

# **Interim Financial Information (ITR)**

**Porto Sudeste V.M. S.A.**

September 30<sup>th</sup>, 2023  
with the Independent Auditor's Review Report on the Interim Information  
Review

**Porto Sudeste V.M. S.A.**

Interim financial information

September 30<sup>st</sup>, 2023

Contents

Independent auditor’s review report on the interim information .....	1
Interim financial information	
Statements of financial position.....	3
Income statement .....	4
Statement of comprehensive income .....	5
Statement of changes in equity .....	6
Statement of cash flow.....	7
Statement of added value .....	8
Notes to interim financial information .....	9

## **Management Report**

### **1. Message from Management**

The management of Porto Sudeste V.M. S.A. (the "Company"), in compliance with the legal requirements and in accordance with the prevailing corporate legislation, hereby submits to your appreciation the Financial Information accompanied by the respective explanatory notes and the independent auditor's report for the quarter ended September 30, 2023. Should you need any further clarifications, please do not hesitate to contact us.

### **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 interim financial information.

In engaging services not related to independent audit, the Company adopts procedures that are based on the applicable law and on internationally accepted principles that preserve the auditor's independence and objectivity. These principles are the following: (i) the auditor must not audit his/her own work, and (ii) the auditor must not act, in a managerial manner, before its client, nor should it promote the interests of that client.

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 variable-income securities**

#### Variable-income securities

In February 2014, IWL Holdings (Luxembourg) S.A.R.L. ("Trafigura") and EAV Delaware LLC ("Mubadala"), through PSA Fundo de Investimento e Participações, acquired the control of Porto Sudeste, until then exercised 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 S.A – BRASIL. BOLSA. BALCÃO ("B3") under the ticker MMXM11 ("MMXM11 Securities"). In this context, Porto Sudeste issued, on February 26th, 2014, Variable Remuneration Perpetual Securities ("VRPS"), in terms similar 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) Porto Sudeste Royalties FIP-IE (“PSR”): An infrastructure equity fund, which, at the time of the offer, held in its portfolio, exclusively, Port11 Security - each Port11 Securities held by the PSR corresponded to a share. The PSR shares were offered to holders of MMXM11 Securities considered as qualified investors, under the terms of the regulation of the Brazilian Securities and Exchange Commission (“CVM”), and who had no restrictions to hold PSR shares.

(ii) Porto Sudeste V.M. S.A.: A corporation registered with CVM under category ‘b’ that has issued a new royalty whose source is based on royalties, mirror of MMXM11 Security (“PSVM11 Securities”), such security being listed for trading on B3 (unlike the Port11 Securities, which are not admitted for trading on the stock exchange). Under the aforementioned Exchange Offer, PSVM11 Securities were offered to holders of MMXM11 Securities who (i) were not considered qualified investors, or (ii) had regulatory restrictions to hold FIP-IE shares – as is the case of some investment funds.

As a way of addressing the situation of MMXM11 holders who eventually did not join to the Exchange Offer, MMX continued to hold Port11 Securities in the same quantity 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 have an obligation to pay the holders of the exchanged shares/securities.

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

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

### Royalties Calculation

Holders of Port11 Securities are entitled to variable quarterly remuneration, as defined in the indenture of the Port11 Securities (“Royalties”), calculated since January 1<sup>st</sup>, 2013, calculated based on the metric tonnage of iron ore or the value per ton for other loads, as the case may be, as follows:

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

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  
TMOC = Ton of Other Cargoes 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, considering the amount of US\$ 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.

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 (“value per ton for other loads”) will be calculated based on the load margin. “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 US\$ 5.00 per shipped ton. The adjusted limit value of US\$ 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 commitment of royalties from Porto Sudeste do Brasil, related to iron ore, was the minimum between the volume shipped in each period and the take-or-pay volume indicated in the table below:

<b>Tons (million)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
TMMF	13,6	31,9	36,8	36,8

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

<b>Tons (million)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023 YTD</b>
TMMF	-	-	-	7,1	9,5	10,7	16,4	18,7	17,8	17,4	19,0
TMOC	-	-	-	-	-	-	-	-	-	0,11	-

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

In the third quarter of 2023, Porto Sudeste shipped 6,926 thousand tons of iron ore (TMMF), and zero tons of other loads (TMOC), which multiplied by the updated value per ton of US\$ 6,37 (VpTMF and VpTDC) resulted in royalties of US\$ 44,116 thousand in the period. The accumulated Royalties until this quarter is US\$ 1,290,079 thousand. No amount has been paid until this quarter.

Porto Sudeste VM, a wholly owned subsidiary of Porto Sudeste do Brasil, has US\$ 5,547 thousand in accumulated royalties receivable, referring to the amount of Port11 Securities it holds (proportion of 0.43% of the total).

<b>Reconciliation of quantities shipped and amounts paid as Royalties (accumulated)</b>	<b>Shipped 4<sup>th</sup> quarter 2022</b>	<b>Shipped 1<sup>st</sup> quarter 2023</b>	<b>Shipped 2<sup>nd</sup> quarter 2023</b>	<b>Shipped 3<sup>rd</sup> quarter 2023</b>	<b>Take-or-pay/ Shipped Accumulated</b>
Volume TMMF (M/TONS)	5,506	5,144	6,961	6,926	228,562
Volume TMOC (M/TONS)	-	-	-	-	106
Price per Ton (USD)	5.00	5.00	5.00	5.00	5.00
PPI accumulated	1.02	1.37	1.37	1.37	0.64
Price per TON (USD)	<b>6.02</b>	<b>6.37</b>	<b>6.37</b>	<b>6.37</b>	<b>5.64</b>
<b>Royalty Porto Sudeste (USD k)</b>	<b>33,162</b>	<b>32,765</b>	<b>44,342</b>	<b>44,116</b>	<b>1,290,079</b>
<b>PSVM11 securities issued by Porto Sudeste V.M. S.A. as a percentage of Port11 securities</b>	<b>0.43%</b>	<b>0.43%</b>	<b>0.43%</b>	<b>0.43%</b>	<b>0.43%</b>
<b>Royalty Porto VM issued (USD k)</b>	<b>143</b>	<b>141</b>	<b>191</b>	<b>190</b>	<b>5,547</b>
<b>Cash available for payment of Royalties</b>	-	-	-	-	-
<b>Royalties payable</b>	-	-	-	-	-

### Payment of Royalties

Payment of Royalties in each quarter will be made within 60 days from the end of each calendar quarter and is subject to the existence of cash available for payment of Royalties, calculated after the discount of 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 indenture 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 certain calendar quarter, upon payment of the current Royalties the free cash held by Porto Sudeste exceeds US\$10 millions ("Minimum Cash Reserve"), the issuer must use the amounts that exceed the minimum cash reserve ("Available 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 September 30, 2023, Porto Sudeste 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 to the issuers of Port11.

<b>Cash available for payment of Royalties (in thousands of reais)</b>	<b>4th quarter 2022</b>	<b>1st quarter 2023</b>	<b>2nd quarter 2023</b>	<b>3rd quarter 2023</b>
Cash from trade receivables	306,343	336,483	389,417	268,876
Applicable Taxes	(45,506)	(51,150)	(59,505)	(56,678)
Operating Costs	(62,364)	(56,243)	(55,683)	(54,055)
Investment	(31,370)	(23,010)	(17,788)	(38,479)
Operating expenses	(20,325)	(15,971)	(20,366)	(22,242)
<b>Company Subtotal of Cash Generation</b>	<b>146,778</b>	<b>190,109</b>	<b>236,075</b>	<b>97,422</b>
Interests and Repayment of the Senior Debt	(147,914)	(194,598)	(239,910)	(101,523)
<b>Total Cash Available for Payment of Royalties</b>	<b>(1,136)</b>	<b>(4,489)</b>	<b>(3,835)</b>	<b>(4,100)</b>

The existing cash balance at Porto Sudeste do Brasil (Controlling Company) refers to the balance of contributions from shareholders and balances that must be maintained in accounts to meet any operational obligation, such as the guarantee account for the purchase of energy and PIS / COFINS deposited in court. In this quarter, there was no cash balance available for royalties' payments.

<b>Cash available for payment of accumulated royalties (in thousands of reais)</b>	<b>4th quarter 2022</b>	<b>1st quarter 2023</b>	<b>2nd quarter 2023</b>	<b>3rd quarter 2023</b>
Net Cash or Bank Accounts	37,848	22,905	22,902	7,052
Contributions by the stockholders and Mandatory balances	(37,848)	(22,905)	(22,902)	(7,052)
<b>Total Cash Available for Payment of Accumulated Royalties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Port11 Accounting

Porto Sudeste records 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 V.M., records its right to receive royalties in Assets, corresponding to its portion 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 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, volumes of ore originated by mines belonging to its shareholders, operations with other solid and liquid bulk, commodity price expectations, among others.

On September 30, 2023, the present value of discounted future cash flow amounted to US\$3,018,513,441 which converted into Brazilian reais totaled R\$15,115,507,907 (compared to US\$2,638,832,906, which converted into Brazilian reais totaled R\$13,768,633,240 as of December 31, 2022). Of those totals, the amounts corresponding to PSVM11 securities are represented at the base date of September 30, 2023, at US\$12,979,608, which converted into reais totaled R\$64,996,684 (US\$11,239,513, which converted into Brazilian reais totaled R\$58,644,411 as of December 31, 2022).

#### Transaction costs

Debt issue costs of variable-yield securities totaling R\$13,507 at September 30, 2023 (R\$14,074 at December 31, 2022) referring to outside legal counsel fees and commissions of guarantee were recorded as reduction of liabilities.

Rio de Janeiro, November 08, 2023.

Management.

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

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## **Report on review of interim financial information**

The Shareholders and Board of Directors  
**Porto Sudeste V.M. S.A.**  
Itaguaí/RJ

### **Introduction**

We have reviewed the accompanying interim financial statements, contained in the Quarterly Information Form (ITR) of Porto Sudeste V. M., S.A. (“Company” or “Porto V.M.”) for the quarter ended September 30, 2023, which comprise the interim statement of financial position as at September 30, 2023 and the related interim statements of income, comprehensive income, for the three and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the accounting standard NBC TG 21 - Demonstração Intermediária and in accordance with international standard IAS 34 – *Interim Financial Reporting*, issued by the *International Accounting Standard Board* (IASB), as well as the presentation of this information in a manner consistent with the accounting standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information 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 auditing standards 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.

### **Conclusion of interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the elaboration of interim financial information, and in accordance with accounting standards issued by the Brazilian Securities and Exchange Commission.





## **Other matters**

### Statement of value added

The above-mentioned quarterly information includes the statements of value added (SVA) for the period of three and nine months ended September 30, 2023, prepared under Company's executive board responsibility and presented as supplementary information by IAS 34 purposes. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if it's format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared in all material respects, consistently with the overall interim financial information.

Rio de Janeiro, November 08, 2023.

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



Leonardo Araujo Ferreira  
Accountant CRC-1RJ116384/O

## Porto Sudeste V.M. S.A.

Statements of financial position  
September 30, 2023 and December 31, 2022  
(In Brazilian Reais)

	Note	09/30/2023	12/31/2022
Assets			
Current assets			
Cash and cash equivalents	4	82,623	368,766
Recoverable taxes		6,891	3,203
Total current assets		<u>89,514</u>	<u>371,969</u>
Non-current assets			
Long-term assets			
Recoverable taxes			
Variable remuneration securities – Port 11	5	64,381,122	58,644,411
Total non-current assets		<u>64,381,122</u>	<u>58,644,411</u>
Total assets		<u>64,470,636</u>	<u>59,016,380</u>
Liabilities			
Current liabilities			
Accounts payable	6	62,870	49,235
Taxes and contributions payable		-	-
Total current liabilities		<u>62,870</u>	<u>49,235</u>
Non-current liabilities			
Variable remuneration securities – PSVM 11	5	64,381,122	58,644,411
Provision for contingencies	9	-	14,354
Total non-current liabilities		<u>64,381,122</u>	<u>58,658,765</u>
Shareholders' equity			
Capital	7	2,276,040	2,276,040
Future capital contribution		700,000	700,000
Accumulated losses		(2,971,303)	(2,703,749)
Cumulative translation adjustments (CTA)		21,907	36,089
Total equity		<u>26,644</u>	<u>308,380</u>
Total liabilities and shareholders' equity		<u>64,470,636</u>	<u>59,016,380</u>

See accompanying notes.

## Porto Sudeste V.M. S.A.

### Income statement

Three and nine-months period ended September 30, 2023 and 2022  
(In Brazilian Reais)

	Note	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Sales and service revenue		-	-	-	-
Costs of sales and services		-	-	-	-
Gross profit		-	-	-	-
General and administrative expense	8.1	(76,426)	(246,059)	(8,214)	(229,288)
Other operating income (expenses)		-	14,354	40,553	(47,194)
Income before finance income and costs		(76,426)	(231,705)	32,339	(276,482)
Finance income	8.2	5,475	47,624	28,468	59,180
Finance expenses	8.2	(27,556)	(83,473)	(37,538)	(122,644)
Financial result		(22,081)	(35,849)	(9,070)	(63,464)
Income (loss) before taxes		(98,507)	(267,554)	23,269	(339,946)
Income tax and social contribution		-	-	-	-
Gain (loss) for the period		(98,507)	(267,554)	23,269	(339,946)
Gain (loss) per share		(0,0000075)	(0,0000203)	0,0000018	(0,0000257)

See accompanying notes.

## Porto Sudeste V.M. S.A.

### Statement of comprehensive income

Three and nine-month period ended September, 2023 and 2022

(In Brazilian Reais)

	<b>07/01/2023 a 09/30/2023</b>	<b>01/01/2023 a 09/30/2023</b>	<b>07/01/2022 a 09/30/2022</b>	<b>01/01/2022 a 09/30/2022</b>
Gain (Loss) for the period	<b>(98,507)</b>	<b>(267,554)</b>	23,269	(339,946)
Other comprehensive income				
Translation adjustments for the period	<b>2,694</b>	<b>(14,182)</b>	(7,586)	(1,934)
Total comprehensive income	<b><u>(95,813)</u></b>	<b><u>(281,736)</u></b>	15,683	(341,880)

See accompanying notes.

## Porto Sudeste V.M. S.A.

Statement of changes in equity  
 Nine-month period ended September 30, 2023 and 2022  
 (In Brazilian Reais)

	<b>Capital</b>	<b>Advance for future capital increases</b>	<b>Accumulated translation adjustment</b>	<b>Accumulated losses</b>	<b>Total</b>
Balances at December 31, 2021	1,676,040	600,000	51,485	(2,302,277)	25,248
Capital increase	600,000	(600,000)	-	-	-
Advances for future capital increases	-	700,000	-	-	700,000
Loss for the period	-	-	-	(339,946)	(339,946)
Translation adjustments	-	-	(1,934)	-	(1,934)
Balances at September 30, 2022	2,276,040	700,000	49,551	(2,642,223)	383,368
Balances at December 31, 2022	2,276,040	700,000	36,089	(2,703,749)	308,380
Loss for the period	-	-	-	(267,554)	(267,554)
Translation adjustments	-	-	(14,182)	-	(14,182)
Balances at September 30, 2023	<b>2,276,040</b>	<b>700,000</b>	<b>21,907</b>	<b>(2,971,303)</b>	<b>26,644</b>

See accompanying notes.

## Porto Sudeste V.M. S.A.

Statement of cash flow  
Nine-month period ended September 30, 2023 and 2022  
(In Brazilian Reais)

	<b>09/30/2023</b>	<b>09/30/2022</b>
Cash flows from operating activities		
Loss for the period before taxes	<b>(267,554)</b>	(339,946)
Other provisions	<b>(14,354)</b>	-
Foreign exchange variations	<b>(14,182)</b>	(1,934)
Changes in assets and liabilities		
Recoverable taxes	<b>(3,463)</b>	(1,446)
Judicial deposits	-	139,237
Trade account payable	<b>13,635</b>	(167,363)
Taxes and contributions payable	<b>(225)</b>	(214)
Net cash generated from operating activities	<b>(286,143)</b>	(371,666)
Cash flow from financing activities		
Advances for future capital increases	-	700,000
Net cash generated by financing activities	-	700,000
Increase in cash and cash equivalents	<b>(286,143)</b>	328,334
Statement of increase in cash and cash equivalents		
At beginning of the period	<b>368,766</b>	114,923
At end of the period	<b>82,623</b>	443,257
Increase in cash and cash equivalents	<b>(286,143)</b>	328,334

See accompanying notes.

## Porto Sudeste V.M. S.A.

Statement of added value  
Nine-month period ended September 30, 2023 and 2022  
(In Brazilian Reais)

	<u>09/30/2023</u>	<u>09/30/2022</u>
Revenues		
Revenues		
Inputs acquired from third parties (including ICMS and IPI)		
Materials, energy, third-party services and other expenses	<b>(246,059)</b>	(229,288)
Other operational expenses	<b>14,354</b>	(47,194)
Gross added value	<u><b>(231,705)</b></u>	<u>(276,482)</u>
Added value received in transfer		
Financial income	<b>18,519</b>	8,131
Financial expenses	<b>29,105</b>	51,049
Total added value to be distributed	<u><b>(184,081)</b></u>	<u>(217,302)</u>
Distribution of added value		
Interest	<b>68,550</b>	73,529
Foreign exchange variations	<b>14,923</b>	49,115
Equity remuneration		
Loss for the period	<b>(267,554)</b>	(339,946)
	<u><b>(184,081)</b></u>	<u>(217,302)</u>

See accompanying notes.

## **Porto Sudeste V.M. S.A.**

Notes to interim financial information  
September 30, 2023  
(In Brazilian Reais)

### **1. Operations**

Porto Sudeste V.M S.A. ("Company") was created on July 16<sup>th</sup>, 2013, with the corporate purpose of participating in the capital of other companies, nationally or abroad, as partner, shareholder or quota holder, on a permanent or temporary basis, as a parent company or non-controlling interest.

Since February 13<sup>th</sup>, 2014, the Company has been a wholly owned subsidiary of Porto Sudeste do Brasil S.A. ("Porto Sudeste"), a privately-held company responsible for the port terminal named "Porto Sudeste", dedicated to handling iron ore. Installed on Ilha da Madeira in Itaguaí (Rio de Janeiro state), the terminal is strategically located and represents the shortest distance between iron ore producers in Minas Gerais state and the sea ("Porto Sudeste"). The project began to be built in July 2010 and began operations on a commissioning basis in August 2015 and commercially in January 2016.

At September 30<sup>th</sup>, 2023, the Company incurred a loss for the period of R\$267,554 and has accumulated losses of R\$2,971,303. The Company ended the third quarter of 2023 with a cash position of R\$82,623.

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 third quarter of 2023, the parent company shipped approximately 6.921 million tons of iron ore. The Company also handled other cargoes in this quarter, through the unloading of 67 thousand tons of coal, and 1 ship-to-ship oil transshipment operation. amounts that are still not very representative when compared to iron ore. Year to date, there were approximately 19.0 million tons of iron ore, 237 thousand tons of other solid bulk and 1 oil operation.

The economic-financial results and the capacity of the Parent Company Porto Sudeste do Brasil S.A. to honor its financial obligations depend mainly on the variable remuneration linked to the Port11 Bonds and/or capital contributions, both arising from and dependent on the performance of Porto Sudeste do Brasil.



## **Porto Sudeste V.M. S.A.**

Notes to interim financial information (Continued)  
September 30, 2023  
(In Brazilian Reais)

### **1. Operations--Continued**

The financial obligations are mainly related to the payment of the PSVM11 Securities, which in turn are linked to the receipt of royalties from the Port11 Securities. That is, if there is no such receipt in a certain period, there is also no payment obligation. The other financial obligations refer to costs with auditing and maintenance of its Securities on the Stock Exchange, which currently depend on the capital contribution of its controlling shareholder, since the Company has no income.

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.

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.

## **Porto Sudeste V.M. S.A.**

Notes to interim financial information (Continued)  
September 30, 2023  
(In Brazilian Reais)

### **2. Basis of preparation and presentation of financial statements**

#### a) Interim financial information

This interim financial information was prepared and is being presented in accordance with the Brazilian Accounting Pronouncements Committee – “CPC 21 (R1)”, Interim Statements and with the international standard IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The presentation of this information is in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Interim Information Form.

The statement of value added is being presented as supplementary information for IAS 34 purposes.

In addition, the Company considered the guidelines issued in Technical Guideline OCPC 07, issued by the Brazilian Accounting Pronouncements Committee (“CPC”) in November 2014, in preparing its interim information. Thus, the relevant information specific to the interim information is being disclosed and corresponds to that used by Management in its management.

The Company Management authorized the completion of these interim financial information on November 08<sup>th</sup>, 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 currencies

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.

## Porto Sudeste V.M. S.A.

Notes to interim financial information (Continued)  
September 30, 2023  
(In Brazilian Reais)

### 2. Basis of preparation and presentation of financial statements--Continued

#### d) Statement of cash flow

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

#### e) Accounting estimates

The interim financial information was prepared considering different measurement bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management's judgment to determining the appropriate amount to be recorded in the interim financial information. Significant items subject to these estimates and assumptions include the measurement of variable remuneration securities, as well as the analysis of other risks to determine other provisions, including for contingencies.

The 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 annually.

### 3. Summary of significant accounting practices and estimates

The accounting practices adopted when preparing the interim condensed financial information is consistent with that when preparing the financial statements at December 31, 2022.

The interim financial information and related notes do not include all the information and disclosures required for annual financial statements. Therefore, this interim financial information should be read in conjunction with the annual audited financial statements as of December 31, 2022.

### 4. Cash and cash equivalents

	<u>09/30/2023</u>	<u>12/31/2022</u>
Cash and banks	973	14,736
Cash equivalents	<u>81,650</u>	<u>354,030</u>
	<u>82,623</u>	<u>368,766</u>

The Company invests in Bank Deposit Certificates ("CDB") directly from a top financial institution with which it maintains a relationship and carries out investments, linked to post-fixed rates, with average return linked to the DI ("CDI"), with no grace period and with immediate liquidity. The Bank Deposit Certificates (CDBs) are issued by top-tier financial institutions and are remunerated at 93% of the Interbank Deposit Certificate (CDI) variation.

## Porto Sudeste V.M. S.A.

Notes to interim financial information (Continued)  
September 30, 2023  
(In Brazilian Reais)

### 5. Variable remuneration securities

In February 2014, IWL Holdings (Luxembourg) S.A.R.L. (“Trafigura”) and EAV Delaware LLC (“Mubadala”), through PSA Fundo de Investimento e Participações, acquired the control of Porto Sudeste, until then exercised 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 S.A – BRASIL. BOLSA. BALCÃO (“B3”) under the *ticker* MMXM11 (“MMXM11 Securities”). In this context, Porto Sudeste issued, on February 26<sup>th</sup>, 2014, Variable Remuneration Perpetual Securities (“VRPS”), in terms similar 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) Porto Sudeste Royalties FIP-IE (“PSR”): An infrastructure equity fund, which, at the time of the offer, held in its portfolio, exclusively, Port11 Security - each Port11 Securities held by the PSR corresponded to a share. The PSR shares were offered to holders of MMXM11 Securities considered as qualified investors, under the terms of the regulation of the Brazilian Securities and Exchange Commission (“CVM”), and who had no restrictions to hold PSR shares.
- (ii) Porto Sudeste V.M. S.A.: A corporation registered with CVM under category ‘b’ that has issued a new royalty whose source is based on royalties, mirror of MMXM11 Security (“PSVM11 Securities”), such security being listed for trading on B3 (unlike the Port11 Securities, which are not admitted for trading on the stock exchange). Under the aforementioned Exchange Offer, PSVM11 Securities were offered to holders of MMXM11 Securities who (i) were not considered qualified investors, or (ii) had regulatory restrictions to hold FIP-IE shares - as is the case of some investment funds.

As a way of addressing the situation of MMXM11 holders who eventually did not adhere to the Exchange Offer, MMX remained the holder of Port11 Securities in the same quantity of MMXM11 Securities not exchanged.

## Porto Sudeste V.M. S.A.

Notes to interim financial information (Continued)  
September 30, 2023  
(In Brazilian Reais)

### 5. Variable remuneration securities--Continued

Holders of Port11 Securities are entitled to variable quarterly remuneration, as defined in the indenture of the Port11 Securities ("Royalties"), calculated since January 1st, 2013, calculated based on the metric tonnage of iron ore or the value per ton for other loads, as the case may be, as follows:

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

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 Cargoes 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: Royalties related to iron ore loads shipped at the Port in a given quarter will be calculated considering the amount of USD 5.00 per ton of iron ore ("value per ton of iron ore"). This amount will be: (i) annually adjusted in accordance with the variation of the US PPI calculated since September 2010; and (ii) converted into Brazilian Reais, based on the exchange rate closed at the end of the business day immediately preceding the date of its effective payment.

For other loads: Royalties related to other loads other than iron ore (excluding non-dry cargoes, such as supply activities) handled at the Port Terminal ("value per ton for other loads") will be calculated based on the margin of the charge. The "Load Margin" (a) means the difference between the average cost per ton (excluding all non-cash items) incurred in relation to services provided by Porto Sudeste related to the applicable load and the average value per ton actually charged by Porto Sudeste for services rendered in connection with such cargo; and (b) must be limited, under any circumstances, to US\$5.00 per ton shipped. The adjusted limit value of US\$5.00 per ton for the load margin must be (i) adjusted annually in accordance with the variation of the US PPI calculated since September 2010; and (ii) converted into Brazilian Reais based on the exchange rate closed at the end of the business day immediately preceding the date of its effective payment.

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

Tons (million)	2013	2014	2015	2016
TMMF	13,6	31,9	36,8	36,8

## Porto Sudeste V.M. S.A.

Notes to interim financial information (Continued)  
September 30, 2023  
(In Brazilian Reais)

### 5. Variable remuneration securities--Continued

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

Tons (million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD
TMMF	-	-	-	7,1	9,5	10,7	16,4	18,7	17,8	17,4	19,0
TMOOC	-	-	-	-	-	-	-	-	-	0,11	-

As the shipped volume of iron ore in 2016 was lower than the take-or-pay volume, 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 security holders the Royalties actually accumulated and not paid up to the last day of such calendar quarter ("Accumulated Royalties").

There is no obligation of Porto Sudeste do Brasil to pay Royalties, except if there is Free Cash held by the issuer on the last day of such calendar quarter and up to the limit of such cash available. "Free Cash" means the amount corresponding to the amounts available in cash of Porto Sudeste do Brasil less the sum of: (a) amounts contributed by the shareholders of Porto Sudeste do Brasil through capital increase or shareholder's loans, to the extent that such amounts remain as available cash of Porto Sudeste do Brasil, (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 for Corporate Income Tax, Social Contribution on Net Income and other obligations for which the independent auditors of Porto Sudeste do Brasil require a provision.

On September 30, 2023, Porto Sudeste do Brasil carried out the financial calculations and identified that there was not enough available cash generation to pay royalties to holders of Port11 Securities.

Porto Sudeste do Brasil accounts Port11 Securities in Liabilities, based on the Present Value of the Projected Cash Flow of the payment of royalties. In other words, the amount presented in the Balance Sheet is different from the amount of royalties accumulated up to this quarter. Porto Sudeste V.M., in turn, records its right to receive royalties in Assets, corresponding to its portion 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

## Porto Sudeste V.M. S.A.

Notes to interim financial information (Continued)  
September 30, 2023  
(In Brazilian Reais)

### 5. Variable remuneration securities--Continued

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, operations with other solid and liquid bulk, commodity price expectations, among others.

On September 30, 2023, the present value of discounted future cash flow amounted to US\$3,018,513,441, which converted into Brazilian reais totaled R\$15,115,507,907 (compared to US\$2,638,832,906, which converted into Brazilian reais totaled R\$13,768,633,240 as at December 31, 2022). Of those totals, the amounts corresponding to PSVM11 securities are represented at the base date of September 30, 2023, at US\$ 12,979,608, which converted into reais totaled R\$64,381.122 (US\$11,239,513, which converted into Brazilian reais totaled R\$58,644,411 as at December 31, 2022).

### 6. Accounts payable

	<u>09/30/2023</u>	<u>12/31/2022</u>
Publishing/disclosure expenses	-	10,000
Audit fees	<b>24,881</b>	11,781
Services	<b>37,989</b>	27,454
	<b><u>62,870</u></b>	<b><u>49,235</u></b>

### 7. Equity

#### a) Capital

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) Advances for future capital increase

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 integralization of the amount will be until December, 2023.

## Porto Sudeste V.M. S.A.

Notes to interim financial information (Continued)  
September 30, 2023  
(In Brazilian Reais)

### 7. Equity--Continued

#### b) Advances for future capital increase--Continued

In July 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\$ 500,000. The expectation of integralization of the amount will be until December 2023.

#### c) Accumulated translation adjustments

The Company has R\$21,907 related to accumulated translation adjustments as of September 30, 2023, related to the conversion of the functional currency (US dollar) to the Company's presentation currency (Brazilian real), in compliance with technical pronouncement "CPC 02".

### 8. Expenses by nature

#### 8.1. Administrative expenses by nature:

	<u>09/30/2023</u>	<u>09/30/2022</u>
Audit fees	(37,322)	(31,900)
Legal fees	(208,695)	(131,212)
Publishing / disclosure "CVM" expenses	(42)	(66,176)
	<u>(246,059)</u>	<u>(229,288)</u>

#### 8.2. Financial income (expenses)

	<u>09/30/2023</u>	<u>09/30/2022</u>
Financial expenses		
Banks fees	(67,772)	(73,157)
Interest paid	(5)	(136)
Foreign exchange	(14,923)	(49,115)
Other expenses	(773)	(236)
	<u>(83,473)</u>	<u>(122,644)</u>
Financial income		
Income on financial investments	17,457	6,725
Foreign exchange	29,105	51,049
Obtained discount	-	796
Other income	1,062	610
	<u>47,624</u>	<u>59,180</u>
Net financial income	<u>(35,849)</u>	<u>(63,464)</u>



## Porto Sudeste V.M. S.A.

Notes to interim financial information (Continued)  
September 30, 2023  
(In Brazilian 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 action, the exclusion of the Company from the defendant position was not authorized, however, according to legal consultants, the cause of loss is remote.

#### Board of Directors

#### Executive Board

Oscar Pekka Fahlgren– Chairman	Jayme Nicolato - Chief Executive Officer
William Kenneth Loughnan- Vice Chairman	Guilherme Caiado - Chief Operations Officer
Kelly Michele Thomson – Board Member	Thiago Roldao - Chief Financial and Investor Relations Officer
Carlos Bernardo Pons Navazo - Board Member	

Flavio Ary de Oliveira Silveira  
Accountant  
CRC MG / 095168/O-9