

Financial Statements

Porto Sudeste V.M. S.A.

December 31, 2022
with the Independent Auditor's Report

Management Report

1. Message from Management

Management of Porto Sudeste V.M. S.A. - Porto V.M. or Company, in compliance with the legal requirements and in accordance with the prevailing corporate legislation, hereby submits for your appreciation the Financial Statements accompanied by the respective Notes to Financial Statements and the independent auditor report for the year ended December 31, 2022. Should you need any further clarifications, please do not hesitate to contact us. At the end of 2022, Management expresses their acknowledgement to suppliers, employees and all other co-workers for their dedication and commitment.

2. Relationship with independent auditors

Pursuant to CVM Rule No. 381/2003, we hereby inform that Ernst & Young Auditores Independentes S/S (“EY”) renders external audit services relating to the audit of the Company’s financial statements.

When contracting services not related to independent audit, the Company adopts procedures that are based on applicable law and on principles internationally accepted that preserve the auditor independence and objectivity. These principles are as follows: (i) the auditor must not review its own work, and (ii) the auditor must not act as a manager for his/her client neither promote this client’s interest.

EY represented to the Company that there is no relationship or factual situation that represents conflict of interests, preventing the exercise of their activity on an independent basis.

3. Management's explanations with respect to the Variable-Income securities

Overview of Variable Remuneration Perpetual Securities

In February 2014, Trafigura Pte. Ltd. (“Trafigura”) and Mubadala Development Company PJSC (“Mubadala”), through PSA Fundo de Investimento e Participações, acquired control of Porto Sudeste, held by MMX Mineração e Metálicos S.A. (“MMX”).

The investment agreement that regulated the acquisition of control of Porto Sudeste by Trafigura and Mubadala provided, among others, that the Company would assume, directly or indirectly, obligations related to variable remuneration securities based on royalties issued by MMX, traded on B3 SA - BRAZIL. BOLSA. BALCÃO (“B3”) under the MMXM11 ticker (“MMXM11 Titles”). In this context, Porto Sudeste issued, on February 26, 2014, Perpetual Variable Remuneration Securities (“TPRV”), in terms similar to the MMXM11 Securities (“Port11”), which were subscribed on the same date by MMX. The investment agreement also provided for MMX’s obligation to make an exchange offer, aimed at all holders of MMXM11 Securities, through which MMX would acquire the MMXM11 Securities, and deliver in consideration the Port11 Securities, or another security backed by MMXM11 Securities (“Exchange Offer”). To implement this Exchange Offer, two different vehicles were used, in order to reach all holders of MMXM11 Securities:

- (i) FIP-IE Porto Sudeste Royalties (“PSR”): An infrastructure equity investment fund intended to hold in its portfolio exclusively Port11 Securities – and for each Port11 Security held by FIP-IE would correspond to one share. FIP-IE’s shares were offered to the holders of MMXM11 Securities that would fit as qualified investors pursuant to CVM regulation, and would not have restrictions to hold FIP-IE shares.

- (ii) Porto Sudeste V.M S.A.: A corporation registered with CVM under category 'B' that issued a new royalty-based variable income security, mirror of MMXM11 Security ("PSVM11 Securities"), and such security listed for trading with B3 (contrary to Port11 Securities which are not accepted for trading in the stock exchange). The PSVM11 Securities were offered to holders of MMXM11 Securities that (i) would not fit as qualified investors, or (ii) would have regulatory restrictions to hold shares of a FIP-IE.

In order to address the situation of MMXM11 holders who eventually did not join the Exchange Offer, MMX continued to hold Port11 Securities in the same amount of unexchanged MMXM11 Securities.

Upon completion of the Exchange Offer, Porto Sudeste has the obligation to pay for the above vehicles and MMX, which in turn has the obligation to pay the holders of the exchanged shares/securities.

983,407,010 Port11 Securities were issued, of which 98.61% are held by PSR, 0.43% are held by Porto V.M. and 0.96% held by MMX.

For more information, the indenture of issue of the Port 11 Securities is available on the Porto Sudeste do Brasil website.

Calculation of Royalties

$$R = [(TMMF \times VpTMF) + (TMOOC \times VpTDC)] * FP$$

where:

R = royalties payable in relation to each quarter of the fiscal year
TMMF = Ton of Iron Ore shipped on Port for the respective quarter
TMOOC = Ton of Other Loads shipped on Port for the respective quarter
VpTMF = Value per Ton of Iron Ore (as defined below)
VpTDC = Value per Ton of Other Loads (as defined below)
FP = Proportional Factor

For iron ore loads: the royalties related to iron ore loads shipped on Port in a certain calendar quarter shall be calculated, taking into the account the amount of USD 5.00 per ton of iron ore ("value per ton of iron ore"). This value will be (i) adjusted annually at the variation in US PPI calculated from September 2010; and (ii) converted into reais, based on the exchange rate at the ending of the business day immediately preceding the date of its effective payment.

For other loads: the royalties related to other loads, other than iron ores (excluding non-dry loads, such as supply activities) conducted at the Port Terminal will be calculated based on the load margin (as defined below) ("value per ton for other loads"). "Load margin" (a) means the difference between the average cost per ton (excluding all non-cash items) incurred in relation to the services rendered by Porto Sudeste relating to the applicable load and the average value per ton effectively charged by Porto Sudeste for the services rendered in relation to such load; and (b) must be limited under any circumstance to USD 5.00 per shipped ton. The adjusted limit value of USD 5.00 per ton for load margin will be (i) adjusted annually at the variation in US PPI calculated from September 2010; and (ii) converted into reais, based on the exchange rate at the ending of the business day immediately prior to the actual payment date.

During the years 2013 to 2016, the royalty commitment of Porto Sudeste do Brasil, related to iron ore, was the minimum between the volume shipped in each period and the volume of take-or-pay indicated in the table below:

Millions of Tons	2013	2014	2015	2016
TMMF	13.6	31.9	36.8	36.8

From 2017 onwards, the volume of iron ore generating royalties (TMMF, in the above formula) is no longer subject to a take-or-pay, being, therefore, simply the volume shipped. In the following table, it is possible to verify the tonnage carried out by the Sudeste do Brasil Port, with the start of operations in 2016, after the commissioning carried out in 2015:

Millions of Tons	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TMMF	-	-	-	7.1	9.5	10.7	16.4	18.7	17.8	17.4
TMOC	-	-	-	-	-	-	-	-	-	0.11

As the volume of iron ore shipped in 2016 was lower than the volume of take-or-pay, the royalty commitment is based on this second parameter.

In the 4th quarter of 2022, Porto Sudeste do Brasil shipped 5,506 thousand tons of iron ore (TMMF), which multiplied by the updated value per ton of US\$ 6.02 (VpTMF) resulted in royalties of US\$ 33,146 thousand in the period, which converted to brazilian reais totaled R\$ 172,947 thousand. The accumulated royalties until this quarter are US\$ 1,168,855 thousand, which converted to brazilian reais totaled R\$ 6,098,735 thousand. No amount has been paid until this quarter.

Porto Sudeste VM, a wholly-owned subsidiary of Porto Sudeste do Brasil, has US\$ 5,026 thousand in accrued royalties receivable, which converted to brazilian reais totaled R\$ 26,225 thousand referring to the amount of Port11 Securities it holds (0.43% of the total).

Reconciliation of quantities shipped and amounts paid as Royalties (accumulated)	Shipped 1 th quarter 2022	Shipped 2 th quarter 2022	Shipped 3 th quarter 2022	Shipped 4 th quarter 2022	Take-or-pay/ Shipped Accumulated
Volume TMMF (M/TONS)	3,778	3,765	4,337	5,506	209,532
Volume TMOC (M/TONS)	54	52	-	-	106
Price per Ton (USD/TON)	5.00	5.00	5.00	5.00	5.00
PPI, accumulated	1.02	1.02	1.02	1.02	0.58
Price per TON (USD)	6.02	6.02	6.02	6.02	5.58
Royalty Porto Sudeste (USD k)	23,079	22,985	26,121	33,162	1,168,855
SVM11 securities issued by Porto Sudeste V.M. S.A. as a percentage of Port11 securities	0.43%	0.43%	0.43%	0.43%	0.43%
Royalty Porto VM issued (USD k)	99	99	112	143	5,026
Cash available for payment of Royalties	-	-	-	-	-
Royalty payable	-	-	-	-	-

Payment of Royalties

The payment of Royalties in each quarter will be made within 60 days from the end of each calendar quarter and is conditioned to the existence of cash available for the payment of Royalties, calculated after discounting applicable taxes, cash cost of operations, operating expenses, capital expenditures for maintenance, amounts arising from the reversal of certain cash provisions, as well as respecting the preference of certain creditors of Porto Sudeste, all pursuant to clause 5.2 of the deed of issuance of Port 11 Securities ("Cash Available for Royalties") .

Royalties will be cumulative, that is, in the event that, in a given quarter, the Cash Available for Royalties calculated by Porto Sudeste is not sufficient to allow the payment, in whole or in part, of the Royalties determined until then, such unpaid royalties must be added to the amount of royalties for the next quarter. Royalties shall only be considered due and payable when Porto Sudeste has established sufficient Cash Available for Royalties to do so.

If, in a given calendar quarter, upon payment of the then current Royalties, the free cash held by Porto Sudeste do Brasil exceeds US\$10 million ("Minimum Cash Reserve"), the issuer must use the amounts that exceed the Reserve Minimum Cash ("Available Free Cash") to pay the holders of the securities the Royalties effectively accrued and not paid until the last day of such calendar quarter ("Accumulated Royalties").

There is no obligation on Porto Sudeste do Brasil to pay Royalties, unless there is Free Cash held by the issuer on the last day of such calendar quarter and up to the limit of such available cash. "Free Cash" means the amount corresponding to the amounts available in cash of Porto Sudeste do Brasil minus the sum of (a) amounts contributed by the shareholders of Porto Sudeste do Brasil through a capital increase or shareholder loan, to the extent such amounts remain as Porto Sudeste do Brasil's cash on hand, (b) BNDES' senior debt service reserve account and CESCE's senior debt service reserve account, and (c) the cash amounts provisioned by Porto Sudeste jointly to IRPJ - Corporate Income Tax, CSLL - Social Contribution on Net Income and other obligations for which the independent auditors of Porto Sudeste do Brasil require provisioning.

On December 31, 2022, the Company's parent carried out the financial calculations to identify the existence of available net cash and concluded that there is no Cash Available for the payment of royalties on this date.

Cash Available for Payment of Royalties (in thousand of reais)	1th quarter 2022	2th quarter 2022	3th quarter 2022	4th quarter 2022
Cash from trade receivables	296,825	302,046	286,593	306,343
Applicable Taxes	(42,298)	(43,042)	(44,802)	(45,506)
Operating Costs	(42,211)	(41,666)	(51,260)	(62,364)
Investment	(31,407)	(17,254)	(22,767)	(31,370)
Operating expenses	(34,751)	(32,653)	(19,298)	(20,325)
Company Subtotal Cash Generation	146,158	167,431	148,465	146,778
Interests and Repayment of the Senior Debt	(147,528)	(173,730)	(153,903)	(147,914)
Total Cash Available for Payment of Royalties	(1,370)	(6,299)	(5,438)	(1,135)

The existing cash balance at Porto Sudeste do Brasil (Controller) refers to the balance of contributions from shareholders and balances that must be kept in accounts to meet some operational obligation, such as the guarantee account for the purchase of energy and PIS/ Cofins deposited in court. In this quarter, there was no balance of Available Cash for Royalties payments.

Cash available for payment of Royalties (In thousands of reais)	1th quarter 2022	2th quarter 2022	3th quarter 2022	4th quarter 2022
Net Cash of Bank Accounts	18,810	11,701	3,527	37,848
Balance of Shareholders' Contributions and Mandatory Balances	(18,810)	(11,701)	(3,527)	(37,848)
Total Cash Available for Payment of Accumulated Royalties	-	-	-	-

Port11 Accounting

Porto Sudeste do Brasil accounts for Port11 Securities in Liabilities, based on the Present Value of the Projected Cash Flow of the payment of Royalties. In other words, the amount shown in the Balance Sheet is different from the amount of royalties accrued until this quarter. Porto Sudeste VM, in turn, accounts for its right to receive royalties in Assets, corresponding to its share on the value of Port11 securities, and the respective payment to PSVM11 holders in Liabilities.

Securities are measured in accordance with IAS 37 - Provisions, Contingent Assets and Contingent Liabilities based on projected cash flows from future security related payments discounted at an annual rate of 11.90%. These projections are based on the Porto Sudeste do Brasil Business Plan, which includes assumptions related to the growth of iron exports in the Quadrilátero Ferrífero of Minas Gerais, growth of the market share of Porto Sudeste do Brasil, volumes of ore originated by mines belonging to its shareholders, commodity price expectations, among others.

On December 31, 2022, the present value of discounted future cash flow amounted to US\$2,638,831, which converted into Brazilian reais totaled R\$13,768,633 (US\$2,530,995, which converted into Brazilian reais totaled R\$14,124,218 as at December 31, 2021). Of those totals, the amounts corresponding to PSVM11 securities are represented at the base date of December 31, 2022 at US\$ 11,239, which converted into reais totaled R\$58,644 (US\$10,780, which converted into Brazilian reais totaled R\$60,159 as of December 31, 2021).

Rio de Janeiro, March 07th, 2023.

The Management

Porto Sudeste V.M. S.A.

Financial statements

December 31, 2022

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A free translation from Portuguese into English of Independent Auditor Report on Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB)

Independent auditor report on financial statements

The Shareholders, Board of Directors and Officers

Porto Sudeste V.M. S.A.

Itaguaí - RJ

Opinion

We have audited the financial statements of Porto Sudeste V.M S.A. (“Company”), which comprise the statement of financial position as at December 31, 2022, and the related statements of operations, comprehensive income (loss), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Porto Sudeste V.M S.A. as at December 31, 2022, and its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditor Responsibilities for the audit of the financial statements” section of our report. We are independent of the Company and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil’s National Association of State Boards of Accountancy (“CFC”), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter including any comments on the results of our procedures, is presented in the context of the financial statements taken as a whole.



We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report, including in relation to the matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Measurement of variable income securities

As disclosed in Note 1 and 5, the Company recorded its obligation to pay the holders of the variable income securities and the respective amount receivable from its parent company Porto Sudeste do Brasil S.A., which amount to R\$58,644 thousand in December 31, 2022 (R\$60,158 thousand in December 31, 2021).

The measurement of these variable income securities was deemed an area of focus on audit due to its significance in the context of the financial statements, as well as the complexity inherent in the measurement process, which is based on the Company’s business model and, therefore, involves critical assumptions with high degree of judgment, such as, the projections of volumes to be shipped, estimated future operating costs, future prices of commodities and determination of discount rate, among others operational assumptions.

How we addressed this matter

Our audit procedures included among others: (i) engagement and support from our specialists in financial modelling, to evaluate the financial model and calculation applied on the financial model; (ii) independent evaluation and comparative calculation of the discount rate used in the model performed by specialists in financial models; (iii) analysis between historically budgeted results and their realization up to the most recent date in order to assess Management’s ability to achieve results consistent with its projections; (iv) analysis of growth projections and market demand related to forecasted cargoes, such as iron ore, coal coke and similar cargoes; (v) comparative evaluation of performance with similar companies; (vi) sensitivity analysis on ore volume projections and other projected loads; (vii) assessment of projected revenue, considering market trends related to commodity prices.

Based on the result of the audit procedures performed with the support of our specialists in financial models, which is consistent with the Management’s assessment, we consider that the measurement policies of these variable remuneration securities and their respective disclosures in the financial statements, are acceptable, in the context of the financial statements as a whole.

Other matters

Audit of corresponding amounts

The financial statements of Porto Sudeste V.M. SA for the year ended December 31, 2021 were examined by another independent auditor who issued a report on March 18, 2022 with an unmodified opinion on these financial statements.



Statements of value added

The Statements of Value Added (SVA) for the year ended December 31, 2022, prepared under the responsibility of Company Management and presented as supplementary information for IFRS purposes, were submitted to the same audit procedures performed in accordance with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria provided for in Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria provided for in Accounting Pronouncement and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the financial statements and the auditor report

Company management is responsible for such other information that is included in the Management Report.

Our opinion on the financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with the audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or with our knowledge obtained in the audit or otherwise, appears to be materially misstated. If, based on the work we have performed we conclude that there is material misstatement in the Management Report, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no other realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor responsibilities for the audit of financial statements

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

As part of an audit conducted in accordance with Brazilian and International standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 control.
- 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 substantial doubt as to the Companies' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



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

Rio de Janeiro, March 07, 2023.

ERNST & YOUNG
Auditores Independentes S.S. Ltda.
CRC-2SP015199/F

A handwritten signature in blue ink, appearing to read 'L. Araujo Ferreira', is written over a faint, light blue circular stamp or watermark.

Leonardo Araujo Ferreira
Accountant CRC-1RJ116.384/O

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Porto Sudeste V.M. S.A.

Statements of financial position
December 31, 2022 and 2021
(In Brazilian reais)

	Note	12/31/2022	12/31/2021
Assets			
Current assets			
Cash and cash equivalents	4	368,766	114,923
Recoverable taxes		3,203	3,251
Total current assets		371,969	118,174
Non-current assets			
Long-term assets			
Variable remuneration securities – Port 11	5	58,644,411	60,158,945
Judicial deposits		-	139,237
Total non-current assets		58,644,411	60,298,182
Total assets		59,016,380	60,416,356
Liabilities			
Current liabilities			
Accounts payable	6	49,235	231,197
Taxes and contributions payable		-	966
Total current liabilities		49,235	232,163
Non-current liabilities			
Variable remuneration securities – PSVM 11	5	58,644,411	60,158,945
Provision for contingencies	9	14,354	-
Total non-current liabilities		58,658,765	60,158,945
Shareholders' equity			
Capital	7	2,276,040	1,676,040
Future capital contribution		700,000	600,000
Accumulated losses		(2,703,749)	(2,302,277)
Cumulative translation adjustments (CTA)		36,089	51,485
Total equity		308,380	25,248
Total liabilities and shareholders' equity		59,016,380	60,416,356

See accompanying notes.

Porto Sudeste V.M. S.A.

Statements of operations
Years ended December 31, 2022 and 2021
(In reais)

	Note	12/31/2022	12/31/2021
General and administrative expenses	8.1	(182,165)	(437,839)
Other operating income (expenses)		(156,318)	-
Loss before financial income and expenses		(338,483)	(437,839)
Financial income (expenses)	8.2		
Financial income		83,993	19,489
Financial expenses		(146,982)	(308,632)
Financial result		(62,989)	(289,143)
Income (loss) before taxes		(401,472)	(726,982)
Income and social contribution taxes		-	-
Loss for the year		(401,472)	(726,982)

See accompanying notes.

Porto Sudeste V.M. S.A.

Statements of comprehensive income
Years ended December 31, 2022 and 2021
(In reais)

	<u>12/31/2022</u>	<u>12/31/2021</u>
Loss for the year	(401,472)	(726,982)
Other comprehensive income (loss): Cumulative translation adjustments (CTA)	<u>(15,396)</u>	<u>30,707</u>
Total comprehensive income	<u>(416,868)</u>	<u>(696,275)</u>

See accompanying notes.

Porto Sudeste V.M. S.A.

Statements of changes in equity
Years ended December 31, 2022 and 2021
(In reais)

	Capital	Advance for future capital increases	Accumulated translation adjustment	Accumulated losses	Total
Balances at December 31, 2020	1,676,040	-	20,778	(1,575,295)	121,523
Advance for future capital increase	-	600,000	-	-	600,000
Loss for the year	-	-	-	(726,982)	(726,982)
Translation adjustments	-	-	30,707	-	30,707
Balances at December 31, 2021	1,676,040	600,000	51,485	(2,302,277)	25,248
Capital increase	600,000	(600,000)	-	-	-
Advance for future capital increase	-	700,000	-	-	700,000
Loss for the year	-	-	-	(401.472)	(401,472)
Translation adjustments	-	-	(15,396)	-	(15,396)
Balances at December 31, 2022	2,276,040	700,000	36,089	(2,703,749)	308,380

See accompanying notes.

Porto Sudeste V.M. S.A.

Statements of cash flows
(Years ended December 31, 2022 and 2021
(In reais)

	<u>12/31/2022</u>	<u>12/31/2021</u>
Cash flows from operating activities		
Loss for the period before taxes	(401,472)	(726,982)
Contingencies	14,354	-
Foreign exchange variations	(15,396)	30,707
Changes in assets and liabilities		
Recoverable taxes	(766)	(467)
Judicial deposits	139,237	-
Trade account payable	(181,962)	173,696
Taxes and contributions payable	(152)	203
Net cash generated from operating activities	(446,157)	(522,843)
Cash flow from financing activities		
Advances for future capital increases	700,000	600,000
Net cash generated by financing activities	700,000	600,000
Increase in cash and cash equivalents	253,843	77,157
Statement of increase in cash and cash equivalents		
At beginning of the period	114,923	37,766
At end of the period	368,766	114,923
Increase in cash and cash equivalents	253,843	77,157

See accompanying notes.

Porto Sudeste V.M. S.A.

Statements of value added
Years ended December 31, 2022 and 2021
In reais

	<u>12/31/2022</u>	<u>12/31/2021</u>
Revenues		
Revenues	-	-
Inputs acquired from third parties (including ICMS and IPI)		
Materials, energy, third-party services and other expenses	(182,165)	(437,839)
Other operational expenses	(156,318)	-
Gross added value	(338,483)	(437,839)
Added value received in transfer		
Financial income	83,993	19,489
Total added value to be distributed	(254,490)	(418,350)
Distribution of added value		
Financial expense	146,982	308,632
Equity remuneration		
Loss for the year	(401,472)	(726,982)
	(254,490)	(418,350)

See accompanying notes.

Porto Sudeste V.M. S.A.

Notes to financial statements
December 31, 2022 and 2021
(In reais)

1. Operations

Porto Sudeste V.M S.A. (“Company”) was incorporated on July 16, 2013 engaged in holding interest in capital of other companies, both in Brazil or abroad, as a partner, shareholder or member, either permanently or temporarily, as a parent company or noncontrolling interest. The Company is headquartered at Rua Félix Lopes Coelho, 222, Ilha da Madeira, Itaguaí, Rio de Janeiro.

Since February 13, 2014, the Company is a wholly-owned subsidiary of Porto Sudeste do Brasil S.A. (“Porto Sudeste”), a privately held company responsible for a port terminal called “Porto Sudeste”, dedicated to the handling of iron ore. Located in Ilha da Madeira in Itaguaí (Rio de Janeiro state), the terminal is strategically placed at the shortest distance between iron ore producers of Minas Gerais state and the sea (“Porto Sudeste”). The venture began to be built in July 2010, and its operation started, on a commission basis, in August 2015 and commercially in January 2016.

At December 31, 2022, the Company records loss for the year of R\$ 401,472 and an accumulated loss of R\$ 2,703,749. The Company closed 2022 with a cash position of R\$ 368,766.

The parent Company Porto Sudeste started its operations in January 2016 and, since then, the annual volume and margin have been increasing, which has led to improve operational and financial performance. In 2021, Porto Sudeste renegotiated the terms of existing loans, allowing for the extension of maturities and the reduction of mandatory short-term commitments. The parent Company Porto Sudeste do Brasil has a positive operating cash flow, which, after covering investments in maintenance and interest payments, is fully distributed to senior creditors to amortize the principal (until December 2023), in accordance with the cash sweep clause of the loan agreements. The Porto Sudeste has been working to increase its capacity utilization, by increasing the volume of iron ore and diversifying into other cargoes, such as the unloading of ships (e.g., coal and coke) and the oil transshipment operation.

In the fourth quarter of 2022, the parent company Porto Sudeste do Brasil shipped approximately 5,5 million ton of iron ore. Porto Sudeste do Brasil also handled other cargoes in this quarter, through the unloading of 55 thousand tons of coal and three oil transshipment operation (ship-to-ship), amounts that are still not very representative when compared to iron ore.

Porto Sudeste’s former parent company, MMX Mineração e Metálicos S.A. (MMX) held a variable-income security in the market based on ore handling at Porto Sudeste, known as MMXM11. After selling the control over Porto Sudeste to the companies, Impala Holding Limited (“Impala”, a division of Trafigura Pte. Ltd. (“Trafigura”) and Mubadala Development Company PJSC (“Mubadala”), through its subsidiaries, they agreed that the debt relating to MMXM11 securities would be assumed by Porto Sudeste.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

1. Operations (Continued)

The investment agreement that regulated the acquisition of control of Porto Sudeste by Trafigura and Mubadala contained an obligation of MMX to enter into a barter agreement with all holders of MMXM11 Securities, whereby MMX would acquire MMXM11 Securities and would transfer Port11 Securities or other amounts backed by Port11 Securities in exchange. The Company assumed the portion of outstanding MMXM11 Securities (i) that did not classify as qualifying investors, or (ii) would have had regulatory restrictions impeding the infrastructure investment fund shares (FIP-IE), as is the case with some investment funds.

At the Special General Meeting held on December 31, 2014, shareholders approved the Company's issue of Royalty-Based Variable-Income Securities or "PSVM11" which were fully subscribed by MMX. The realization of that transaction was dependent on the conclusion of the secondary public offering of royalty-based floating rate securities to be performed by MMX.

On March 3, 2015, the secondary public offering was closed with 12,539,802 royalty securities having been distributed, which were all acquired by MMX through the delivery of an equal number of royalty-based floating rate securities issued by Porto Sudeste do Brasil S.A. (Port11).

The holders of the securities mentioned above are entitled, as from January 1, 2013, to quarterly variable compensation, calculated based on the metric tonnage of iron ore and other cargo shipped from Porto Sudeste, amounting to US\$5 (five US Dollars) per ton shipped, restated by reference to the Producer Price Index (PPI), on the understanding that in any quarter, the payments shall be limited to the Company's available cash and other conditions provided in the agreement - all in accordance with the terms set out in the issue deed of those securities available on the Company's website and filed with the Brazilian SEC (CVM).

The measurements of the floating rate securities and accounting impacts are described in Note 5.

2. Basis of preparation and presentation of financial statements

a) Financial statements

The financial statements were prepared based on several valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were supported by objective and subjective factors, based on management's judgment to determine the appropriate amount to be recorded in the financial statements.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimation process. The Company reviews its estimates at least annually.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

2. Basis of preparation and presentation of financial statements (Continued)

a) Financial statements (Continued)

The Company's financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") implemented in Brazil by means of the Comitê de Pronunciamentos Contábeis ("CPC"), and its accounting interpretations ("ICPC") and guidance ("OCPC"), approved by the Brazilian Securities and Exchange Commission ("CVM").

In addition, the Company considered the guidance provided for in Accounting Guidance OCPC 07, issued by the Brazilian FASB ("CPC") in November 2014, in preparing its financial statements. Accordingly, significant information of the financial statements themselves is being disclosed and corresponds to that used by Management over its administration.

The Company Management authorized the completion of these financial statements on March 07, 2023.

b) Basis of preparation and measurement

The financial statements were prepared based on historical cost, except for certain financial instruments measured at fair value.

c) Functional and reporting currency

On January 1, 2016, as the parent company Porto Sudeste do Brasil S.A. began to earn revenue substantially denominated in US Dollars, its functional currency was changed from Brazilian reais to US Dollars. Accordingly, Porto Sudeste V.M. S.A. in line with the change in the functional currency of the controlling shareholder, also changed its functional currency to the US Dollar on January 1, 2016. Therefore, pursuant to Brazilian legislation and Accounting Pronouncement CPC 02 (R2) - Effects of changes in exchange rates and translation of financial statements, these financial statements are presented in Brazilian reais (R\$), converting the functional currency to the reporting currency (Brazilian reais). Assets and liabilities are translated to the closing exchange rate in the period; P&L accounts are stated at the exchange rate on the date of the event; and equity at historical buildup cost.

d) Cash flow statement

Cash flow statements were prepared by the indirect method and are presented in accordance with CPC 03 (R2) - Cash Flow Statement.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

2. Basis of preparation and presentation of financial statements (Continued)

e) Accounting estimates

The Company's financial statements were prepared considering different measurement bases used to prepare accounting estimates. Accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors, and in line with management's judgment for determining the adequate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include the measurement of the Variable income securities, as well as the analysis of other risks in determining other provisions, including the provision for contingencies.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the interim financial information due to the uncertainties inherent in the estimation process. The Company reviews its estimates at least on an annual basis.

3. Summary of significant accounting practices and estimates

Upon preparing these financial statements, the accounting practices described below have been applied consistently by the Company to all financial statements for the years presented herein.

3.1. Financial instruments

a) Financial assets

i) *Classification and measurement*

Financial instruments are classified into three categories: measured at amortized cost; fair value through other comprehensive income and fair value through income. The classification of financial assets at initial recognition depends on the resources of the cash flow and the business model for managing financial assets. The Company presents its financial instruments as follows:

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss when is held for trading and designated as such upon initial recognition or financial assets that is mandatory to be measured at fair value.

Financial assets with cash flows other than payments of principal and interest are classified and measured at fair value through profit or loss. Net changes in fair value are recognized in profit or loss.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

3. Summary of significant accounting practices and estimates (Continued)

3.1. Financial instruments (Continued)

a) Financial assets (Continued)

i) *Classification and measurement* (Continued)

Amortized cost

A financial asset is classified and measured at amortized cost, when it has the purpose of receiving contractual cash flows and generating cash flows that are “exclusively payments of principal and interest” on the principal amount outstanding. This assessment is performed at the instrument level.

Assets measured at amortized cost use the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term credits when the recognition of interest would be immaterial.

ii) *Impairment of financial assets (impairment)*

The expected loss model is applied to financial assets measured at amortized cost or fair value through other comprehensive income, with the exception of investments in equity instruments. The Company has not identified any impairment losses to be recognized in the year.

iii) *Write-off of financial assets*

The write-off (derecognition) of a financial asset occurs when the contractual rights to the asset's cash flows expire, or when the rights to receive the contractual cash flows on a financial asset in a transaction are substantially transferred to a third party, all risks and benefits of ownership of the financial asset are transferred. Any participation that is created or retained by the Company in such transferred financial assets is recognized as a separate asset or liability.

b) Financial liabilities

Financial liabilities are classified as at fair value through profit or loss when they are held for trading or designated at fair value through profit or loss. Other financial liabilities (including loans) are measured at amortized cost using the effective interest method.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

3. Summary of significant accounting practices and estimates (Continued)

3.2. Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company considers that cash equivalents correspond to a financial investment readily convertible into a known cash amount and subject to insignificant risk of change in value. Accordingly, an investment normally qualifies as cash equivalent when it is redeemable in the short term, e.g. three months or less from the investment date.

3.3. Provisions (including contingencies)

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event, the settlement of which is likely to result in an outflow of economic benefits, and for which a reliable estimate can be made. When the Company expects that the amount of a provision will be refunded, whether in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain.

The Company recognizes provisions for tax, civil and labor contingencies. Assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of the Company's external legal advisors. The provisions are reviewed and adjusted to take into consideration changes in circumstances such as applicable statutes of limitation, conclusions of tax audits or additional exposures identified based on new matters or court decisions.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in the estimation process. The Company reviews its estimates and assumptions at least on an annual basis.

3.4. Marketable securities

An asset is recognized in the balance sheet when it is probable that its future economic benefits will be generated in favor of the Company and its cost or value can be reliably measured.

A liability is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle it. Provisions are recorded based on the best estimates of the risk involved.

Long-term assets and liabilities, when the effect is considered material in relation to the financial statements taken as a whole, are adjusted to their fair value.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

3. Summary of significant accounting practices and estimates (Continued)

3.5. Income tax and social contribution

Provisions for income tax and social contribution are recorded based on the accounting profit, conditioned by the additions and exclusions provided for in the tax legislation. Deferred income tax and social contribution are calculated on the amount of temporary differences, tax loss and accumulated negative basis, and are always exceeded when the realization of these amounts is deemed probable. For income tax the useful rate is 15%, plus an additional 10% on annual taxable income in excess of R \$ 240,000 and 9% for social contribution.

4. Cash and cash equivalents

	<u>12/31/2022</u>	<u>12/31/2021</u>
Cash and banks	14,736	11
Cash equivalents	<u>354,030</u>	<u>114,912</u>
	<u>368,766</u>	<u>114,923</u>

The Company maintains relationships with top-notch financial institutions. All available cash is allocated to checking accounts with current liquidity. Financial investments are remunerated at the CDI rate, are short-term and readily convertible into a known amount of cash.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

5. Variable income securities

In February 2014, Trafigura Pte. Ltd. (“Trafigura”) and Mubadala Development Company PJSC (“Mubadala”), through PSA Fundo de Investimento e Participações, acquired control of Porto Sudeste, held by MMX Mineração e Metálicos S.A. (“MMX”).

The investment agreement that regulated the acquisition of control of Porto Sudeste by Trafigura and Mubadala foresee, among others, that the Company would take over, directly or indirectly, obligations related to the variable-yield securities based on Royalties issued by MMX, traded on B3 S.A. - BRASIL. BOLSA. BALCÃO (“B3”) under the ticker MMXM11 (“MMXM11 securities”). In this context, Porto Sudeste issued, on February 26, 2014, Perpetual Variable-yield Securities (“PVS”), with similar terms to the MMXM11 Securities (“Port11”), which were fully subscribed on the same date by MMX. The investment agreement also provided for MMX's obligation to carry out an exchange offer, aimed at all holders of the MMXM11 Securities, through which MMX would acquire the MMXM11 Securities, and deliver the Port11 Securities, or another security, in return backed by MMXM11 Securities (“Exchange Offer”). To implement such Exchange Offer, two different vehicles were used, in order to reach all holders of MMXM11 Securities:

- (i) FIP-IE Porto Sudeste Royalties: An infrastructure equity investment fund to hold in its portfolio exclusively Port11 Securities – and for each Port11 Security held by FIP-IE would be entitled to a Unit. FIP-IE's units were offered to the holders of MMXM11 Securities that would fit as qualified investors pursuant to CVM regulation, and would not have restrictions to hold FIP-IE units.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

5. Variable income securities (Continued)

- (ii) Porto Sudeste V.M. S.A.: A stock corporation registered with CVM under category 'B', that issued a new royalty-based variable income security, mirror of MMXM11 Security ("PSVM11 Securities"), and such security listed for trading with BM&FBOVESPA (contrary to Port11 Securities which are not accepted for trading in the stock exchange). The PSVM11 Securities were offered to holders of MMXM11 Securities that (i) would not fit as qualified investors, or (ii) would have regulatory restrictions to hold units of a FIP-IE shares - as is the case with some investment funds.

In order to address the situation of MMXM11 holders who eventually did not join the Exchange Offer, MMX continued to hold Port11 Securities in the same amount of unexchanged MMXM11 Securities.

Holders of Port 11 securities are entitled to quarterly variable remuneration, under the terms defined in the indenture of the P11 Securities ("Royalties"), calculated since January 1, 2013, calculated based on the metric tonnage of iron ore or by the Value per Tonne for other loads, as the case may be, as follows:

$$R = [(TMMF \times VpTMF) + (TMOC \times VpTDC)] * FP$$

Where:

R = royalties due in relation to each quarter of the fiscal year

TMMF = Iron Ore Measured Tonnage shipped in the Port in the respective quarter

TMOC = Measured Tonnage of Other Cargo shipped in the Port in the respective quarter

VpTMF = Value per Ton for Iron Ore (as defined below)

VpTDC = Value per Ton of Other Cargo (as defined below)

FP = Proportional Factor

For iron ore loads: the royalties related to iron ore loads shipped on Port in a certain calendar quarter shall be calculated, taking into account the amount of USD 5.00 per ton of iron ore ("value per ton of iron ore"). This value will be (i) adjusted annually at the variation in US PPI calculated from September 2010; and (ii) converted into reais, based on the exchange rate at the ending of the business day immediately prior to the actual payment date.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

5. Variable income securities (Continued)

For other loads: the royalties related to other loads, other than iron ores (excluding non-dry loads, such as supply activities) conducted at the Port Terminal will be calculated based on the load margin (as defined below) ("value per ton for other loads"). "Load margin" (a) means the difference between the average cost per ton (excluding all non-cash items) incurred in relation to the services rendered by Porto Sudeste relating to the applicable load and the average value per ton effectively charged by Porto Sudeste for the services rendered in relation to such load; and (b) must be limited under any circumstance to USD 5.00 per shipped ton. The adjusted limit amount of US\$5.00 per ton for the cargo margin will be (i) annually restated by reference to US PPI variation calculated since September 2010; and (ii) converted into Brazilian reais based on the exchange rate closed at the end of the business day immediately prior to its effective payment date.

During the years 2013 to 2016, the royalty commitment of Porto Sudeste do Brasil, related to iron ore, was the minimum between the volume shipped in each period and the volume of take-or-pay indicated in the table below:

Millions of Tons	2013	2014	2015	2016
TMMF	13,6	31,9	36,8	36,8

From 2017 onwards, the volume of iron ore generating royalties (TMMF, in the above formula) is no longer subject to a take-or-pay, being, therefore, simply the volume shipped. In the following table, it is possible to verify the tonnage carried out by the Sudeste do Brasil Port, with the start of operations in 2016, after the commissioning carried out in 2015:

Millions of Tons	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TMMF	-	-	-	7,1	9,5	10,7	16,4	18,7	17,8	17,4
TMOOC	-	-	-	-	-	-	-	-	-	0,11

As the volume of iron ore shipped in 2016 was lower than the volume of take-or-pay, the royalty commitment is based on this second parameter.

If, in a given calendar quarter, upon payment of the then current Royalties, the free cash held by Porto Sudeste do Brasil exceeds US\$10 million ("Minimum Cash Reserve"), the issuer must use the amounts that exceed the Reserve Minimum Cash ("Available Free Cash") to pay the holders of the securities the Royalties effectively accrued and not paid until the last day of such calendar quarter ("Accumulated Royalties").

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

5. Variable income securities (Continued)

There is no obligation on Porto Sudeste do Brasil to pay Royalties, unless there is Free Cash held by the issuer on the last day of such calendar quarter and up to the limit of such available cash. "Free Cash" means the amount corresponding to the amounts available in Porto Sudeste cash do Brasil minus the sum of (a) amounts contributed by the shareholders of Porto Sudeste do Brasil through a capital increase or shareholder loan, insofar as such amounts remain as available cash of Porto Sudeste do Brasil, (b) reserve account of the BNDES' senior debt service and CESCE's senior debt service reserve account, and (c) the cash amounts provisioned by Porto Sudeste jointly for IRPJ - Corporate Income Tax, CSLL - Social Contribution on Profit Net and other obligations for which the independent auditors of Porto Sudeste do Brasil require provisioning.

On December 31, 2022, the Company's parent conducted financial calculations with the purpose of identify the existence of available net cash and concluded that the available cash is positive at the date and, therefore, does not require the settlement of the royalties.

Porto Sudeste do Brasil accounts for Port11 Securities in Liabilities, based on the Present Value of Projected Cash Flow from the payment of royalties. That is, the amount shown in the Balance Sheet is different from the amount of Royalties Accrued until this quarter. Porto Sudeste VM, in turn, accounts for its right to receive royalties in Assets, corresponding to its share on the value of Port11 securities, and the respective payment to PSVM11 holders in Liabilities.

Port11 Securities are measured in accordance with IAS 37 - Provisions, Contingent Assets and Contingent Liabilities, based on projected cash flows from future security related payments discounted by the cost of equity at an annual rate of 11.90%. These projections are based on the Company's Business Plan and the assumptions related to the growth of iron exports in the Quadrilátero Ferrífero of Minas Gerais and assumptions about the growth of the market share of Porto Sudeste, volumes of ore originated by mines belonging to its shareholders, expectations of commodity prices, handling other solid bulk cargo, oil transshipment, among others.

On December 31, 2022, the present value of discounted future cash flow amounted to US\$2,638,832 thousand which converted into Brazilian reais totaled R\$13,768,633 thousand (US\$2,530,995 thousand which converted into Brazilian reais totaled R\$14,124,218 thousand at December 31, 2021). Of these totals, the amounts corresponding to Porto Sudeste VM are represented at the base date of December 31, 2022 at US\$11,240 thousand, which converted into reais totaled R\$ 60,159 thousand (US\$10,789, thousand which converted into reais totaled R\$60,159 thousand on December 31, 2021).

During the 2022 fiscal year, Porto Sudeste do Brasil evaluated whether there were any indicators that any asset could be above the recoverable amount and, after carrying out an impairment test, it did not identify the need to recognize any provision for impairment of its assets. and the same applies, consequently, to the variable remuneration securities receivable recognized in Porto Sudeste VM S.A. ("Company").

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

5. Variable income securities (Continued)

The discounted cash flow methodology used by Porto Sudeste do Brasil is based on concepts that consider financial resources that will be generated in the future by the cash generating unit ("UGC"), discounted to present value, to reflect the time, cost of opportunity and associated risks. The weighted average capital cost discount rate used in the Company's financial models was 7%. These projections are based on the Company's Business Plan and include assumptions related to the growth of iron ore exports from the Minas Gerais quadrilateral, assumptions related to the operation of new cargo and assumptions about the growth of the Port's market share. Porto Sudeste do Brasil understands that this growth will be achieved based on the closing of long-term contracts related to the export of iron ore, the operation of new cargo, among others.

6. Accounts payable

	<u>12/31/2022</u>	<u>12/31/2021</u>
Publishing/disclosure expenses	10,000	42,610
Audit fees	11,781	9,500
Services rendered by companies	27,454	179,087
	<u>49,235</u>	<u>231,197</u>

7. Equity

a) Capital

On December 28, 2020, the amount of R\$ 400,000 received as an advance for future capital increase was paid in with the issue of shares of 1,272,840,899 common shares, with a unit issue price of R\$0.00031425. After the referred capital increase, the Company have a subscribed capital of R\$1,676,040, divided into 5,333,330,970 shares wholly owned by Porto Sudeste do Brasil S.A.

On April 29, 2022, the amount of R\$ 600,000 received as an advance for future capital increase was paid in with the issue of shares of 126,742,656,131 common shares, with a unit issue price of R\$0.00000473. After the referred capital increase, the Company will have the subscribed capital of R\$2,276,040, divided into 132,075,987,101 shares wholly owned by Porto Sudeste do Brasil S.A.

b) Future capital contribution

In April 2022, the Company received from its parent company Porto Sudeste do Brasil S.A. as an advance for future capital increase the amount of R\$200,000. The expectation of payment of the amount received via advance for future capital increase "AFAC", will be within 12 months after receipt.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

7. Equity (Continued)

In July 2022, the Company received from its parent company Porto Sudeste do Brasil S.A. as an advance for future capital the amount of R\$ 200,000. The expectation of integralization of the amount received via advance for future capital increase, will be within 12 months after the payment.

c) Cumulative translation adjustments (CTA)

The Company has R\$ 36,089 related to the cumulative translation adjustments on December 31, 2022, related to the conversion of the functional currency (dollar) into the Company's (real) presentation currency, in compliance with technical pronouncement CPC 02.

8. Expenses by nature

8.1. Administrative expenses by nature:

	<u>12/31/2022</u>	<u>12/31/2021</u>
Third-party services	(57,336)	(182,199)
Audit fees	(47,125)	(64,800)
"CVM" expenses	(15,715)	(16,115)
Legal expenses	-	(340)
Lawyers	(61,989)	(174,385)
	<u>(182,165)</u>	<u>(437,839)</u>

8.2. Financial result

	<u>12/31/2022</u>	<u>12/31/2021</u>
Financial expenses		
Banks fees	(94,853)	(260,669)
Foreign exchange	(52,116)	(47,924)
Taxes	(13)	(39)
	<u>(146,982)</u>	<u>(308,632)</u>
Financial income		
Income on financial investments	16,480	2,272
Foreign exchange	67,513	17,217
	<u>83,993</u>	<u>19,489</u>
Net financial income	<u>(62,989)</u>	<u>(289,143)</u>

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

9. Provision for contingencies

The Company is a defendant in two labor claims filed by former employees of companies that acted in the construction of the port terminal Porto Sudeste, a project of its parent company, Porto Sudeste do Brasil S.A. The Company has never contracted with such companies or their employees, nor has it participated in the construction or operation of the Porto Sudeste terminal, however it was included as a defendant in such actions by choice of claimants, potentially due to the similarity between the corporate names of the two companies.

The recognition of the Company's passive illegitimacy, with its consequent exclusion from the defendant, depends on judicial authorization, which may or may not be granted by the court. In the case of the actions mentioned herein, the exclusion of the Company from the defendant's side, however, was not authorized. In December 31, 2022 the balance of labour contingencies amounted R\$14,354.

Porto Sudeste V.M. S.A.

Notes to financial statements (Continued)
December 31, 2022 and 2021
(In reais)

Board of Directors

Julien Rolland
Chairman

Oscar Pekka Fahlgren
Vice chairman

Kelly Michele Thomson
Board member

Carlos Bernardo Pons Navazo
Board member

Executive Board

Jayme Nicolato
Chief executive officer

Guilherme Caiado
Chief operations officer

Thiago Roldão
Chief financial and investor relations officer

Alexandre Carvalho de Andrade
Accountant CRC-RJ / 114354/O-4