tariffs.
- (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>2021</b>	<b>2020</b>
Ferroport Logística Comercial Exportadora S.A. (a)	(4,177)	(5,120)
Oiltanking Açu Serviços Ltda (b)	(5,741)	(5,746)
Oiltanking Terminais Ltda (c)	(304)	(186)
Consórcio Dome Serviços Integrados (d)	(45)	-
Prumo Logística S.A. (e)	(51)	(234)
Porto do Açu Operações S.A. (e)	(66)	(88)
	<u>(10,384)</u>	<u>(11,374)</u>

- (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) This company is part of the Company's shareholder's economic group. The amount refers to reimbursement of expenses with the operations directory.

- (d) Entity controlled entity of the Company's controlling shareholder - The amount refers to support services for the maintenance of pneumatic fenders and cargo handling
- (e) 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 key management personnel are presented below:

	<b>2021</b>	<b>2020</b>
Remuneration / Salaries (*)	760	676
Bonus	740	702
Benefits and charges	351	314
	<b>1,851</b>	<b>1,692</b>

- (\*) Includes compensation for members of management, board of directors and committees

### **Asset Allocation Agreement**

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

The Company may operate, at the port facilities, cargoes that are foreseen in its authorization obtained before ANTAQ (National Waterway Transportation Agency), excluding iron ore. The priority of access and use of port facilities by Ferroport covers the receipt, storage, handling and loading of iron ore from a mine that is owned directly or indirectly 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 delisting in 2018 of Prumo Logística S.A., 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 one 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 2021, there was only 50% of vesting (on December 31, 2020, 36% of vesting ). There was no exercise of rights during the period.

The Company considered 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.

## 10 Property, plant and equipment

The breakdown of the Company's property, plant and equipment as of December 31, 2021 and 2020 is as follows:

	Annual weighted depreciation rate %	Cost	Accumulated depreciation	Net 2021	Net 2020
Breakwater - T1	1.67	104,864	(10,684)	94,180	95,341
Pier - T1	1.67	54,487	(6,282)	48,205	48,663
Canal - T1	6.67	149,860	(34,410)	115,450	118,306
Improvements	4	207	(83)	124	182
Facilities	10	1,090	(141)	949	860
Furniture and fixtures	10	236	(69)	167	184
Computer equipment	20	1,126	(988)	138	188
Machinery and equipment	10	57,118	(30,167)	26,951	30,271
Land		22,963	-	22,963	23,171
		<b>391,951</b>	<b>(82,824)</b>	<b>309,127</b>	<b>317,166</b>
Advances for formation of property, plant and equipment		-	-	-	269
Construction in progress and equipment under construction		6,978	-	6,978	11,578
		<b>6,978</b>	<b>(82,824)</b>	<b>6,978</b>	<b>11,847</b>
		<b>398,929</b>	<b>(82,824)</b>	<b>316,105</b>	<b>329,013</b>

	Annual weighted depreciation rate %	Cost	Accumulated depreciation	Net 2020	Net 2019
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>11,847</b>	<b>7,201</b>
		<b>396,534</b>	<b>(67,521)</b>	<b>329,013</b>	<b>347,367</b>

All Property, plant and equipment is located in Brazil.

### Changes in Cost

	<u>2020</u>	<u>Movement</u>			<u>2021</u>
	<b>Cost</b>	<b>Additions</b>	<b>Write-off</b>	<b>Transfers</b>	<b>Cost</b>
Breakwater - T1	104,372	574	(24)	(58)	104,864
Pier - Port Terminal - T1	53,977	523	(13)	-	54,487
Canal T1	143,353	710	(34)	5,831	149,860
Improvement	230	-	(23)	-	207
Facilities	946	158	-	(14)	1,090
Furniture and fixtures	240	-	(4)	-	236
Computer equipment	1,108	62	(44)	-	1,126
Machinery and equipment	57,290	60	-	(232)	57,118
Land	23,171	-	(357)	149	22,963
	<b><u>384,687</u></b>	<b><u>2,087</u></b>	<b><u>(499)</u></b>	<b><u>5,676</u></b>	<b><u>391,951</u></b>
Advances for formation of property, plant and equipment	269	-	(269)	-	-
Construction in progress and equipment under construction	<u>11,578</u>	<u>2,342</u>	<u>(1,266)</u>	<u>(5,676)</u>	<u>6,978</u>
	<u>11,847</u>	<u>2,342</u>	<u>(1,535)</u>	<u>(5,676)</u>	<u>6,978</u>
	<b><u>396,534</u></b>	<b><u>4,429</u></b>	<b><u>(2,034)</u></b>	<b><u>-</u></b>	<b><u>398,929</u></b>
	<u>2019</u>	<u>Movement</u>			<u>2020</u>
	<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><u>389,310</u></b>	<b><u>209</u></b>	<b><u>-</u></b>	<b><u>(4,832)</u></b>	<b><u>384,687</u></b>
Advances for formation of property, plant and equipment	157	112	-	-	269
Construction in progress and equipment under construction	<u>7,044</u>	<u>5,433</u>	<u>-</u>	<u>(899)</u>	<u>11,578</u>
	<u>7,201</u>	<u>5,545</u>	<u>-</u>	<u>(899)</u>	<u>11,847</u>
	<b><u>396,511</u></b>	<b><u>5,754</u></b>	<b><u>-</u></b>	<b><u>(5,731)</u></b>	<b><u>396,534</u></b>

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

### Changes in accumulated depreciation

	Depreciation 2020	Additions	Write-off	Depreciation 2021
Breakwater - T1	(9,031)	(1,843)	190	(10,684)
Pier - Port Terminal - T1	(5,314)	(1,079)	111	(6,282)
Canal - T1	(25,047)	(10,407)	1,044	(34,410)
Improvements	(48)	(37)	2	(83)
Facilities	(86)	(66)	11	(141)
Furniture and fixtures	(56)	(16)	3	(69)
Computer equipment	(920)	(154)	86	(988)
Machinery and equipment	(27,019)	(5,029)	1,881	(30,167)
	<b>(67,521)</b>	<b>(18,631)</b>	<b>3,328</b>	<b>(82,824)</b>

	Depreciation 2019	Additions	Write-off	Depreciation 2020
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>

### Impairment

In accordance with 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, 2021 and 2020, the Company had evaluated and did not identify any indication for impairment of property, plant and equipment.

## 11 Intangible assets

	Annual amortization rate (%)	Net Cost 2020	Additions	Write-off	Amortization	Net Cost 2021
<b>Cost</b>						
Right of access	3.54	14,551	-	(149)	-	14,402
Software license	20	373	41	(3)	-	411
Brands and patents		11	-	-	-	11
Othres		-	6	-	-	6
		<b>14,935</b>	<b>41</b>	<b>(152)</b>	<b>-</b>	<b>14,830</b>
<b>Accumulated amortization</b>						
Right of access		(2,637)	-	(94)	(529)	(3,260)
Software license		(92)	-	(6)	(18)	(116)
		<b>(2,729)</b>	<b>-</b>	<b>(100)</b>	<b>(547)</b>	<b>(3,376)</b>
		<b>12,206</b>	<b>41</b>	<b>(252)</b>	<b>(547)</b>	<b>11,454</b>

	<b>Annual amortization rate (%)</b>	<b>Net Cost 2019</b>	<b>Additions</b>	<b>Write-off</b>	<b>Amortization</b>	<b>Net Cost 2020</b>
<b>Cost</b>						
Right of access	<b>3.54</b>	14,463	88	-	-	14,551
Software license	<b>20</b>	359	14	-	-	373
Brands and patents		11	-	-	-	11
		<b>14,833</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>14,935</b>
<b>Accumulated amortization</b>						
Right of access		(2,037)	-	-	(600)	(2,637)
Software license		(71)	-	-	(21)	(92)
		<b>(2,108)</b>	<b>-</b>	<b>-</b>	<b>(621)</b>	<b>(2,729)</b>
		<b>12,725</b>	<b>102</b>	<b>-</b>	<b>(621)</b>	<b>12,206</b>

### **Right of access**

The intangible asset that comprises the "right of access", as mentioned in Note 3.e, 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 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, 2021 and 2020, the Company had evaluated and did not identify any indication for impairment of intangible assets.

## **12 Trade payables**

The balance payable to suppliers of US\$ 2,381 (US\$ 7,051 on December 31, 2020) represents the Company's obligations arising from the purchase of products and services necessary for the development of the Company's activities. Thus, this amount represents the obligations arising from services, materials and operational and administrative equipment. In 2021, the company had a reduction compared to December 31, 2020, due to the end of the dredging maintenance carried out during the last year.

## 13 Loans and borrowings

			2021			2020
	Maturity	Rates %	Principal	Interests and monetary adjustment	Total	Total
DFC	10/30/2035	Dollar + 6.17% yr.	60,755	625	61,380	66,766
DFC	10/30/2035	Dollar + 6.46% yr.	26,910	290	27,200	29,617
DFC	10/30/2035	Dollar + 4.62% yr.	139,153	1,071	140,224	141,002
(-) Transaction cost			(6,382)	-	(6,382)	(5,798)
			<u>220,436</u>	<u>1,986</u>	<u>222,422</u>	<u>231,587</u>
Current					13,404	10,567
Non-current					209,018	221,020

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.

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.

As can be seen in note 25 (subsequent events), the Company settled the full debt on February 11, 2022.

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				
	Beginning balance	Funding / Settlement	Payment of interest on loans	Adding Transaction Costs	Interest	Exchange variation	Amortization of Transaction Cost	Other	Ending balance
2021	231,587	(8,494)	(12,305)	-	12,219	(1,672)	1,087	-	222,422
2020	96,689	132,261	(8,656)	(437)	9,654	1,666	716	(306)	231,587

***Escrows attached to the financing operation***

	Beginning balance	<u>Cash flow</u> Additions	Ending balance
2021	19,395	-	19,395
2020	11,565	7,830	19,395

**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, 2021, 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.

In 2021 and 2020, the Company did not breach any covenants.

**14 Taxes and contributions payable**

	2021	2020
Tax on services (ISS)	144	99
Retention of withholding taxes (PIS/COFINS/CSLL)	39	46
Non-cumulative credit PIS/COFINS	594	158
Others	<u>16</u>	<u>7</u>
<b>Taxes and contributions payable</b>	<b><u>793</u></b>	<b><u>310</u></b>
Income and social contribution taxes (IRPJ/CSLL)	<u>-</u>	<u>29</u>
<b>Income tax and social contribution payable</b>	<b><u>-</u></b>	<b><u>29</u></b>

## 15 Contingencies

The Company is a part to certain 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, 2021 and 2020, the Company have no processes involving a probable risk of loss.

(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>2021</b>	<b>2020</b>
Tax litigations (I)	329	343
Labor litigations (II)	-	12
<b>Total</b>	<b><u>329</u></b>	<b><u>355</u></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). There was a labor lawsuit in progress in 2020 that ended in March 2021, due to an agreement between the parties ratified in judgment.

## 16 Shareholder's equity

### a. Share capital

The share capital composition of the Company as of December 31, 2021 and 2020 is as follows:

	<b>2021</b>		<b>2020</b>	
	<b>Number of common shares</b>	<b>%</b>	<b>Number of common shares</b>	<b>%</b>
Prumo Logística	-	-	268,225,386	60.00
Heliporto do Açu	268,225,386	60.00	-	-
Açu Petróleo Investimentos	89,408,462	20.00	89,408,462	20.00
Oiltanking	89,408,462	20.00	89,408,462	20.00
	<b><u>447,042,310</u></b>	<b><u>100.00</u></b>	<b><u>447,042,310</u></b>	<b><u>100.00</u></b>

On May 8, 2020, the shareholders of the Company increased capital from US\$ 52,438 to US\$ 290,184, representing an increase in the amount of US\$ 237,746, using the capital reserve balance, issuing new shares and maintaining unchanged the participation of each shareholder in the Company's share capital.

On July 30, 2020, the shareholders of the Company 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 to US\$ 191,606 as of July 30, 2020.

On June 23, 2021, the shareholders of the Company decided to adjust the capital structure of the Company and approved a capital reduction in the amount of US\$ 76,135, reducing the share capital of the Company from US\$ 191,606 to US\$ 115,471.

On December 17, 2021, Prumo Logística carried out an internal corporate reorganization, according to which Prumo Logística approved the capital increase of Heliporto do Açu SA ("Heliporto"), a wholly-owned subsidiary of Prumo Logística, through the contribution of shares representing 60% of the share capital of Açu Petróleo, becoming a shareholder of Açu Petróleo. Heliporto has no operations other than its equity interest in Açu Petróleo.

The purpose of all the operations mentioned above 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, 2021 and December 31, 2020, the capital reserve represents a total of US\$ 7,780.

**c. Dividends distribution**

The current Bylaws of the Company approved on October 20, 2020 the distribution 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) exceeds 30% of the amount of the legal reserve or capital reserve; (ii) up to 70% will be allocated to a special reserve to cover capital expenditure (capital expenditure) and related costs (Operational Expenditure, that is, maintenance for capital expenditure), (iii) up to the equivalent amount of 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 period, 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 International Development Finance Corporation ("IDFC").

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.

## 17 Net revenue of services

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

	<b>2021</b>	<b>2020</b>
Revenue from double banking transshipment	101,713	86,961
Revenue of vessel monitoring services	-	139
Taxes on services rendered (PIS / COFINS / ISS)	<u>(11,442)</u>	<u>(9,796)</u>
<b>Net revenue of services</b>	<b><u>90,271</u></b>	<b><u>77,304</u></b>

The revenues are adjusted mostly by the index of the U.S. PPI, and an invoice is issued for payment within 30 days after each transshipment operation performed at the Oil Terminal.

## 18 Costs of services provided

	<b>2021</b>	<b>2020</b>
Salaries and social charges	(472)	(294)
Third-party services	(1,676)	(1,341)
Surveillance and Security	(264)	(163)
Leases	(356)	(321)
Depreciation and amortization	(20,012)	(18,703)
Miscellaneous insurance	(881)	(750)
Port services	(25,379)	(20,683)
Taxes and fees	(280)	(217)
Support materials	<u>(23)</u>	<u>(114)</u>
	<b><u>(49,343)</u></b>	<b><u>(42,586)</u></b>

## 19 General and administrative expenses

	<b>2021</b>	<b>2020</b>
Salaries and social charges	(4,101)	(2,961)
Third-party services	(891)	(529)
Rental and leases	(52)	(50)
Representations and events	(15)	(14)
Consumables	(2)	(5)
Travel and stay	(5)	(18)
Software License	(143)	(79)
Depreciation and amortization	(219)	(299)
Taxes and fees	(148)	(12)
Other expenses	(169)	(119)
Shared costs	<u>(486)</u>	<u>(421)</u>
	<b><u>(6,231)</u></b>	<b><u>(4,507)</u></b>

## 20 Financial result

	<b>2021</b>	<b>2020</b>
<b>Financial income</b>		
Income from financial investments	12	33
Interest receivable	112	121
Fines and interests	-	-
Exchange variation	<u>6,795</u>	<u>-</u>
	<b><u>6,919</u></b>	<b><u>154</u></b>
<b>Financial expenses</b>		
Interests on loans	(12,219)	(9,802)
Bank expenses	(45)	(47)
IOF (Tax on financial operations)	(9)	(107)
Fine and interests	(18)	(13)
Commissions and Brokerage	(211)	(53)
Interests on leases	(1.291)	(1,794)
Losses from variable income operation	(1,555)	(2,047)
Others	(31)	(30)
Exchange variation	<u>-</u>	<u>(6,410)</u>
	<b><u>(15,379)</u></b>	<b><u>(20,303)</u></b>
<b>Net financial result</b>	<b><u>(8,460)</u></b>	<b><u>(20,149)</u></b>

## 21 Income (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>2021</b>	<b>2020</b>
Income (Loss) attributed to holders of common shares	16,929	(14,107)
Weighted average number of common shares outstanding during the year	<u>447,042,310</u>	<u>447,042,310</u>
<b>Income (Loss) per share - basic and diluted (in US\$)</b>	<b><u>0.0379</u></b>	<b><u>(0.0316)</u></b>

## 22 Commitments

The Company has assumed future purchase commitments in the amount of US\$ 17,094 (US\$ 19,125 on December 31, 2020), which must be fulfilled in the continuity of the Company's activities. The commitments are segregated by currency according to the following table:

Commitments 2021:

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>After 2027</b>	<b>Total</b>
<b>Brazilian reais</b>							
Administrative	475	102	44	31	31	313	996
Operational	3,456	1,608	1,451	463	38	-	7,016
Comercial	<u>13</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26</u>
	<b><u>3,944</u></b>	<b><u>1,703</u></b>	<b><u>1,495</u></b>	<b><u>494</u></b>	<b><u>69</u></b>	<b><u>313</u></b>	<b><u>8,038</u></b>

	2022	2023	2024	2025	2026	After 2027	Total
<b>U.S. Dollar</b>							
Operational	4,551	1,147	1,147	1,147	34	470	8,496
Administrative	40	40	40	40	40	360	560
	<u>4,591</u>	<u>1,187</u>	<u>1,187</u>	<u>1,187</u>	<u>74</u>	<u>830</u>	<u>9,056</u>
<b>Total 2021</b>	<u><u>8,535</u></u>	<u><u>2,910</u></u>	<u><u>2,682</u></u>	<u><u>1,681</u></u>	<u><u>143</u></u>	<u><u>1,144</u></u>	<u><u>17,094</u></u>

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 (a)	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>
<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><u>11,762</u></u>	<u><u>2,668</u></u>	<u><u>1,153</u></u>	<u><u>1,106</u></u>	<u><u>1,075</u></u>	<u><u>1,361</u></u>	<u><u>19,125</u></u>

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

	2022	2023	2024	2025	2026	After 2027	Total
<b>Brazilian Reais</b>							
Administrative	195	-	-	-	-	-	195
Operational	1,037	530	530	389	38	-	2,524
	<u>1,232</u>	<u>530</u>	<u>530</u>	<u>389</u>	<u>38</u>	<u>-</u>	<u>2,719</u>

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

## 23 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:

	2021			2020		
	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	764	-	-	1,117	-	-
Marketable securities	-	-	24,600	-	-	81,011
Escrow accounts	19,395	-	-	19,395	-	-
Accounts receivable	6,335	-	-	4,164	-	-
Other current assets	26	-	-	10	-	-
	<b>26,520</b>	<b>-</b>	<b>24,600</b>	<b>24,686</b>	<b>-</b>	<b>81,011</b>
<b>Liabilities</b>						
Trade payables	2,381	-	-	7,051	-	-
Loans and borrowings	222,422	-	-	231,587	-	-
Accounts payable with related parties	1,244	-	-	2,483	-	-
Lease	227	-	-	320	-	-
Other current liabilities	-	-	-	3	-	-
	<b>226,274</b>	<b>-</b>	<b>-</b>	<b>241,444</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, 2021 and 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\$ 222,422 as of December 31, 2021 (US\$ 231,587 as of December 31, 2020). 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, 2021 and 2020.

### **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>2021</b>	<b>2020</b>
Cash and cash equivalents	764	1,117
Marketable securities	24,600	81,011
Escrow accounts	19,395	19,395
Accounts receivable	6,335	4,164
Other current assets	26	10

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>2021</b>	<b>2020</b>
Shell	64%	58%
Galp	18%	21%
Others	18%	21%

### ***Exchange risk***

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

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

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

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

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

### ***Liquidity risk***

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

The following are the contractual maturities of financial liabilities existing as of December 31, 2021:

<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	2,381	-	-	-	-	2,381
Loans and borrowings	11,667	11,501	30,837	84,258	168,233	306,496
Lease Liabilities	49	49	97	65	-	260
<b>Total by maturity range</b>	<b>14,097</b>	<b>11,550</b>	<b>30,934</b>	<b>84,323</b>	<b>168,233</b>	<b>309,137</b>

For comparison purposes, the contractual maturities of financial liabilities existing at December 31, 2020 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	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>

### ***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\$</b>				
		<b>12/31/2021</b>	<b>Scenario 25% (ii)</b>	<b>Scenario 50%(iii)</b>	<b>Scenario (25%)(iv)</b>	<b>Scenario (50%) (v)</b>
<b>Assets</b>						
Cash and cash equivalents	BRL	764	611	509	1.019	1.528
Accounts receivable	BRL	6,335	5,068	4,223	8,447	12,670
Other assets	BRL	26	21	17	35	52
<b>Total assets</b>		<b>7,125</b>	<b>5,700</b>	<b>4,749</b>	<b>9,501</b>	<b>14,250</b>
<b>Liabilities</b>						
Trade payables	BRL	2,381	1,905	1,587	3,175	4,762
Other accounts payable (with related parties)	BRL	1,244	995	829	1,659	2,488
Lease liabilities	BRL	227	182	151	303	454
<b>Total liabilities</b>		<b>3,852</b>	<b>3,082</b>	<b>2,567</b>	<b>5,137</b>	<b>7,704</b>
Assumptions adopted: U.S. dollar rate		5.5805	6.9756	8.3708	4.1854	2.7903

- (ii) Increase of 25% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2021.
- (iii) Increase of 50% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2021.
- (iv) Decrease of 25% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2021.
- (v) Decrease of 50% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2021.

## 24 Insurance

The Company takes out insurance policies to cover its assets, loss of profit and risks of possible damages caused to third parties by its operations, in amounts considered adequate by Management to cover any claims, based on 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.

As of December 31, 2021 and December 31, 2020, the main risks covered were:

<b>Operational Risks</b>	<b>2021</b>	<b>2020</b>
Property damages	84,710	105,114
Civil Liability	200,896	200,000
Loss of profits	60,384	59,654
Environment Impairment Liability	50,000	50,000

## 25 Subsequent events

### ***Payment of the reserve and capital reduction***

On January 11, 2022, the Company's shareholders increased the capital stock in the amount of US\$7,780, using the capital reserve balance, changing its capital stock from US\$115,471 to US\$123,251, with the number of shares and the percentage of interest held by each shareholder in the Company's capital remaining unchanged.

On January 12, 2022, the shareholders decided to adjust the Company's capital structure and approved a capital reduction in the amount of R\$200,713 (amounts presented in reais, based on the shareholders' decision), with the return of funds to shareholders. The purpose of the previously mentioned operations was to adjust the Company's capital structure to a more adequate structure and in line with the objectives of the shareholders and the Company.

### ***Advance for future capital increase in the subsidiary***

On January 11, 2022, Açu Petróleo made an interest-free loan in its subsidiary Açu Petróleo Luxembourg, in the total amount of US\$19,342, which was converted into an advance for future capital increase of the subsidiary, in the same amount, in January 13, 2022, through contribution in kind of receivables previously allocated to a reserve related to the debt with Development Finance Corporation and held in offshore accounts.

On January 13, 2022, Açu Petróleo carried out a capital increase in its subsidiary Açu Petróleo Luxembourg, without an increase in shares, in the total amount of US\$16,399, through a cash contribution.

### ***Mutual between related parties***

On January 13, 2022, Açu Petróleo agrees, in accordance with the terms and conditions of the agreement signed between the parties, to make an interest-free loan to Prumo Logística on the date of this instrument in the total amount of R\$ 43,353 (US\$ 7,847). The maturity of this loan is January 13, 2035.

### ***New debt structuring - Senior Secured Notes***

The subsidiary Açu Petróleo Luxembourg issued, on January 13, 2022, debt securities in the international capital markets, in the form of senior secured notes, in the total amount of US\$600,000, at a rate of 7.500% p.a. and maturity on July 13, 2035, through Banco Goldman Sachs (“Issue”). Interest is amortized semi-annually, on January 13 and July 13 of each year. The Issue is in line with the group's strategy, with the aim of leveraging its business.

The resources from the Issue were raised by Açu Petróleo and NewCo through an Export Credit Note acquired by Banco Itaú and a foreign exchange debenture subscribed by Banco Santander, respectively, which were linked to credit notes acquired by Açu Petróleo Luxembourg. Funding by Export Credit Note allowed for the internalization of US\$350,000, while funding via foreign exchange debentures represented an internalization in the amount of US\$250,000.

Due to this new debt, on January 14, 2022, Açu Petróleo constituted a reserve in the amount of US\$23,717 in offshore accounts with Banco Citibank and R\$ 45,140 (US\$8,156) in onshore accounts to be deposited in the exchange fund already held by the Company, destined to debt resources for the purpose of escrow account and their value can only be released and unconnected after debt settlement.

### ***Repayment of loan***

On February 10, 2022, Açu Petróleo, using part of the resources from the Issue, fully settled its financing with the International Development Finance Corporation, in the amount of US\$230,162.

Due to this liquidation, the resource in the amount of US\$ 19,395, previously allocated to a reserve related to the debt with Development Finance Corporation and held in offshore accounts, was released on January 11, 2022, with the Issue being the only financing in effect.

### ***Corporate restructuring***

On February 11, 2022, another subsidiary wholly owned by Prumo Logística, CL RJ 012 Empreendimentos e Participações SA (“NewCo”), acquired the 89,408,462 common shares of the then shareholder Oiltanking, equivalent to 20% of the total shares of Açu Petróleo, causing a change in the corporate structure of Açu Petróleo, thus giving Group Prumo a 100% ownership of the Company's shareholding control.

### ***Change in Board of Directors composition***

On february 11, 2022, the board member Holger Cristian Donath resigned as a member of the Board of Directors.

\* \* \*

**Composition of the Board of Directors**  
**On December 31, 2021**

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 Burrige  
Chief Financial Officer and Investor Relations officer

Eduardo Pereira Goulart  
Commercial Officer

Alfredo Nilton Lafuente Covarrubias  
Engineering, Maintenance and Operations Officer

**Accountant**

Mariana Begossi  
Controllership Manager  
CRC RJ 094602/O