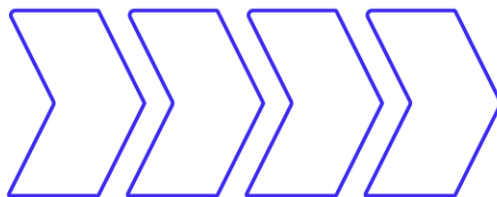




Vast Infraestructura S.A.

**Condensed Consolidated interim
financial statements as of
September 30, 2022 and December
31, 2021, and for the nine-month
periods ended September 30, 2022
and 2021**



Opening horizons
for energy

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Report on review of condensed interim financial statements

To Board of Directors of
Vast Infraestrutura S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying condensed consolidated interim financial statement of Vast Infraestrutura (“Company”), which comprises the balance sheet as of September 30, 2022, and the related statements of operations, comprehensive income (loss), changes in equity and cash flows for the nine month period then ended, including the explanatory notes.

The Company’s Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other issues

We draw attention to the fact that we have not reviewed the Company’s condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the period ended September 30, 2021, or any of the related notes and, therefore, we have not reached a conclusion on them.

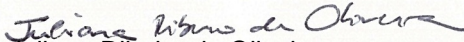


Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at September 30, 2022 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Rio de Janeiro, November 11, 2022

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


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

Condensed Consolidated balance sheets as of September 30, 2022 and December 31, 2021

(In thousands of U.S. Dollars)

	Note	9/30/2022	12/31/2021
Assets			
Current assets			
Cash and cash equivalents	4	934	764
Marketable securities	5	65,572	24,600
Accounts receivable	7	11,760	6,145
Recoverable income and social contribution taxes		2,408	393
Recoverable taxes		1,828	644
Accounts receivable from related parties	9	1,972	-
Prepaid expenses		194	2,301
Other current assets		83	26
		<u>84,751</u>	<u>34,873</u>
Non-current assets			
Marketable securities	5	588,972	-
Accounts receivable	7	212	190
Escrow accounts	6	34,889	19,395
Loan to related parties	9	42,397	-
Other non-current assets		35	34
Property, plant and equipment	10	309,538	316,105
Right-of-use assets		225	270
Intangible assets	11	11,102	11,454
		<u>987,370</u>	<u>347,448</u>
Total assets		<u>1,072,121</u>	<u>382,321</u>
Liabilities			
Current liabilities			
Trade payables	12	5,179	2,381
Loans, borrowings and debentures	13	21,418	13,404
Salaries and social charges payable		1,623	1,524
Accounts payable to related parties	9	686	1,244
Taxes and contributions payable		1,528	793
Lease liabilities		94	78
		<u>30,528</u>	<u>19,424</u>
Non-current liabilities			
Loans, borrowings and debentures	13	1,159,186	209,018
Deferred income taxes	8	27,702	29,996
Lease liabilities		111	149
		<u>1,186,999</u>	<u>239,163</u>
Total liabilities		<u>1,217,528</u>	<u>258,587</u>
Shareholders' equity (deficit)			
Share capital	15	83,575	115,471
Capital reserve		(232,462)	7,780
Accumulated income		3,481	483
		<u>(145,406)</u>	<u>123,734</u>
Total liabilities and shareholders' equity (deficit)		<u>1,072,121</u>	<u>382,321</u>

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

Condensed Consolidated statement of income

For the nine-month periods ended September 30, 2022 and 2021

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

	Note	9/30/2022	9/30/2021
Net revenue of services	16	93,529	68,460
Cost of services provided	17	<u>(47,514)</u>	<u>(37,157)</u>
Gross profit		<u>46,015</u>	<u>31,303</u>
Operating income (expenses)			
General and administrative expenses	18	(5,070)	(4,010)
Expected credit losses		<u>(50)</u>	<u>(5)</u>
Income before financial result and taxes		<u>40,895</u>	<u>27,288</u>
Financial income	19	34,283	8,286
Financial expenses	19	<u>(77,919)</u>	<u>(12,234)</u>
Financial result		<u>(43,636)</u>	<u>(3,948)</u>
Income (Loss) before taxes		<u>(2,741)</u>	<u>23,340</u>
Current income and social contribution taxes	8	(1)	(5,069)
Deferred income and social contribution taxes	8	<u>5,740</u>	<u>(2,712)</u>
Net income for the period		<u>2,998</u>	<u>15,559</u>
Net income per share			
Net income per share - basic and diluted (in U.S. Dollars)	20	0.0067	0.0348

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

Condensed Consolidated statement of comprehensive income

For the nine-month periods ended September 30, 2022 and 2021

(In thousands of U.S. Dollars)

	9/30/2022	9/30/2021
Net income for the period	<u>2,998</u>	<u>15,559</u>
Total comprehensive income for the period	<u>2,998</u>	<u>15,559</u>

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

Condensed Consolidated statement of changes in shareholders' equity (deficit)

For the nine-month periods ended September 30, 2022 and 2021

(In thousands of U.S. Dollars)

	Share capital	Capital reserve	Accumulated income (losses)	Total shareholders' equity
Balance on January 1, 2021	191,606	7,780	(16,446)	182,940
Net income for the period	-	-	15,559	15,559
Capital reduction (note 15)	(76,135)	-	-	(76,135)
Balance on September 30, 2021	115,471	7,780	(887)	122,364
	Share capital	Capital reserve	Accumulated income	Total shareholders' equity (deficit)
Balance on January 1, 2022	115,471	7,780	483	123,734
Net Income for the period	-	-	2,998	2,998
Capital increase (note 15)	7,780	(7,780)	-	-
Capital reduction (note 15)	(18,782)	-	-	(18,782)
Capital reduction - cancellation of shares (note 15)	(20,894)	-	-	(20,894)
Reverse merger of Newco (note 15)	-	(232,462)	-	(232,462)
Balance on September 30, 2022	83,575	(232,462)	3,481	(145,406)

The accompanying notes are an integral part of these condensed interim financial statements

Condensed Consolidated Statement of cash flows

For the nine-month periods ended September 30, 2022 and 2021

(In thousands of U.S. Dollars)

	9/30/2022	9/30/2021
Cash flows from operating activities		
Income (Loss) before taxes	(2,741)	23,340
Adjustments for:		
Depreciation and amortization	14,642	15,463
Financial expenses	64,593	9,218
Expected credit losses	50	5
Loss (Gain) on marketable securities	(34,668)	1,552
Amortization of transaction cost	11,156	827
Exchange variation	2,008	(8,199)
	55,040	42,206
Changes in:		
(Increase) decrease in assets and increase (decrease) in liabilities:		
Recoverable taxes	(1,184)	225
Accounts receivable	(5,620)	(6,398)
Accounts receivable from related parties	(1,972)	-
Prepaid expenses	2,107	(256)
Other accounts receivable	(58)	3
Trade payables	2,798	(4,358)
Accounts payable to related parties	(558)	(1,107)
Taxes and contributions payable	735	1,816
Salaries and social charges payable	99	(33)
Other current liabilities	-	(3)
Income and social contribution taxes paid	(2,502)	(3,828)
	48,885	28,267
Net cash generated by operating activities	48,885	28,267
Cash flows from investment activities		
Acquisition of property, plant and equipment	(7,678)	(1,783)
Loan with related parties	(43,725)	-
Acquisition of intangible assets	(66)	(32)
Investment marketable securities	(598,091)	58,839
	(649,560)	57,024
Net cash (invested in) from investment activities	(649,560)	57,024
Cash flows from financing activities		
Transaction cost related to loans	(42,160)	-
Escrow accounts	(15,748)	-
Interests paid on loans	(48,985)	(6,217)
Repayment of principal on loan	(226,819)	(4,247)
Capital reduction	(18,782)	(76,135)
Reverse merger – net cash effect	2,888	-
Payment of lease	(80)	(76)
Funding of loan	950,000	-
	600,314	(86,675)
Net cash (invested in) from financing activities	600,314	(86,675)
Decrease in cash and cash equivalents	(361)	(1,384)
Cash and cash equivalents at the beginning of period	764	1,117
Cash and cash equivalents at the end of period	934	820
Effect of exchange rate variation on cash and cash equivalents	(531)	(1,087)
	(361)	(1,384)
Decrease in cash and cash equivalents	(361)	(1,384)

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

Notes to the condensed financial statements

(In thousands of U.S. Dollars)

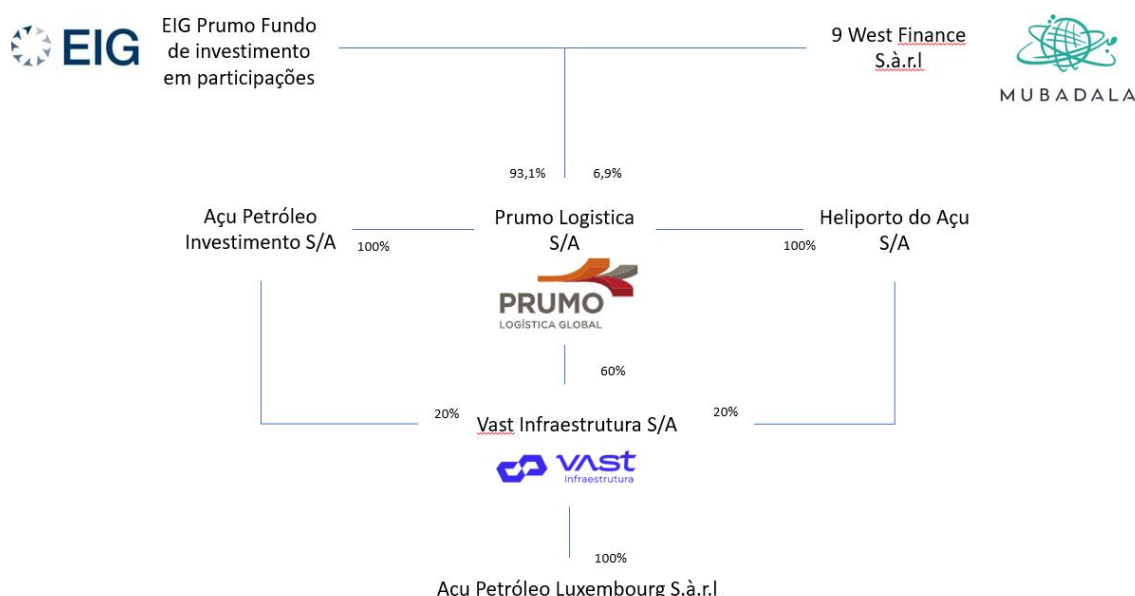
1 Operating context

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 interim 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 on September 30, 2022 is as follows:



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

Company	Type of investment	Main activity	Country	% Equity interest	
				9/30/2022	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, 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 Logística S.A. 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 with 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 15) 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 Açu Petróleo Luxembourg 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 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 an Export Credit Note ("Notas de crédito de exportação - NCE") acquired by Banco Itaú and a foreign exchange debenture subscribed by Banco Santander, respectively, which were linked to credit notes acquired by Açu Petróleo Luxembourg 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, on January 14, 2022, the Company constituted as guarantee a reserve in the amount of US\$23,827 in offshore accounts with Citibank and later an amount of US\$ 11,317 (equivalent in R\$ 56,000) in onshore accounts to be deposited in a foreign exchange fund already held by the Company. These reserves are held in an escrow account and can only be released on settlement of the debt.

Loan between related parties

On January 13, 2022, the Company signed an interest-free loan agreement to Prumo Logística in the total amount of US\$ 7,847 (R\$ 43,353). The maturity of this loan is January 13, 2035.

On April 29, 2022, the Company signed another interest-free loan with Prumo Logística in the total amount of US\$ 15,470 (R\$ 76,100). The maturity of this loan is also January 13, 2035.

On July 5, 2022, the Company signed another interest-free loan with Prumo Logística in the total amount of US\$ 20,407 (R\$ 110,000). The maturity of this loan is also January 13, 2035.

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, in the amount of US\$230,162. For more information see note 13.

Change in Board of Directors' composition

On April 1, 2022, board member Mr. Kevin Lee Lowder resigned as a member of the Board of Directors. On the same date, Mr. Rogério Sekeff Zampronha was appointed as a member and Vice-Chairman of the Board of Directors.

On April 29, 2022, Mr. Flavio Bernardo Luna do Valle was appointed as a new member of the Board of Directors.

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 paid the first semi-annual bond payment of US\$22,500 in line with the loan agreement.

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 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\$ 145,406 for the period ended September 30, 2022. However, as at that date, current assets exceed current liabilities by US\$ 54,223, thus demonstrating the company's financial capacity to honor its liabilities. Also, the Company generated cash flows from its operations of US\$ 48,885 in the nine-month period ended September 30, 2022 (US\$ 28,267 in the nine-month period ended September 30, 2021).

As described in note 15, as a result of the accounting effect related to the reverse merger and the Company's inability to recognize internally generated goodwill, its equity was 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 interim financial statements for the nine-month period ended September 30, 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in connection with the Company's last annual consolidated financial statements as at and for the year ended December 31, 2021 (last annual financial statements). They do not include all of the information required for a complete set of financial statements prepared in accordance with the IFRS standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company financial position and performance since the last annual financial statements.

The Company's Board of Directors approved the condensed consolidated interim financial statements for the period ended September 30, 2022, on November 10, 2022. Accordingly, these consolidated interim financial statements consider subsequent events that could have an effect on them up to that date. All the relevant information pertaining to the consolidated interim financial statements, and nothing more, is being disclosed and corresponds to that used by Management in its administration.

b. Basis of measurement

The consolidated interim 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 the 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 interim 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 are accounted at the historical exchange rates.

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

	Closing rate		Average rate for the period ended	
	9/30/2022	12/31/2021	9/30/2022	9/30/2021
Brazilian real ("R\$")	5,4066	5,5805	5,1360	5,3317
Euro ("EUR" or "€")	0,9785	1,1327	1,0637	1,1960

d. Use of judgements and estimates

d.1 Estimates

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

Information on uncertainties related to assumptions and estimates as of December 31, 2021, that have a significant risk of resulting in a material adjustment to the accounting balances of assets and liabilities in the future are included in the following notes:

Note a.4 – going concern;

Note 8 – recognition of deferred income and social contribution taxes;

Note 14 – recognition and measurement of provisions for contingencies;

d.2 Judgments

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 21.

The currency that also 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, tugboats and costs with the port operator.

The financing obtained from international market are denominated in dollars and represent the totality of loans obtained, which are resources used to finance the Company’s operation.

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

3 Notes included in the financial statements for the year ended December 31, 2021, not presented in these interim financial statements

The accounting policies, risk management, assumed commitments and measurement methods applied in these Interim Financial Statements are consistent with those adopted and disclosed in the financial statements for the year ended December 31, 2021, which were issued on March 15, 2022, and should be read jointly.

The amended rules and effective interpretations for the year started on January 1, 2022, did not impact this Company’s interim financial information. Several other reviews of standards and interpretations are underway by the IASB, and the Company will assess them in due course. The Company has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

4 Cash and cash equivalents

	9/30/2022	12/31/2021
Cash and bank	890	413
Short-term investments	44	351
	934	764

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 Santander, 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

	9/30/2022	12/31/2021
Credit linked promissory notes (a)	610,162	-
Foreign exchange fund (b)	44,382	24,600
	<u>654,544</u>	<u>24,600</u>
Current	65,572	24,600
Non-Current	588,972	-

- (a) The subsidiary used the funds issued by the linked credit note ("CLN") with the banks Itaú and Santander to send the funds and financing 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 with Itaú and Santander, as per Note 13.

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 guaranteed purpose and their value can only be released after the debt is paid off. The resources in accounts offshore are in US dollars and accounts onshore are in Reais. For new debt, Vast constituted a reserve in the amount of US\$23,827 in offshore accounts with Citibank and an amount of US\$ 11,064 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 September 30, 2022 and December 31, 2021 are as below:

	9/30/2022	12/31/2021
Escrow offshore accounts	23,827	19,396
Escrow onshore accounts	11,064	-
(-) Expected credit losses	(2)	(1)
	<u>34,889</u>	<u>19,395</u>

7 Accounts receivable

	9/30/2022	12/31/2021
Accounts receivable	11,984	6,342
(-) Expected credit losses	(12)	(7)
	<u>11,972</u>	<u>6,335</u>
Current	11,760	6,145
Non-Current	212	190

The information about revenue concentration is demonstrated in Credit Risk item in note 21.

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 September 30, 2022, and December 31, 2021:

Risk analysis	Rating ⁽ⁱ⁾	9/30/2022			12/31/2021		
		Gross Balance	Loss rate (i)	Loss Provision	Gross Balance	Loss rate (i)	Loss Provision
Level 1	Not due	11,984	0.1%	(12)	6,342	0.1%	(7)
Total		11,984		(12)	6,342		(7)

(i) Company's internal rating and loss rate

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

	9/30/2022	12/31/2021
Opening balance	(7)	(5)
Provision recorded during the year	(5)	(2)
	(12)	(7)

8 Taxes

a. Deferred income tax assets and liabilities

As of September 30, 2022, deferred taxes summarize a liability of US\$ 27,702 (US\$ 29,996 as of December 31, 2021).

	9/30/2022	12/31/2021
Deferred taxes:		
Tax losses	9,376	601
Negative basis of social contribution	3,460	468
Temporary differences:		
Provision for profit sharing	112	140
Expected credit losses	16	1
Exchange variation - cash taxation	-	8,892
Lease provision	13	12
Provision	509	264
Loss on investment fund	536	1,168
Other	334	156
Total of deferred tax assets	14,356	11,702
Temporary differences:		
Difference in depreciation rate	(2,242)	(1,987)
Exchange variation - cash taxation	(1,526)	-
Adjustments from reverse merger	(3,662)	-
Effect of functional currency on non-monetary assets (a)	(34,628)	(39,711)
Total of deferred tax liabilities	(42,058)	(41,698)
Total tax liabilities, net	(27,702)	(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 is established, which is the Brazilian Real.

b. 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:

	9/30/2022	9/30/2021
Income (Loss) before Income tax and social contribution	<u>(2,741)</u>	<u>23,340</u>
Income tax and social contribution at nominal rate (34%)	932	(7,936)
Adjustments to derive the effective rate		
Permanent adjustments to the tax base	(1,441)	(154)
Effect of functional currency on non-monetary assets	5,083	(3,980)
Other differences between presentation and fiscal basis (*)	1,175	4,667
Others	<u>(10)</u>	<u>(378)</u>
Total income and social contribution for the period	<u>5,739</u>	<u>(7,781)</u>
Effective income tax rate	<u>(209%)</u>	<u>33%</u>
Current income tax and social contribution	(1)	(5,069)
Deferred income tax and social contribution	<u>5,740</u>	<u>(2,712)</u>
Total income and social contribution for the period	<u>5,739</u>	<u>(7,781)</u>

(*) 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 on September 30, 2022 and December 31, 2021 related to transactions with related parties, as well as the transactions that influenced the result for the period, are due to transactions of the Company, as follows:

Amounts receivable

	9/30/2022	12/31/2021
Intercompany Loan to related parties:		
Prumo Logística S.A. (a)	42,397	-
Accounts receivable to related parties:		
Ferroport Logística Comercial Exportadora S.A. (b)	1,972	-
	<u>44,369</u>	<u>-</u>

a) Vast agreed, under the terms and conditions of the agreement between the parties, to make interest-free loans to Prumo Logística. The maturity of these loans is January 13, 2035.

b) The amount refers to reimbursements of 66% of the total fuel costs used in the 2022 dredging.

Amounts payable

	9/30/2022	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)	627	375
Porto do Açú Operações S.A. (d)	37	24
Prumo Logística S.A. (e)	<u>22</u>	<u>5</u>
	<u>686</u>	<u>1,244</u>

(a) Subsidiary of the Company's non-controlling shareholder (until February 2022 – see note 15) - the amount refers to reimbursement of expenses with operation and maintenance of the terminal.

(b) This company is part of the Company's shareholder's economic group (until February 2022 – see note 15). Reimbursement of costs related to costs with the operations directory.

(c) Entity jointly controlled by the Company's controlling shareholder - the amount refers to reimbursement of property security expenses and SSO, and port tariffs.

(d) Entity controlled by the Company's Controlling Shareholder - the amount refers to reimbursement of costs for shared services.

(e) Controlling shareholder - The amount refers to reimbursement of costs for shared services.

Effect on statement of income

	Costs and expenses	
	9/30/2022	09/30/2021
Ferroport Logística Comercial Exportadora S.A. (a)	4,760	3,183
Oil tanking Açú Serviços Ltda (b)	-	4,000
Oil tanking Terminais Ltda (c)	-	237
Gás natural do Açú – GNA (d)	12	-
Consórcio Dome Serviços Integrados (e)	-	45
Prumo Logística S.A. (f)	144	105
Porto do Açú Operações S.A. (f)	84	35
	5,000	7,605

- (a) The amount refers to costs with port tariffs for operations and reimbursement of property security and SSO expenses.
(b) The amount refers to reimbursement of expenses with operation and maintenance of the terminal.
(c) This company was part of the Company's shareholder's economic group until February 2022. The amount refers to reimbursement of expenses with the operations directory.
(d) Entity controlled by the Company's Controlling Shareholder - the amount refers to Prumo group Covid-19 campaign and humanitarian actions in the Porto do Açú complex and São João da Barra neighbourhood.
(e) Entity jointly controlled by the Company's controlling shareholder - The amount refers to support services for the maintenance of pneumatic fenders and cargo handling.
(f) The amount refers to reimbursement of costs for shared services.

10 Property, plant and equipment

The breakdown of the Company's property, plant and equipment as of September 30, 2022 and December 31, 2021 is as follows:

	Annual weighted depreciation rate %	Cost	Accumulated depreciation	Net 9/30/2022	Net 12/31/2021
Breakwater - T1	1,67	104,864	(12,025)	92,839	94,180
Pier - T1	1,67	54,487	(7,068)	47,419	48,205
Canal - T1	6,67	149,860	(42,063)	107,797	115,450
Improvements	4	207	(114)	93	124
Facilities	10	1,093	(195)	898	949
Furniture and fixtures	10	263	(102)	161	167
Computer equipment	20	1,217	(1,047)	170	138
Machinery and equipment	10	57,158	(34,357)	22,801	26,951
Land		22,963	-	22,963	22,963
		392,112	(96,971)	295,141	309,127
Advances for formation of property, plant and equipment		553	-	553	-
Construction in progress and equipment under construction		13,844	-	13,844	6,978
		14,397	-	14,397	6,978
		406,509	(96,971)	309,538	316,105

	Annual weighted depreciation rate %	Cost	Accumulated depreciation	Net 9/30/2021	Net 12/31/2020
Breakwater - T1	1,67	104,828	(10,223)	94,605	95,341
Pier - T1	1,67	54,469	(6,012)	48,457	48,663
Canal - T1	6,67	149,873	(31,880)	117,993	118,306
Improvements	4	207	(72)	135	182
Facilities	10	1,088	(123)	965	860
Furniture and fixtures	10	236	(65)	171	184
Computer equipment	20	1,125	(967)	158	188
Machinery and equipment	10	57,415	(28,874)	28,541	30,271

	Annual weighted depreciation rate %	Cost	Accumulated depreciation	Net 9/30/2021	Net 12/31/2020
Land		22,963	-	22,963	23,171
		392,204	(78,216)	313,988	317,166
Advances for formation of property, plant and equipment		-	-	-	269
Construction in progress and equipment under construction		5,984	-	5,984	11,578
		5,984	-	5,984	11,847
		398,188	(78,216)	319,972	329,013

All Property, plant and equipment is located in Brazil.

Changes in Cost

	12/31/2021	Movement			9/30/2022
	Cost	Additions	Write-off	Transfers	Cost
Breakwater - T1	104,864	-	-	-	104,864
Pier - Port Terminal - T1	54,487	-	-	-	54,487
Canal T1	149,860	-	-	-	149,860
Improvement	207	-	-	-	207
Facilities	1,090	3	-	-	1,093
Furniture and fixtures	236	27	-	-	263
Computer equipment	1,126	91	-	-	1,217
Machinery and equipment	57,118	40	-	-	57,158
Land	22,963	-	-	-	22,963
	391,951	161	-	-	392,112
Advances for formation of property, plant and equipment (*)	-	553	-	-	553
Construction in progress and equipment under construction (*)	6,978	6,866	-	-	13,844
	6,978	7,419	-	-	14,397
	398,929	7,580	-	-	406,509

(*) The increase related to work in progress is related to dredging works at the terminal.

	12/31/2020	Movement			9/30/2021
	Cost	Additions	Write-off	Transfers	Cost
Breakwater - T1	104,372	575	(61)	-	104,886
Pier - Port Terminal - T1	53,977	524	(32)	-	54,469
Canal T1	143,353	819	(86)	5,787	149,873
Improvement	230	-	(23)	-	207
Facilities	946	164	(8)	-	1,102
Furniture and fixtures	240	-	(4)	-	236
Computer equipment	1,108	62	(45)	-	1,125
Machinery and equipment	57,290	145	(91)	71	57,415
Land	23,171	-	(357)	149	22,963
	384,687	2,289	(707)	6,007	392,276
Advances for formation of property, plant and equipment	269	-	(269)	-	-
Construction in progress and equipment under construction	11,578	1,606	(1,265)	(6,007)	5,912
	11,847	1,606	(1,534)	(6,007)	5,912
	396,534	3,895	(2,241)	-	398,188

Changes in accumulated depreciation

	Depreciation 12/31/2021	Additions	Write-off	Depreciation 9/30/2022
Breakwater - T1	(10,684)	(1,341)	-	(12,025)
Pier - Port Terminal - T1	(6,282)	(786)	-	(7,068)
Canal - T1	(34,410)	(7,653)	-	(42,063)
Improvements	(83)	(31)	-	(114)
Facilities	(141)	(54)	-	(195)
Furniture and fixtures	(69)	(33)	-	(102)
Computer equipment	(988)	(59)	-	(1,047)
Machinery and equipment	(30,167)	(4,190)	-	(34,357)
	(82,824)	(14,147)	-	(96,971)

	Depreciation 12/31/2020	Additions	Write-off	Depreciation 9/30/2021
Breakwater - T1	(9,031)	(1,382)	190	(10,223)
Pier - Port Terminal - T1	(5,314)	(809)	111	(6,012)
Canal - T1	(25,047)	(7,877)	1,044	(31,880)
Improvements	(48)	(26)	2	(72)
Facilities	(86)	(48)	11	(123)
Furniture and fixtures	(56)	(12)	3	(65)
Computer equipment	(920)	(133)	86	(967)
Machinery and equipment	(27,019)	(3,736)	1,881	(28,874)
	(67,521)	(14,023)	3,328	(78,216)

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 year ended December 31, 2021, the Company had evaluated and did not identify any indications of impairment of property, plant and equipment. For the period ended September 30, 2022, the Company did not identify any impairment indication.

11 Intangible assets

	Annual amortization rate (%)	Net Cost 12/31/2021	Additions	Write-Off	Amortization	Net Cost 9/30/2022
Cost						
Right of access	3,54	14,402	-	-	-	14,402
Software license	20	411	65	-	-	476
Brands and patents		11	-	-	-	11
Others		6	-	-	-	6
		14,830	65	-	-	14,895
Accumulated amortization						
Right of access		(3,260)	-	-	(396)	(3,656)
Software license		(116)	-	-	(21)	(137)
		(3,376)	-	-	(417)	(3,793)
		11,454	65	-	(417)	11,102

	Annual amortization rate (%)	Net Cost 12/31/2020	Additions	Write-Off	Amortization	Net Cost 9/30/2021
Cost						
Right of access	3,54	14,551	-	(149)	-	14,402
Software license	20	373	-	(3)	-	370
Brands and patents		11	32	-	-	43
		<u>14,935</u>	<u>32</u>	<u>(152)</u>	<u>-</u>	<u>14,815</u>
Accumulated amortization						
Right of access		(2,637)	-	(27)	(396)	(3,060)
Software license		(92)	-	-	(17)	(109)
		<u>(2,729)</u>	<u>-</u>	<u>(27)</u>	<u>(413)</u>	<u>(3,169)</u>
		<u>12,206</u>	<u>32</u>	<u>(179)</u>	<u>(413)</u>	<u>11,646</u>

Right of access

The intangible asset that comprises the "right of access", 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 Açú's right of access to Vast.

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 year ended December 31, 2021, the Company had evaluated and did not identify any indications of impairment of intangible assets. For the period ended September 30, 2022, the Company did not identify any impairment indication.

12 Trade payables

The balance payable to suppliers of US\$ 5,179 (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 an increase from December 31, 2021, due to the start of dredging maintenance being carried out during 2022.

13 Loans, borrowings and debentures

				9/30/2022			12/31/2021
		Maturity	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	9,750	609,750	-
Itaú	(v)	07/10/2035	Dollar + 7.50% yr.	350,000	5,927	355,927	-
Santander	(vi)	07/10/2035	Dollar + 7.72% yr.	250,000	4,462	254,462	-
(-) Transaction costs				(39,535)	-	(39,535)	(6,382)
				<u>1,160,465</u>	<u>20,139</u>	<u>1,180,604</u>	<u>222,422</u>
Current						21,418	13,404
Non-current						1,159,186	209,018

- (i) In May 2017, Vast obtained financing in the amount of US\$ 80 million from the U.S. International Development Finance Corporation (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.

- (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.
- (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 its financing with the U.S. International Development Finance Corporation, as described in items (i), (ii) and (iii) above, in the amount of U\$230,162.

- (iv) The subsidiary Açu Petróleo Luxembourg issued, in January 2022, debt securities in the international capital markets, in the form of senior secured notes, in the total amount of US\$600,000, at a rate of 7.5% 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 Açu 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 Açu 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 and 1.b.

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

	<u>Assets</u>		<u>Liabilities</u>
	<u>9/30/2022</u>		<u>9/30/2022</u>
Marketable securities		Loans, borrowings and debentures	
Credit Linked Notes	610,162	Bond	609,750
		Itaú	355,927
		Santander	254,462
Total	<u>610,162</u>	Total	<u>1,220,139</u>

Net debt

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

	<u>9/30/2022</u>	<u>12/31/2021</u>
Loans, borrowings and debentures	1,180,604	222,422
(-) Cash and cash equivalents	(934)	(764)
(-) Marketable securities	(654,544)	(24,600)
Net debt	<u>525,126</u>	<u>197,058</u>

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	Adding Transaction Costs	Interest	Exchange variation	Amortization of Transaction Cost	Adding Transaction Costs	Funding / (Settlement)	Ending balance
9/30/2022	222,422	723,181	(48,985)	(42,160)	67,140	-	11,156	(2,150)	250,000	1,180,604
9/30/2021	231,587	(4,247)	(6,217)	-	9,218	(1,671)	827	-	-	229,497

Escrows attached to the financing operation

	Beginning balance	Cash flow		Ending balance
		Additions	Write-off	
9/30/2022	19,395	34,889	(19,395)	34,889
9/30/2021	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 describe in item (iv) above, on January 14, 2022, Vast constituted a reserve in the amount of US\$23,827 in offshore accounts with Banco Citibank, and later an amount of US\$ 11,317 (equivalent R\$ 56,000) in onshore accounts. These reserves are held in an escrow account and can only be released on settlement of the debt.

Covenants

The debt securities issued in the international capital markets, in the form of senior secured notes, 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 period ended September 30, 2022, the Company was not in breach of any affirmative or negative covenants or informational requirements.

14 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 estimated probable losses resulting from lawsuits are estimated and updated by the Company, based on analysis from the Company's legal consultants. As of September 30, 2022 and December 31, 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 presentation of the litigations classified with expected loss as possible are presented as follow:

	9/30/2022	12/31/2021
Tax litigations	-	329
Labor litigations	33	-
Total	33	329

15 Shareholder's equity

a. Share capital

The share capital composition of the Company as of September 30, 2022, and December 31, 2021, is as follows:

Shareholders	9/30/2022		12/31/2021	
	Number of common shares	%	Number of common shares	%
Prumo Logística	89,408,462	20.00	-	-
Heliporto do Açú	268,225,386	60.00	268,225,386	60.00
Açú Petróleo Investimentos	89,408,462	20.00	89,408,462	20.00
Oiltanking GmbH	-	-	89,408,462	20.00
	447,042,310	100.00	447,042,310	100.00

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

On December 17, 2021, Prumo Logística carried out an internal corporate reorganization, according to which Prumo Logística approved the capital increase of Heliporto do Açú S.A. ("Heliporto"), a wholly owned subsidiary of Prumo Logística, 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 an accounting effect on shareholders' equity.

c. Dividends distribution

According to the current Bylaws of the Company approved on April, 29 2022, 100% 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, after the following deductions or additions, made decreasingly (i) 5% for the formation of the Legal Reserve, which may be waived if its balance (a) exceeds 20% of the Capital Stock; or (b) exceeds 30% of the amount of the legal reserve or capital reserve; (ii) up to 70% will be allocated to a special reserve to cover capital expenditure (capital expenditure) and related costs (Operational Expenditure, that is, maintenance for capital expenditure), (iii) up to the equivalent amount of US \$ 3 million, required to pay the operating costs of the Company and SG&A, will be allocated to the minimum capital reserve.

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

16 Net revenue of services

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

	9/30/2022	9/30/2021
Revenue from double banking transshipment	104,836	77,138
Taxes on services rendered (PIS / COFINS / ISS)	(11,307)	(8,678)
Net revenue of services	<u>93,529</u>	<u>68,460</u>

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

17 Costs of services provided

	9/30/2022	9/30/2021
Salaries and social charges	(682)	(329)
Third-party services	(1,589)	(1,301)
Surveillance and Security	(207)	(202)
Leases	(362)	(275)
Depreciation and amortization	(14,439)	(15,300)
Miscellaneous insurance	(699)	(662)
Port services	(29,256)	(18,856)
Taxes and fees	(252)	(213)
Support materials	(28)	(19)
	<u>(47,514)</u>	<u>(37,157)</u>

18 General and administrative expenses

	9/30/2022	9/30/2021
Salaries and social charges	(3,664)	(2,897)
Third-party services	(490)	(294)
Rental and leases	(59)	(38)
Representations and events	(10)	(3)
Consumables	(13)	(1)
Travel and stay	(37)	(1)
Software License	(165)	(104)
Depreciation and amortization	(203)	(164)
Taxes and fees	(14)	(9)
Other expenses	(159)	(117)
Shared costs	(256)	(382)
	<u>(5,070)</u>	<u>(4,010)</u>

19 Financial result

	9/30/2022	9/30/2021
Financial income		
Income from financial investments	32,678	7
Interest receivable	108	80
Gains from variable income operation	1,497	-
Exchange variation	-	8,199
	<u>34,283</u>	<u>8,286</u>
Financial expenses		
Interests on loans	(64,593)	(9,218)
Bank expenses	(2)	(45)
IOF (Tax on financial operations)	(162)	(7)
Fine and interests	(28)	(15)
Commissions and Brokerage	(11,183)	(999)
Others	-	(1)
Interests on leases	(17)	(21)
Losses from variable income operation	-	(1,928)
Exchange variation	(1,934)	-
	<u>(77,919)</u>	<u>(12,234)</u>
Net financial result	<u>(43,636)</u>	<u>(3,948)</u>

20 Income per share

The calculation of income per share was based on the net income 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:

	9/30/2022	9/30/2021
Income attributed to holders of common shares	2,998	15,559
Weighted average number of common shares outstanding during the year	447,042,310	447,042,310
Income per share - basic and diluted (in US\$)	<u>0,0067</u>	<u>0,0348</u>

21 Financial instruments and risk management

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

	9/30/2022			12/31/2021		
	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	934	-	-	764	-	-
Marketable securities	610,162	-	44,382	-	-	24,600
Escrow accounts	23,827	-	11,064	19,395	-	-
Accounts receivable	11,984	-	-	6,335	-	-
Accounts receivable/loan to related parties	44,412	-	-	-	-	-
Other current assets	83	-	-	26	-	-
	<u>691,402</u>	<u>-</u>	<u>55,446</u>	<u>26,520</u>	<u>-</u>	<u>24,600</u>
Liabilities						
Trade payables	5,179	-	-	2,381	-	-
Loans and borrowings	1,180,604	-	-	222,422	-	-
Accounts payable with related parties	686	-	-	1,244	-	-
Lease	205	-	-	227	-	-
	<u>1,186,674</u>	<u>-</u>	<u>-</u>	<u>226,274</u>	<u>-</u>	<u>-</u>

Credit risk

The financial instruments subject to credit risk are listed below:

Financial assets	9/30/2022	12/31/2021
Cash and cash equivalents	934	764
Marketable securities	610,162	24,600
Escrow accounts	23,827	19,395
Accounts receivable	11,984	6,335
Accounts receivable/loan to related parties	44,471	-
Other current assets	83	26

The expected credit loss related to the financial instruments mentioned in the table above were evaluated.

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

Percentage of revenue:	9/30/2022	9/30/2021
Shell	59%	64%
Galp	11%	18%
Total	16%	6%
Others	14%	12%

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 September 30, 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	5,179	-	-	-	-	5,179
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	54	54	109	-	-	217
Total by maturity range	58,119	60,030	133,166	524,878	1,016,454	1,792,647

* 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)

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.

	Risk Factor	Amounts in US\$ 9/30/2022	Probable scenario (i)	Scenario 25% (ii)	Scenario 50% (iii)	Scenario (25%) (iv)	Scenario (50%) (v)
Assets							
Cash and cash equivalents (*)	BRL	934	962	769	641	1,282	1,924
Accounts receivable	BRL	11,972	12,329	9,863	8,219	16,439	24,658
Accounts receivable/Loan to related parties	BRL	44,369	45,692	36,554	30,462	60,923	91,385
Other assets	BRL	118	122	97	81	162	243
Total assets		57,393	59,105	47,284	39,403	78,807	118,210
Liabilities							
Trade payables	BRL	5,179	5,333	4,267	3,556	7,1111	10,667
Other accounts payable with related parties	BRL	686	706	565	471	942	1,413
Lease liabilities	BRL	205	211	169	141	281	422
Total liabilities		6,070	6,251	4,001	4,167	8,335	12,502
Assumptions adopted:							
U.S. dollar rate		5,4066	5,250	6,5625	7,8750	3,9375	2,6250

- (i) The probable scenario considers the market expectation for the US dollar quotation for December 31, 2022, according to the "Focus" report released by the Central Bank of Brazil.
- (ii) Increase of 25% in the exchange rate of the U.S. dollar, in relation to Brazilian reais as of December 31, 2022.
- (iii) Increase of 50% in the exchange rate of the U.S. dollar, in relation to Brazilian reais as of December 31, 2022.
- (iv) Decrease of 25% in the exchange rate of the U.S. dollar, in relation to Brazilian reais as of December 31, 2022.
- (v) Decrease of 50% in the exchange rate of the U.S. dollar, in relation to Brazilian reais as of December 31, 2022.
- (*) We only consider cash and cash equivalents in Brazilian reais.

22 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 September 30, 2022, and December 31, 2021, the main risks covered were:

Operational Risks	9/30/2022	12/31/2021
Property damages	84,164	84,710
Civil Liability	200,925	200,896
Loss of profits	68,825	60,384
Environment Impairment Liability	50,000	50,000

* * *

**Composition of the Board of Directors
On September 30, 2022**

Pedro Pullen Parente
Chairman

Rogério Zampronha
Vice Chairman

Flavio Valle
Board Member

Jorge Marques de Toledo Camargo
Board Member

Carlos Tadeu da Costa Fraga
Board Member

Lavinia Hollanda
Independent Board Member

Patricia Helena Fonseca Garcia
Independent Board Member

Composition of Management

Victor Jorge Snabaitis Bomfim
Chief Executive Officer

Nicholas John Burridge
Chief Financial 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