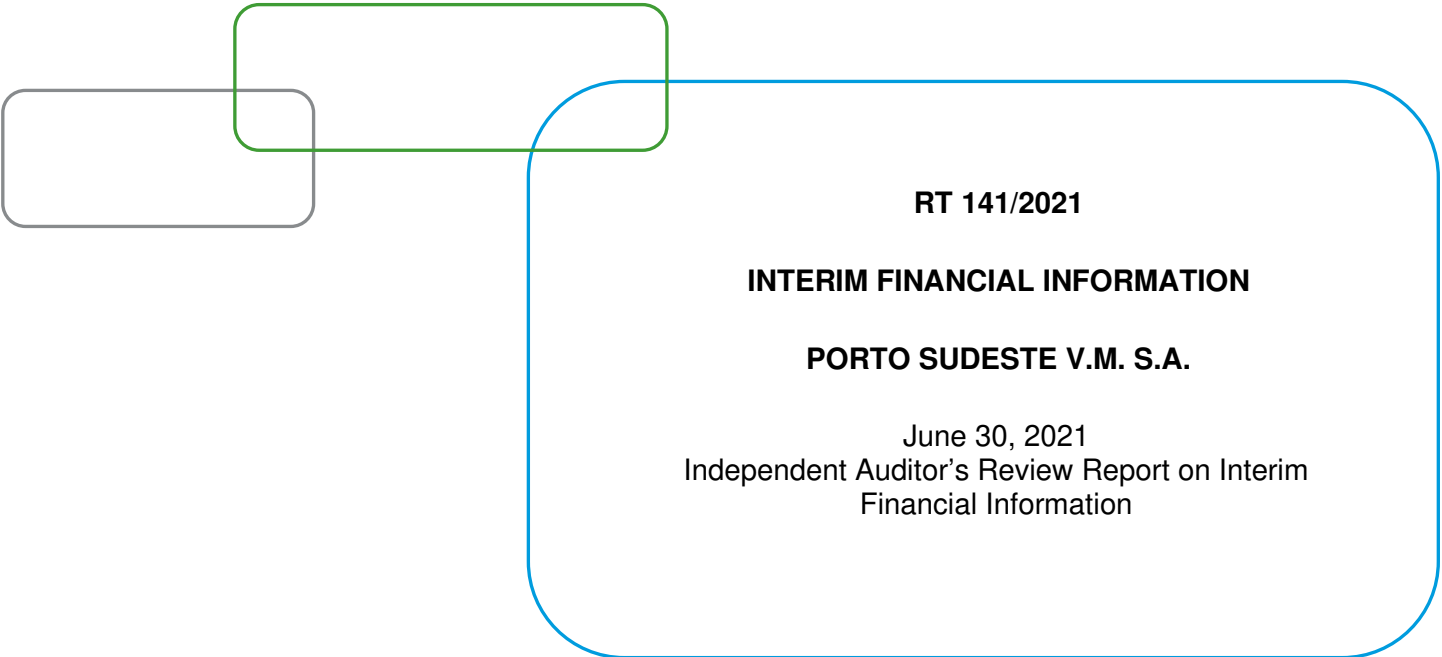




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RT 141/2021

INTERIM FINANCIAL INFORMATION

PORTO SUDESTE V.M. S.A.

June 30, 2021
Independent Auditor's Review Report on Interim
Financial Information



PORTO SUDESTE V.M. S.A.

INTERIM FINANCIAL INFORMATION

June 30, 2021

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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 Corporation Law, hereby submits to your appreciation the Financial Statements accompanied by the respective explanatory notes and the independent auditor’s report for the quarter ended June 30, 2021. Should you need any further clarifications, please do not hesitate to contact us. At the end of the second quarter of 2021, the Executive Board expresses their acknowledgement to suppliers, employees and all other professionals for their dedication and hard work.

2. Relationship with independent auditors

Pursuant to CVM Rule No. 381/2003, we hereby inform that RSM Acal Auditores Independentes S/S (RSM) renders external audit services relating to the audit of the Company’s financial statements.

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) an auditor must not review his/her own work, and (ii) an auditor must not act as a manager for clients neither promote their interest.

RSM has stated to the Company that there is no relationship or situation that constitutes a conflict of interests that could affect its independence.

3. Management's explanations with respect to variable-income securities

Variable-income securities

In February 2014, Trafigura Pte. Ltd. (“Trafigura”) and Mubadala Development Company PJSC (“Mubadala”), through PSA Fundo de Investimento e Participações, acquired the control of Porto Sudeste, until then exercised by MMX Mineração e Metálicos SA (“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 *tricker* MMXM11 (“MMXM11 Securities”). In this context, Porto Sudeste issued, on February 26, 2014, Variable Remuneration Perpetual Securities (“TPRV”), 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) FIP-IE Porto Sudeste Royalties (PSR): An infrastructure equity fund intended to hold in its portfolio exclusively Port11 Securities - and each Port11 Security held by FIP-IE would correspond to one Share. FIP-IE shares were offered to the holders of MMXM11 Securities considered as qualified investors pursuant to the Brazilian Securities and Exchange Commission (CVM) regulation, and whose ownership of FIP-IE shares would not be restricted.

(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"). Such security is listed for trading on BM&FBOVESPA (differently from Port11 Securities, which are not traded on the stock exchange). The PSVM11 Securities were offered to holders of MMXM11 Securities who (i) would not be considered qualified investors, or (ii) would have regulatory restrictions to hold FIP-IE shares.

In order to address 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.

Upon completion of the Exchange Offer, Porto Sudeste has an obligation to pay the above mentioned vehicles and MMX, which in turn have an obligation to pay the holders of 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

The holders of the above-mentioned securities are entitled to quarterly variable income determined since January 1, 2013, calculated based on metric ton of iron ore or the value per ton of other cargoes, as the case may be, as follows:

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

Where:

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

TMMF = Ton of Iron Ore shipped at the Port for the respective quarter

TMOG = Ton of Other Cargoes shipped at the Port for the respective quarter

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

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

FP = Proportional Factor

For iron ore loads: the royalties related to iron ore loads shipped at the Port in a certain 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) adjusted annually based on the US PPI difference calculated from September 2010; and (ii) translated into Brazilian Reais, based on the exchange rate at the end of the business day immediately prior to the effective payment date.

For other cargoes: Royalties related to other cargoes other than iron ore (excluding non-dry cargoes, such as supply activities) handled at the Port Terminal ("value per ton for other cargo") will be calculated based on the margin of the charge. The "Cargo 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 cargo 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 cargo margin must be (i) adjusted annually in accordance with the variation of the US PPI calculated since September 2010; and (ii) converted into 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:

Iron Ore	2013	2014	2015	2016	2017	2018	2019	2020	Jun/21 YTD
Tm	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 Sudeste Port of Brazil, with the start of operations in 2016, after commissioning carried out in 2015:

Iron Ore	2013	2014	2015	2016	2017	2018	2019	2020	Jun/21 YTD
Tm	-	-	-	7.1	9.5	10.7	16.4	18.7	9.8

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 second quarter of 2021, Porto Sudeste do Brasil shipped 5,302 thousand tons of iron ore (TMMF), which multiplied by the updated value per ton of US\$ 5.89 (VpTMF) resulted in royalties of US\$ 31,243 thousand in the period (4,112 thousand tons of iron ore (TMMF), which multiplied by the updated value per ton of US\$ 5.81 (VpTMF) resulted in royalties of US\$ 23,898 thousand in the second quarter of 2020). The accumulated Royalties until this quarter is US\$ 1,016,353 thousand. No amount has been paid until this quarter.

Porto Sudeste VM, a wholly-owned subsidiary of Porto Sudeste do Brasil, has US\$ 4,370 thousand in accumulated royalties to be received, referring to the number of Port11 Securities it holds (proportion of 0.43% of the total).

Reconciliation of quantities shipped and amounts paid as Royalties (accumulated)	Shipped	Shipped	Shipped	Take-or-pay/Shipped
	Until the four quarter 2020	1st quarter 2021	2nd quarter 2021	Accumulated
Volume (000 TONs)	174,385	4,456	5,302	184,143
Price per Ton (USD/TON)	5.00	5.00	5.00	5.00
PPI accumulated (%)	0.50	0.892504	0.892751	0.519369
Price per Ton (USD)	5.50	5.892504	5.892751	5.519369
Royalty Porto Sudeste (USD 000)	958,853	26,257	31,243	1,016,353
PSVM11 securities issued by Port Sudeste V.M. S.A. as a percentage of Port11 securities	0.43%	0.43%	0.43%	0.43%
Royalty (Porto VM) Calculated (USD 000)	4,123	113	134	4,370
Cash available for payment of royalties	-	-	-	-
Royalty payable	-	-	-	-

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 determined sufficient Cash Available for Royalties for that purpose.

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 loan, 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 IRPJ - Corporate Income Tax, CSLL - Social Contribution on Net Income and other obligations for which the independent auditors of Porto Sudeste do Brasil require a provision.

On June 30, 2021, Porto Sudeste do Brasil performed the financial calculations and identified that there was not enough cash generation to pay royalties to holders of Port11 Securities.

Cash available for payment of royalties (USD 000)	1° Quarter 2021	2° Quarter 2021
Revenues	342,255	425,605
Taxes applicable	(48,771)	(60,649)
Operating Costs	(42,525)	(49,748)
Maintenance Investment	(5,356)	(7,886)
Operating Expenses	(22,937)	(32,133)
Subtotal Cash Generation of the Firm	222,665	275,189
Interest and Senior Debt Amortization	(226,997)	(294,684)
Total cash Available for payment of royalties	(4,332)	(19,495)

The 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 royalty payments.

Cash available for payment of accumulated royalties (USD 000)	1° Quarter 2021	2° Quarter 2021
Net cash or Bank Accounts	96,352	26,026
Contributions by the stockholders	(96,352)	(26,026)
Total cash Available for payment of accumulated royalties	-	-

Accounting of Port11

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 shown in the Balance Sheet is different from the amount of royalties accrued until this quarter. Porto Sudeste VM, 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.

These Port 11 securities are measured in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, based on the projected cash flow of future disbursements related to these securities, discounting the rate of 11.12% per year. These projections are based on the business plan of Porto Sudeste do Brasil, which includes assumptions related to the growth of iron ore exports from the quadrilateral of Minas Gerais, market share of Porto Sudeste do Brasil, volumes of ore originated by mines belonging to the its shareholders, commodity price expectations, among others.

On June 30, 2021, the Present Value of the discounted future cash flow of Royalties was US\$ 2,802,776,927, which converted to Reais totaled R\$ 14,020,050,746 (compared to US\$ 2,445,065,707 on December 31, 2020, which converted to Reais totaled R\$ 12,706,272,959). Of these totals, the amounts corresponding to PSVM11 securities are represented on the base date of June 30, 2021 at US\$ 11,937,800, which, converted to reais, totaled R\$ 59,715,268 (compared to US\$ 10,414,210 on December 31, 2020, which converted to reais totaled R\$ 54,119,525).

Rio de Janeiro, August 10, 2021.

Management.

A free translation from Portuguese into English of Independent Auditor's Review Report on Interim Financial Information prepared in Brazilian currency in accordance with Technical Pronouncement CPC 21(R1) - Interim financial statement.

Independent Auditor's Review Report on Interim Financial Information

Shareholders, Directors and Officers of
Porto Sudeste V.M. S.A.
Itaguaí – RJ

We have reviewed the interim financial information of Porto Sudeste V.M. S.A. ("Company" or "Porto V.M."), respectively, which comprise the statements of financial position as at June 30, 2021 and the related statements of operations, of comprehensive income (loss), of changes in equity and cash flows for the six-month period then ended including the explanatory notes.

Management's responsibility for the interim financial information

Management is responsible for the preparation of the interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Statement and with the international standard IAS 34 - Interim financial reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of these information in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards for review and interim information (NBC TR 2410 - Interim Information Review Performed by the Entity Auditor and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is significantly less than that of an audit conducted in accordance with auditing standards and, consequently, has not allowed us to obtain assurance that we are aware of all significant matters that could be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim information does not present fairly, in all material respects, the financial position of the entity as of June 30, 2021, and the performance of its operations and its cash flows for the quarter then ended in accordance with accounting practices adopted in Brazil.

Emphasis - significant uncertainty as to the Company's ability to continue as a going concern

Without qualifying our conclusion, we draw attention to Note 1 of the interim financial information, which indicates that, at June 30, 2021, the Company presents loss in the period of R\$ 273,009 and accumulated losses of R\$ 1,848,303. This note, together with Note 6, also indicates that the measurement of variable remuneration securities is directly related to the flow of future payments to the security holders, estimated based on the volumes to be shipped in accordance with the business plan of Porto Sudeste do Brasil S.A. (Company's parent company). Additionally, this note also states that Porto Sudeste do Brasil S.A. began its operations in 2016, but still depends on the financial support of its shareholders and/or funds from third parties until its operations generate sufficient cash to maintain its operating activities. This interim financial information was prepared on the assumption that the Company will continue to operate as a going concern and does not include any adjustment that would be required in the event that the plans of its parent company, Porto Sudeste do Brasil S.A. do not achieve the expected results.

Other matters

Statements of added value

We have also reviewed the Statement of Added Value (DVA) for the three-month period ended June 30, 2021, prepared under the responsibility of the Company's management, whose presentation in the interim financial information is required in accordance with the standards issued by the Brazilian Securities and Exchange Commission – CVM, applicable to the preparation of Quarterly Information (ITR) and considered supplementary information under IFRS, which does not require the presentation of the DVA. This statement was submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that it has not been prepared, in all material respects, consistently with the overall interim financial information.

Rio de Janeiro, August 10, 2021.

RSM ACAL AUDITORES INDEPENDENTES S/S
CRC - RJ – 4080/O-9

A handwritten signature in blue ink, appearing to read 'Cláudio Silva Foch'.

Cláudio Silva Foch
Accountant CRC-RJ – 102.455/O-4

Porto Sudeste V.M. S.A.

Financial Statements
June 30, 2021 and December 31, 2020
(In Brazilian Reals)

	<u>Note</u>	<u>Jun/21</u>	<u>Dec/20</u>
Asset			
Current asset			
Cash and cash equivalent	4	25,980	37,766
Advance expenses		5,040	-
Taxes recoverable		2,810	2,784
Total current assets		<u>33,830</u>	<u>40,550</u>
Noncurrent assets			
Long-Term assets			
Variable-income securities – Port 11	5	59,715,268	54,119,525
Judicial deposits		139,237	139,237
Total noncurrent assets		<u>59,854,505</u>	<u>54,258,762</u>
Total assets		<u>59,888,335</u>	<u>54,299,312</u>
Liabilities			
Current liabilities			
Trade accounts payable	6	26,421	57,500
Tax and contributions payable		271	764
Total current liabilities		<u>26,692</u>	<u>58,264</u>
Noncurrent liabilities			
Variable-income securities – PVSM 11	5	59,715,268	54,119,525
Total noncurrent liabilities		<u>59,715,268</u>	<u>54,119,525</u>
Shareholders' Equity			
Capital	7	1,676,040	1,676,040
Future capital contribution	7	300,000	-
Accumulated losses		(1,848,304)	(1,575,295)
Cumulative translation adjustment (CTA)		18,639	20,778
Total equity		<u>146,375</u>	<u>121,523</u>
Total liabilities and shareholders' equity		<u>59,888,335</u>	<u>54,299,312</u>

See accompanying notes

Porto Sudeste V.M. S.A.

Statements of profit or loss
Periods ending June 30, 2021 and 2020
(In Brazilian Reais)

	Note	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Sales and service revenue		-	-	-	-
Costs of sales and services		-	-	-	-
Gross profit		-	-	-	-
General and administrative expense	8.1	(21,446)	(84,761)	27,446	(30,391)
Income before finance income and costs		(21,446)	(84,761)	27,446	(30,391)
Finance income	8.2	2,189	2,257	299	887
Finance cost	8.2	(159,346)	(190,505)	(38,955)	(76,823)
Finance income (costs)		(157,157)	(188,248)	(38,656)	(75,936)
Income (loss) before taxes		(178,603)	(273,009)	(11,210)	(106,327)
Income and social contribution taxes		-	-	-	-
Loss for the period		(178,603)	(273,009)	(11,210)	(106,327)

See accompanying notes.

Porto Sudeste V.M. S.A.

Statements of comprehensive income
Periods ending June 30, 2021 and 2020
(In Brazilian Reais)

	01/04/2021 a 30/06/2021	01/01/2021 a 30/06/2021	01/04/2020 a 30/06/2020	01/01/2020 a 30/06/2020
Loss for the period	(178,603)	(273,009)	(11,210)	(106,327)
Other comprehensive income				
Cumulative translation adjustment (CTA)	(15,823)	(2,139)	24,540	48,014
Total comprehensive income	(194,426)	(275,148)	13,330	(58,313)

See accompanying notes

Porto Sudeste V.M. S.A.

Statements of changes in equity
 Periods ending June 30, 2021 and 2020
 (In Brazilian Reals)

	Capital	Unpaid capital	Future capital contribution	Cumulative translation adjustment (CTA)	Accumulated losses	Total
Balances at December 31, 2019	1,276,940	(900)	200,000	(21,621)	(1,322,608)	131,811
Loss for the period	-	-	-	-	(106,327)	(106,327)
Future capital contribution	-	-	200,000	-	-	200,000
Cumulative translation adjustment (CTA)	-	-	-	48,013	-	48,013
Balances at June 30, 2020	1,276,940	(900)	400,000	26,392	(1,428,935)	273,497
Balances at December 31, 2020	1,676,940	(900)	-	20,778	(1,575,295)	121,523
Future capital contribution	-	-	300,000	-	-	300,000
Loss for the period	-	-	-	-	(273,009)	(273,009)
Cumulative translation adjustment (CTA)	-	-	-	(2,139)	-	(2,139)
Balances at June 30, 2021	1,676,940	(900)	300,000	18,639	(1,848,304)	146,375

See accompanying notes.

Porto Sudeste V.M. S.A.

Statements of cash flow
Periods ending June 30, 2021 and 2020
(In Brazilian Reais)

	<u>06/30/2021</u>	<u>06/30/2020</u>
Cash flows from operating activities		
Loss for the period before taxes	(273,009)	(106,327)
Foreign exchange differences	(2,087)	48,013
Changes in assets and liabilities		
Tax recoverable	(26)	(179)
Judicial deposits	-	(33,080)
Suppliers	(31,078)	(51,963)
Advance expenses	(5,093)	-
Tax and contributions payable	(493)	(24)
Net cash used in operation activities	<u>(311,786)</u>	<u>(143,560)</u>
Cash flows from financing activities		
Future capital contribution	300,000	200,000
Net cash provided by financing activities	<u>300,000</u>	<u>200,000</u>
Increase (decrease) in cash and cash equivalents	<u>(11,786)</u>	<u>56,440</u>
Statement of increase in cash and cash equivalents		
At beginning of period	37,766	102,717
At end of period	25,980	159,157
Increase (decrease) in cash and cash equivalents	<u>(11,786)</u>	<u>56,440</u>

See accompanying notes.

Porto Sudeste V.M. S.A.

Statements of value added
Periods ending June 30, 2021 and 2020
(In Brazilian Reais)

	<u>06/30/2021</u>	<u>06/30/2020</u>
Revenues		
Revenues	-	-
Inputs acquired from third parties (including ICMS and IPI) Materials, electric power, third-party services and other expenses	(84,761)	(30,391)
Gross value added	<u>(84,761)</u>	<u>(30,391)</u>
Value added received in transfer		
Finance income	2,257	936
Total value added to be distributed	<u>(82,504)</u>	<u>(29,455)</u>
Distribution of value added		
Interest	190,505	76,872
Equity remuneration	(273,009)	(106,327)
Loss for the period	<u>(82,504)</u>	<u>(29,455)</u>

See accompanying notes.

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
June 30, 2021
(In Brazilian Reals)

1. Operations

Porto Sudeste V.M S.A. (the “Company”) was incorporated on July 16, 2013 and is engaged in holding interest in other companies, both in Brazil and abroad, as owner, shareholder or member, either permanently or temporarily, as a parent company or non-controlling interest.

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 “Porto Sudeste” port terminal, and engaged in 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”). Its construction began in July 2010, and the Company started its operations on a commissioning basis in August 2015 and commercially in January 2016.

At June 30, 2021, the Company recorded loss of R\$ 237,009 for the semester and an accumulated loss of R\$ 1,848,304. The Company ended the second quarter of 2021 with a cash position of potential R\$ 25,980

Its parent company, Porto Sudeste, depends on the capital contribution from controlling shareholders to fund certain senior debt obligations that cannot be paid with cash from operating activities. Such obligations include payment of bank guarantees and non-maintenance Capex. Management expects that these obligations over the following 12 months will amount to approximately US\$ 25 million. The parent company Porto Sudeste understands that shareholders will provide the necessary funds.

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 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 over 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 security backed by Port11 Securities in exchange. The Company assumed the portion of outstanding MMXM11 Securities (i) that did not classify as qualified investors, or (ii) would have had regulatory restrictions to hold infrastructure investment fund shares (FIP-IE), as in the case of 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 completion of that issue was contingent on the secondary public offering of royalty-based variable-income securities to be performed by MMX.

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

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
June 30, 2021
(In Brazilian Reals)

1. Operations (Continued)

(Port11).

The holders of the securities mentioned above are entitled, as from January 1, 2013, to quarterly variable income, calculated based on metric tons of iron ore and other cargo shipped at the 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, 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 those securities' deeds available on the Company's website and filed with the Brazilian Securities and Exchange Commission (CVM).

The measurements of variable remuneration securities with the appropriate accounting impacts are described in Note 5.

Covid-19

The Company's management has been monitoring the effects of the new Coronavirus (Covid-19) on its operations. There were no relevant impacts on our operations. The Company's management understands that this impact is being mitigated by the sharp increase in the price of iron ore and the high exchange rate. Given the fluidity and speed of development of the pandemic, management, together with its shareholders, continues to work on the assessment of mitigation measures in order to avoid significant impacts on the business in the short, medium and long term.

In this sense, the short-term cash flow is being monitored, maintaining a strict discipline on working capital, particularly in relation to the collection of accounts receivable and the management of inventory formation, through regular contact with suppliers for identification of any potential risks.

2. Basis of preparation and presentation of interim financial information

a) Interim financial information

This quarterly information was prepared and is presented in accordance with the Brazilian Financial Accounting Standards Board (CPC) pronouncement CPC 21 (R1) - Interim Financial Reporting and the International Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB). This information is presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information Form (ITR).

In addition, the Company considered the guidelines issued by the Technical Guideline OCPC 07, issued by CPC in November 2014, in the preparation of its financial statements. Accordingly, the relevant information in the financial statements is being disclosed, and corresponds to that used by Management in its management.

The Company Management authorized the completion of these financial statements on August 10, 2021.

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
June 30, 2021
(In Brazilian Reais)

2. Basis of preparation and presentation of interim financial information (Continued)

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 to US Dollars from Brazilian Reais. Accordingly, Porto Sudeste V.M.S.A. in line with the change in the functional currency of its controlling shareholder, also changed its functional currency to the US Dollar on January 1, 2016. Accordingly, pursuant to Brazilian legislation and CPC 02 – The effects of changes in foreign exchange rates and translation of financial statements, the interim financial information is presented in Brazilian Reais (R\$), by translating the functional currency to the reporting currency (Brazilian Reais). Assets and liabilities are translated at the closing exchange rate for the period; the statements of profit or loss are stated at the exchange rate prevailing on the date of the event; and equity at historical build-up cost.

d) Statement of cash flow

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

e) Statement of value added

The Company prepared Statements of Value Added (SVA), which are presented as an integral part of the interim financial information in accordance with accounting practices adopted in Brazil applicable to publicly traded companies, while under IFRS SVA represents supplementary information.

f) Accounting estimates

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

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
June 30, 2021
(In Brazilian Reals)

3. Summary of significant accounting practices and estimates

In preparing this interim financial information the accounting practices described below have been applied consistently by the Company to all periods presented in this interim financial information.

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 profit or loss. The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows and the business model for the management of these 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.

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 losses ("impairment") to be recognized in the period presented.

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
June 30, 2021
(In Brazilian Reals)

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

3.1. Financial instruments (Continued)

a) Financial assets (Continued)

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 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.

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 short-term investment readily convertible into a known cash amount and subject to insignificant risk of change in value. Accordingly, an investment normally qualifies as a cash equivalent when it is redeemable in the short term, e.g. within 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 past events, 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. The assessment on the likelihood of loss includes evaluation of available evidence, the hierarchy of laws, available case laws and the most recent court decisions and their relevance in legal system, as well as the opinion of 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 issues or court decisions.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the interim financial information due to uncertainties inherent

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
June 30, 2021
(In Brazilian Reais)

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

3.3. Provisions (including contingencies) (Continued)

in the estimation process. The Company management reviews its estimates and assumptions at least on an annual basis.

3.4. Leases

The Company assesses, on the contract start date, whether this contract is or contains a lease. That is, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

Short-term leases and low-value assets

The Company applies the exemption from recognition of short-term leases to its short-term leases of machinery and equipment (that is, leases whose lease term is equal to or less than 12 months from the start date and which do not contain an option to purchase). It also applies the attribution of exemption from recognition of low value assets to leases of office equipment consider to be of low value. Short-term lease and low-value lease payments are spent as an expensive using the straight-line method over the lease term.

The Company does not have lease agreements

4. Cash and cash equivalents

	<u>06/30/2021</u>	<u>12/31/2020</u>
Cash and Banks	25,980	37,766
	<u>25,980</u>	<u>37,766</u>

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 the control of Porto Sudeste, until then exercised by MMX Mineração e Metálicos SA ("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 *tricker* MMXM11 ("MMXM11 Securities"). In this context, Porto Sudeste issued, on February 26, 2014, Variable Remuneration Perpetual Securities ("TPRV"), 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

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
June 30, 2021
(In Brazilian Reals)

5. Variable income securities (Continued)

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 investment fund, which, at the time of the offer, held in its portfolio, exclusively, Port11 Securities - each Port11 Securities held by the PSR corresponded to a share. The PSR shares were offered to holders of MMXM11 Securities who qualified as qualified investors, under the terms of CVM regulations, and who had no restrictions to hold PSR shares;
- (ii) Porto Sudeste VM S.A. (“Porto VM”): A joint stock company registered with the CVM under category 'b' that has issued a new variable remuneration security based on royalties, mirror of the MMXM11 Security (the “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) did not qualify as qualified investors, or (ii) had regulatory restrictions to hold shares of a FIP-IE - as is the case of some investment funds.

In order to address 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.

The holders of Port 11 securities are entitled to variable quarterly remuneration, as defined in the indenture of the P11 Securities (“Royalties”), calculated since January 1, 2013, and 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 at the Port for the respective quarter

TMOOC = Ton of Other Cargoes shipped at the Port for the respective quarter

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

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

FP = Proportional Factor

For iron ore loads: The royalties related to iron ore loads shipped on Port in a certain calendar 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

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
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(In Brazilian Reais)

5. Variable income securities (Continued)

2010; and (ii) converted into Brazilian 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 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 Brazilian 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 chart below:

Iron Ore	2013	2014	2015	2016	2017	2018	2019	2020	Jun/21 YTD
Tm	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. The chart below indicates the tonnage carried out by the Sudeste Port of Brazil, with the start of operations in 2016, after commissioning carried out in 2015:

Iron Ore	2013	2014	2015	2016	2017	2018	2019	2020	Jun/21 YTD
Tm	-	-	-	7,1	9,5	10,7	16,4	18,7	9,8

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 certain 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").

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
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5. Variable income securities (Continued)

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 loan, 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 IRPJ - Corporate Income Tax, CSLL - Social Contribution on Net Income and other obligations for which the independent auditors of Porto Sudeste do Brasil require a provision.

On June 30, 2021, Porto Sudeste do Brasil performed the financial calculations and identified that there was not enough cash generation to pay royalties to holders of Port11 Securities. 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 presented in the Balance Sheet is different from the amount of Accrued Royalties until this quarter. Porto Sudeste VM, in turn, accounts for 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.

These Port11 securities are measured in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, based on the projected cash flow of future disbursements related to these securities, discounting the rate of 11.12% per year. These projections are based on the business plan of Porto Sudeste do Brasil, which includes assumptions related to the growth of iron ore exports from the quadrilateral of Minas Gerais, market share of Porto Sudeste do Brasil, volumes of ore originated by mines belonging to the its shareholders, commodity price expectations, among others.

In June 30, 2021, the present value of discounted future cash flow was US\$ 2,802,776,928, which converted to Reais totaled R\$ 14,020,050,749 (compared to US\$ 2,445,065,707 on December 31, 2020, which converted to Reais totaled R\$ 12,706,272,959). Of these totals, the amounts corresponding to PSVM11 securities are represented on the base date of June 30, 2021 at US\$ 11,937,800, which, converted to reais, totaled R\$ 59,715,268 (compared to US\$ 10,414,210 on December 31, 2020, which converted to reais totaled R\$ 54,119,525).

6. Trade accounts payable

	<u>06/30/2021</u>	<u>12/31/2020</u>
Publishing expenses	-	48,000
Services expenses	7,563	-
Audit fees	18,858	9,500
	<u>26,421</u>	<u>57,500</u>

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
June 30, 2021
(In Brazilian Reais)

7. Shareholders' Equity

a) Capital

As of December 31, 2018, the subscribed capital is represented by 6,051,410 common shares (same amount for December 31, 2017), nominative and without par value, of which 9,000 shares are to be paid in, wholly held by Porto Sudeste do Brasil S.A.

On February 28, 2019, the amount of R \$ 670,000.00 received as an advance for future capital increase was paid in with the issue of shares of 4,054,438,670 common shares, with a unit issue price of R \$ 0.0002. After the referred capital increase, the Company will have the subscribed capital of R\$ 1,276,040.10, divided into 4,060,490,071.00 shares wholly owned by Porto Sudeste do Brasil S.A.

On December 28, 2020, the amount of R\$ 400,000.00 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 will have the subscribed capital of R\$ 1,676,040.10 divided into 5,333,330,970.00 shares wholly owned by Porto Sudeste do Brasil S.A.

b) Future capital contribution

In February 2021, the Company receives from its parent company Porto Sudeste do Brasil S.A., as an advance for future capital increase, the amount of R\$100,000.

In April 2021, the Company receives from its parent company Porto Sudeste do Brasil S.A. as an advance for future capital increase the amount of R\$200,000, of which R\$150,000 on April 16 and R\$50,000 on April 22, 2021.

c) Cumulative translation adjustment (CTA)

The Company has R\$ 18.639 related to the cumulative translation adjustments on June 30, 2021, related to the conversion of the functional currency (dollar) into Company's (real) presentation currency, in compliance with technical pronouncement CPC 02.

8. Expenses by nature

8.1. Administrative expenses by nature:

	<u>06/30/2021</u>	<u>06/30/2020</u>
Audit fees	(36,000)	(19,037)
Lawyers' fees	-	(4,321)
Third-party services	(456)	(809)
Others	(48,305)	(6,224)
	<u>(84,761)</u>	<u>(30,391)</u>

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
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8. Expenses by nature (Continued)

8.2. Financial Income

	<u>06/30/2021</u>	<u>06/30/2020</u>
Financial Expenses		
Bank fees	(190,007)	(28,810)
Interest	(498)	-
Foreign exchange	-	(48,013)
	<u>(190,505)</u>	<u>(76,823)</u>
Financial Income		
Income on financial investments	170	887
Foreign exchange	2,087	-
	<u>2,257</u>	<u>887</u>
Net Financial Income	<u>(188,248)</u>	<u>(75,936)</u>

9. Provision for contingencies

The Company is a defendant in three labor claims filed by former employees who worked on the construction of the Porto Sudeste port terminal, a project of its parent company, Porto Sudeste do Brasil S.A.

The Company never contracted with such companies or their employees, nor did it participate in the construction or operation of the Porto Sudeste terminal, however it was included in the hub liability of such actions due to the choice of claimants, potentially due to the similarity between the corporate name of the two companies.

The recognition of the Company's passive illegitimacy, with its consequent exclusion from the passive pole, depends on judicial authorization, which may be granted by the court or not. In the case of the actions referred to herein exclude the Company from the liability, however, it was not authorized.

10. Subsequent events

a) Advance for future capital increase

On July 7, 2021, the Company received from its parent company Porto Sudeste do Brasil S.A., the amount of R\$ 300,000, as an advance for future capital increase.

Porto Sudeste V.M. S.A.

Notes to Interim Financial Information
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(In Brazilian Reals)

10. Subsequent events (Continued)

b) Senior Debt Refinancing

In April and June 2021, the parent company Porto Sudeste completed the second refinancing of senior debts related to financing agreements with creditors BNDES, Bradesco and CESCE/Natixis/BTG. These refinancing included, among others: (a) updating the index from TJLP to TLP; (b) extension of the grace period until 12/31/2023; (c) extension of the maturity term until 12/15/2036 (plus 7 years) for BNDES and Bradesco contracts and until 12/15/2029 (plus 6 years) for CESCE/Natixis/BTG contracts; (d) change in the periodicity of payment of amortization and interest from monthly to quarterly; (e) change in the amortization schedule from constant to non-linear; (f) maintenance of the cash sweep mechanism under the same terms during the grace period and with limitations related to the leverage level and pre-refinancing schedule after the grace period; and (g) updating of certain indicators and covenants.

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 Roldao - Chief Financial and Investor Relations Officer

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