



Vast Infraestructura S.A.

Consolidated financial statements as of and for the year ended
December 31, 2022 and 2021



**Opening horizons
for energy**

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Independent auditors' report on the consolidated financial statements

To the Shareholders, Board of Directors and Management of
Vast Infraestrutura S.A.
Rio de Janeiro – RJ

Opinion

We have audited the consolidated financial statements of Vast Infraestrutura S.A. ("the Company"), which comprise the consolidated balance sheet as of December 31, 2022, 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, 2022, 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.

Responsibilities of Management and Those Charged with Governance 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.

We communicate with those charged with governance 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.

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.

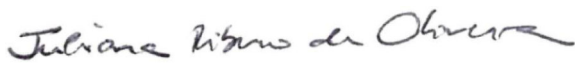
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rio de Janeiro, March 10, 2023

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



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

Consolidated balance sheets as of December 31, 2022 and 2021

(In thousands of U.S. Dollars)

	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	3,184	764
Marketable securities	5	83,627	24,600
Accounts receivable	7	17,680	6,145
Recoverable income and social contribution taxes	8	2,530	393
Recoverable taxes	8	1,915	644
Accounts receivable from related parties	9	2,040	-
Prepaid expenses		365	2,301
Other current assets		74	26
		<u>111,415</u>	<u>34,873</u>
Non-current assets			
Accounts receivable	7	227	190
Accounts receivable from related parties	9	53,505	-
Marketable securities	5	589,262	-
Escrow accounts	6	35,282	19,395
Other non-current assets		37	34
Property, plant and equipment	10	304,380	316,105
Right-of-use assets		195	270
Intangible assets	11	11,084	11,454
		<u>993,972</u>	<u>347,448</u>
Total assets		<u>1,105,387</u>	<u>382,321</u>
Liabilities			
Current liabilities			
Trade payables	12	6,860	2,381
Loans, borrowings and debentures	13	64,897	13,404
Salaries and social charges payable		2,601	1,524
Accounts payable to related parties	9	2,170	1,244
Taxes and contributions payable	14	1,821	793
Dividends payable		896	-
Lease liabilities		100	78
		<u>79,345</u>	<u>19,424</u>
Non-current liabilities			
Loans, borrowings and debentures	13	1,139,608	209,018
Deferred income taxes	8	32,374	29,996
Lease liabilities		72	149
		<u>1,172,054</u>	<u>239,163</u>
Total liabilities		<u>1,251,399</u>	<u>258,587</u>
Shareholders' equity (deficit)			
Share capital	16	83,575	115,471
Capital reserve		(232,462)	7,780
Profit reserve		2,875	-
Accumulated income		-	483
		<u>(146,012)</u>	<u>123,734</u>
Total liabilities and shareholders' equity (deficit)		<u>1,105,387</u>	<u>382,321</u>

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

Consolidated statement of income
Years ended on December 31, 2022 and 2021

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

	Note	2022	2021
Net revenue of services	17	133,281	90,271
Cost of services provided	18	(70,630)	(49,343)
Gross profit		<u>62,651</u>	<u>40,928</u>
Operating income (expenses)			
General and administrative expenses	19	(7,590)	(6,231)
Expected credit losses		(69)	(2)
Other operating income (expenses)		(492)	-
		<u>(8,151)</u>	<u>(6,233)</u>
Income before financial result and taxes		<u>54,500</u>	<u>34,695</u>
Financial income	20	47,792	6,919
Financial expenses	20	(99,992)	(15,379)
Financial result		<u>(52,200)</u>	<u>(8,460)</u>
Profit before taxes		<u>2,300</u>	<u>26,235</u>
Current income and social contribution taxes	8	(1)	(5,698)
Deferred income and social contribution taxes	8	989	(3,608)
Net income for the year		<u>3,288</u>	<u>16,929</u>
Net income per share			
Income per share - basic and diluted (in U.S. Dollars)	21	0.0074	0.0379

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

Consolidated statement of comprehensive income

Years ended on December 31, 2022 and 2021

(In thousands of U.S. Dollars)

	2022	2021
Net income for the year	<u>3,288</u>	<u>16,929</u>
Total comprehensive income for the year	<u>3,288</u>	<u>16,929</u>

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

Consolidated statement of changes in shareholders' equity

Years ended as of December 31, 2022 and 2021

(In thousands of U.S. Dollars)

	Share capital	Capital reserve	Profit reserve	Accumulated income (losses)	Total shareholders' equity
Balance on January 1, 2021	<u>191,606</u>	<u>7,780</u>	<u>-</u>	<u>(16,446)</u>	<u>182,940</u>
Net income for the year	-	-	-	16,929	16,929
Capital reduction (note 16)	<u>(76,135)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,135)</u>
Balance on December 31, 2021	<u>115,471</u>	<u>7,780</u>	<u>-</u>	<u>483</u>	<u>123,734</u>
Net income for the year	-	-	-	3,288	3,288
Appropriations:					
Legal reserve	-	-	189	(189)	-
Dividend Distribution	-	-	-	(896)	(896)
Transfer to reserves	-	-	2,686	(2,686)	-
Capital increase (note 16)	7,780	(7,780)	-	-	-
Capital reduction (note 16)	(18,782)	-	-	-	(18,782)
Capital reduction – cancellation of shares (note 16)	(20,894)	-	-	-	(20,894)
Reverse merger of Newco (note 16)	<u>-</u>	<u>(232,462)</u>	<u>-</u>	<u>-</u>	<u>(232,462)</u>
Balance on December 31, 2022	<u>83,575</u>	<u>(232,462)</u>	<u>2,875</u>	<u>-</u>	<u>(146,012)</u>

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

Statement of cash flows

Years ended as of december 31, 2022 and 2021

(In thousands of U.S. Dollars)

	2022	2021
Cash flows from operating activities		
Profit before taxes	2,300	26,235
Adjustments for:		
Depreciation and amortization	20,884	20,231
Interest on loans	87,293	12,219
Expected credit losses	69	2
Result from variable income operations	(2,148)	1,143
Gain on marketable securities	(43,790)	-
Write off of property, plant and equipment	492	-
Amortization of transaction cost	12,357	1,087
Exchange variation	(598)	(6,795)
	<u>76,859</u>	<u>54,122</u>
Changes in:		
(Increase) decrease in assets and increase (decrease) in liabilities:		
Recoverable taxes	(125)	1,604
Accounts receivable	(11,465)	(3,053)
Accounts receivable from related parties	(2,028)	-
Prepaid expenses	-	644
Other accounts receivable	(49)	(16)
Trade payables	4,575	(4,670)
Accounts payable to related parties	925	(1,239)
Taxes and contributions payable	917	483
Salaries and social charges payable	877	292
Other current liabilities	-	(3)
Income and social contribution taxes paid	(2,502)	(5,554)
Net cash generated by operating activities	<u>67,984</u>	<u>42,610</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,999)	(2,482)
Acquisition of intangible assets	(165)	(30)
Interest Received	22,500	-
Loan with related parties	(53,363)	-
Investment in marketable securities	(625,861)	56,414
Net cash generated by (used in) investing activities	<u>(665.888)</u>	<u>53,902</u>
Cash flows from financing activities		
Escrow accounts	(15,748)	-
Transaction cost	(42,160)	-
Payment of interest on loans	(48,985)	(12,305)
Payment of principal on loans	(226,819)	(8,494)
Capital reduction	(18,782)	(76,135)
Reverse merger - net cash effect	2,888	-
Payment of Lease	(107)	(101)
Loans and borrowings obtained	950,000	-
Net cash generated by (used in) financing activities	<u>600,287</u>	<u>(97,035)</u>
Increase (decrease) in cash and cash equivalents	<u>2,383</u>	<u>(523)</u>
Cash and cash equivalents at the beginning of period	764	1,117
Cash and cash equivalents at the end of year	3,184	764
Effect of exchange rate variation on cash and cash equivalents	(37)	(170)
Increase (decrease) in cash and cash equivalents	<u>2,383</u>	<u>(523)</u>

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

Notes to the financial statements

(In thousands of U.S. Dollars)

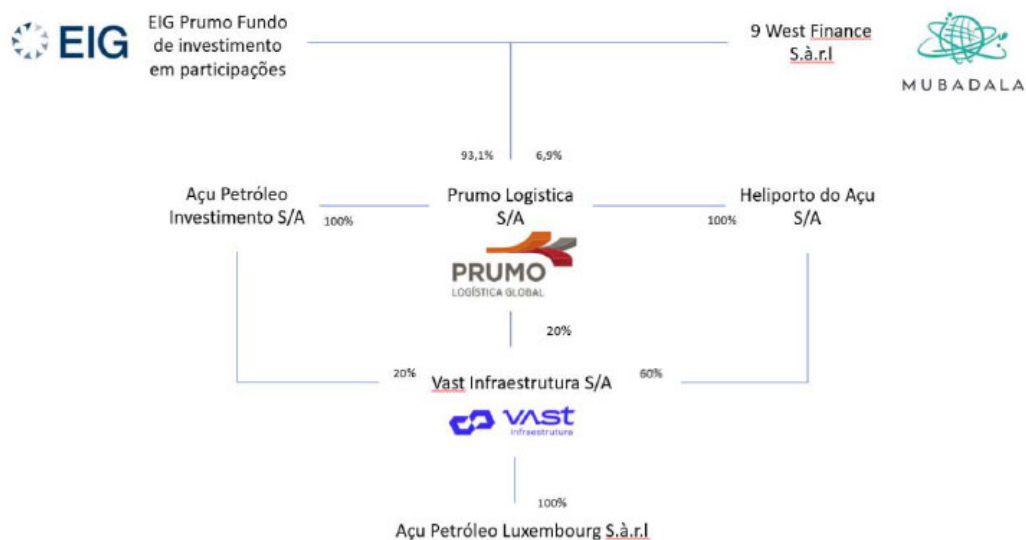
1 Operating context

Vast Infraestrutura S.A, previously named as Açú Petróleo S.A. (“Vast” 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 comprise 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.

a. Shareholding structure

The Company’s shareholding structure at December 31, 2022 is as follows:



The Company consolidates one subsidiary in its financial statements, as follows:

Company	Type of investment	Main activity	Country	% equity interest	
				12/31/2022	12/31/2021
Açú Petróleo Luxembourg (*)	Direct	Investment	Luxembourg	100.00%	100.00%

(*) Subsidiary acquired on December 2, 2021.

a.1 Corporate restructuring

On February 11, 2022, another subsidiary wholly owned by Prumo Logística S.A. (“Prumo”), CL RJ 012 Empreendimentos e Participações S.A. (referred to as “NewCo”), acquired the 89,408,462 common shares of the then shareholder Oiltanking GmbH (“Oiltanking”), equivalent to 20% of the total shares of Vast, causing a change in the corporate structure of the Company, thus giving Prumo 100% indirect ownership of the Company's shareholding control. On March 19, 2022, Vast, based on the financial strategy of the group, carried out a reverse merger of NewCo, in order to carry out a corporate restructuring in the Prumo group.

NewCo was considered a vehicle Company for accounting purposes, therefore the accounting impacts of this merger were as follows:

a.2 Identifiable assets acquired and liabilities assumed

In thousands of dollars

	3/19/2022
Cash and cash equivalents	2,845
Debentures	(252,546)
Transaction cost	191
Deferred tax liabilities	(3,847)
Shareholders' equity	(2,705)
Total identifiable net liabilities acquired	(256,062)

For accounting purposes, the goodwill on Vast of US\$ 232,462 (see note 16) originated from the shares acquired by NewCo from Oiltanking was classified in equity at the time of the merger.

a.3 Highlights of 2022

New debt structuring - Senior Secured Notes

The subsidiary Açú Petróleo Luxembourg (“AP Lux”) issued, on January 13, 2022, debt securities in the international capital markets, in the form of senior secured notes (“Bond Issue”), in the total amount of US\$600,000, at a rate of 7.5% p.a. and maturity on July 13, 2035, through Goldman Sachs & Co.LLC. Interest is amortized semi-annually, on January 13 and July 13 of each year. The Bond Issue is in line with the group's strategy, with the aim of leveraging its business.

The proceeds from the Bond Issue were internalized by Vast and NewCo through: (i) an Export Credit Note (“Notas de crédito de exportação - NCE”) acquired by Banco Itaú; and (ii) foreign exchange debenture subscribed by Banco Santander, which were linked to credit notes acquired by Açú Petróleo Luxembourg and issued by Banco Santander and Banco Itaú. 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, the Company constituted a reserve in the amount of US\$23,827 in offshore accounts with Citibank and an amount of US\$ 11,317 in onshore accounts there was deposited in a foreign exchange fund already held by the Company. These reserves are held

in an escrow account and can only be released according to the requirements of the financing agreements.

Loan between related parties

During 2022, the Company signed interest-free and indefinited maturity loan agreements with Prumo in the total amount of US\$ 53,363 (R\$ 279,453).

Repayment of loan

On February 10, 2022, Vast, using part of the resources from the Bond Issue, fully settled its financing with the U.S. International Development Finance Corporation (“DFC”), in the amount of US\$230,162. For more information see note 13.

New Client - CNOOC

On April 1, 2022, the Company signed a contract with the Chinese company China Offshore Oil (Singapore) International Pte. Ltd, a wholly owned subsidiary of CNOOC Limited, for oil handling transshipment operations. The agreement provides for transshipment involving Aframax, Suezmax and VLCC.

New client - PetroChina

On April 29, 2022, the Company signed a contract with the Chinese group PetroChina, one of the largest exploration and production companies in China, for oil handling transshipment operations. The agreement provides for transshipment involving Aframax, Suezmax and VLCC.

Contract Renewal - TotalEnergies

On July 1, 2022, the Company signed a contract renewal with TotalEnergies, for oil handling transshipment operations. The agreement provides for transshipment involving Suezmax and VLCC.

Semi-Annual Bond Payment

On July 13, 2022, the Company made the first semi-annual bond payment in the amount of US\$ 22,500 in line with the loan agreement (see note 13).

Contract Renewal - Equinor

On September 20, 2022, the Company signed a contract renewal with Equinor, for oil handling transshipment operations. The agreement provides for transshipment involving Aframax, Suezmax and VLCC.

Contract Renewal - GALP

On December 22, 2022, the Company signed a contract renewal with GALP, for oil handling transshipment operations. The agreement provides for transshipment involving Aframax, Suezmax and VLCC.

a.4 Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to liquidate its liabilities including the mandatory repayment terms of the Loans, borrowings and debentures, as disclosed in note 13.

The Company has recognized a negative shareholders' equity of US\$ 146,012 for the year ended December 31, 2022. However, as at that date, current assets exceed current liabilities by US\$ 32,070, thus demonstrating the company's financial capacity to honor its liabilities. Also, the Company generated cash flows from its operations of US\$ 67,984 in the year ended December 31, 2022 (US\$ 42,610 in the year ended December 31, 2021).

As described in note 16, as a result of the accounting effect related to the reverse merger and the Company's inability to recognize generated goodwill on the acquisition of its own shares from non-controlling shareholders, its equity was negatively impacted by the write-off of goodwill on the reverse merger with Newco. However, this had no cash effect on the Company's balance sheet.

Management believes that the repayment of the Bond principal and interest will be covered by the operating cash flows. Management is confident in operational growth and that the business will generate proceeds that will be sufficient to meet cash flow needs.

Based on these factors, management has a reasonable expectation that the Company has and will have adequate resources to continue in operational existence for the foreseeable future, in addition to honoring the payment flows of the debt structure, that has a maturity in 2035.

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, 2022 on March 10, 2023. 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 and escrow accounts onshore, 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, income and expenses are accounted 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	
	2022	2021	2022	2021
Brazilian real ("R\$")	5.2177	5.5805	5.1655	5.3956
Euro ("EUR" or "€")	1.0674	1.1327	1.0537	1.1827

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, 2022, 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 Açú Serviços Ltda".
- The Export Credit Note and financing via foreign exchange debentures are denominated in US dollars and represent all loans obtained, which are funds used to finance the Company's operations.

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.

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:

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 Açú Petróleo Luxembourg began in December 2021, thus requiring the disclosure of our financial statements in a consolidated way.

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 Company also has fixed income investment funds. These financial assets have immediate liquidity and are presented in current assets.

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 refers 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 and funds in reais held in an exchange fund in Brazil serving as guarantees required for the new debt.

Securities classified as amortized cost refer to the linked credit note ("CLN") held in the subsidiary for the internalization of funds in the Company through the Export Credit Note ("NCE") acquired by Banco Itaú and an exchange debenture subscribed by Banco Santander

Escrow accounts

These funds are serving as guarantees required by the agreement for the internalization of funds from the issuance of securities through the Export Credit Note ("NCE") acquired by Banco Itaú and an exchange debenture subscribed by Banco Santander. The Company has funds denominated in dollars abroad with Citibank and funds in reais in Brazil in an exchange fund. Due to their low liquidity, these deposits are not classified as cash equivalents and, based on their expected realization, are presented in non-current assets.

The estimated loss position in 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;

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 Vast Infraestrutura. 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.

i. 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 Vast's main decision makers.

m. New or changed pronouncements that are in force on December 31, 2022

The company evaluated the new pronouncements or changes made to existing pronouncements, and when applicable, implemented them as required by International Financial Reporting Standards ("IFRS").

The new accounting standards or those changed that began to be effective for annual periods started in or after January 1, 2022 are evidenced below and did not result in material changes to the accounting policy currently used by the company:

New or changed pronouncements	Nature of change	In force for annual periods started in or after
Property, plants and equipments - IAS 16	Provide guidance for accounting transactions involving the sale of items produced before the asset is available for use - resources before the intended use	January 1, 2022
Provisions, contingent liabilities and contingent assets - IAS 37	Onerous contracts - cost of compliance with the contract	January 1, 2022
Business combinations - IFRS 3	Refers to the conceptual structure	January 1, 2022

n. New or changed pronouncements, but not yet in force

The following new standards are not expected to have a significant impact on the company's financial statements. If applicable to the company's business, new or changed pronouncements will be adopted as soon as its adoption comes into force.

New or changed pronouncements	Nature of change	In force for annual periods started in or after
Presentation of Financial Statments - IAS 1	Requirements for classification of current and non -circulating liability	January 1, 2023
Insurance Contracts - IFRS 17	Inicial adoption	January 1, 2023
Income Taxes - IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
Consolidated Financial Statements - IFRS 10 and Investments in Associates - IAS 28	Provide Guidance to situations involving the sale or contribution of assets between investor and their related companies	Not yet determined by IASB and CFC
Accounting Policies, Changes in Accounting Estimates and Errors - IAS 8	Provide Guidance about distinction between accounting policies and accounting estimates.	January 1, 2023

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

4 Cash and cash equivalents

	2022	2021
Cash and bank	3,126	413
Short-term investments	58	351
	<u>3,184</u>	<u>764</u>

The amount of cash and cash equivalents basically includes balances held in banking accounts. In addition to these balances, the Company has short-term 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

	2022	2021
Credit linked promissory notes (a)	621,290	-
Foreign exchange fund (b)	51,599	24,600
	<u>672,889</u>	<u>24,600</u>
Current	83,627	24,600
Non-Current	589,262	-

- (a) The subsidiary Açu Petróleo Luxembourg used the funds issued by the linked credit note (“CLN”) with the banks Itaú and Santander to send funds to Vast, through a linked operation in Brazil and internalization of the resource in Brazil. The banks Itaú and Santander used the funds assigned to them by the Company, through the instruments *Nota de crédito de exportação* (NCE) and Exchange Debenture, as per Note 13. In addition, we do not expect to incur any losses on this investment once the related commitments are paid.

This linked credit note does not oblige banks to use their own resources to carry out any settlement of investment amounts, therefore, payment through the instrument *Nota de crédito de exportação* (“NCE”) and foreign exchange debentures is required for the investments to be liquidated.

- (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.

6 Escrow accounts

The escrow accounts of Vast refer to funds held for loans guaranteed purpose and their value can only be released according to the requirements of the financing agreements for new debt, Vast constituted a reserve in the amount of US\$23,827 in offshore accounts with Citibank and an amount of US\$ 11,457 in onshore account with BNP Bank.

The amount of US\$ 19,396 from 2021 was released as a result of the settlement of the loan with the U.S. International Development Finance Corporation (“DFC”). The balances of these deposits, as of December 31, 2022 and December 31, 2021 are as below:

	2022	2021
Escrow offshore accounts	23,827	19,396
Escrow onshore accounts	11,457	-
(-) Expected credit losses	(2)	(1)
	<u>35,282</u>	<u>19,395</u>

7 Accounts receivable

	2022	2021
Accounts receivable	17,925	6,342
(-) Expected credit losses	(18)	(7)
	<u>17,907</u>	<u>6,335</u>
Current	17,680	6,145
Non Current	227	190

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, 2022 and 2021:

Risk analysis	Rating ⁽ⁱ⁾	2022			2021		
		Gross Balance	Loss rate (i)	Loss Provision	Gross Balance	Loss rate (i)	Loss Provision
Nível 1	Not due	17,925	0.1%	(18)	6,342	0.1%	(7)
Total		17,925		(18)	6,342		(7)

(i) Company's internal rating and loss rate

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

	2022	2021
Opening balance	(7)	(5)
Provision recorded during the year	(11)	(2)
	(18)	(7)

8 Taxes

a. Recoverable taxes

	2022	2021
Recoverable income and social contribution taxes		
Income and social contribution taxes ("IRPJ/CSLL")	2,530	393
Non-cumulative credit ("PIS")	-	105
Non-cumulative credit ("COFINS")	1	269
Withholding income tax ("IRRF")	1,787	209
Income tax withheld at source ("CSLL")	50	-
Tax on services ("ISS")	64	51
Others	13	10
	1,915	644
Total of current recoverable taxes	4,445	1,037

b. *Deferred income tax assets and liabilities*

As of December 31, 2022, deferred taxes summarizes a liability of US\$ 32,374 (US\$ 29,996 as of December 31, 2021).

	2022	2021
Deferred taxes		
Tax losses	8,586	601
Negative basis of social contribution	3,249	468
Temporary difference		
Provision for profit sharing	234	140
Expeted credit losses	24	1

Exchange variation - cash taxation	-	8,892
Lease provision	13	12
Provisions	590	264
Loss on investment fund	519	1,168
Other	254	156
Total of deferred tax assets	13,469	11,702
Temporary difference in depreciation rate	(2,388)	(1,987)
Exchange variation - cash taxation	(12,614)	-
Effect of functional currency on non-monetary assets (a)	(30,841)	(39,711)
Total of deferred tax liabilities	(45,843)	(41,698)
Total tax liabilities, net	(32,374)	(29,996)

(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 Vast Infraestrutura 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:

	2022	2021
Profit before Income tax and social contribution	2,300	26,235
Income tax and social contribution at nominal rate (34%)	(782)	(8,920)
Adjustments to derive the effective rate		
Permanent adjustments to the tax base	(1,268)	(212)
Functional currency effects over property, plant and equipment	6,929	(4,471)
Functional currency effects over intangible assets	234	(1,173)
Functional currency effects over right of use	10	(19)
Functional currency effects over transaction cost	822	375
Difference between presentation and fiscal basis (*)	(5,322)	5,609
Others	365	(494)
Total income and social contribution for the year	988	(9,306)
Effective income tax rate	43%	(35%)
Current income tax and social contribution	(1)	(5,698)
Deferred income tax and social contribution	989	(3,608)
Total income and social contribution for the year	988	(9,306)

(*) 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, 2022 and 2021, related to transactions with related parties, as well as the transactions that influenced the result for the year, are due to transactions of the Company, as follows:

Amounts receivable

	2022	2021
Intercompany Loan with related parties:		
Prumo Logística S.A. (a)	53,559	-
Accounts receivable from related parties:		
Ferroport Logística Comercial Exportadora S.A. (b)	2,042	-
	-	-
(-) Expected credit losses	(56)	-
	<u>55,545</u>	<u>-</u>

- a) Vast agreed, under the terms and conditions of the agreement between the parties, to make interest-free and indeterminate maturity loans to Prumo.
- b) The amount refers to reimbursements of 66% of the total fuel costs used in the 2022 dredging.

Amounts payable

	12/31/2022	12/31/2021
Account payable to related parties		
Oiltanking Açú Serviços Ltda (a)	-	784
Oiltanking Terminais Ltda (b)	-	56
Ferroport Logística Comercial Exportadora S.A. (c)	2,044	375
Consórcio Dome Serviços Integrados (f)	13	-
Porto do Açú Operações S.A. (d)	64	24
Prumo Logística S.A. (e)	49	5
	<u>2,170</u>	<u>1,244</u>

- (a) Subsidiary of the former Company's non-controlling shareholder (until February 2022 - see note 16) - the amount refers to reimbursement of expenses with operation and maintenance of the terminal.
- (b) This company is part of the former Company's shareholder's economic group (until February 2022 - see note 16). 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.
- (f) Consortium jointly controlled by the controlling shareholder. The amount refers to a provision for costs with support for the maintenance of pneumatic fenders and cargo handling.

Effect on statement of income

	Costs and expenses	
	2022	2021
Ferroport Logística Comercial Exportadora S.A. (a)	8,464	4,177
Oiltanking Açú Serviços Ltda (b)	-	5,741
Oiltanking Terminais Ltda (c)	-	304
Consórcio Dome Serviços Integrados (d)	13	45
Gás Natural do Açú S.A (f)	12	-
Prumo Logística S.A. (e)	207	51
Porto do Açú Operações S.A. (e)	119	66
	8,815	10,384

- (a) The amount refers to costs with port tariffs and 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 former Company's shareholder's economic group (until february 2022. The amount refers to reimbursement of expenses with the operations directory.
- (d) 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.
- (f) Entity controlled by the Company's Controlling Shareholder - the value refers to the campaign of Covid-19 and humanitarian actions in the Porto do Açú complex and in the São João da Barra community of Prumo group.

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:

	2022	2021
Remuneration / Salaries (*)	1,423	760
Bonus	1,125	740
Benefits and charges	557	351
	3,105	1,851

- (*) 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, Vast Infraestrutura 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 Vast Infraestrutura, Port

Operator (Ferroport) and Anglo American Brasil 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, Vast Infraestructura 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. 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 2022, there was only 56% of vesting (on December 31, 2021, 50% 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, 2022 and 2021 is as follows:

	Annual weighted depreciation rate %	Cost	Accumulated depreciation	Net 2022	Net 2021
Breakwater - T1	1.67	104,864	(12,471)	92,393	94,180
Pier - T1	1.67	54,487	(7,330)	47,157	48,205
Canal - T1	6.67	155,036	(45,817)	109,219	115,450
Improvements	4	207	(125)	82	124
Facilities	10	1,484	(191)	1,293	949
Furniture and fixtures	10	237	(91)	146	167
Computer equipment	20	1,244	(1,019)	225	138
Machinery and equipment	10	57,252	(35,263)	21,989	26,951
Land		22,963	-	22,963	22,963
		397,774	(102,307)	295,467	309,127

Construction in progress and equipment under construction

8,913	-	8,913	6,978
8,913	-	8,913	6,978
406,687	(102,307)	304,380	316,105

	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
		391,951	(82,824)	309,127	317,166
Advances for formation of property, plant and equipment		-	-	-	269
Construction in progress and equipment under construction		6,978	-	6,978	11,578
		6,978	(82,824)	6,978	11,847
		398,929	(82,824)	316,105	329,013

All Property, plant and equipment is located in Brazil.

Changes in Cost

	2021	Movement			2022
	Cost	Additions	Write-off	Transfers	Cost
Breakwater - T1	104,864	-	-	-	104,864
Pier - Port Terminal - T1	54,487	-	-	-	54,487
Canal T1	149,860	-	-	5,176	155,036
Improvement	207	-	-	-	207
Facilities	1,090	3	(69)	460	1,484
Furniture and fixtures	236	32	(31)	-	237
Computer equipment	1,126	184	(66)	-	1,244
Machinery and equipment	57,118	935	(1,060)	259	57,252
Land	22,963	-	-	-	22,963
	391,951	1,154	(1,226)	5,895	397,774

	2021	Movement			2022
	Cost	Additions	Write-off	Transfers	Cost
Construction in progress and equipment under construction	6,978	7,845	-	(5,910)	8,913
	<u>6,978</u>	<u>7,845</u>	<u>-</u>	<u>(5,910)</u>	<u>8,913</u>
	<u>398,929</u>	<u>8,999</u>	<u>(1,226)</u>	<u>(15)</u>	<u>406,687</u>
	2020	Movement			2021
	Cost	Additions	Write-off	Transfers	Cost
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
	<u>384,687</u>	<u>2,087</u>	<u>(499)</u>	<u>5,676</u>	<u>391,951</u>
Advances for formation of property, plant and equipment	269	-	(269)	-	-
Construction in progress and equipment under construction	11,578	2,342	(1,266)	(5,676)	6,978
	<u>11,847</u>	<u>2,342</u>	<u>(1,535)</u>	<u>(5,676)</u>	<u>6,978</u>
	<u>396,534</u>	<u>4,429</u>	<u>(2,034)</u>	<u>-</u>	<u>398,929</u>

Changes in accumulated depreciation

	Depreciation 2021	Additions	Write-off	Depreciation 2022
Breakwater - T1	(10,684)	(1,787)	-	(12,471)
Pier - Port Terminal - T1	(6,282)	(1,048)	-	(7,330)
Canal - T1	(34,410)	(11,407)	-	(45,817)
Improvements	(83)	(42)	-	(125)
Facilities	(141)	(85)	35	(191)
Furniture and fixtures	(69)	(41)	19	(91)
Computer equipment	(988)	(81)	50	(1,019)
Machinery and equipment	(30,167)	(5,726)	630	(35,263)
	<u>(82,824)</u>	<u>(20,217)</u>	<u>734</u>	<u>(102,307)</u>

	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)
	(67,521)	(18,631)	3,328	(82,824)

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, 2022 and 2021, 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 2021	Additions	Write-off	Amortization	Net Cost 2022
Cost						
Right of access	3.54	14,402	-	-	-	14,402
Software license	20	411	205	-	-	616
Brands and patents		11	-	-	-	11
Othres		6	-	-	-	6
		14,830	205	-	-	15,035
Accumulated amortization						
Right of access		(3,260)	-	-	(529)	(3,789)
Software license		(116)	-	-	(46)	(162)
		(3,376)	-	-	(575)	(3,951)
		11,454	205	-	(575)	11,084

	Annual amortization rate (%)	Net Cost 2020	Additions	Write-off	Amortization	Net Cost 2021
Cost						
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
		14,935	47	(152)	-	14,830
Accumulated amortization						
Right of access		(2,637)	-	(94)	(529)	(3,260)
Software license		(92)	-	(6)	(18)	(116)
		(2,729)	-	(100)	(547)	(3,376)
		12,206	47	(252)	(547)	11,454

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 Vast Infraestrutura.

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, 2022 and 2021, 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\$ 6,860 (US\$ 2,381 on December 31, 2021) 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 2022, the company had a increase compared to December 31, 2021, mainly due to the increase in the number of operations, and to the reorganization on the sharehold board of the Company, where the company Oiltanking, went from a related party to a supplier.

13 Loans, borrowings and debentures

		Maturity	12/31/2022			12/31/2021	
			Rates %	Principal	Interest	Total	Total
DFC	(i)	10/30/2035	Dollar + 6.17% yr.	-	-	-	61,380
DFC	(ii)	10/30/2035	Dollar + 6.46% yr.	-	-	-	27,200
DFC	(iii)	10/30/2035	Dollar + 4.62% yr.	-	-	-	140,224
BOND	(iv)	07/13/2035	Dollar + 7.50% yr.	600,000	21,000	621,000	-
Itaú – NCE	(v)	07/10/2035	Dollar + 7.50% yr.	350,000	12,419	362,419	-
Santander - Debentures	(vi)	07/10/2035	Dollar + 7.72% yr.	250,000	9,420	259,420	-
(-) Transaction costs				(38,334)	-	(38,334)	(6,382)
				1,161,666	42,839	1,204,505	222,422
Current						64,897	13,404
Non-current						1,139,608	209,018

- (i) In May 2017, Vast obtained financing in the amount of US\$ 80 million from the DFC, the North American development finance agency. The financing was due to expire in October 2035, with an interest rate of 6.17% per year for the first tranche, had a principal amortization schedule and payment of interest in semi-annual installments. On February 10, 2022, Vast, using part of the resources from the Bond, fully settled this financing with the DFC.
- (ii) In May 2018, the Company obtained an additional US\$35 million in financing. The financing was due to expire in October 2035, with an interest rate 6.46% per year for the second tranche, had a principal amortization schedule and payment of interest in semi-annual installments. On February 10, 2022, Vast, using part of the resources from the Bond, fully settled this financing with the DFC.
- (iii) 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 was due to expire in October 2035, with an interest rate of and 4.62% per year for the third tranche had a principal amortization schedule and payment of interest in semi-annual installments. On February 10, 2022, Vast, using part of the resources from the Bond, fully settled this financing with the DFC.
- (iv) The subsidiary Açú Petróleo Luxembourg issued, in January 2022, debt securities in the international capital markets, in the form of Bonds, in the total amount of US\$600,000, at a rate of 7.5% p.a. and maturity in July 2035, through Goldman Sachs & Co. LLC. Interest is amortized semi-annually, in January and July of each year.
- (v) The proceeds from the Bond Issue were internalized by Vast through an Export Credit Note (Notas de crédito de Exportação “NCE”) acquired by Itaú Unibanco S.A which were linked to credit notes acquired by Açú Petróleo Luxembourg as per note 5. Funding by Export Credit Note allowed for the internalization of US\$350,000 with a financing maturing in July 2035, with an interest rate of 7.5% per year. Interest is amortized semi-annually, in January and July of each year.
- (vi) NewCo acquired a foreign exchange debenture subscribed by Banco Santander, which was linked to credit notes acquired by Açú Petróleo Luxembourg as per note 5. Funding via foreign exchange debentures represented an internalization in the amount of US\$250,000. On March 19, 2022, Vast, based on the financial strategy of the group, carried out a reverse merger with NewCo (“vehicle” company), in order to carry out a corporate restructuring in the Prumo group as per note 1a.1 and 1.a.2.

Below is the exposure of marketable securities in assets and loans in liabilities referring to the new funding of bond:

Net debt

The Company evaluates the net debt with the objective of ensuring the continuity of its business in the long term.

	12/31/2022	12/31/2021
Loans, borrowings and debentures*	1,242,839	228,804
(-) Cash and cash equivalents	(3,184)	(764)
(-) Marketable securities	(672,889)	(24,600)
Net debt	566,766	203,440

*Excluding transaction costs

Reconciliation of equity transactions with cash flows from financing activities

Loans, borrowings and debentures

	Cash flow				No Cash Effect					
	Beginning balance	Funding / (Settlement)	Payment of interest	Transaction Costs	Interest	Exchange variation	Amortization of Transaction Cost	Transaction Costs	Funding / (Settlement)	Ending balance
12/31/2022	222,422	723,181	(48,985)	(42,160)	89,840	-	12,357	(2,150)	250,000	1,204,505
12/31/2021	231,587	(4,247)	(6,217)	-	9,218	(1,671)	827	-	-	229,497

Escrows attached to the financing operation

	Cash flow				Ending balance
	Beginning balance	Additions	Release	Exchange variation	
12/31/2022	19,395	35,145	(19,395)	139	35,284
12/31/2021	19,395	-	-	-	19,395

Guarantees provided

Due to the settlement of the U.S. Development Finance Corporation debt described above, resources in the amount of US\$ 19,395, previously allocated to a reserve related to this debt and held in offshore accounts, was released on January 11, 2022.

Due to the issuance of new senior secured notes as described in item (v) above, Vast constituted a reserve in the amount of US\$ 23,827 in offshore accounts with Banco Citibank, and an amount of US\$ 11,317 in onshore accounts. These reserves are held in an escrow account and can only be released according to the requirements of the financing agreements.

Covenants

The debt securities issued in the international capital markets, in the total amount of US\$ 600,000, are subject to certain affirmative and negative covenants and informational requirements typical of senior secured notes.

In the year ended December 31, 2022, the Company was not in breach of any affirmative or negative covenants or informational requirements.

14 Taxes and contributions payable

	2022	2021
Tax on services (ISS)	366	144
Retention of withholding taxes (PIS/COFINS/CSLL)	88	39
Non-cumulative credit PIS/COFINS	704	594
Others	<u>663</u>	<u>16</u>
Taxes and contributions payable	<u>1,821</u>	<u>793</u>

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, 2022 and 2021, 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 processes classified with expected loss as possible are presented as follow:

	2022	2021
Tax litigations	352	329
Labor litigations	35	-
Civil demand (I)	3,820	-
Civil demand (II)	832	-
Total	<u>5,039</u>	<u>329</u>

(I) This contingent liability relates to a civil matter which has not yet reached legal or arbitration proceedings. In August 2021, a vessel operated by a third party contracted by the Company collided with the structure of the terminal. Ferroport, in their capacity as co-owner of the terminal, completed the necessary repairs with a cost of approximately R\$20,000 (US\$ 3,820) and notified the Company requesting reimbursement of the costs incurred. The Company has since been employing all necessary efforts to obtain the reimbursement directly from the third-party service provider, as contractually required. The Company's administration understands that in the possible case of reimbursement directly to Ferroport, the Company will receive reimbursement from the third-party service provider or through the vessel's insurance.

(II) This contingent liability refers to a claim by Ferroport to partially allocate costs incurred by them to the Company. In 2019, Ferroport, who were responsible for the construction of the terminal, paid a sum of approximately R\$6.6 million (about US\$ 1,3 million) to the construction company that built the terminal as final settlement of an outstanding claim. However, Ferroport claim that part of this settlement should be reimbursed to them. Vast's administration understands that the likelihood of a favourable settlement for Ferroport is possible, however limited to a maximum amount of approximately R\$4.3 million (approximately US\$ 832 thousand).

16 Shareholder's equity

a. *Share capital*

The share capital composition of the Company as of December 31, 2022 and 2021 is as follows:

Shareholder	2022		2021	
	Number of common shares	%	Number of common shares	%
Prumo Logística S.A.	89,408,462	20.00	-	-
Heliporto do Açú S.A.	268,225,386	60.00	268,225,386	60.00
Açú Petróleo Investimentos S.A.	89,408,462	20.00	89,408,462	20.00
Oiltanking GmbH	-	-	89,408,462	20.00
	<u>447,042,310</u>	<u>100.00</u>	<u>447,042,310</u>	<u>100.00</u>

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 carried out an internal corporate reorganization, according to which Prumo approved the capital increase of Heliporto, a wholly owned subsidiary of Prumo, through the contribution of shares representing 60% of the share capital of Vast, becoming a shareholder of Vast. Heliporto has no operations other than its equity interest in Vast.

On January 11, 2022, the shareholders of the Company increased capital from US\$ 115,471 to US\$ 123,251, representing an increase in the amount of US\$ 7,780, using the capital reserve balance and maintaining unchanged the participation of each shareholder in the Company's share capital.

On January 14, 2022, the shareholders of the Company decided to adjust the capital structure of the Company and approved a capital reduction in the amount of US\$ 18,782, reducing the share capital of the Company from US\$ 123,251 to US\$ 104,469.

On February 11, 2022, NewCo acquired the 89,408,462 common shares of the then shareholder Oiltanking, equivalent to 20% of the total shares of Vast. The acquisition of shares previously held by Oiltanking generated a goodwill.

On March 19, 2022, the Company's shareholders decided to adjust the Company's capital structure and carry out a reverse incorporation of Newco and resulted in a capital reduction in the amount of US\$ 20,894, reducing the share capital of the Company from US\$ 104,469 to \$83,575.

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

Based on this reverse merger mentioned above, the goodwill generated on the acquisition of shares in the amount of US\$ 232,462 was written off against the capital reserve, generating a negative accounting effect on shareholders' equity.

c. Dividends distribution

According to the current Company's Bylaws approved on April, 29 2022, the allocation of net income for the year is due as follow:

- a) 5% for the formation of the Legal Reserve, which may be waived if its balance exceeds 20% of the Capital Stock; or exceeds 30% of the amount of the legal reserve or capital reserve. As of december 31, 2022, the legal reserve amount was US\$189.
- b) 25% of the remaining net income for the period, adjusted under the terms of article 202 of Law 6,404/76, is annually distributed to shareholders as a mandatory dividend, which will be distributed pro rata among the Company's shareholders;
- c) up to 70% of the net income will be allocated to a special reserve to cover capital expenditure and related costs included in the annual investment plan and budgets for other projects, in both cases provided they are approved by the Board of Directors. The balance of this reserve, considered together with the balance of the legal reserve, cannot exceed the amount equivalent to the Company's share capital;
- d) up to the amount corresponding in Reais to US\$3 million for the payment of operating costs and selling, administrative and general expenses (SG&A), will be allocated to the minimum capital reserve;
- e) 100% of the remaining net income will be allocated to the payment of supplementary dividends, which will be distributed pro rata among the Company's shareholders.

The dividend distribution policy follows the rule of the Brazilian Corporate Law, i.e. based on the financial statements in Brazilian reais, 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.

17 Net revenue of services

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

	2022	2021
Revenue from double banking transshipment	149,044	101,713
Taxes on services rendered (PIS / COFINS / ISS)	(15,763)	(11,442)
Net revenue of services	133,281	90,271

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

	2022	2021
Salaries and social charges	(1,056)	(472)
Third-party services	(2,143)	(1,676)
Surveillance and Security	(291)	(264)
Leases	(510)	(356)
Depreciation and amortization	(20,605)	(20,012)
Miscellaneous insurance	(907)	(881)
Port services	(44,724)	(25,379)
Taxes and fees	(347)	(280)
Support materials	(47)	(23)
	<u>(70,630)</u>	<u>(49,343)</u>

19 General and administrative expenses

	2022	2021
Salaries and social charges	(5,574)	(4,101)
Third-party services	(772)	(891)
Rental and leases	(74)	(52)
Representations and events	(31)	(15)
Consumables	(16)	(2)
Travel and stay	(46)	(5)
Software License	(216)	(143)
Depreciation and amortization	(279)	(219)
Taxes and fees	(19)	(148)
Other expenses	(212)	(169)
Shared costs	(351)	(486)
	<u>(7,590)</u>	<u>(6,231)</u>

20 Financial result

	2022	2021
Financial income		
Income from financial investments	20	12
Interest receivable	128	112
Gains from variable income operations	45,326	-
Exchange variation	2,318	6,795
	<u>47,792</u>	<u>6,919</u>
Financial expenses		
Interests on loans	(87,293)	(12,219)
Bank expenses	(3)	(45)
IOF (Tax on financial operations)	(231)	(9)
Fine and interests	(31)	(18)
Cost of loans	(12,415)	(1,502)

Interests on leases	(19)	(27)
Losses from variable income operation	-	(1,555)
Others	-	(4)
	<u>(99,992)</u>	<u>(15,379)</u>
Net financial result	<u>(52,200)</u>	<u>(8,460)</u>

21 Income per share

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

	2022	2021
Income attributed to holders of common shares	3,288	16,929
Weighted average number of common shares outstanding during the year	<u>447,042,310</u>	<u>447,042,310</u>
Income per share - basic and diluted (in US\$)	<u>0.0074</u>	<u>0.0379</u>

22 Commitments

The Company has assumed future purchase commitments in the amount of US\$ 10,411 (US\$ 17,094 on December 31, 2021), which must be fulfilled in the continuity of the Company's activities. The commitments are segregated by currency according to the following table:

Commitments 2022:

	2023	2024	2025	2026	2027	After 2028	Total
Brazilian reais							
Administrative	881	-	-	-	-	-	881
Financial	302	195	121	36	36	323	1,013
Operational	3,344	3,030	1,488	-	-	-	7,862
Comercial	5	-	-	-	-	-	5
	<u>4,532</u>	<u>3,225</u>	<u>1,609</u>	<u>36</u>	<u>36</u>	<u>323</u>	<u>9,761</u>
	2023	2024	2025	2026	2027	After 2028	Total
U.S. Dollar							
Financial	47	47	47	47	47	379	614
Operational	1	1	1	1	1	31	36
	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>410</u>	<u>650</u>
Total 2022	<u>4,580</u>	<u>3,273</u>	<u>1,657</u>	<u>84</u>	<u>84</u>	<u>733</u>	<u>10,411</u>

Commitments 2021:

	2022	2023	2024	2025	2026	After 2027	Total
Brazilian reais							
Administrative	475	102	44	31	31	313	996
Operational	3,456	1,608	1,451	463	38	-	7,016
Comercial	13	13	-	-	-	-	26
	<u>3,944</u>	<u>1,723</u>	<u>1,495</u>	<u>494</u>	<u>69</u>	<u>313</u>	<u>8,038</u>
U.S. Dollar							
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>
Total 2021	<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>1,143</u></u>	<u><u>17,094</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:

	2023	2024	2025	2026	2027	After 2028	Total
Brazilian Reais							
Financial	142	-	-	-	-	-	142
Operational	1,490	1,321	443	51	-	-	3,305
Comercial	16	-	-	-	-	-	16
	<u>1,648</u>	<u>1,321</u>	<u>443</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>3,462</u>

It should be noted that the table of commitments assumed does not include 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:

	2022			2021		
	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
Assets						
Cash and cash equivalents	3,184	-	-	764	-	-
Marketable securities	621,290	-	51,599	-	-	24,600
Escrow accounts	23,827	-	11,457	19,395	-	-
Accounts receivable	17,925	-	-	6,335	-	-
Accounts receivable with related parts	55,545	-	-	-	-	-
Other current assets	74	-	-	26	-	-
	721,845	-	63,056	26,520	-	24,600
Liabilities						
Trade payables	6,860	-	-	2,381	-	-
Loans, borrowings, and debentures	1,204,505	-	-	222,422	-	-
Accounts payable with related parties	2,170	-	-	1,244	-	-
Lease liabilities	172	-	-	227	-	-
	1,213,707	-	-	226,274	-	-

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, 2022 and 2021, 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\$ 1,204,505 as of December 31, 2022 (US\$ 222,422 as of December 31, 2021). 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, 2022 and 2021.

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 depositary 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:

Financial assets	2022	2021
Cash and cash equivalents	3,184	764
Marketable securities	621,290	24,600
Escrow accounts	23,827	19,395
Accounts receivable	17,925	6,335
Other current assets	74	26

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:

Percentage of revenue:	2022	2021
Shell	57%	64%
Total	16%	6%
Galp	10%	18%
Others	17%	12%

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 Vast Infraestruturas' operating margin and cash flow. With regard to indebtedness, the company understands that the fact that Vast Infraestruturas' debt service and revenues are tied to the same currency results in a natural hedge for this exposure.

As the functional currency of Vast Infraestruturas is the US dollar, which is different from the currency in which Vast Infraestruturas 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, 2022:

Financial liabilities	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	More than 5 years	Total
Trade payables	6,860	-	-	-	-	6,860
Loans, borrowings and debentures (*)	26,714	30,257	67,057	263,784	508,316	896,128
Bond (*)	26,172	29,719	66,000	261,094	508,138	891,123
Lease Liabilities	56	56	75	-	-	187
Total by maturity range	59,802	60,032	133,132	524,878	1,016,454	1,794,298

* The amounts of Loans, borrowings and debentures including Bonds presented above need to be analyzed in terms of their exposure to liquidity risk offset by credit linked notes (CLN), as shown below.

Financial Assets	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	More than 5 years	Total
Credit linked notes (CLN) (*)	(26,173)	(29,719)	(66,001)	(261,096)	(508,270)	(891,259)
Total by maturity range	(26,173)	(29,719)	(66,001)	(261,096)	(508,270)	(891,259)

For comparison purposes, the contractual maturities of financial liabilities existing at December 31, 2021 are as follows:

Financial liabilities	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	More than 5 years	Total
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
Total by maturity range	14,097	11,550	30,934	84,323	168,233	309,137

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.

		Amounts				
	Risk	in US\$	Scenario	Scenario	Scenario	Scenario
	Factor	12/31/2022	25% (i)	50%(ii)	(25%)(iii)	(50%)(iv)
Assets						
Cash and cash equivalents	BRL	3,184	2,547	2,123	4,245	6,368
Accounts receivable	BRL	17,907	14,326	11,938	23,876	35,814
Accounts receivable from related parties	BRL	55,545	44,436	37,030	74,060	111,090
Other assets	BRL	74	59	49	99	148
Total assets		76,710	61,368	51,140	102,280	153,420
Liabilities						
Trade payables	BRL	6,860	5,488	4,573	9,147	13,720
Other accounts payable (with related parties)	BRL	2,170	1,736	1,447	2,893	4,340
Lease liabilities	BRL	172	138	115	229	344
Total liabilities		9,202	7,362	6,135	12,269	18,404
Assumptions adopted:						
U.S. dollar rate		5,2177	6,5221	7,8266	3,9133	2,6089

- (i) Increase of 25% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2022.
- (ii) Increase of 50% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2022.
- (iii) Decrease of 25% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2022.
- (iv) Decrease of 50% in the exchange rate of the U.S. dollar, in relation to the exchange rate as of December 31, 2022.

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, 2022 and December 31, 2021, the main risks covered were:

Operational Risks	2022	2021
Property damages	84,178	84,710
Civil Liability	200,958	200,896
Loss of profits	68,825	60,384
Environment Impairment Liability	50,000	50,000

25 Subsequent events

Semi-Annual Bond Payment

On January 13, 2023, the Company paid the second semi-annual bond payment of US\$26,172 in line with the loan agreement. This payment included the first amortization of the bond, in line with the target payment schedule.

New contract agreements

On January 26, 2023, the Company communicated the contract's agreements for the oil transshipment services at the Porto do Açú terminal, with Petronas Petróleo Brasil (PPBL), a subsidiary of Petronas.

On February 14, 2023, the Company communicated the contract's agreements for the oil transshipment operation at Porto do Açú terminal, with PRIO.

* * *

Composition of the Board of Directors On December 31, 2022

Pedro Pullen Parente
Chairman

Rogério Sekeff Zampronha
Vice-Chairman

Jorge Marques de Toledo Camargo
Board Member

Carlos Tadeu da Costa Fraga
Board Member

Flavio Bernardo Luna do Valle
Board Member

Patricia Helena Fonseca Garcia
Independent Board Member

Composition of Management

Victor Jorge Snabaitis Bomfim
Chief Executive Officer

Nicholas John Burridge
Chief Financial Officer 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