

Quarterly Financial Information - ITR

Santos Brasil Participações S.A.

June 30, 2021

Contents

Company Information

Capital Composition	1
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Individual Financial Statements

Statement of Financial Position - Assets	2
Statement of Financial Position - Liabilities.....	3
Statement of Profit or Loss	5
Statement of Comprehensive Income (Loss).....	6
Statement of Cash Flows	7
Statement of Changes in Shareholders' Equity	
Statement of Changes in Shareholders' Equity - 01/01/2021 to 06/30/2021	9
Statement of Changes in Shareholders' Equity - 01/01/2020 to 06/30/2020	10
Statement of Value Added	11

Consolidated Financial Statements

Statement of Financial Position - Assets	12
Statement of Financial Position - Liabilities.....	13
Statement of Profit or Loss	15
Statement of Comprehensive Income (Loss).....	16
Statement of Cash Flows	17
Statement of Changes in Shareholders' Equity	
Statement of Changes in Shareholders' Equity - 01/01/2021 to 06/30/2021	19
Statement of Changes in Shareholders' Equity - 01/01/2020 to 06/30/2020	20
Statement of Value Added	21
Comments on Performance.....	22
Notes	34
Comments on the Behavior of Business Projections	92
Other Information of the Company Deems to be Relevant.....	93

Opinions and Statements

Special Review Report - Unqualified	94
Fiscal Council Opinion or Equivalent Body	96
Statement of the Executive Board on the Financial Statements.....	97
Statement of the Executive Board on the Independent Auditor's Report.....	98

Company Information / Capital Composition

Number of Shares (Thousand)	Current Quarter 06/30/2021
Paid-in Capital	
Common	862,478
Preferred	0
Total	862,478
Treasury	
Common	419
Preferred	0
Total	419

Individual Financial Statements / Statement of Financial Position - Assets

(In thousands of reais)

Account Code	Account Description	Current Quarter 06/30/2021	Prior Year 12/31/2020
1	Total Assets	4,136,187	3,892,710
1.01	Current Assets	1,074,745	1,010,417
1.01.01	Cash and Cash Equivalents	479,728	460,346
1.01.02	Marketable Securities	431,006	426,598
1.01.02.01	Marketable Securities Measured at Fair Value Through Profit or Loss	431,006	426,598
1.01.02.01.02	Fair Value Securities	431,006	426,598
1.01.03	Accounts Receivable	134,237	89,899
1.01.03.01	Trade Accounts Receivable	134,237	89,899
1.01.04	Inventories	21,090	20,570
1.01.06	Recoverable Taxes	586	828
1.01.06.01	Current Taxes Recoverable	586	828
1.01.08	Other Current Assets	8,098	12,176
1.01.08.03	Other	8,098	12,176
1.01.08.03.01	Dividends Receivable / Proposed	0	6,120
1.01.08.03.03	Other Accounts Receivable	8,098	6,056
1.02	Non-Current Assets	3,061,442	2,882,293
1.02.01	Long-Term Assets	393,080	388,446
1.02.01.07	Deferred Taxes	65,104	71,128
1.02.01.07.01	Deferred Income and Social Contribution Taxes	65,104	71,128
1.02.01.10	Other Non-Current Assets	327,976	317,318
1.02.01.10.04	Judicial Deposits	304,268	295,734
1.02.01.10.05	Other Assets	23,708	21,584
1.02.02	Investments	406,588	404,677
1.02.02.01	Equity Interest	406,588	404,677
1.02.02.01.02	Interest in Subsidiaries	406,588	404,677
1.02.03	Property, Plant and Equipment	91,838	92,549
1.02.03.01	Property, Plant and Equipment in Use	78,941	82,853
1.02.03.02	Right-of-Use Asset	2,003	2,265
1.02.03.03	Construction in Progress	10,894	7,431
1.02.04	Intangible Assets	2,169,936	1,996,621
1.02.04.01	Intangible Assets	2,169,936	1,996,621
1.02.04.01.01	Concession Agreement	1,801,140	1,709,787
1.02.04.01.02	Other Intangible Assets	368,796	286,834

Individual Financial Statements / Statement of Financial Position - Liabilities

(In thousands of reais)

Account Code	Account Description	Current Quarter 06/30/2021	Prior Year 12/31/2020
2	Total Liabilities	4,136,187	3,892,710
2.01	Current Liabilities	313,477	224,699
2.01.01	Social and Labor Obligations	39,691	34,398
2.01.01.01	Social Obligations	5,365	4,884
2.01.01.02	Labor Obligations	34,326	29,514
2.01.02	Suppliers	49,490	39,076
2.01.02.01	Domestic Suppliers	44,866	34,996
2.01.02.02	Foreign Suppliers	4,624	4,080
2.01.03	Tax Liabilities	21,403	12,150
2.01.03.01	Federal Tax Liabilities	15,703	8,283
2.01.03.01.01	Income and Social Contribution Taxes Payable	9,361	2,434
2.01.03.01.02	Other Federal Tax Liabilities	6,342	5,849
2.01.03.02	State Tax Liabilities	64	24
2.01.03.03	Municipal Tax Liabilities	5,636	3,843
2.01.04	Loans and Financing	75,735	42,333
2.01.04.01	Loans and Financing	40,088	40,142
2.01.04.01.01	In Local Currency	40,088	40,142
2.01.04.02	Debentures	35,647	2,191
2.01.05	Other Liabilities	127,158	96,742
2.01.05.02	Other	127,158	96,742
2.01.05.02.01	Dividends and Interest on Own the Capital Payable	18	18
2.01.05.02.05	Obligations with the Concession Grantor	126,589	96,142
2.01.05.02.06	Lease	505	536
2.01.05.02.07	Other Liabilities	46	46
2.02	Non-Current Liabilities	1,630,361	1,570,801
2.02.01	Loans and Financing	264,140	316,185
2.02.01.01	Loans and Financing	0	20,000
2.02.01.01.01	In Local Currency	0	20,000
2.02.01.02	Debentures	264,140	296,185
2.02.02	Other Liabilities	1,331,508	1,220,264
2.02.02.02	Other	1,331,508	1,220,264
2.02.02.02.04	Actuarial Liabilities - Supplementary Health Care Plan	60,293	58,197
2.02.02.02.05	Suppliers	15,021	15,021
2.02.02.02.06	Taxes on Billing - Bonded Warehouses	60,751	57,836
2.02.02.02.07	Obligations with the Concession Grantor	1,193,917	1,087,476
2.02.02.02.08	Lease	1,526	1,734
2.02.04	Provisions	34,713	34,352
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	34,713	34,352
2.02.04.01.01	Tax Provisions	10,596	10,529
2.02.04.01.02	Social Security and Labor Provisions	20,886	21,061
2.02.04.01.04	Civil Provisions	2,378	2,054
2.02.04.01.05	Other Provisions	853	708
2.03	Shareholders' Equity	2,192,349	2,097,210
2.03.01	Paid-in Capital	1,871,895	1,871,895
2.03.02	Capital Reserves	60,437	58,170
2.03.02.02	Special Goodwill Reserve upon Merger	18.897	18.897

Individual Financial Statements / Statement of Financial Position - Liabilities

(In thousands of reais)

Account Code	Account Description	Current Quarter 06/30/2021	Prior Year 12/31/2020
2.03.02.04	Options Granted	69,907	67,603
2.03.02.07	Income (Loss) from Disposal of Treasury Shares	-3,614	-3,577
2.03.02.08	Cost for the Issue of New Shares	-24,753	-24,753
2.03.04	Profit Reserves	194,096	192,548
2.03.04.01	Legal Reserve	55,364	55,364
2.03.04.10	Legal Reserve for Investments	140,088	140,088
2.03.04.11	Repurchase of Shares	-1,354	-2,901
2.03.04.12	Costs in Repurchase of Share	-2	-3
2.03.05	Retained Earnings / Accumulated Losses	91,324	0
2.03.08	Other Comprehensive Income (Loss)	-25,403	-25,403

Individual Financial Statements / Statement of Profit or Loss

(In thousands of reais)

Account Code	Account Description	Current Quarter	Accumulated of the	Same Quarter of the	Accumulated of the
		04/01/2021 to 06/30/2021	Current Year 01/01/2021 to 06/30/2021	Prior Year 04/01/2020 to 06/30/2020	Prior Year 01/01/2020 to 06/30/2020
3.01	Operating Revenues from Sales of Goods and/or Services	259,265	462,774	137,674	270,680
3.02	Cost of Goods and/or Services Sold	-147,662	-274,867	-114,693	-224,705
3.03	Gross Income (Loss)	111,603	187,907	22,981	45,975
3.04	Operating expenses (income)	-17,516	-39,012	-21,617	-47,934
3.04.01	Sales Expenses	-15,945	-28,384	-10,011	-20,685
3.04.01.01	Allowance for Expected Credit Losses and Bad Debt Losses	-5,417	-10,091	-3,911	-8,926
3.04.01.02	Other Selling Expenses	-10,528	-18,293	-6,100	-11,759
3.04.02	General and Administrative Expenses	-17,098	-38,041	-17,900	-39,353
3.04.02.01	Amortization of Goodwill	-871	-1,743	-871	-1,743
3.04.02.02	Other General and Administrative Expenses	-16,227	-36,298	-17,029	-37,610
3.04.04	Other Operating Income	3,513	8,304	4,744	10,130
3.04.05	Other Operating Expenses	-212	-1,124	-1,205	-1,081
3.04.06	Equity Pickup	12,226	20,233	2,755	3,055
3.05	Income (Loss) Before Finance Income (Costs) and Taxes	94,087	148,895	1,364	-1,959
3.06	Financial Income (Costs)	-7,825	-18,162	-15,150	-31,117
3.06.01	Financial Income	7,436	12,019	833	1,241
3.06.02	Financial Costs	-15,261	-30,181	-15,983	-32,358
3.07	Income (Loss) Before Income Taxes	86,262	130,733	-13,786	-33,076
3.08	Income and Social Contribution Taxes	-25,864	-39,409	4,394	10,463
3.08.01	Current	-21,850	-33,385	-341	-807
3.08.02	Deferred	-4,014	-6,024	4,735	11,270
3.09	Net Income (Loss) from Continued Operations	60,398	91,324	-9,392	-22,613
3.11	Income / Loss for the Period	60,398	91,324	-9,392	-22,613
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.07006	0.10594	-0.01406	-0.03386
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.06977	0.10550	-0.01398	-0.03365

Individual Financial Statements / Statement of Comprehensive Income (Loss)

(In thousands of reais)

Account Code	Account Description	Current Quarter	Accumulated of the	Same Quarter of the	Accumulated of the
		04/01/2021 to 06/30/2021	Current Year 01/01/2021 to 06/30/2021	Prior Year 04/01/2020 to 06/30/2020	Prior Year 01/01/2020 to 06/30/2020
4.01	Net Income for the Period	60,398	91,324	-9,392	-22,613
4.03	Comprehensive Income (Loss) for the Period	60,398	91,324	-9,392	-22,613

Individual Financial Statements / Statement of Cash Flows - Indirect Method

(In thousands of reais)

Account Code	Account Description	Accumulated of the Current Year 01/01/2021 to 06/30/2021	Accumulated of the Prior Year 01/01/2020 to 06/30/2020
6.01	Net Cash from Operational Activities	103,708	33,561
6.01.01	Cash Generated from Operations	221,655	68,933
6.01.01.01	Income (Loss) Before Taxes and Profit Sharing	130,733	-33,076
6.01.01.02	Stock Option Plan / Long-Term Incentive	2,816	2,260
6.01.01.03	Equity Pickup	-20,233	-3,055
6.01.01.05	Depreciation and Amortization	64,725	50,492
6.01.01.06	Interest on Debentures	2,281	5,390
6.01.01.07	Calculated Interests on Loans and Borrowings	558	1,325
6.01.01.09	Interest on Marketable Securities	-5,694	1,047
6.01.01.10	Interest on Leases - Rents	61	7
6.01.01.16	Recognition (Reversal) of Provision for Contingencies	8,779	8,241
6.01.01.17	Write-off and Income (Loss) on the Sale of Permanent Assets	728	1,244
6.01.01.18	Post-Employment Benefits - Health Care Plans	2,096	2,747
6.01.01.19	Provision/reversal of Expected Credit Losses and Bad Debt Losses	10,091	8,926
6.01.01.20	Interest on Obligations with the Concession Grantor	24,714	23,385
6.01.02	Changes in Assets and Liabilities	-46,460	-4,041
6.01.02.01	(Increase) Decrease in Accounts Receivable	-54,429	-17,925
6.01.02.02	(Increase) Decrease in Inventories	-520	-308
6.01.02.03	(Increase) Decrease in Current Tax Assets Recoverable	242	-1,379
6.01.02.05	(Increase) Decrease in Judicial Deposits	-8,534	-8,748
6.01.02.07	(Increase) Decrease in Other Assets	-4,166	258
6.01.02.11	Increase (Decrease) in Suppliers	10,414	3,072
6.01.02.12	Increase (Decrease) in Wages and Social Charges	5,293	13,556
6.01.02.13	Increase (Decrease) in Taxes, Rates and Contributions	2,325	5,043
6.01.02.15	Increase (Decrease) in Taxes on Billing - Bonded Warehouse	2,915	2,390
6.01.03	Other	-71,487	-31,331
6.01.03.01	Income and Social Contribution Taxes Paid	-26,456	0
6.01.03.04	Write-off of Payment Contingencies	-8,418	-5,045
6.01.03.05	Payments of Obligations with the Concession Grantor	-36,613	-26,286
6.02	Net Cash used / from Investing Activities	-59,216	69,207
6.02.01	Acquisition of Property, Plant and Equipment / Intangible Assets	-89,274	-105,459
6.02.02	Disposal of Property, Plant and Equipment	48	155
6.02.04	Increase in Investments in Subsidiaries	-40	-130
6.02.05	Marketable Securities	1,286	158,020
6.02.06	Dividends and Interest on Equity Received	24,482	14,529
6.02.07	Interest on Capitalized Loans	4,282	2,092
6.03	Net Cash used in Financing Activities	-25,110	-20,687
6.03.01	Borrowings	-17	-15
6.03.02	Payments of Debentures, Loans and Financing	-20,038	-38
6.03.03	Dividends and Interest on Equity Paid	0	-11,680
6.03.04	Receipt of Exercised Options	998	977
6.03.06	Interest Paid on of Debentures, Loans and Financing	-5,709	-9,860
6.03.12	Payments of Leases - Rents	-344	-71
6.05	Increase (Decrease) in Cash and Cash Equivalents	19,382	82,081

Individual Financial Statements / Statement of Cash Flows - Indirect Method**(In thousands of reais)**

Account Code	Account Description	Accumulated of the Current Year	Accumulated of the Prior Year
		01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020
6.05.01	Opening Balance of Cash and Cash Equivalents	460,346	108,462
6.05.02	Closing Balance of Cash and Cash Equivalents	479,728	190,543

Individual Financial Statements / Statement of Changes in Shareholders' Equity / SCE - 01/01/2021 to 06/30/2021

(In thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings / Accumulated Losses	Other comprehensive Income (Loss)	Shareholders' Equity
5.01	Opening Balances	1,871,895	58,170	192,548	0	-25,403	2,097,210
5.03	Adjusted Opening Balances	1,871,895	58,170	192,548	0	-25,403	2,097,210
	Capital Transactions with						
5.04	Shareholders'	0	2,267	1,548	0	0	3,815
5.04.03	Recognized Options Granted	0	2,304	0	0	0	2,304
5.04.10	Stock Options Exercised	0	0	1,548	0	0	1,548
5.04.13	Income (Loss) from Disposal of						
	Treasury Shares	0	-37	0	0	0	-37
5.05	Total Comprehensive Income	0	0	0	91,324	0	91,324
5.05.01	Net Income for the Period	0	0	0	91,324	0	91,324
5.07	Closing Balances	1,871,895	60,437	194,096	91,324	-25,403	2,192,349

Individual Financial Statements / Statement of Changes in Shareholders' Equity / SCE - 01/01/2020 to 06/30/2020

(In thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income (Loss)	Shareholders' Equity
5.01	Opening Balances	1,081,907	84,458	210,342	0	-24,323	1,352,384
5.03	Adjusted Opening Balances	1,081,907	84,458	210,342	0	-24,323	1,352,384
5.04	Capital Transactions with Shareholders'	0	2,400	-7,196	0	0	-4,796
5.04.03	Recognized Options Granted	0	2,128	0	0	0	2,128
5.04.08	Proposed Additional Dividends	0	0	-8,033	0	0	-8,033
5.04.10	Stock Options Exercised	0	0	837	0	0	837
5.04.13	Income (Loss) from Disposal of Treasury Shares	0	272	0	0	0	272
5.05	Total Comprehensive Income (Loss)	0	0	0	-22,613	0	-22,613
5.05.01	Net Income for the Period	0	0	0	-22,613	0	-22,613
5.07	Closing Balances	1,081,907	86,858	203,146	-22,613	-24,323	1,324,975

Individual Financial Statements / Statement of Value Added

(In thousands of reais)

Account Code	Account Description	Accumulated of the	Accumulated of the
		Current Year 01/01/2021 to 06/30/2021	Prior Year 01/01/2020 to 06/30/2020
7.01	Operating Revenues	519,375	307,502
7.01.01	Sale of Goods, Products and Services	521,162	306,298
7.01.02	Other Revenues	8,304	10,130
7.01.04	Provision / Reversal of Allowance for Doubtful Accounts	-10,091	-8,926
7.02	Inputs Acquired from Third-Parties	-113,673	-94,302
7.02.01	Costs of Products, Goods and Services Sold	-48,415	-34,969
7.02.02	Materials, Energy, Third-Party Services and Other	-64,134	-58,252
7.02.04	Other	-1,124	-1,081
7.03	Gross Value Added	405,702	213,200
7.04	Retentions	-64,725	-50,492
7.04.01	Depreciation, Amortization and Depletion	-64,725	-50,492
7.05	Net Value Added Produced	340,977	162,708
7.06	Value Added Received as Transfer	32,252	4,296
7.06.01	Equity Pickup	20,233	3,055
7.06.02	Financial Income	12,019	1,241
7.07	Total Value Added to be Distributed	373,229	167,004
7.08	Distribution of Value Added	373,229	167,004
7.08.01	Personnel	137,240	117,133
7.08.01.01	Direct Compensation	105,997	87,214
7.08.01.02	Benefits	25,117	24,121
7.08.01.03	Severance Pay Fund (FGTS)	6,126	5,798
7.08.02	Taxes, Duties and Contributions	112,346	38,445
7.08.02.01	Federal	85,803	22,821
7.08.02.02	State	49	54
7.08.02.03	Municipal	26,494	15,570
7.08.03	Third-Party Capital Remuneration	32,319	34,039
7.08.03.01	Interest	30,181	32,358
7.08.03.02	Rentals	2,138	1,681
7.08.04	Remuneration of Own Capital	91,324	-22,613
7.08.04.03	Retained Earnings / Loss for the Period	91,324	-22,613

Consolidated Financial Statements / Statement of Financial Position - Assets**(In thousands of reais)**

Account Code	Account Description	Current Quarter 06/30/2021	Prior Year 12/31/2020
1	Total Assets	4,520,069	4,229,264
1.01	Current Assets	1,322,324	1,239,116
1.01.01	Cash and Cash Equivalents	668,041	643,861
1.01.02	Marketable Securities	431,006	426,598
	Marketable Securities Measured at Fair Value Through Profit		
1.01.02.01	or loss	431,006	426,598
1.01.02.01.02	Fair Value Securities	431,006	426,598
1.01.03	Accounts Receivable	184,469	130,883
1.01.03.01	Trade Accounts Receivable	184,469	130,883
1.01.04	Inventories	25,362	24,293
1.01.06	Recoverable Taxes	2,898	4,588
1.01.06.01	Current Taxes Recoverable	2,898	4,588
1.01.08	Other Current Assets	10,548	8,893
1.01.08.03	Other	10,548	8,893
1.01.08.03.02	Other Accounts Receivable	10,548	8,893
1.02	Non-Current Assets	3,197,745	2,990,148
1.02.01	Long-Term Assets	418,824	416,331
1.02.01.07	Deferred Taxes	73,598	81,744
1.02.01.07.01	Deferred Income and Social Contribution Taxes	73,598	81,744
1.02.01.10	Other Non-Current Assets	345,226	334,587
1.02.01.10.04	Judicial Deposits	312,524	304,284
1.02.01.10.05	Court-Ordered Debt Payments Receivable	6,182	5,896
1.02.01.10.07	Other Assets	26,520	24,407
1.02.03	Property, Plant and Equipment	240,674	234,135
1.02.03.01	Property, Plant and Equipment in Use	170,573	177,055
1.02.03.02	Right-of-Use Asset	47,432	39,610
1.02.03.03	Construction in Progress	22,669	17,470
1.02.04	Intangible Assets	2,538,247	2,339,682
1.02.04.01	Intangible Assets	2,538,247	2,339,682
1.02.04.01.01	Concession Agreement	2,127,561	1,998,730
1.02.04.01.02	Other Intangible Assets	410,686	340,952

Consolidated Financial Statements / Statement of Financial Position - Liabilities

(In thousands of reais)

Account Code	Account Description	Current Quarter 06/30/2021	Prior Year 12/31/2020
2	Total Liabilities	4,520,069	4,229,264
2.01	Current Liabilities	403,051	296,386
2.01.01	Social and Labor Obligations	50,407	43,531
2.01.01.01	Social Obligations	7,237	6,830
2.01.01.02	Labor Obligations	43,170	36,701
2.01.02	Suppliers	83,813	67,822
2.01.02.01	Domestic Suppliers	79,171	63,736
2.01.02.02	Foreign Suppliers	4,642	4,086
2.01.03	Tax liabilities	30,509	18,721
2.01.03.01	Federal Tax liabilities	21,762	12,332
2.01.03.01.01	Income and Social Contribution Taxes Payable	11,579	3,387
2.01.03.01.03	Other Federal Tax Liabilities	10,183	8,945
2.01.03.02	State Tax Liabilities	359	430
2.01.03.03	Municipal Tax Liabilities	8,388	5,959
2.01.04	Loans and Financing	86,663	53,420
2.01.04.01	Loans and Financing	45,421	45,864
2.01.04.01.01	In Local Currency	40,720	40,773
2.01.04.01.02	In Foreign Currency	4,701	5,091
2.01.04.02	Debentures	41,242	7,556
2.01.05	Other Liabilities	151,659	112,892
2.01.05.02	Other	151,659	112,892
2.01.05.02.01	Dividends and interest on own capital Payable	18	18
2.01.05.02.08	Obligations with the Concession Grantor	137,428	104,239
2.01.05.02.09	Lease	14,166	8,587
2.01.05.02.10	Other Liabilities	47	48
2.02	Non-Current Liabilities	1,924,669	1,835,668
2.02.01	Loans and Financing	324,047	379,774
2.02.01.01	Loans and Financing	9,521	32,955
2.02.01.01.01	In Local Currency	463	20,773
2.02.01.01.02	In Foreign Currency	9,058	12,182
2.02.01.02	Debentures	314,526	346,819
2.02.02	Other Liabilities	1,551,081	1,406,874
2.02.02.02	Other	1,551,081	1,406,874
2.02.02.02.07	Actuarial Liabilities - Supplementary Health Care Plan	79,450	76,494
2.02.02.02.08	Suppliers	15,021	15,021
2.02.02.02.09	Taxes on Billing - Bonded Warehouses	60,751	57,836
2.02.02.02.10	Obligations with the Concession Grantor	1,353,207	1,217,857
2.02.02.02.11	Lease	36,471	33,770
2.02.02.02.12	Other Liabilities	6,181	5,896
2.02.03	Deferred Taxes	6,407	7,312
2.02.03.01	Deferred Income and Social Contribution Taxes	6,407	7,312
2.02.04	Provisions	43,134	41,708
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	43,134	41,708
2.02.04.01.01	Tax Provisions	16,297	16,212
2.02.04.01.02	Social Security and Labor Provisions	22,830	22,660
2.02.04.01.04	Civil Provisions	2,394	2,069

Consolidated Financial Statements / Statement of Financial Position - Liabilities

(In thousands of reais)

Account Code	Account Description	Current Quarter 06/30/2021	Prior Year 12/31/2020
2.02.04.01.05	Other Provisions	1,613	767
2.03	Shareholders' Equity	2,192,349	2,097,210
2.03.01	Paid-in Capital	1,871,895	1,871,895
2.03.02	Capital Reserves	60,437	58,170
2.03.02.02	Special Goodwill Reserve upon Merger	18,897	18,897
2.03.02.04	Options Granted	69,907	67,603
2.03.02.07	Income (Loss) from Disposal of Treasury Shares	-3,614	-3,577
2.03.02.08	Cost for the Issue of New Shares	-24,753	-24,753
2.03.04	Profit Reserves	194,096	192,548
2.03.04.01	Legal Reserve	55,364	55,364
2.03.04.10	Legal Reserve for Investments	140,088	140,088
2.03.04.11	Repurchase of Share	-1,354	-2,901
2.03.04.12	Costs in Repurchase of Share	-2	-3
2.03.05	Retained Earnings / Accumulated Losses	91,324	0
2.03.08	Other Comprehensive Income (Loss)	-25,403	-25,403

Consolidated Financial Statements / Statement of Profit or Loss

(In thousands of reais)

Account Code	Account Description	Current Quarter 04/01/2021 to 06/30/2021	Accumulated of the Current Year 01/01/2021 to 06/30/2021	Same Quarter of the Prior Year 04/01/2020 to 06/30/2020	Accumulated of the Prior Year 01/01/2020 to 06/30/2020
3.01	Operating Revenues from Sales of Goods and/or Services	379,547	694,139	224,849	448,666
3.02	Cost of Goods and/or Services Sold	-222,246	-422,707	-174,752	-348,791
3.03	Gross Income (Loss)	157,301	271,432	50,097	99,875
3.04	Operating Expenses (Income)	-55,732	-106,555	-44,398	-90,697
3.04.01	Sales Expenses	-37,325	-67,887	-26,875	-54,495
3.04.01.01	Allowance for Expected Credit Losses and Bad Debt Losses	-6,071	-10,928	-3,935	-8,971
3.04.01.02	Other Selling Expenses	-31,254	-56,959	-22,940	-45,524
3.04.02	General and Administrative Expenses	-21,955	-46,816	-21,382	-46,336
3.04.02.01	Amortization of Goodwill	-871	-1,743	-871	-1,743
3.04.02.02	Other General and Administrative Expenses	-21,084	-45,073	-20,511	-44,593
3.04.04	Other Operating Income	3,942	9,625	5,232	11,469
3.04.05	Other Operating Expenses	-394	-1,477	-1,373	-1,335
3.05	Income (Loss) Before Finance Income (Costs) and Taxes	101,569	164,877	5,699	9,178
3.06	Financial Income (Costs)	-8,735	-23,263	-17,906	-40,351
3.06.01	Financial Income	10,637	16,211	1,687	3,298
3.06.02	Financial Costs	-19,372	-39,474	-19,593	-43,649
3.07	Income (Loss) Before Income Taxes	92,834	141,614	-12,207	-31,173
3.08	Income and Social Contribution Taxes	-32,436	-50,290	2,815	8,560
3.08.01	Current	-26,905	-43,049	-2,022	-3,181
3.08.02	Deferred	-5,531	-7,241	4,837	11,741
3.09	Net Income (Loss) from Continued Operations	60,398	91,324	-9,392	-22,613
3.11	Income / Loss for the Period	60,398	91,324	-9,392	-22,613
3.11.01	Attributable to Parent Company's Shareholders'	60,398	91,324	-9,392	-22,613
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.07006	0.10594	-0.01406	-0.03386
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.06977	0.10550	-0.01398	-0.03365

Consolidated Financial Statements/ Statement of Comprehensive Income (Loss)

(In thousands of reais)

Account Code	Account Description	Current Quarter	Accumulated of the	Same Quarter of the	Accumulated of the
		04/01/2021 to 06/30/2021	Current Year 01/01/2021 to 06/30/2021	Prior Year 04/01/2020 to 06/30/2020	Prior Year 01/01/2020 to 06/30/2020
4.01	Consolidated Net Income (Loss) for the Period	60,398	91,324	-9,392	-22,613
4.03	Consolidated Comprehensive Income (Loss) for the Period	60,398	91,324	-9,392	-22,613
4.03.01	Attributed to the Parent Company's Shareholders'	60,398	91,324	-9,392	-22,613

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method

(In thousands of reais)

Account Code	Account Description	Accumulated of the Current Year 01/01/2021 to 06/30/2021	Accumulated of the Prior Year 01/01/2020 to 06/30/2020
6.01	Net Cash from Operational Activities	152,369	66,898
6.01.01	Cash Generated from Operations	287,433	108,606
6.01.01.01	Income (Loss) Before Taxes and Profit Sharing	141,614	-31,173
6.01.01.02	Inflation Adjustment and Exchange Rate Change	1,734	5,522
6.01.01.03	Depreciation and Amortization	88,892	71,572
6.01.01.05	Recognition (Reversal) of Provision for Contingencies	10,516	10,017
6.01.01.06	Stock Option Plan / Long-Term Incentive	2,816	2,260
6.01.01.07	Write-off and Income (Loss) on the Sale of Permanent Assets	469	796
6.01.01.08	Interest on Debentures	3,587	6,703
6.01.01.09	Calculated Interest on Loans and Borrowings	941	1,780
6.01.01.10	Interest on Marketable Securities	-5,694	1,047
6.01.01.17	Post-Employment Benefits - Health Care Plans	2,956	3,899
	Provision / Reversal for Expected Credit Losses and Bad Debt		
6.01.01.18	Losses	10,928	8,971
6.01.01.19	Interest on Obligations with the Concession Grantor	27,349	26,112
6.01.01.20	Interest on Lease - Rentals	1,325	1,100
6.01.02	Changes in Assets and Liabilities	-46,527	188
6.01.02.01	(Increase) Decrease in Accounts Receivable	-64,514	-17,969
6.01.02.02	(Increase) Decrease in Inventories	-1,069	-449
6.01.02.03	(Increase) Decrease in Current Tax Assets Recoverable	1,690	-1,767
6.01.02.05	(Increase) Decrease in Judicial Deposits	-8,240	-8,097
6.01.02.06	(Increase) Decrease in Other Assets	-4,054	-1,591
6.01.02.07	Increase (Decrease) in Suppliers	15,991	740
6.01.02.08	Increase (Decrease) in Wages and Social Charges	6,876	17,268
6.01.02.09	Increase (Decrease) in Taxes, Rates and Contributions	3,594	9,594
6.01.02.10	Increase (Decrease) in Accounts Payable	285	70
6.01.02.11	Increase (Decrease) in Taxes on Billing - Bonded Warehouse	2,915	2,390
6.01.02.12	Increase (Decrease) in Other Liabilities	-1	-1
6.01.03	Other	-88,537	-41,896
6.01.03.01	Income and Social Contribution Taxes Paid	-34,854	-2,202
6.01.03.04	Write-off of Payment Contingencies	-9,090	-7,045
6.01.03.05	Payments of Obligations with the Concession Grantor	-44,593	-32,649
6.02	Net Cash used / from Investing Activities	-88,382	51,634
	Acquisition of Property, Plant and Equipment / Intangible		
6.02.01	Assets	-94,486	-109,844
6.02.02	Disposal of Property, Plant and Equipment	536	1,366
6.02.04	Marketable Securities	1,286	158,020
6.02.05	Interest on Capitalized Loans	4,282	2,092
6.03	Net Cash used in Financing Activities	-39,807	-32,946
6.03.01	Receipt of Exercised Options	998	977
6.03.02	Borrowings	-27	-317
6.03.03	Interest Paid on of Debentures, Loans and Financing	-25,641	-4,815
6.03.04	Dividends and Interest on Equity Received	0	-11,680
6.03.08	Interest Paid on of Debentures, Loans and Financing	-7,360	-11,393
6.03.11	Payments of Leases - Rents	-7,777	-5,718
6.05	Increase (Decrease) in Cash and Cash Equivalents	24,180	85,586

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method

(In thousands of reais)

Account Code	Account Description	Accumulated of the Current Year	Accumulated of the Prior Year
		01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020
6.05.01	Opening Balance of Cash and Cash Equivalents	643,861	266,376
6.05.02	Closing Balance of Cash and Cash Equivalents	668,041	351,962

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / SCE - 01/01/2021 to 06/30/2021

(In thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income (Loss)	Shareholders' Equity	Non-Controlling interest	Consolidated Shareholders' Equity
5.01	Opening Balances	1,871,895	58,170	192,548	0	-25,403	2,097,210	0	2,097,210
5.03	Adjusted Opening Balances	1,871,895	58,170	192,548	0	-25,403	2,097,210	0	2,097,210
	Capital Transactions with Shareholders'	0	2,267	1,548	0	0	3,815	0	3,815
5.04.03	Recognized Options Granted	0	2,304	0	0	0	2,304	0	2,304
5.04.10	Stock Options Exercised	0	0	1,548	0	0	1,548	0	1,548
	Income (loss) from Disposal of Treasury Shares	0	-37	0	0	0	-37	0	-37
5.04.13	Treasury Shares	0	-37	0	0	0	-37	0	-37
5.05	Total Comprehensive Income	0	0	0	91,324	0	91,324	0	91,324
5.05.01	Net Income for the Period	0	0	0	91,324	0	91,324	0	91,324
5.07	Closing Balances	1,871,895	60,437	194,096	91,324	-25,403	2,192,349	0	2,192,349

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / SCE - 01/01/2020 to 06/30/2020

(In thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensive Income (Loss)	Shareholders' Equity	Non-Controlling interest	Consolidated Shareholders' Equity
5.01	Opening Balances	1,081,907	84,458	210,342	0	-24,323	1,352,384	0	1,352,384
5.03	Adjusted Opening Balances	1,081,907	84,458	210,342	0	-24,323	1,352,384	0	1,352,384
5.04	Capital Transactions with Shareholders'	0	2,400	-7,196	0	0	-4,796	0	-4,796
5.04.03	Recognized Options Granted	0	2,128	0	0	0	2,128	0	2,128
5.04.08	Proposed Additional Dividends	0	0	-8,033	0	0	-8,033	0	-8,033
5.04.10	Stock Options Exercised	0	0	837	0	0	837	0	837
5.04.13	Income (loss) from Disposal of Treasury Shares	0	272	0	0	0	272	0	272
5.05	Total Comprehensive Income (Loss)	0	0	0	-22,613	0	-22,613	0	-22,613
5.05.01	Net Income (Loss) for the Period	0	0	0	-22,613	0	-22,613	0	-22,613
5.07	Closing Balances	1,081,907	86,858	203,146	-22,613	-24,323	1,324,975	0	1,324,975

Consolidated Financial Statements / Statement of Value Added

(In thousands of reais)

Account Code	Account Description	Accumulated of the	Accumulated of the
		Current Year 01/01/2021 to 06/30/2021	Prior Year 01/01/2020 to 06/30/2020
7.01	Operating Revenues	787,831	517,488
7.01.01	Sales of Goods, Products and Services	789,134	514,990
7.01.02	Other Revenues	9,625	11,469
7.01.04	Provision / Reversal of Allowance for Doubtful Accounts	-10,928	-8,971
7.02	Inputs Acquired from Third-Parties	-233,272	-189,987
7.02.01	Costs of Products, Goods and Services Sold	-95,987	-71,133
7.02.02	Materials, Energy, Third-Party Services and Other	-135,775	-117,519
7.02.04	Other	-1,510	-1,335
7.03	Gross Value Added	554,559	327,501
7.04	Retentions	-88,892	-71,572
7.04.01	Depreciation, Amortization and Depletion	-88,892	-71,572
7.05	Net Value Added Produced	465,667	255,929
7.06	Value Added Received as Transfer	16,211	3,298
7.06.02	Financial Income	16,211	3,298
7.07	Total Value Added to be Distributed	481,878	259,227
7.08	Distribution of Value Added	481,878	259,227
7.08.01	Personnel	183,057	161,048
7.08.01.01	Direct Compensation	136,618	116,934
7.08.01.02	Benefits	36,507	36,338
7.08.01.03	Severance Pay Fund (FGTS)	9,932	7,776
7.08.02	Taxes, Duties and Contributions	163,626	73,335
7.08.02.01	Federal	122,100	45,693
7.08.02.02	State	2,717	2,814
7.08.02.03	Municipal	38,809	24,828
7.08.03	Third-Party Capital Remuneration	43,871	47,457
7.08.03.01	Interest	39,474	43,649
7.08.03.02	Rentals	4,397	3,808
7.08.04	Remuneration of Own Capital	91,324	-22,613
7.08.04.03	Retained Earnings / Loss for the Period	91,324	-22,613

Comments on Performance

MESSAGE FROM THE MANAGEMENT

The first half of 2021 experienced an intense container traffic at Brazilian ports, especially at the Port of Santos, in which the recovery of exports and imports volumes began in the last quarter of 2020. As a result of the gradual recovery of the global trade, stimulated by the progress of Covid-19 vaccination, maritime transportation became broadly demanded, especially considering the traffic of containerized cargo to replenish inventories of industrial and retail segments and meet the increasing consumption (restrained with the effects of the pandemic) observed worldwide, also in Brazil.

Santos Brasil's businesses benefit from the positive fundamentals, presenting sound results in the first half of 2021, with record container throughput at Tecon Santos and high service levels in all operational units, always observing safety rules for our employees and sanitary measures to prevent, contain and suppress the Covid-19 pandemic.

In first half of 2021, the Port of Santos handled 1.47 million containers, a 16% growth on the first half of 2020, period affected by the pandemic, particularly regarding imports and cabotage operations. Imports of full containers accelerated in 1H21 (+26.3% vs. 1H20), as well as full-container exports (+12% YoY) and full-container cabotage volume (+9% YoY). Compared to 1H19, period prior to Covid-19 pandemic, Port of Santos container throughput grew 21% in 1H21, which demonstrates the solidity and resilience of port operations even during crises.

Santos Brasil's three terminals' throughput amounted to 658,324 units in 1H21, up 26.1% from 1H20, also surpassing by 14.5% the volume handled in 1H19. Located at the Company's main market, the Port of Santos, Tecon Santos registered a 28.0% YoY increase in container throughput, totaling 581,206 units in 1H21. Considering Tecon Santos higher exposure to imported containers, especially on Asian and North European routes, terminal's volume growth surpassed that of the Port of Santos (51.3% vs. 26.3%, respectively), which increased its market share to 39.6% in 1H21 (vs. 35.8% in 1H20), according to data disclosed by the Santos Port Authority (SPA, former CODESP). Despite Tecon Santos' high occupancy rate, running investments, (e.g., quay expansion and equipment acquisition) and actions implemented to increase operational efficiency assure that the terminal will meet the potential demand in the Port of Santos, without any loss in the level of service provided.

Volumes operated at the other terminals also performed well, with emphasis in Tecon Vila do Conde, that handled 56,100 containers in 1H21, up 19.6% from 1H20. Full container throughput at the terminal increased 9.4% YoY, reflecting the accelerated rhythm of agricultural and mineral commodities exports, dynamic that demanded inbound of more empty containers. Santos Brasil Logística (SBLog) was benefited by the strong volume of imported containers at the Port of Santos, positively impacting bonded warehousing and integrated and in-house logistics operations, such as cross-docking, picking\packing, and distribution. The reorganization of SBLog management continued in 1H21, with greater focus on revenue generation through renegotiations of contracts with its entire client base, in progress throughout the next half of the year. Supported by the financial area of Pricing, recent created in the Company, and by the sales team, SBLog is repositioning its pricing strategy and better controlling its contracts, with positive result for Company's top line and profitability. Volumes at the Vehicle Terminal (TEV) also registered a sharp increase in 1H21 (+76.9% YoY), with strong performances in exports and imports, being 1H20 a weak comparison basis because of the pandemic, especially in light vehicle exports to Argentina. Finally, the single cabotage service operated at Tecon Imbituba remained practically stable in 1H21, but with an improvement in full container mix, which grew 8.1% YoY. The positive highlight was once again the General Cargo Terminal (TCG Imbituba), which, driven by pulp and food exports, registered throughput of 180,100 tons (+84.2% vs. 1H20).

Comments on Performance

Regarding financial management, the Company maintained its low leverage, with a balance of cash and financial investments of R\$1.09 billion as of June 30, 2021. After deducting gross debt, this amount comes to net cash of R\$ 688.2 million and negative leverage ratio of 1.7x, as measured by the ratio of net debt to EBITDA in the last 12 months (-2.6x of proforma EBITDA). The high cash position is mainly due to the proceeds raised in the follow-on offering held in September 2020, and not yet fully invested, and the improve in cash generation, which amounted to R\$152.3 million in 1H21 (+127.8% vs. 1H20). As a result of the strong operational performance, the Company reported consolidated EBITDA of R\$ 253.7 million in 1H21, more than tripling 1H20 EBITDA, with margin of 36.6% (vs. 18.0% in 1H20). Even compared to 1H19, period not affected by Covid-19 pandemic, 1H21 EBITDA was 176.6% higher than in 1H19. In addition to the higher volumes operated at the business units, improvement in cargo mix and costs and expenses management, it is emphasized the increase in average ticket of services provided, driven by the contract renegotiation with shipowner clients.

The perspective is positive for these drivers (volumes + cargo mix + average ticket) and to the continuous growth of the Company's future results. Second half of 2021 should maintain the upward trend in volumes, driven by the typical seasonality in the container segment to meet the holiday season sales, dynamic observed, for instance, in Tecon Santos imported container volumes.

Regarding investments at Tecon Santos, Capex came to R\$ 89.1 million in 1H21 and already totals R\$ 420.7 million since 2018, when the first stage of the terminal's expansion project began. The expansion of TEV's quay (+ 220 meters) and reinforcement of the infrastructure of Tecon Santos quay, which will increase the terminal's capacity from 2.0 million to at least 2.4 million TEUs, are in their final stage, with the conclusion date expected by 4Q21, with partial completion throughout 3Q21.

As for the three port assets for liquid bulk cargo at the Port of Itaqui (Maranhão state), won at a public auction promoted by the Ministry of Infrastructure in April 2021, the Company paid the first installment of the lease fee in July, in the amount of R\$ 39.5 million, equivalent to 25% of the global amount. The contracts for the three terminals acquired by Santos Brasil (IQI03, IQI11 and IQI12) should be signed in August 2021, when the Company should effectively take over operations and start investments and the licensing procedures.

The Company keeps evaluating growth opportunities through mergers and acquisitions or through the public auctions sponsored by the Ministry of Infrastructure, assuming return levels are consistent with Santos Brasil's capital allocation guidelines and strategic planning.

Finally, Santos Brasil launched numerous environmental, social, and corporate governance initiatives in the first half of 2021. The Green April and Yellow May campaigns drew the focus on occupational safety and prevention of traffic accidents, and were ramifications of the Zero Accident campaign, launched in 2019, that has already produced tangible positive results, such as the recent milestone of 400 days without any lost-time injuries at Tecon Santos. Additionally, the Company organized the Environmental Journey Week in June and launched a comprehensive program on diversity, equality and inclusion, theme of campaigns and trainings of the coming months, that included a workshop for the leadership with the founder partner of the consultancy 'Mais Diversidade' to discuss how to promote a work environment progressively more inclusive, open, and diverse. In the page 15 of this earnings release, the various ESG work fronts of the Company, which have always been part of the daily management of Santos Brasil, are detailed.

Comments on Performance

OPERATIONAL INDICATORS

Consolidated information

UNITS	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
PORT TERMINALS						
Quay operations (containers)	337,183	256,725	31.3%	658,324	522,046	26.1%
Full containers	264,204	187,514	40.9%	505,669	392,271	28.9%
Empty containers	72,979	69,211	5.4%	152,655	129,775	17.6%
Warehousing operations (nº of containers)	41,638	27,935	49.1%	83,570	62,555	33.6%
Quay operations - general cargo (ton)	101,525	81,086	25.2%	180,072	97,811	84.1%
LOGISTICS						
Warehousing operations	16,582	10,220	62.3%	30,794	22,329	37.9%
VEHICLE TERMINAL						
Vehicle handled	54,718	13,897	293.7%	110,255	62,319	76.9%
Exports	47,370	13,579	248.8%	97,022	50,847	90.8%
Imports	7,348	318	2,210.7%	13,233	11,472	15.4%

Port terminals

UNITS	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
PORT TERMINALS						
Tecon Santos	296,095	220,362	34.4%	581,206	454,141	28.0%
Full containers	240,141	166,949	43.8%	461,400	351,648	31.2%
Empty containers	55,954	53,413	4.8%	119,806	102,493	16.9%
General Cargo (ton)	-	-	-	-	-	-
Tecon Imbituba	12,154	10,789	12.7%	21,037	21,000	0.2%
Full containers	7,905	6,170	28.1%	13,923	12,881	8.1%
Empty containers	4,249	4,619	-8.0%	7,114	8,119	-12.4%
General Cargo (ton) ¹	101,525	81,086	25.2%	180,072	97,784	84.2%
Tecon Vila do Conde	28,934	25,574	13.1%	56,081	46,905	19.6%
Full containers	16,158	14,395	12.2%	30,346	27,742	9.4%
Empty containers	12,776	11,179	14.3%	25,735	19,163	34.3%
General Cargo (ton)	-	-	-	-	27	-100.0%

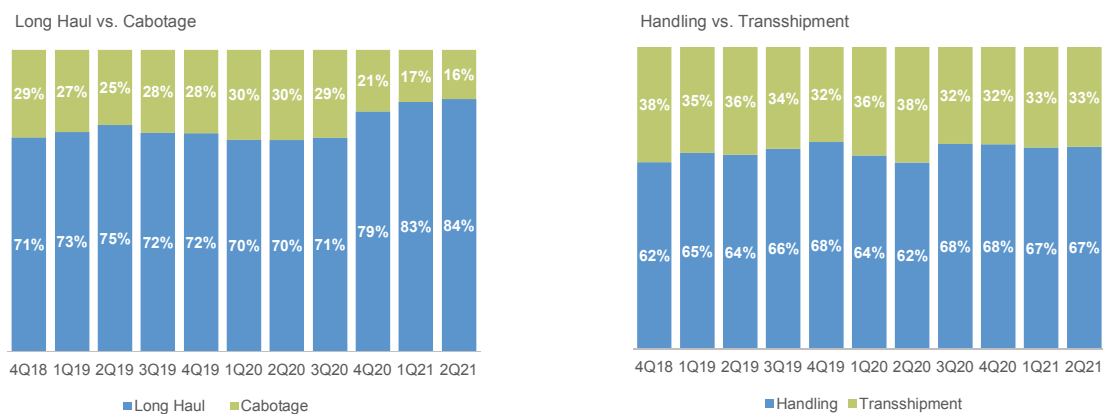
¹ Imbituba General Cargo Terminal (TCG Imbituba).

Comments on Performance

Port terminals

Consolidated: record throughput of 337,183 containers in 2Q21 (+31.3% YoY), with 56.9% YoY growth in long-haul volume, which accounted for 83.7% of total throughput in the quarter (vs. 70.1% in 2Q20). The share of full containers improved significantly and totaled 78.4% of the total throughput (vs. 73.0% in 2Q20). The performance of long-haul volumes was a result of the sharp increase of imports (+62.5% YoY), as result of recovery in industrial activity and consumption, and exports resilience (+32.2% YoY). As for cabotage operation, container throughput increased 15.5% YoY, while transshipment volumes, mostly concentrated at Tecon Santos, increased 13.6% YoY, though its share in the total throughput decreased to 33.0%, from 38.2% in 2Q20.

Consolidated container mix (%)

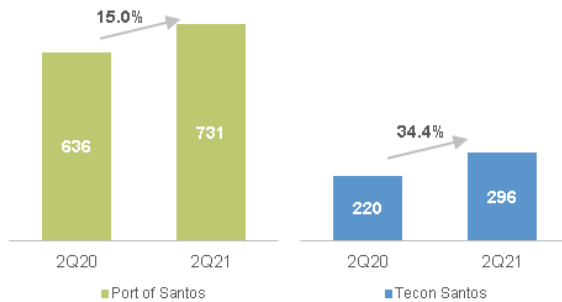


Tecon Santos: 296,095 containers handled in 2Q21 (+34.4% YoY), the highest quarterly volume since 3Q13, outpacing Port of Santos YoY growth of 15.0%. As observed in the two previous quarters, imports continued to drive container throughput at Tecon Santos, reflecting economic recovery. Inventories replenishment across industry, especially in the automotive, chemical, pharmaceutical and consumer goods sectors, was a key driver, following the increase in consumption. In 2Q21, Tecon Santos operated 23 extra calls, result of strong demand and operational restrictions in other terminals. In 2Q21, Tecon Santos' market share in the Port of Santos was 40.0%, a sharp increase when compared to 34.7% registered in 2Q20.

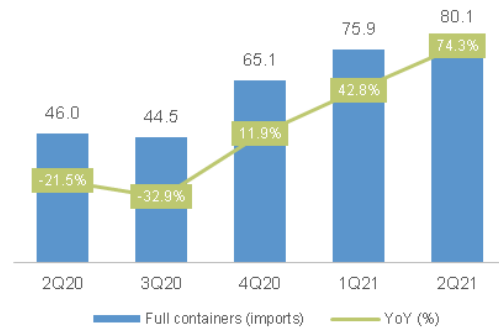
As for the mix of containers handled, Tecon Santos achieved the record of 240,141 full-container throughput, up 43.8% YoY, of which one third (80,129 units) was represented by full imported containers (+74.3% YoY). Exports also had a sound performance in 2Q21, with full-exported container volume up 30.1% YoY, also higher QoQ, mainly driven by shipment of soft commodities such as coffee, cotton and frozen meat. Empty container throughput increased 4.8% YoY.

Comments on Performance

Throughput: Port of Santos vs. Tecon Santos – '000 containers



Throughput of full import containers (Tecon Santos) – '000 containers



Tecon Imbituba: 12,154 containers handled in 2Q21 (+12.7% YoY) as a result of the 13.5% increase in cabotage operations at the terminal, represented by the ALCT2 service operated by the ship-owner Aliança, with significant growth in the mix of full containers (+145.1% YoY), which offset the 8.0% YoY decline in empty container throughput. It is noted that volumes also increased compared to 1Q21 (+36.8% QoQ) as a result of growth in both full (+31.4% QoQ) and empty (+48.3% QoQ) container throughput. Also, general cargo throughput at TCG Imbituba amounted to 101,525 tons in 2Q21 (+25.2% YoY), once again driven by pulp shipments from Eldorado, food commodities and unloading of equipment, such as wind turbine blades. In June, the terminal stored more than 32,000 tons of steel coils and bars due to a ship that was diverted to the Port of Imbituba because of congestion in the Port of São Francisco do Sul.

Tecon Vila do Conde: 28,934 containers handled (+13.1% YoY), a record for a second quarter, driven by increase in full (+12.2% YoY) and empty (+14.3% YoY) container volumes. In 2Q21, long-haul services accounted for 71.5% of total throughput at the terminal (vs. 75.5% in 2Q20), up 7.2% YoY, as result of strong performance of exports (+14.8% YoY), mainly of minerals, i.e., manganese, and frozen meat (reefers). Finally, cabotage volumes increased 31.4% YoY, accounting for 28.5% of the terminal's container throughput.

Warehousing: 41,638 containers stored (+49.1% YoY), driven by increased volumes of full import containers at Tecon Santos. In 2Q21, retention rate was c.54% (vs. 57% in 1Q21 and 2Q20), while dwell time¹ was of 10.8 days (vs. 9.7 days in 1Q21 and 12.8 days in 2Q20). The shorter dwell time compared to 2Q20 was result of accelerated customs clearance and faster cargo withdraw by importers to speed up restocking in the industry and retail, attending consumer market, a distinct scenario compared to 2Q20 lockdown due to Covid-19. Moreover, the "On the Water Clearance for AEOs" regime, which enables the registration of import declarations before the container is unloaded at the port of destination, had an impact of 0.74 day on the dwell time of full-import containers stores at Tecon Santos in 2Q21.

Logistics

In 2Q21, SBLog stored 16,582 containers (+62.3% YoY), driven by the increase of imports at the Port of Santos. As in 1Q21, imports were mainly result of restocking by major industries, such as automotive, chemical, and pharmaceutical, which demanded several extra calls at the Port of Santos. The recovery of the industrial activity is positive for logistics services, which besides warehousing, also comprise logistics operations integrated with clients' supply chains, such as bonded warehousing, cross-docking, and distribution, among others.

¹ Average dwell time of containers or vehicles stored.

Comments on Performance

Vehicle Terminal

In 2Q21, TEV handled 54,718 vehicles (+293.7% YoY), driven by the export of 47,370 units (+248.8% YoY), mainly light vehicles exported to Argentina. Moreover, 7,348 vehicles were imported in 2Q21, a sharp increase from the 318 units imported in 2Q20. As for the vehicle mix, light vehicles accounted for 90.7% of the total handled (vs. 92.1% in 1Q21 and 84.2% in 2Q20).

GROSS AND NET REVENUE

Gross Revenue

R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
PORT TERMINALS	330.0	189.4	74.2%	608.9	369.3	64.9%
Quay operations	192.1	97.5	97.0%	328.2	191.2	71.7%
Warehousing operations	137.9	91.8	50.2%	280.8	178.0	57.8%
LOGISTICS	86.5	68.5	26.3%	160.4	136.8	17.3%
VEHICLE TERMINAL	21.2	7.9	168.4%	38.3	23.2	65.1%
Eliminations	-3.1	-3.0	3.3%	-5.4	-5.4	0.0%
CONSOLIDATED	434.6	262.8	65.4%	802.2	523.9	53.1%

Net Revenue

R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
PORT TERMINALS	291.7	165.1	76.7%	533.3	322.3	65.5%
Quay operations	175.3	87.6	100.1%	295.0	171.6	71.9%
Warehousing operations	116.5	77.6	50.1%	238.3	150.7	58.1%
LOGISTICS	72.8	55.8	30.5%	133.2	111.6	19.4%
VEHICLE TERMINAL	17.9	6.7	167.2%	32.5	19.7	65.0%
Eliminations	-2.9	-2.8	3.6%	-4.9	-4.9	0.0%
CONSOLIDATED	379.5	224.8	68.8%	694.1	448.7	54.7%

Port terminals

In 2Q21, quay net revenue doubled YoY, amounting to R\$ 175.3 million. Tecon Santos net revenue accounted for 84.9% of the port terminals' net revenue in the quarter, increasing 90.6% YoY mainly due to (i) higher container throughput, (ii) improvement in the mix of full-import containers and (iii) increase in the average ticket, as result of contract renegotiation, in effect since April 1, 2021. As for Tecon Imbituba, net revenue increased 45.6% YoY, mainly due to the positive performance of the cabotage operation and the increase in general cargo throughput at TCG general cargo terminal. Tecon Vila do Conde registered net revenue growth of 18.2% YoY, reflecting higher container throughput and an extraordinary net revenue of R\$ 0.5 million from the lease of a Mobile Harbor Crane (MHC) to another port operator at the Port of Vila do Conde.

Warehousing net revenue at port terminals totaled R\$ 116.5 million in 2Q21 (+50.1% YoY), reflecting higher import volume at the Port of Santos and higher average ticket of bonded warehousing, despite the YoY decline in dwell time.

Comments on Performance

Logistics

In 2Q21, SBLog registered net revenue of R\$ 72.8 million (+30.5% YoY), driven by (i) increase in the number of stored containers, on the wake of accelerated imports at the Port of Santos, (ii) higher average ticket, reflecting contract renegotiation with clients and higher value-added services, and (iii) increase of integrated logistics services, particularly in the Third-Party Logistics (3PL) model.

Vehicle Terminal

TEV's net revenue amounted to R\$ 17.9 million in 2Q1 (+167.2% YoY), reflecting the sound performance of exported and imported vehicle throughput in the quarter.

OPERATIONAL COSTS

R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
PORT TERMINALS						
Handling costs	27.6	20.0	38.0%	51.4	37.5	37.1%
Personnel costs	72.9	60.4	20.7%	134.9	118.7	13.6%
Depreciation and amortization	35.7	27.3	30.8%	68.4	53.5	27.9%
Other costs	30.8	23.8	29.4%	57.4	48.2	19.1%
Total	167.0	131.6	26.9%	312.1	257.9	21.0%
LOGISTICS						
Handling costs	18.2	13.3	36.8%	35.1	29.4	19.4%
Personnel costs	12.9	14.2	-9.2%	28.8	27.8	3.6%
Depreciation and amortization	4.6	4.1	12.2%	9.1	8.2	11.0%
Other costs	11.7	7.6	53.9%	21.5	14.8	45.3%
Total	47.4	39.2	20.9%	94.5	80.3	17.7%
VEHICLE TERMINAL						
Handling costs	4.6	1.6	187.5%	9.3	5.4	72.2%
Personnel costs	4.7	4.0	17.5%	9.2	8.0	15.0%
Other costs	1.3	1.0	30.0%	2.4	2.1	14.3%
Total	10.6	6.7	58.2%	20.9	15.6	34.0%
Eliminations	-2.9	-2.8	3.6%	-4.9	-4.9	0.0%
CONSOLIDATED	222.2	174.8	27.1%	422.7	348.8	21.2%

Port Terminals

In 2Q21, costs of port terminals amounted to R\$167.0 million (+26.9% YoY), with increase in handling costs (+38.0% YoY), due to the higher throughput in the quarter, higher personnel expenses (+20.7% YoY), reflecting the resizing of operational headcount with the hiring of additional work shifts² and the increase in overtime payments to meet the growing demand at Tecon

² Equipment and employees necessary to load or unload containers from the ship.

Comments on Performance

Santos, which operated 23 extra ships in the quarter. Note that more work shifts not only reduce the need for overtime but will also improve cost management in the short term. Other costs increased 29.4% YoY, reflecting the higher expenditures on equipment maintenance. Depreciation and amortization also increased (+30.8% YoY), due to the higher amortization of the rights for port leases.

Logistics

Costs at SBLog amounted to R\$ 47.4 million (+20.9% YoY) due to higher handling expenses (36.8% YoY), such as freight, vehicle maintenance and fuel, necessary to meet the higher demand in the quarter. However, personnel expenses decreased in 2Q21 due to the restructuring of staff, with the outsourcing of truck drivers for road transportation accomplished in the previous quarter. As mentioned in the 1Q21 earnings release, this restructuring increases the use of outsourced services, classified as other costs (+53.9% YoY), resulting in significant savings in total costs at SBLog.

Vehicle Terminal

In 2Q21, costs at TEV came to R\$10.6 million (+58.2% YoY), due to the higher volume of vehicles handled in the quarter.

OPERATIONAL EXPENSES

R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
PORT TERMINALS						
Selling expenses	17.1	10.2	67.6%	30.0	21.3	40.8%
General and administrative expenses	6.4	4.8	33.3%	12.7	9.4	35.1%
Depreciation and amortization	0.1	0.1	0.0%	0.2	0.1	100.0%
Total	23.6	15.1	56.3%	42.9	30.8	39.3%
LOGISTICS						
Selling expenses	19.4	16.2	19.8%	36.5	31.8	14.8%
General and administrative expenses	2.3	1.6	43.8%	4.5	3.0	50.0%
Depreciation and amortization	-	-	-	-	-	-
Total	21.7	17.8	21.9%	41.0	34.8	17.8%
VEHICLE TERMINAL						
Selling expenses	0.8	0.4	100.0%	1.4	1.4	0.0%
General and administrative expenses	0.2	0.2	0.0%	0.5	0.4	25.0%
Depreciation and amortization	-	-	-	-	-	-
Total	1.0	0.6	66.7%	1.9	1.8	5.6%
CORPORATE						
General and administrative expenses	8.4	9.9	-15.2%	18.9	21.6	-12.5%
Depreciation and amortization	1.0	0.9	11.1%	2.0	1.8	11.1%
Total	9.4	10.8	-13.0%	20.9	23.4	-10.7%
CONSOLIDATED	55.7	44.3	25.7%	106.7	90.8	17.5%

Comments on Performance

Port Terminals

In 2Q21, port terminals' operational expenses amounted to R\$23.6 million (+56.3% YoY). Selling expenses increased in the quarter (+67.6% YoY), mainly due to higher expenses with profit sharing and expansion of the sales team. General and administrative expenses grew 33.3% YoY, mainly due to higher personnel expenses.

Logistics

SBLLog's operational expenses totaled R\$21.7 million (+21.9% YoY) in 2Q21, with selling expenses up 19.8% YoY due to higher sales commissions, and general and administrative expenses 43.8% higher YoY, reflecting increase in expenses with personnel and shared services.

Vehicle Terminal

In 2Q21, TEV's operating expenses amounted to R\$ 1.0 million (+66.7% YoY) due to the higher volume operated and, consequently, increase in sales commissions.

Corporate

Corporate expenses totaled R\$9.4 million in 2Q21, down 13.0% YoY due to lower personnel expenses.

EBITDA AND EBITDA MARGIN

R\$ million	2Q21	Margin (%)	2Q20	Margin (%)	Δ (%)
Port Terminals	136.9	46.9%	45.8	27.7%	198.9%
Logistics	8.3	11.5%	2.9	5.2%	186.2%
Vehicle Terminal	10.9	60.7%	3.4	50.7%	220.6%
Corporate	-8.4	0.0%	-9.9	0.0%	-15.2%
CONSOLIDATED	147.7	38.9%	42.2	18.8%	250.0%
<i>Non-recurring items</i>	-0.7	-	-0.4	-	-
CONSOLIDATED (RECURRING)	147.0	38.7%	41.8	18.6%	251.3%

R\$ million	1H21	Margin (%)	1H20	Margin (%)	Δ (%)
Port Terminals	246.9	46.3%	87.2	27.1%	183.1%
Logistics	6.8	5.1%	4.8	4.3%	41.7%
Vehicle Terminal	18.9	58.2%	10.3	52.5%	83.5%
Corporate	-18.9	0.0%	-21.6	0.0%	-12.5%
CONSOLIDATED	253.7	36.6%	80.7	18.0%	214.4%
<i>Non-recurring items</i>	-7.1	-	-2.6	-	-
CONSOLIDATED (RECURRING)	246.7	35.5%	78.1	17.4%	215.5%

Comments on Performance

In 2Q21, consolidated EBITDA amounted to R\$ 147.7 million, up 250.0% from 2Q20, with EBITDA margin of 38.9%. Compared to 2Q19, a comparative basis without Covid-19 pandemic effects, 2Q21 EBITDA increased 151.6%, with EBITDA margin 16.8 p.p. higher. In 2Q21, non-recurring effects in the net positive amount of R\$ 0.7 million were registered: (i) revenue of R\$ 0.5 million from the lease of a mobile harbor crane (MHC) to another port operator at the Port of Vila do Conde, and (ii) revenue of R\$ 0.2 million from recovery of public social insurance (INSS) and sale of equipment. Excluding non-recurring effects, EBITDA came to R\$ 147.0 million in 2Q21, with EBITDA margin of 38.7% (+251.3% YoY).

Port Terminals

Port terminals' recurring EBITDA was R\$ 136.2 million (+198.2% YoY) in 2Q21, with EBITDA margin of 46.7%, result from higher container throughput, improved operational mix, with higher imports, and higher average ticket, as result of successful renegotiation of contracts with Tecon Santos' shipowner clients.

Logistics

SBLLog registered EBITDA of R\$ 8.3 million in 2Q21 (+212.7% YoY), with EBITDA margin of 11.5%, due to increase in the number of stored containers, a reflection of higher imports at the Port of Santos, and growth in integrated logistics services provided to clients.

Vehicle Terminal

In 2Q21, TEV posted EBITDA of R\$ 10.9 million (+220.4% YoY), with EBITDA margin of 60.7%, mainly driven by a sharp increase in export volumes. Imported vehicle throughput also posted a sound increase in 2Q21, compared to 2Q20, positively impacting EBITDA margin, since imports also generate warehousing services, which have higher operational margins.

Corporate

Corporate EBITDA, represented by corporate expenses, came to -R\$ 8.4 million, down 14.7% YoY due to lower personnel expenses.

NET RESULT

R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
EBITDA	147.7	42.2	250.0%	253.8	80.7	214.5%
Depreciation and amortization	46.1	36.5	26.3%	88.9	71.6	24.2%
EBIT	101.6	5.7	1,682.5%	164.9	9.1	1,712.1
Financial result	-8.7	-17.9	-51.4%	-23.3	-40.3	-42.2%
Financial revenues	8.9	1.7	423.5%	14.4	3.3	336.4%
Financial expenses	-18.2	-18.8	-3.2%	-36.0	-38.1	-5.5%
Interest on loans and debentures	-2.2	-3.7	-40.5%	-4.5	-8.5	-47.1%
Interest on obligations w/ concession grantor and rent	-14.4	-13.8	4.3%	-28.6	-27.1	5.5%
Other financial expenses	-1.6	-1.3	23.1%	-2.9	-2.5	16.0%
Monetary and foreign-exchange variations	0.5	-0.8	-162.5%	-1.7	-5.5	-69.1
Income and social contribution taxes	-32.4	2.8	-1,257.1%	-50.3	8.6	-684.9%
Net income (loss)	60.5	-9.4	743.6%	91.3	-22.6	504.0%

Comments on Performance

In 2Q21, net income amounted to R\$ 60.5 million, reversing the net loss of R\$ 9.4 million in 2Q20.

DEBT, CASH AND CASH EQUIVALENTS

R\$ million	Currency	06/30/2021	06/30/2020	Δ (%)
Short term	BRL	82.0	29.0	182.8%
	Foreign	4.7	4.9	-4.1%
Long term	BRL	315.0	387.9	-18.8%
	Foreign	9.1	14.1	-35.5%
Total debt		410.8	435.9	-5.8%
Cash and cash equivalents		1,099.0	352.0	212.2%
Net debt		-688.2	83.9	-920.3%
Net debt / pro forma LTM¹ EBITDA		-2.67x	0.78x	

¹ Last twelve months EBITDA, ex-IFRS 16.

Santos Brasil ended 2Q21 with cash and financial investments of R\$ 1.1 billion and a net cash position of R\$ 688.2 million, after deducting gross debt. Debt leverage, represented by the ratio of net debt to last-twelve-month pro forma EBITDA (considering leasing and rental costs) was negative at 2.67x. The substantial increase in cash and financial investments was due to the follow-on offering held in September 2020, which raised c.R\$ 790 million, and the positive cash flow in the quarter.

As disclosed in 1Q21, the Company should gradually reduce its cash position by allocating excess capital to projects aligned with its growth strategy, based on merger and acquisition opportunities and/or new port concessions, similar to the three liquid bulk terminals in the Port of Itaqui, Maranhão State, won by Santos Brasil in auctions promoted by the Ministry of Infrastructure in April, 2021 ("Infra Week").

CAPEX

R\$ million	2Q21	2Q20	Δ (%)	1H21	1H20	Δ (%)
PORT TERMINALS	59.1	45.4	30.2%	92.2	108.6	-15.1%
Tecon Santos	56.9	44.3	28.4%	89.1	105.4	-15.5%
Tecon Imbituba	0.1	0.0	-	0.1	0.0	-
Tecon Vila do Conde	2.1	1.1	90.9%	3.0	3.2	-6.3%
LOGISTICS	0.5	1.5	-66.7%	2.9	1.2	141.7%
VEHICLE TERMINAL	0.2	0.0	-	0.4	0.0	-
CORPORATE	0.0	0.0	-	0.0	0.0	-
GROSS CAPEX	59.8	46.9	27.5%	95.5	109.8	-13.0%
Fixed and intangible asset write-off	-1.3	-6.2	79.0%	-25.8	-43.1	40.1%
NET CAPEX	58.5	40.7	43.7%	69.7	66.7	4.5%

Comments on Performance

In 2Q21, consolidated Capex totaled R\$ 59.8 million (+27.5% YoY), mainly invested on Tecon Santos, which includes the contractual obligations of the early renewal of the lease agreement, such as: (i) expansion, deepening and strengthening of the quay infrastructure, (ii) automation of the terminal's operational processes and (iii) administrative structures and investments in operational maintenance. Note that the expansion of Tecon Santos' quay, which will increase the terminal's current capacity (2,0 million TEU) by about 20%, are in their final stage and should be concluded in 4Q21.

At Vila do Conde, the amount of R\$ 2.1 million invested in 2Q21 was also subject of the early renewal of the lease agreement, with the payment of the new semi-trailers acquired in the previous quarter and investment in yard monitoring and automation systems. These investments are part of the final phase of the terminal expansion and modernization project, launched in 2018, and that increased the terminal's operational efficiency and raised its capacity by about 50%, to 217 thousand TEU.

As an example of automation process, in 2Q21 Santos Brasil launched the "Caminho Ágil" (Easy Way) app, developed internally by the Information Technology (IT) area, which will serve as a communication platform for truck drivers, who will be able to check schedules, monitor trips by GPS, map routes and calculate arrival times, enabling their registration before even arriving at the terminal. The app is designed to facilitate communication among the transport chain, as well as to reduce waiting and registration times at the terminal gates, in line with Company's digitalization and automation strategy.

At SBLog, investments were allocated in the payment of trucks acquired in the previous quarter, as part of fleet expansion in the road transportation segment, IT systems, and a minor expansion project at CLIA Guarujá (Guarujá Bonded Warehouse).

Notes

SANTOS BRASIL PARTICIPAÇÕES S.A. AND SUBSIDIARIES

NOTES TO THE QUARTERLY INFORMATION
INDIVIDUAL AND CONSOLIDATED CONDENSED
FOR THE PERIOD ENDED JUNE 30, 2021
(In thousands of reais - R\$)

1. Corporate Information

Santos Brasil Participações S.A. (the "Company"), domiciled in Brazil and headquartered in São Paulo state, is engaged in holding interest, as a member or shareholder, in the capital of other Brazilian or foreign entities, and in consortium, and engaged in the commercial exploration of port and bonded warehouse facilities and integrated logistics solutions, with the handling of containers and alike, which are carried out by its operational branches Tecon Santos and Tecon Imbituba.

The consolidated condensed quarterly information includes information from the Company and the following wholly owned subsidiaries:

	Interest - %	
	06.30.2021	12.31.2020
Direct subsidiaries:		
Numeral 80 Participações S.A. ("Numeral 80") (*)	100	100
Pará Empreendimentos Financeiros S.A. ("Pará Empreendimentos") (**)	100	100
Santos Brasil Logística S.A. ("Santos Brasil Logistics")	100	100
Terminal Portuário de Veículos S.A. ("TPV")	100	100
Terminal de Veículos de Santos S.A. ("Vehicles Terminal/TEV")	100	100
Indirect subsidiary:		
Convicon Contêineres de Vila do Conde S.A. ("Tecon Vila do Conde")	100	100

(*) Dormant company;

(**) Holding.

Biddings for Concession Notices No. 06/2020, No. 07/2020 and 08/2020 for Liquid Fuel Bulks in the Itaqui port complex

On April 9, 2021, the Commission Responsible for Biddings referring to the Concession Notices No. 06/2020, No. 07/2020 and 08/2020, promoted by Brazil's National Waterway Transportation Agency - ANTAQ, declared winners the proposals submitted by the Company related to the lease of three port terminals designated for handling, storage and distribution of liquid fuel bulks at the Itaqui Port Complex, in the state of Maranhão, named IQI03, IQI11 and IQI12, which together add up to 190,000 m³ of static capacity. The lease terms mature in twenty (20) years, extendable for a maximum period of seventy (70) years.

The Company was the winner by offering the highest amount as payment for the concession, in the amounts of R\$61,300 for the IQI03 terminal; R\$56,000 for the IQI11 terminal; and R\$40,000 for the IQI12 terminal. The expiration of the terminal auctions in the Port of Itaqui marks the Company's entry into the liquid bulk port segment, in a strategic region, close to Gulf of Mexico, a port of entry for importing fuels for the Center West, North and Northeast regions Brazil. The Port of Itaqui offers a competitive maritime access infrastructure, with a draught of up to 18.5 meters and specialized berths, and wide land access, connected with the Norte Sul Railway (VLI), Transnordestina and the Carajás Railway, ensuring the flow of liquid bulks, including for important regions of agribusiness. The execution of the lease agreements is subject to the fulfillment of certain obligations by the Company, notably, the payment of the initial installments of the concessions and presentation of the Terminal Implementation Basic Project.

Notes

Economic-financial balance of the Tecon Imbituba Lease Agreement

On July 1, 2016, Santos Brasil Participações S.A. filed the request to restore the economic-financial balance of the Tecon Imbituba lease agreement with the Brazilian Ministry of Transportation, Ports and Civil Aviation. The Company's request was processed at the current Ministry of Infrastructure, which replaced the figure of the Ministry of Transportation. On April 7, 2017, Brazil's National Waterway Transportation Agency - ANTAQ was designated to examine the request for suspension of the obligation to pay the Contract Minimum Handling - MMC, until the merits of the request for economic-financial balance was concluded. ANTAQ instructed the administrative lawsuit and the Agency's technical area (Management of Organized Ports) concluded that the request for readjustment of the MMC should be granted to the Company. However, before any decision by ANTAQ's Board, the Ministry of Infrastructure issued Interlocutory Decision No. 2/2019/SNPTA, on August 8, 2019, concluding for the rejection of the request to restore the economic-financial balance. Subsequently, ANTAQ issued Decision No. 92 of October 29, 2019. In the collegiate decision, the reporting justice of the case voted to review the obligation to pay MMC, pursuant to the Opinion of the Agency's Technical Area; however the other directors present decided to shelve the records, without judgment on the merits, claiming the loss of their object arising from Interlocutory Decision No. 2/2019/SNPTA mentioned above. On April 28, 2020, the Company filed a lawsuit against the Federal Government, ANTAQ and SCPAR Porto de Imbituba S.A., initially requesting the suspension of the MMC charge and, on merit, that the Company's right to restore the economic-financial balance, in relation to MMC, was recognized. On May 4, 2020, a decision was handed down by the 1st Federal Court of the Judiciary Section of the Federal District, granting a preliminary injunction to determine the suspension of the MMC charges during the course of the lawsuit. At June 30, 2021, the start of the fact-finding phase of the lawsuit was awaited.

DIPRE/DINEG/11.2021 Transition Agreement - Saboó area of 42,000 m²

On May 10, 2021, the Company executed the DIPRE/DINEG/12.2021 Transition Agreement, whose contractual purpose is the temporary lease of the port facility of 42,000 m², located on the right bank of the Port of Santos, which will continue to be explored by the Company temporarily, for an additional period of 180 days from May 11, 2021, according to Notes 12 and 16.

Simplified Selection Process Notice No. 02/2020 - Saboó area of 64,412 m²

As disclosed in Note 33 to the financial statements for the year ended December 31, 2020, on January 18, 2021, the Company's offer to temporarily explore an area of 64,412 m², on the Saboó quay, on the right bank of the Port of Santos, was considered the most advantageous offer for the Port of Santos and, therefore, the best classified.

On May 13, 2021, the Company entered into the DIPRE/DINEG/11.2021 Transition Agreement with Santos Port Authority - SPA, for temporary exploration, for a period of 180 days, whereby the Company will handle empty containers, in addition to general and project cargo, strengthening its presence in the Port of Santos and expanding the services offered to its current and potential customer base on the right bank of the Port of Santos according to Notes 12 and 16.

Coronavirus (COVID-19)

Since the beginning of the quarantine period in Brazil, in March 2020, the Company has adopted measures in various areas to face the effects of COVID-19, since it considers as the first priority to preserve the health of its employees and other stakeholders. The Company reiterates that the actions and strategic decisions already made and those in progress supersede the objective of mitigating the impacts caused by the pandemic in the operational and financial scope, also seeking to fight and minimize its effects on the people with whom the Company has a relationship, including employees, customers, suppliers and other partners.

Notes

Internally, the main actions taken by the Company involving its employees were based on four pillars: hygiene, distancing, tests and isolation.

Regarding the actions directly related to the Company's businesses, management maintains work streams started in the 2Q20 with the purpose of seeking new sources of revenue, controlling and reducing costs and expenses and revisiting the investment plan, prioritizing the continuity of strategic projects. Regarding revenue, the Company aims at diversifying the business and increasing the share-of-wallet in the customer value chain through the following commercial actions: (i) increase in DEPOT activities (container repair and maintenance service) for shipowner customers at Tecon Santos and Tecon Vila do Conde; (ii) capture of new cargo at the Imbituba General Cargo Terminal (i.e. pulp and food); (iii) new agreements in the logistics operations of the CLIA's, of the São Bernardo do Campo Distribution Center and the Imigrantes Distribution Center; (iv) capturing project cargo at Tecon Vila do Conde; and (v) capture of new volumes at TEV - Vehicles Terminal.

Regarding actions to reduce costs and expenses, with the assumption of increasing operational and administrative efficiency, the Company seeks to continue obtaining savings through the following measures and results: (i) renegotiation and scope review of agreements with suppliers; (ii) reduction of administrative expenses with trips, space occupation, marketing, among others; and (iii) full automation of the entrance gates of Tecon Santos.

In terms of operational continuity, the preservation and strengthening of consolidated cash (R\$1.09 billion as of June 30, 2021) continued to be the main focus of the actions taken, with the management of working capital by increasing the average payment term and controlling default receipts, as well as the deferral and suspension of taxes and the replacement of judicial deposits with other guarantees. In September 2020, the Company raised R\$790 million in a primary offering of shares (follow-on), funds that will be designated for the growth of the Company's business.

Until the issue date of this condensed quarterly information, the operations of the Company and its subsidiaries have continued on a regular basis, with no interruptions or stoppages.

In addition, no conditions were identified that would justify the recognition of additional provisions for impairment losses on assets, mainly related to the recoverability of property and equipment, intangible assets and realization of deferred income and social contribution taxes.

2. Basis of preparation

Compliance statement

The Company's individual and consolidated condensed quarterly information was prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting, in accordance with the accounting practices adopted in Brazil.

All significant information of the condensed quarterly information itself, and only such information, is being disclosed and corresponds to that used to manage the Company's operations.

The issue of this individual and consolidated condensed interim financial information was authorized by the Executive Board on August 4, 2021.

There was no change in the basis of measurement, functional and presentation currency or in the use of estimates and judgments, compared with those presented in the financial statements for the year ended December 31, 2020, disclosed on March 8, 2021.

Notes

The individual and consolidated condensed quarterly information does not include all information and disclosures required in the annual financial statements; therefore, this interim condensed quarterly information should be read in conjunction with the financial statements for that year.

3. Significant accounting policies

During the quarter ended June 30, 2021, there were no changes in the accounting policies applied by the Company and its subsidiaries, as detailed in the financial statements as of December 31, 2020, and the same consistency was maintained for the period presented in this condensed quarterly information, except for the adoption of new standards in force as of January 1, 2021. The Company and its subsidiaries have not early adopted any standard, interpretation or amendment that has been issued and is not yet in force.

4. Related parties disclosures

a) Dividends receivable - Individual

	06.30.2021	12.31.2020
Current assets:		
Dividends receivable:		
Direct subsidiaries:		
Pará Empreendimentos Financeiros S.A.	-	5,692
Terminal de Veículos de Santos S.A.	-	428
	-	6,120

b) Other significant balances

	Individual		Consolidated (*)	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Current assets:				
Trade accounts receivable (i)	926	448	1,647	1,478
Checking accounts (ii)	1,225	1,101	1,225	1,101
	2,151	1,549	2,872	2,579
Current liabilities:				
Suppliers	721	1,030	1,647	1,478
Checking accounts (ii)	-	-	1,225	1,101
	721	1,030	2,872	2,579

(*) Amounts eliminated in the consolidation.

(I) The Company and its subsidiaries provide port and transportation services to each other, under commercial conditions agreed between the parties, as described in Note 4.c);

(II) These refer to provision for expenses with shared administrative services provided by the Company to its subsidiaries.

Notes**c) Port service rendered**

In the period from January to June 2021, operational branch Tecon Santos provided the following port services to subsidiary Santos Brasil Logistics: (i) immediate delivery of containers amounting to R\$1,450 (R\$387 at June 30, 2020), referring to 4,812 containers handled (1,484 containers at June 30, 2020); (ii) non-invasive inspection of containers amounting to R\$426 (R\$412 at June 30, 2020), referring to 8,321 containers (4,154 containers at June 30, 2020); (iii) reefers monitoring amounting to R\$118 (R\$2 at June 30, 2020), referring to 143 containers (6 containers at June 30, 2020); and (iv) connection and disconnection of reefer containers amounting to R\$24 (R\$1 at June 30, 2020).

In the same period, subsidiary Santos Brasil Logistics provided operational branch Tecon Santos with: (i) container transportation service amounting to R\$3,356 (R\$4,610 at June 30, 2020), referring to 4,127 containers (5,397 containers at June 30, 2020); and (ii) freight forwarding service amounting to of R\$22 (R\$21 at June 30, 2020), referring to 803 containers (789 containers at June 30, 2020).

d) Compensation of key personnel

	Individual			
	06.30.2021		06.30.2020	
	Board of Directors	Executive Board	Board of Directors	Executive Board
Benefits current	918	5,028	918	4,912
Other benefits	-	262	-	215
Stock option plan / Share-based incentive plan	-	2,815	-	2,260
Total	<u>918</u>	<u>8,105</u>	<u>918</u>	<u>7,387</u>

	Consolidated			
	06.30.2021		06.30.2020	
	Board of Directors	Executive Board	Board of Directors	Executive Board
Benefits - current	929	5,314	929	5,039
Other benefits	-	288	-	215
Stock option plan / Share-based incentive plan	-	2,815	-	2,260
Total	<u>929</u>	<u>8,417</u>	<u>929</u>	<u>7,514</u>

Statutory officers and other officers are included in the Executive Board's amounts.

Certain officers are signatories to the confidentiality and non-competition agreement, approved by the Board of Directors. In case of termination, no obligations or benefits are set forth in this agreement.

Shareholders directors hold 0.49% (0.45% at December 31, 2020) of the Company's voting shares.

Notes

e) Employees benefits - Consolidated

The Company and its subsidiaries provide their employees with benefits including basically private pension plan with defined contribution administered by Brasilprev, life insurance, healthcare plan, basic food basket, food stamps, meal voucher and ready meals. At June 30, 2021, the aforementioned benefits represented an expense of R\$27,117 (R\$26,946 at June 30, 2020), equivalent to 3.91% and 6.01% of consolidated net revenue, respectively.

Operational branch Tecon Santos and subsidiaries Santos Brasil Logistics and Vehicles Terminal/TEV include the Profit-Sharing Plan - PSP in their human resources policies, and all employees with formal employment relationship not covered by any other variable compensation program offered by those companies are eligible. The goals and criteria for defining and distributing funds and awards are agreed between the parties, including unions representing employees, and they aim to increase productivity, competitiveness and motivation and engagement among participants. At June 30, 2021, the Company and the other subsidiaries had provisioned the amount of R\$7,248 (R\$4,121 at June 30, 2020).

f) Sureties and guarantees

The Company provides guarantees to its subsidiaries, as follows:

- Guarantee for the acquisition of trailers for Tecon Vila do Conde, in the amount of R\$1,227 (R\$1,227 at December 31, 2020);
- Guarantee for the acquisition of trucks for Tecon Vila do Conde, in the amount of R\$1,482 (R\$1,482 at December 31, 2020);
- Joint debtor in the acquisition of a crane for Tecon Vila do Conde, in the amount of €3,635, equivalent to R\$21,547 (R\$23,184 at December 31, 2020);
- Joint debtor in the acquisition of a full container forklift truck for Tecon Vila do Conde, in the amount of €678, equivalent to R\$4,020 (R\$4,326 at December 31, 2020);
- Joint debtor in the acquisition of an empty container forklift truck for Tecon Vila do Conde, in the amount of €271, equivalent to R\$1,606 (R\$1,728 at December 31, 2020).

5. Cash and cash equivalents, other marketable securities and nature of investments

a) Cash and cash equivalents

	Individual		Consolidated	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Cash and cash at banks	2,242	2,123	5,042	7,073
Marketable securities	477,486	458,223	662,999	636,788
Total	479,728	460,346	668,041	643,861

Notesb) Other marketable securities

	Individual		Consolidated	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Marketable securities	431,006	426,598	431,006	426,598

c) Nature of marketable securities

- Marketable securities:

	Maturity	Individual	
		06.30.2021	12.31.2020
Bank Deposit Certificate - CDB	04/08/2021	-	3,245
	07/01/2021	75,415	-
	09/30/2021	33,850	131,025
	11/03/2021	64,426	86,051
	11/30/2021	13,277	13,104
	12/13/2021	17,826	-
	12/13/2021	33,868	8,682
	04/08/2022	144,128	142,520
	03/23/2023	10,234	10,126
	09/04/2025	62,621	63,470
		455,645	458,223
Investment funds	Indefinite	21,841	-
		21,841	-
Total		477,486	458,223

	Maturity	Consolidated	
		06.30.2021	12.31.2020
Bank Deposit Certificate - CDB	07/05/2021	91,072	138,284
	08/02/2021	-	1,251
	09/30/2021	42,616	141,444
	11/03/2021	83,225	105,750
	11/30/2021	13,277	13,104
	12/13/2021	54,319	16,101
	04/08/2022	139,666	4,738
	04/08/2022	144,128	142,520
	03/23/2023	10,234	10,126
	09/04/2025	62,621	63,470
		641,158	636,788
Investment funds	Indefinite	21,841	-
		21,841	-
Total		662,999	636,788

Notes

- Other marketable securities

	Maturity	Individual and Consolidated	
		06.30.2021	12.31.2020
Bank Deposit Certificate - CDB	07/01/2021	78,434	77,584
	07/02/2021	156,647	155,176
	07/29/2021	78,334	77,516
	07/05/2021	97,515	116,322
		410,930	426,598
Investment funds	Indefinite	20,076	-
		20,076	-
Total		431,006	426,598

Highly liquid short-term investments considered as cash and cash equivalents are readily convertible into a known cash amount. Other marketable securities are convertible into cash after the grace period. At June 30, 2021, these investments had a grace period of up to 30 days. All investments are subject to an insignificant risk of change in yield agreed.

The average rates of marketable securities are related to the Interbank Deposit Certificate - CDI rate and refer to the yield obtained in the period from January to June 2021. Investments in CDB ranged from 97.00% to 106.00% (97.00% to 109.00% at December 31, 2020). Investments in investment funds ranged from 124.64% to 130.89% of the CDI.

"Cash and cash equivalents" and "Marketable securities" are maintained with prime banks with ratings between BB- and AAA assigned by Standard & Poor's (S&P) rating agency.

6. Trade accounts receivableCurrent

	Individual	
	06.30.2021	12.31.2020
Domestic	145,103	97,114
To be billed	5,305	4,101
Related parties (Note 4.b))	926	448
(-) Allowance for expected credit losses	(17,097)	(11,764)
Total	134,237	89,899

	Consolidated	
	06.30.2021	12.31.2020
Domestic	194,996	136,756
To be billed	7,744	6,381
(-) Allowance for expected credit losses	(18,271)	(12,254)
Total	184,469	130,883

Notes

At June 30, 2021, the amount of R\$1,647 (R\$1,478 at December 31, 2020) was eliminated for consolidation purposes. Such amounts refer to receivables between the Company and its subsidiaries and derives from the billing of services provided and shared administrative services, as explained in Note 4.b).

The table below summarizes the balances receivable by maturity:

	Individual	
	06.30.2021	12.31.2020
Falling due	108,155	66,552
Overdue - up to 60 days	16,164	16,165
Overdue - from 61 to 90 days	3,980	1,915
Overdue - from 91 to 180 days	9,541	6,056
Overdue - from 181 to 360 days	6,497	7,474
Overdue for over 361 days	6,997	3,501
Total	151,334	101,663

	Consolidated	
	06.30.2021	12.31.2020
Falling due	150,722	102,256
Overdue - up to 60 days	22,039	20,203
Overdue - from 61 to 90 days	4,722	1,949
Overdue - from 91 to 180 days	10,569	6,452
Overdue - from 181 to 360 days	6,746	7,772
Overdue for over 361 days	7,942	4,505
Total	202,740	143,137

Impairment

The allowance for expected credit losses is recorded on a forward-looking basis, through the analysis of credit risk and delinquency history. Therefore, the calculation and recognition of the provision consider the amounts falling due and overdue

The changes in the allowance for expected credit losses as well as the notes written-off in the individual and consolidated income (loss) are as follows:

	Individual	Consolidated
Balance at 12.31.2020	11,764	12,254
Additions, net of reversals	10,091	10,928
Write-offs	(4,758)	(4,911)
Balance at 06.30.2021	17,097	18,271

	Individual	Consolidated
Balance at 12.31.2019	12,927	14,334
Additions, net of reversals	14,787	14,450
Write-offs	(15,950)	(16,530)
Balance at 12.31.2020	11,764	12,254

Notes

7. Inventories

	Individual		Consolidated	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Maintenance material	19,507	19,152	23,231	22,393
Administrative material	292	292	429	412
Security material	327	206	482	347
Other	964	920	1,220	1,141
	<u>21,090</u>	<u>20,570</u>	<u>25,362</u>	<u>24,293</u>

Materials kept in inventory are used mainly for maintenance of operating equipment and are recognized in income (loss) for the year, when used.

8. Court-ordered debt payments - consolidated

	06.30.2021	12.31.2020
Non-current assets:		
Court-ordered debt payments receivable	<u>6,182</u>	<u>5,896</u>
Non-current liabilities:		
Court-ordered debt payments to be transferred to the former shareholders, net of attorney's fees (*)	<u>4,945</u>	<u>4,717</u>

(*) Court-ordered debt payments are classified in the statements of financial position under "Other liabilities", in non-current liabilities.

In 1993, subsidiary Santos Brasil Logistics filed a collection action referring to goods storage services provided to and not paid by the São Paulo State Finance Department. In 2001, said action was upheld, final and unappealable, to be received in ten (10) annual installments and, as of June 30, 2021, there is only one installment to be received, restated according to the monetary restatement index of legal debts of the Court of Justice of the São Paulo State, which was recognized in assets.

In the period ended June 30, 2021, the amount of non-current liabilities was adjusted, considering the restatement mentioned in the paragraph above. The purchase agreement of Santos Brasil Logistics sets forth that the amounts referring to the court-ordered debt payments received shall be transferred to the former controlling shareholders. These amounts are transferred net of attorney's fees associated thereto.

9. Current tax assets

	Individual	
	06.30.2021	12.31.2020
Withholding Income Tax - IRRF	453	461
Corporate Income Tax - IRPJ and Social Contribution Tax on Net Income - CSLL	48	360
Credits from Social Integration Program - PIS / Contribution for the Financing Social Security - COFINS	83	-
Other	2	7
Total current	<u>586</u>	<u>828</u>

Notes

	Consolidated	
	06.30.2021	12.31.2020
Withholding Income Tax - IRRF	588	509
Corporate Income Tax - IRPJ and Social Contribution Tax on Net Income - CSLL	565	821
Credit recoverable from the Fund for the Development and Management of Collection and Inspection - FUNDAF	997	989
Credits from Social Integration Program - PIS / Contribution for the Financial Social Security - COFINS	467	1,895
Other	281	374
Total current	2,898	4,588

IRRF consolidated credits, amounting to R\$588 (R\$509 at December 31, 2020), referred mainly to the Company's marketable securities in the current year.

IRRF and CSLL consolidated credits, amounting to R\$565 (R\$821 at December 31, 2020), referred mainly to prepayments made in prior years through monthly calculations of the Company and its subsidiary Santos Brasil Logistics. These credits will be offset in monthly calculations.

FUNDAF consolidated credits, amounting to R\$997 (R\$989 at December 31, 2020), referred to undue in subsidiary Tecon Vila do Conde, pursuant to article 6 of Decree-Law No. 1437/75, arising from payments made in the period from January 2014 to April 2017.

PIS and COFINS consolidated credits, amounting to R\$467 (R\$1,895 at December 31, 2020), referred mainly to subsidiary Tecon Vila do Conde, which filed a writ of mandamus to exclude Service Tax (ISS) from the PIS and COFINS tax base. The lawsuit was upheld, generating the credit right for the period from October 2012 to December 2019. These credits have been restated and offset in monthly calculations of the contributions themselves.

The Company and its subsidiaries understand that PIS and COFINS credits on their inputs are reliably measured and recognized by law in the best interpretation of the legislation in force, i.e., only expenses that are essential or relevant to its activities, and this is also supported by their external legal advisors.

10. Investments - Company**a) Breakdown of balances**

	06.30.2021	12.31.2020
Non-current assets:		
Interest in subsidiaries	406,588	404,677

Notes**b) Changes in balances - as from December 31, 2020**

	Numeral 80 Participações S.A.	Terminal Portuário de Veículos S.A.	Pará Empreendimentos Financeiros S.A. (Consolidated)	Santos Brasil Logística S.A.	Terminal de Veículos de Santos S.A.	Total
Balance at December 31, 2020	174	42	109,006	132,750	162,705	404,677
Capital contribution	-	40	-	-	-	40
Equity pickup	(55)	(20)	17,317	(2,344)	5,335	20,233
Additional dividend according to the Annual Shareholders' Meeting of April 30, 2021 (*)	-	-	(17,078)	-	(1,284)	(18,362)
Balance at June 30, 2021	119	62	109,245	130,406	166,756	406,588

(*) Dividends paid out are presented in the "Statement of cash flow" under the "Investing activities".

c) Changes in balances - as from December 31, 2019

	Numeral 80 Participações S.A.	Terminal Portuário de Veículos S.A.	Pará Empreendimentos Financeiros S.A. (Consolidated)	Santos Brasil Logística S.A.	Terminal de Veículos de Santos S.A.	Total
Balance at December 31, 2019	207	34	94,206	135,749	168,264	398,460
Capital contribution	100	30	-	-	-	130
Equity pickup	(133)	(22)	23,969	(2,026)	1,802	23,590
Additional dividend according to the Annual shareholders' Meeting of April 30, 2020 (*)	-	-	(3,966)	-	(6,931)	(10,897)
Proposed dividends (*)	-	-	(5,692)	-	(428)	(6,120)
Actuarial liabilities	-	-	490	(973)	(2)	(485)
Others	-	-	(1)	-	-	(1)
Balance at December 31, 2020	174	42	109,006	132,750	162,705	404,677

(*) Dividends paid out are presented in the "Statement of cash flow" under the "Investing activities".

d) Information of subsidiaries - position as of June 30, 2021

	Numeral 80 Participações S.A. ^(a)	Terminal Portuário de Veículos S.A. ^(a)	Pará Empreendimentos Financeiros S.A. (Consolidated)	Santos Brasil Logística S.A.	Terminal de Veículos de Santos S.A.
Capital	1,430	530	84,484	126,374	128,751
Number of shares held:					
Common	986,986	530,000	84,484,349	115,935,256	204,269,217
Preferred	443,014	-	-	115,935,255	-
(Loss) net income for the year	(55)	(20)	17,317	(2,344)	5,335
Shareholders' equity	119	62	109,245	130,406	166,756
Interest in capital - %	100	100	100	100	100
Interest in shareholders' equity	119	62	109,245	130,406	166,756
Current assets	115	65	128,072	67,297	54,902
Non-current assets	7	-	106,670	177,916	258,298
Total assets	122	65	234,742	245,213	313,200
Current liabilities	3	3	31,311	47,770	13,359
Non-current liabilities	-	-	94,186	67,037	133,085
Total liabilities	3	3	125,497	114,807	146,444
Net income	-	-	70,505	133,227	32,529
(Loss) net income for the period	(55)	(20)	17,317	(2,344)	5,335

(a) Company whose activities area paralyzed.

Notes**11. Property, plant and equipment**

	Individual											
	Leasehold improvements	Cargo handling equipment	Construction in progress (*)	IT equipment	Land	Machinery, equipment and accessories	Facilities, furniture and fixtures	Vehicles	Real estate	Right-of-use - Rents	Other items	Total
Average depreciation rate (% p.a.)	9.2	9.6	-	20	-	10	10	20	1.7	6	10	
Net balances at January 1, 2020	80	11,287	25,411	1,811	39,943	5,647	1,292	497	1,860	-	96	87,924
Changes												
Acquisitions / transfers	-	15,518	(15,798)	11,808	-	-	98	-	-	2,412	-	14,038
Write-offs	-	(106)	-	(1)	-	-	-	-	-	-	-	(107)
Reclassifications (**)	-	-	(2,182)	-	-	-	-	-	-	-	-	(2,182)
Depreciation	(30)	(2,444)	-	(2,023)	-	(1,885)	(416)	(119)	(35)	(147)	(25)	(7,124)
Net balances at December 31, 2020	50	24,255	7,431	11,595	39,943	3,762	974	378	1,825	2,265	71	92,549
Balances at December 31, 2020												
Cost	4,092	71,625	7,431	49,611	39,943	27,115	9,604	1,988	1,954	2,412	347	216,122
Accumulated depreciation	(4,042)	(47,370)	-	(38,016)	-	(23,353)	(8,630)	(1,610)	(129)	(147)	(276)	(123,573)
Net balances at December 31, 2020	50	24,255	7,431	11,595	39,943	3,762	974	378	1,825	2,265	71	92,549
Average depreciation rate (% p.a.)	9.2	9.6	-	20	-	10	10	20	1.7	6	10	
Net balances at January 1, 2021	50	24,255	7,431	11,595	39,943	3,762	974	378	1,825	2,265	71	92,549
Changes												
Acquisitions / transfers	-	-	4,255	410	-	13	-	-	-	44	-	4,722
Write-offs	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications (**)	-	-	(792)	-	-	-	-	-	-	-	-	(792)
Depreciation	(15)	(1,716)	-	(1,419)	-	(921)	(183)	(53)	(16)	(306)	(12)	(4,641)
Net balances at June 30, 2021	35	22,539	10,894	10,586	39,943	2,854	791	325	1,809	2,003	59	91,838
Balances at June 30, 2021												
Cost	3,109	71,625	10,894	50,021	39,943	27,128	9,604	1,904	1,955	2,455	347	218,985
Accumulated depreciation	(3,074)	(49,086)	-	(39,435)	-	(24,274)	(8,813)	(1,579)	(146)	(452)	(288)	(127,147)
Net balances at June 30, 2021	35	22,539	10,894	10,586	39,943	2,854	791	325	1,809	2,003	59	91,838

(*) The amount of additions in "Construction in progress" capital is net of transfers upon enter of assets into the groups that represent them.

(**) Reclassifications, mainly to intangible assets.

Notes

	Consolidated											
	Leasehold improvements	Cargo handling equipment	Construction in progress (*)	IT equipment	Land	Machinery, equipment and accessories	Facilities, furniture and fixtures	Vehicles	Real estate	Right-of-use - Rents	Other items	Total
Average depreciation rate (% p.a.)	5.7 - 9.2	9.6 - 10.3	-	20	-	10	10	20	1.7 - 2.2	6 - 50	10	
Net balances at January 1, 2020	3,616	39,902	30,077	4,032	66,368	9,643	15,944	497	19,945	29,907	124	220,055
Changes												
Acquisitions / transfers	217	21,166	(9,918)	14,456	-	491	176	-	-	20,501	1	47,090
Write-offs	-	(1,577)	-	(1)	-	-	-	-	-	-	-	(1,578)
Reclassifications (**)	-	-	(2,689)	-	-	-	-	-	-	-	-	(2,689)
Depreciation	(482)	(6,909)	-	(2,789)	-	(2,877)	(4,195)	(119)	(541)	(10,798)	(33)	(28,743)
Net balances at December 31, 2020	3,351	52,582	17,470	15,698	66,368	7,257	11,925	378	19,404	39,610	92	234,135
Balances at December 31, 2020												
Cost	13,097	159,958	17,470	63,114	66,368	45,684	57,715	2,176	27,135	58,815	763	512,295
Accumulated depreciation	(9,746)	(107,376)	-	(47,416)	-	(38,427)	(45,790)	(1,798)	(7,731)	(19,205)	(671)	(278,160)
Net balances at December 31, 2020	3,351	52,582	17,470	15,698	66,368	7,257	11,925	378	19,404	39,610	92	234,135
Average depreciation rate (% p.a.)	5.7 - 9.2	9.6 - 10.3	-	20	-	10	10	20	1.7 - 2.2	6 - 50	10	
Net balances at January 1, 2021	3,351	52,582	17,470	15,698	66,368	7,257	11,925	378	19,404	39,610	92	234,135
Changes												
Acquisitions / transfers	320	748	6,416	847	-	308	1,156	-	-	14,732	76	24,603
Write-offs	-	(227)	-	-	-	(2)	-	-	-	-	-	(229)
Reclassifications (**)	-	-	(1,217)	-	-	-	-	-	-	-	-	(1,217)
Depreciation	(193)	(3,779)	-	(1,941)	-	(1,424)	(2,034)	(53)	(268)	(6,910)	(16)	(16,618)
Net balances at June 30, 2021	3,478	49,324	22,669	14,604	66,368	6,139	11,047	325	19,136	47,432	152	240,674
Balances at June 30, 2021												
Cost	12,435	158,552	22,669	63,960	66,368	45,975	58,871	2,092	27,136	73,546	839	532,443
Accumulated depreciation	(8,957)	(109,228)	-	(49,356)	-	(39,836)	(47,824)	(1,767)	(8,000)	(26,114)	(687)	(291,769)
Net balances at June 30, 2021	3,478	49,324	22,669	14,604	66,368	6,139	11,047	325	19,136	47,432	152	240,674

(*) The amount of additions in "Construction in progress" capital is net of transfers upon entry of assets into the groups that represent them.

(**) Reclassifications, mainly to intangible assets.

Costs of capitalized loans and financing for the period ended June 30, 2021 totaled R\$4,282 (R\$4,665 at December 31, 2020) referring to loans and financing not directly attributable to the Company's property and equipment with an average interest rate of 3.79% and 3.98%, respectively.

At December 31, 2020, the Company had a piece of equipment pledged as collateral to finance the related acquisition (Financing Fund for Acquisition of Industrial Machineries and Equipment - FINAME). At December 31, 2020, the cost value of these assets was R\$298. At June 30, 2021, the Company does not have any piece of equipment pledged as collateral for financing. In addition to these guarantees, the Company also has a Rubber Tyred Gantry - RTG pledged as collateral in Labor Lawsuit No. 369/03 in progress, whose carrying amount at June 30, 2021 was R\$468 (R\$520 at December 31, 2020).

Notes

12. Intangible assets

	Individual										
	Defined useful life										
	Exploration right								Software	Other intangible assets	Total
Tecon Santos	Tecon Imbituba	TCG Imbituba	Saboó 42,000m² (**)	Saboó 64,412m² (**)	Concession of Santos-Brasil S.A.	Concession of Pará Empreendimentos	Concession of TCG Imbituba	Data processing system	Intangible assets in progress		
Average amortization rate (% p.a.)	4.3	4.7	4.7	60.9	-	3.1	6.3	4.4	20	-	
Net balances at January 1, 2020	848,190	615,065	11,315	-	-	69,398	2,365	10,209	361	104,857	1,661,760
Changes											
Acquisitions / transfers	298,158	31,835	294	5,011	-	-	-	-	5,758	95,957	437,013
Write-offs	(1,829)	-	-	-	-	-	-	-	-	-	(1,829)
Reclassifications (*)	-	-	-	-	-	-	-	-	622	1,561	2,183
Amortization	(45,596)	(48,669)	(935)	(3,052)	-	(2,484)	(172)	(828)	(770)	-	(102,506)
Net balances at December 31, 2020	1,098,923	598,231	10,674	1,959	-	66,914	2,193	9,381	5,971	202,375	1,996,621
Balances at December 31, 2020											
Cost	1,862,390	1,033,165	19,860	5,011	-	321,264	37,760	18,983	28,897	202,375	3,529,705
Accumulated amortization	(763,467)	(434,934)	(9,186)	(3,052)	-	(254,350)	(35,567)	(9,602)	(22,926)	-	(1,533,084)
Net balances at December 31, 2020	1,098,923	598,231	10,674	1,959	-	66,914	2,193	9,381	5,971	202,375	1,996,621
Average amortization rate (% p.a.)	4.3	4.7	4.7	60.9	-	3.1	6.3	4.4	20	-	
Net balances at January 1, 2021	1,098,923	598,231	10,674	1,959	-	66,914	2,193	9,381	5,971	202,375	1,996,621
Changes											
Acquisitions / transfers	-	143,275	352	3,630	1,554	-	-	-	4,168	80,404	233,383
Write-offs	(776)	-	-	-	-	-	-	-	-	-	(776)
Reclassifications (*)	664	-	28	-	-	-	-	-	100	-	792
Amortization	(26,967)	(26,537)	(480)	(2,967)	(423)	(1,243)	(86)	(415)	(966)	-	(60,084)
Net balances at June 30, 2021	1,071,844	714,969	10,574	2,622	1,131	65,671	2,107	8,966	9,273	282,779	2,169,936
Balances at June 30, 2021											
Cost	1,837,735	1,176,637	20,240	8,641	1,554	321,266	37,760	18,983	33,166	282,779	3,738,761
Accumulated amortization	(765,891)	(461,668)	(9,666)	(6,019)	(423)	(255,595)	(35,653)	(10,017)	(23,893)	-	(1,568,825)
Net balances at June 30, 2021	1,071,844	714,969	10,574	2,622	1,131	65,671	2,107	8,966	9,273	282,779	2,169,936

(*) Reclassifications of property, plant and equipment.

(**) Exploration right for six (6) months, renewed for another six (6) months from May 11, 2021.

(***) Exploration right for six (6) months.

Notes

	Consolidated													Total
	Defined useful life												Indefinite useful life	
	Exploration right										Software	Other intangible assets	Goodwill on acquisitions	
	Tecon Santos	Tecon Imituba	TCG Imituba	Saboo 42,000m ² (**)	Saboo 64,412 m ² (****)	Tecon Vila do Conde	Vehicles Terminal/TEV	Concession of Santos-Brasil S.A.	Concession of Para Empreendimentos	Concession of TCG Imituba	Data processing system	Intangible assets in progress	Santos Brasil Logistics (*)	
Average amortization rate (% p.a.)	4.3	4.7	4.7	60.9	-	7.4	4.3	3.1	6.3	4.4	20	-	-	
Net balances at January 1, 2020	848,190	615,065	11,315	-	-	60,421	229,575	69,398	2,365	10,209	1,091	114,072	39,465	2,001,166
Changes														
Acquisitions / transfers	298,158	31,835	294	5,011	-	8,735	11,175	-	-	-	5,758	100,608	-	461,574
Write-offs	(1,829)	-	-	-	-	(299)	-	-	-	-	-	-	-	(2,128)
Reclassifications (**)	-	-	-	-	-	261	-	-	-	-	868	1,561	-	2,690
Amortization	(45,596)	(48,669)	(935)	(3,052)	-	(4,940)	(15,985)	(2,484)	(172)	(828)	(959)	-	-	(123,620)
Net balances at December 31, 2020	1,098,923	598,231	10,674	1,959	-	64,178	224,765	66,914	2,193	9,381	6,758	216,241	39,465	2,339,682
Balances at December 31, 2020														
Cost	1,862,390	1,033,165	19,860	5,011	-	106,816	371,429	321,264	37,760	18,983	38,827	216,241	47,576	4,079,322
Accumulated amortization	(763,467)	(434,934)	(9,186)	(3,052)	-	(42,638)	(146,664)	(254,350)	(35,567)	(9,602)	(32,069)	-	(8,111)	(1,739,640)
Net balances at December 31, 2020	1,098,923	598,231	10,674	1,959	-	64,178	224,765	66,914	2,193	9,381	6,758	216,241	39,465	2,339,682
Average amortization rate (% p.a.)	4.3	4.7	4.7	60.9	-	7.4	4.3	3.1	6.3	4.4	20	-	-	
Net balances at January 1, 2021	1,098,923	598,231	10,674	1,959	-	64,178	224,765	66,914	2,193	9,381	6,758	216,241	39,465	2,339,682
Changes														
Acquisitions / transfers	-	143,275	352	3,630	1,554	12,531	36,996	-	-	-	4,843	67,217	-	270,398
Write-offs	(776)	-	-	-	-	-	-	-	-	-	-	-	-	(776)
Reclassifications (**)	664	-	28	-	-	-	-	-	-	-	107	418	-	1,217
Amortization	(26,965)	(26,537)	(480)	(2,967)	(423)	(2,919)	(9,132)	(1,245)	(86)	(415)	(1,105)	-	-	(72,274)
Net balances at June 30, 2021	1,071,846	714,969	10,574	2,622	1,131	73,790	252,629	65,669	2,107	8,966	10,603	283,876	39,465	2,538,247
Balances at June 30, 2021														
Cost	1,837,737	1,176,637	20,240	8,641	1,554	119,348	408,426	321,266	37,760	18,983	43,777	283,876	47,576	4,325,821
Accumulated amortization	(765,891)	(461,668)	(9,666)	(6,019)	(423)	(45,558)	(155,797)	(255,597)	(35,653)	(10,017)	(33,174)	-	(8,111)	(1,787,574)
Net balances at June 30, 2021	1,071,846	714,969	10,574	2,622	1,131	73,790	252,629	65,669	2,107	8,966	10,603	283,876	39,465	2,538,247

(*) Accumulated amortization up to December 31, 2008

(**) Reclassifications of property, plant and equipment.

(***) Exploration right for six (6) months, renewed for another six (6) months as of May 11, 2021.

(****) Exploration right for six (6) months.

Notes

There were no changes in conditions of rights of exploration and of goodwill on acquisitions with finite and indefinite useful lives, in comparison with those presented in financial statements for the year ended December 31, 2020.

13. Loans and financing

	Interest	Restatements	Amortization	Individual		Transaction currency
				06.30.2021	12.31.2020	
Local currency:						
FINAME	TJLP + 5.50% p.a.	URTJLP	Monthly	-	38	R\$
Export Credit Note - NCE (a)	2.75% p.a.	CDI	Half-yearly	40,088	60,104	R\$
				<u>40,088</u>	<u>60,142</u>	
Total				<u>40,088</u>	<u>60,142</u>	
(-) Current				(40,088)	(40,142)	
Non-current				-	20,000	
	Interest	Restatements	Amortization	Consolidated		Transaction currency
				06.30.2021	12.31.2020	
Local currency:						
FINAME	TJLP + 5.50% p.a.	URTJLP	Monthly	-	38	R\$
FINAME	TLP + 4.60% p.a.	UMSELIC	Monthly	1,095	1,404	R\$
NCE (a)	2.75% p.a.	CDI	Semi-annual	40,088	60,104	R\$
				<u>41,183</u>	<u>61,546</u>	
Foreign currency:						
FINIMP (*)	EURIBOR + 3.02% p.a.	Exchange variation	Semi-annual	13,759	17,273	€
				<u>13,759</u>	<u>17,273</u>	
Total				<u>54,942</u>	<u>78,819</u>	
(-) Current				(45,421)	(45,864)	
Non-current				9,521	32,955	

(*) FINIMP of subsidiary Tecon Vila do Conde has covenants, see calculation below.

- (a) On June 22, 2018, an amendment to the Export Credit Note - NCE operation was entered into with Banco Itaú, changing the maturity from June 2020 to June 2021, referring to the raising of R\$100,000 carried out on June 21, 2017. The percentage of the rate plus CDI was also changed from 2.00% p.a. to 1.85% p.a.

On June 22, 2020, the second amendment to the Export Credit Note - NCE operation was entered into with Banco Itaú, extending the debt final maturity from June 2021 to June 2022. The rate plus CDI was also changed from 1.85% p.a. to 2.75% p.a.

Loans and financing in foreign currency bear interest plus Withholding Income Tax - IRRF on remittance, as provided for in contract.

Notes

Changes in loans and financing are shown in the following table:

	Individual		Consolidated	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Opening balance	60,142	60,143	78,819	77,925
Funding	-	-	-	-
Recognized interest and costs	558	2,150	941	3,054
Capitalized interest	994	1,022	994	1,022
Inflation adjustment and exchange rate change	-	-	(867)	5,979
(-) Debt amortization	(20,038)	(76)	(22,947)	(5,184)
(-) Interest paid ^(*)	(1,568)	(3,097)	(1,998)	(3,977)
Closing balance	40,088	60,142	54,942	78,819

(*) Interest paid is presented in the "Statement of Cash Flow" under the "Financing activities".

FINIMP of subsidiary Tecon Vila do Conde has a covenant, to be determined by the Company, resulting from the division of Net Debt by EBITDA, whose ratio shall be equal to or lower than 2.5 (times), based on the Company's audited Consolidated Financial Statements.

At June 30, 2021, the rate ("covenants") was being reached, as follows:

	Consolidated 06.30.2021
Assets	
Cash and cash equivalents	668,041
Marketable securities	431,006
Liabilities	
Loans and financing	54,942
Debentures	355,768
Leases	50,637
Net debt	(637,700)
EBITDA in the last 12 months	384,916
Net debt / EBITDA equal or less than 2.5 times	(1.7)

Guarantees

- Guarantees granted

	Maturity	Currency	Guarantees
FINAME	February/23	R\$	Equipment subject to the transaction ^(a)
FINAME	April/23	R\$	Equipment subject to the transaction ^(a)

(a) According to Note 11.

Other loans and financing have no guarantees.

- Guarantees obtained

At June 30, 2021, the Company had no guarantee received due to outstanding transactions or any other existing transaction.

At June 30, 2021, non-current maturity schedule is as follows:

Notes

	Consolidated			
	2022	2023	2024	Total
FINAME	312	151	-	463
FINIMP	2,264	4,530	2,264	9,058
Total	2,576	4,681	2,264	9,521

14. Debentures

	Interest	Restatements	Amortization	Individual	
				06.30.2021	12.31.2020
Debentures	0.70% to 1.00% p.a.	CDI	Annual	299,787	298,376
(-) Current				(35,647)	(2,191)
Non-current				264,140	296,185
	Interest	Restatements	Amortization	Consolidated	
				06.30.2021	12.31.2020
Debentures	0.70% to 1.00% p.a.	CDI	Annual	299,787	298,376
Debentures	4.20% p.a.	IPCA	Semi-annual	55,981	55,999
				355,768	354,375
(-) Current				(41,242)	(7,556)
Non-current				314,526	346,819

- (a) On February 20, 2019, the Board of Directors approved the 4th issue, by the Company, of non-privileged unsecured nonconvertible debentures in up to 2 series, in the total amount of R\$300,000.

On April 26, 2019, the Bookbuilding Procedure was completed, and on April 30, 2019 the transaction was settled. The table below shows a summary containing the final conditions obtained and the allocation of Debentures among the series of the Issue:

Series	Maturity	Final rate (Bookbuilding)	Allocated volume (R\$)
1 st series	March 25, 2024	CDI + 0.70% p.a.	100,000
2 nd series	March 25, 2026	CDI + 1.00% p.a.	200,000

- (b) At the Special General Meeting held on October 25, 2019, the shareholders of indirect subsidiary Tecon Vila do Conde approved the 1st issue of single series non-privileged unsecured nonconvertible debentures in the total amount of R\$60,000. The debentures will have the incentive provided for in article 2 of Law No.12431 of June 24, 2011.

On August 26, 2019, the Board of Directors of parent Santos Brasil decided to grant a guarantee for this issue. This transaction was settled on December 3, 2019.

Notes

The table below shows a summary containing the final conditions of Debentures:

Series	Maturity	Final rate	Allocated volume (R\$)
Single series	November 17, 2031	IPCA + 4.20% p.a.	60,000

Changes in debentures are shown in the following table:

	Individual		Consolidated	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Opening balance	298,376	299,985	354,375	358,471
Funding	-	-	-	-
(-) Funding cost	(17)	(15)	(27)	(317)
Net amount raised	298,359	299,970	354,348	358,154
Interest and costs appropriated	2,281	8,211	3,587	10,876
Capitalized interest	3,288	3,643	3,288	3,643
Inflation adjustment on principal	-	-	2,601	2,611
(-) Debt amortization	-	-	(2,694)	(5,097)
(-) Interest paid (*)	(4,141)	(13,448)	(5,362)	(15,812)
Closing balance	299,787	298,376	355,768	354,375

(*) Interest paid is presented in the "Statement of Cash Flow" under the "Financing activities".

Based on clause 6.27.2, item XXI, of the Indenture of Fourth Issue of Santos Brasil, and clause 7.1.2, item II of the Indenture of 1st Issue of Convicon, non-compliance with the financial rate arising from Net Debt to adjusted EBITDA (as defined below), which shall be equal to or lower than 3.0 times, may result in the maturity of obligations arising from the Debentures. The financial rate shall be determined on a quarterly basis, based on the Company's Consolidated Financial Statements.

At June 30, 2021, the financial ratio was being complied, as follows:

	Consolidated 06.30.2021
Assets	
Cash and cash equivalents	668,041
Marketable securities	431,006
Liabilities	
Loans and financing	54,942
Debentures	355,768
Leases	50,637
Net debt	(637,700)
Adjusted EBITDA (*)	301,361
Net debt / adjusted EBITDA equal or less than 3.0 times	(2.1)

(*) For purposes of determining the financial rate, "Adjusted EBITDA" means, based on the Company's Consolidated Financial Statements for the four (4) immediately prior quarters, the result of EBITDA less the payments on obligations with the granting authority (statement of cash flow) referring to the fixed and minimum variable installments of lease agreements.

Notes

15. Provision for tax, labor and civil risks and judicial deposits

The Company and its subsidiaries are exposed to certain risks represented in tax, labor and civil lawsuits, which are provisioned in the financial statements, as their likelihood of loss was assessed as probable. The procedure for determining the provisioned lawsuits were considered adequate by management, based on various factors, including (but not limited to) the opinion of the legal advisors of the Company and its subsidiaries, nature of lawsuits and historical experience.

The amounts recognized for contingencies begging challenged in court are as follows:

	Individual	
	06.30.2021	12.31.2020
Labor provision (a)	20,886	21,061
Provision for the Accident Prevention Factor FAP lawsuit (b)	8,948	8,886
Tax provision (d)	1,648	1,643
Other lawsuits (e)	3,231	2,762
Total	34,713	34,352

	Consolidated	
	06.30.2021	12.31.2020
Labor provision (a)	22,830	22,660
Provision for FAP lawsuit (b)	11,485	11,405
Tax provision (d)	4,813	4,808
Other lawsuits (e)	4,006	2,835
Total	43,134	41,708

The judicial deposits amounts were:

	Individual	
	06.30.2021	12.31.2020
Related to contingencies:		
Labor claims (a)	3,792	4,168
FAP lawsuit (b)	5,772	5,735
CADE - Brazilian Antitrust Agency lawsuit - fine (c)	2,348	2,338
CADE lawsuit - billing - Bonded Warehouse (c)	219,385	213,798
Other lawsuits (e)	1,157	1,157
Other judicial deposits (f)	40,149	40,277
Subtotal	272,603	267,473
Related to supplier:		
SCPar Porto de Imbituba S.A. ("SCPar") (g)	15,083	15,083
OGMO - Labor Management Body (h)	16,582	13,178
Subtotal	31,665	28,261
Total	304,268	295,734

Notes

	Consolidated	
	06.30.2021	12.31.2020
Related to contingencies:		
Labor claims (a)	4,227	4,681
FAP lawsuit (b)	7,246	7,200
CADE lawsuit - fine (c)	2,348	2,338
CADE lawsuit - billing - Bonded Warehouse (c)	219,385	213,798
Other lawsuits (e)	1,157	1,157
Other judicial deposits (f)	46,496	46,849
Subtotal	280,859	276,023
Related to suppliers:		
SCPar (g)	15,083	15,083
OGMO (h)	16,582	13,178
Subtotal	31,665	28,261
Total	312,524	304,284

- (a) These refer lawsuits of responsibility of: (i) operational branch Tecon Santos, provisioned in the amount of R\$20,886 (R\$21,061 at December 31, 2020), for which judicial deposits were made amounting to R\$3,792 (R\$4,168 at December 31, 2020) and 42 insurance policies guaranteeing the amount of R\$166,696 (R\$157,687 at December 31, 2020); (ii) subsidiary Santos Brasil Logistics, provisioned in the amount of R\$1,718 (R\$1,470 at December 31, 2020), for which judicial deposits were made amounting to R\$386 (R\$493 at December 31, 2020) and 1 insurance policy guaranteeing the amount of R\$190 (R\$190 at December 31, 2020); and (iii) subsidiary Tecon Vila do Conde, provisioned in the amount of R\$226 (R\$129 at December 31, 2020), for which judicial deposits were made amounting to R\$49 (R\$20 at December 31, 2020) and 3 insurance policies guaranteeing the amount of R\$2,387 (R\$2,387 at December 31, 2020).
- (b) This provision refers to administrative appeals filed with Brazil's National Institute of Social Security - INSS, due to the new system for calculating social security contributions, based on the creation of so-called FAP multiplier index mainly calculated based on the number of occupational accidents in companies and leaves of employees as compared with companies engaged in the same economic activity (Brazil's National Classification of Economic Activities - NCEA). As the charge was maintained, a preliminary injunction was filed requiring authorization to the judicial deposit and suspension of the enforceability of the tax credit related to FAP (Accident Prevention Factor) for 2010. The preliminary injunction was accepted authorizing the full deposit of the Parent company's credits amounting R\$5,772 (R\$5,735 at December 31, 2020), and of the subsidiaries' credits comprised of: (i) R\$1,380 (R\$1,372 at December 31, 2020) - Santos Brasil Logistics; (ii) R\$67 (R\$66 at December 31, 2020) - Tecon Vila do Conde; and (iii) R\$27 (R\$27 at December 31, 2020) - Vehicles Terminal/TEV. Subsequently, an ordinary suit was filed to challenge the constitutionality and legality of FAP. Also, ordinary suits were filed regarding FAP for 2011 of Santos Brasil Logistics and FAP for 2012 of Santos Brasil Participações S.A., aiming at suspending the debt enforceability upon judicial deposits.
- (c) The deposits related to the CADE refer to proceeding No. 08012.07443/99-17 filed in this agency, on the charge of conducts allegedly infringing the economic order, involving various companies exploring leased quays or private management, including operational branch Tecon Santos.

The subject matter under discussion referred to the legality of the charge made to Bonded Warehouses (BW's) referring to container Segregation and Delivery Service (SSE). This lawsuit was judged and the Company was sentenced, within the scope of CADE, to: (i) financial penalty; and (ii) interruption of charges to the Bonded Warehouses. In view of the administrative decision, the Company filed a lawsuit (item 14 of the reference form) and was handed down favorable decisions on merits in the trial and higher courts to annul the penalty imposed by CADE and declare the legality of the charge of the Segregation and Delivery Service, which enabled the Company to (i) dispose of billed amounts, which should no longer be deposited; (ii) charge retroactively the billed amounts that were stuck; and (iii) request in court the withdrawal of judicial deposits for the services. Previously, the Company was granted a preliminary injunction to resume the charge by means of judicial

Notes

deposits of the full amounts charged and of the full amount of the financial penalty imposed by CADE, resulting in judicial deposits in the amounts of R\$147,715 (R\$145,179 at December 31, 2020) and R\$2,348 (R\$2,338 at December 31, 2020), respectively. It should also be noticed that taxes on revenue (PIS, COFINS, IRPJ and CSLL) amounting to R\$62,319 (R\$60,082 at December 31, 2020) have been deposited under this same lawsuit. For additional information on the lawsuit, see Item 4.3, Lawsuit No. 14 of the Reference Form. Such services are also subject to Service Tax - ISS, which was deposited in court by the Company, with the total amount of R\$9,351 (R\$8,537 at December 31, 2020) already deposited. Taxes on billing - Bonded Warehouses, amounting to R\$60,751 (R\$57,836 at December 31, 2020), are classified in non-current liabilities.

- (d) The consolidated provision, amounting to R\$4,813 (R\$4,808 at December 31, 2020), mainly refers to: (i) Municipal Property Tax - IPTU of the City Administration of Santos, amounting to R\$2,765; (ii) action for annulment of tax debts, amounting to R\$1,648; and (iii) other lawsuits amounting to R\$400.
- (e) The consolidated provision, amounting to R\$4,006 (R\$2,835 at December 31, 2020), mainly refers to: (i) third-party claim filed by the insurer responsible for paying the claim to the customer, due to damages caused to the cargo stored, amounting to R\$1,641; (ii) assessment notice issued by Federal Government, amounting to R\$200; (iii) Indemnity for pain and suffering damages regarding repair of imported vehicle, amounting to R\$420; (iv) administrative lawsuits filed by CADE, amounting to R\$552; (v) Infraction notice issued by the Ministry of Labor, amounting to R\$148; and (vi) others lawsuits amounting to R\$1,045.
- (f) The judicial deposits classified under Other, related to the Parent company, are comprised of: (i) deposit referring to the broadening of the PIS and COFINS tax bases from 1999 to 2003, in the amounts of R\$1,518 (R\$1,513 at December 31, 2020) and R\$9,623 (R\$9,589 at December 31, 2020), respectively, whose provisions were reversed; (ii) challenge of Provisional Contribution Tax on Financial Transactions - CPMF on transfer of loans in the merger process, amounting to R\$2,933 (R\$2,920 at December 31, 2020); (iii) deposit referring to federal taxes that prevented the issue of Joint Certificate attesting to Regular Tax of Federal Debts and those included in the Roster of Debtors to Federal Government, amounting to R\$17,556 (R\$17,460 at December 31, 2020); (iv) deposits of INSS and IRPJ on Voluntary Dismissal Plan and of the Non-salary Fund of SINDESTIVA (Dockworkers Union of the cities of Santos, São Vicente, Guarujá and Cubatão), amounting to R\$1,685 (R\$1,685 at December 31, 2020); and (v) other deposits in the tax and civil levels, amounting to R\$6,834 (R\$7,110 at December 31, 2020). Judicial deposits classified under Other in subsidiaries are related to: (i) subsidiary Santos Brasil Logistics - federal tax collection claims that prevented obtaining the Certificate attesting to non-existence of Debts included in the Roster of Debtors to Federal Government, amounting to R\$3,383 (R\$3,383 at December 31, 2020), and labor claims amounting to R\$848 (R\$1,024 at December 31, 2020); (ii) subsidiary Tecon Vila do Conde - labor claims amounting to R\$525 (R\$573 at December 31, 2020), other deposits at tax and civil levels, amounting to R\$1,578 (R\$1,578 at December 31, 2020), and garnishments amounting to R\$7 (R\$7 at December 31, 2020); and (iii) subsidiary Numeral 80 - garnishments amounting to R\$6 (R\$7 at December 31, 2020).
- (g) On November 26, 2012, Delegation Agreement No. 01/2012 was entered into between the Federal Government and the State of Santa Catarina, whereby the Federal Government delegated the management and operation of the Port of Imbituba to SCPAR from December 25, 2012. The Companhia Docas de Imbituba S.A., former manager, filed a lawsuit against Brazil's National Waterway Transportation Agency - ANTAQ and the Federal Government, pleading the maintenance of the effectiveness of its service concession arrangement until December 2016. In view of this situation, the Company decided to make payments of its obligations related to its operation agreements of the Container Terminal and General Cargo Terminal at that port, and proposed a Payment Into Court Suit for deposit in the amount of R\$23,774. In July 2014, SCPAR - Port of Imbituba raised the amount of R\$8,691. At June 30, 2021, these deposits totaled R\$15,083 (R\$15,083 at December 31, 2020). At June 30, 2021, such deposit is provisioned in non-current liabilities, under "Suppliers", in the amount of R\$15,021 (R\$15,021 at December 31, 2020). In August 2018, the referred to suit was deemed unfounded, extinguishing the Company's obligation, and acknowledging SCPAR as creditor of the amounts deposited referring to the contractual period after

Notes

December 25, 2013, and Companhia Docas de Imbituba as creditor of the amounts referring to the contractual period that preceded the termination of the concession. In view of the decision rendered, SCPAR and Companhia Docas de Imbituba filed Requests for amendment of judgment. The requests filed by Companhia Docas de Imbituba were accepted, and the Contract termination date was corrected (from December 25, 2013 to December 25, 2012). Currently, this suit is pending judgment of Appeal.

- (h) On March 30, 2019, the contribution paid by Port Operators to the Labor Management Agency - OGMO, for costing its administrative and operating expenses, as well as the liability of existing lawsuits, started to be calculated based on the volume of tons handled by each Port Operator. This new model differs from the criterion effective thus far, which considered the number of freelance labor requested to OGMO for handling of cargo. On April 1, 2019, the Ordinary Suit No. 10063282820198260562 aiming at annulling the Meeting which established the new contribution type and recognizing the illegality of such criterion. At June 30, 2021, these deposits amounted to R\$16,582 (R\$13,178 at December 31, 2020). The suit was deemed unfounded, validating the Meeting held and recognizing the legality of the criterion voted. At June 30, 2021, the Company filed an Appeal, which is pending judgment. For additional information on this suit, see Item 4.3, Lawsuit No. 22 of the Reference Form.

The lawsuits referring to subsidiary Santos Brasil Logistics, mentioned in item (a), the origin of which is prior to acquisition date, pursuant to a contractual provision, will be the responsibility of its former shareholders. Accordingly, at June 30, 2021, the amount of R\$2,765 (R\$2,765 at December 31, 2020) was recorded in non-current assets, under "Other assets".

Changes in provisions for contingencies, for the period ended June 30, 2021 and year ended December 31, 2020, are as follows:

	Balance at 12.31.2020	Additions	Individual Payment of award	Other changes (*)	Balance at 06.30.2021
Labor provision	21,061	806	(8,162)	7,181	20,886
Provision for FAP	8,886	62	-	-	8,948
Tax Provision	1,643	-	-	5	1,648
Other lawsuits	2,762	35	(256)	690	3,231
Total	34,352	903	(8,418)	7,876	34,713

	Balance at 12.31.2019	Additions	Payment of award	Other changes (*)	Balance at 12.31.2020
Labor provision	16,124	770	(13,080)	17,247	21,061
Provision for FAP	9,554	164	-	(832)	8,886
Tax provision	1,614	-	-	29	1,643
Other lawsuits	1,872	-	(2,644)	3,534	2,762
Total	29,164	934	(15,724)	19,978	34,352

Notes

	Consolidated			
	Balance at 12.31.2020	Additions	Payment of award	Other changes (*)
Labor provision	22,660	903	(8,834)	8,101
Provision for FAP	11,405	80	-	-
Tax provision	4,808	-	-	5
Other lawsuits	2,835	587	(256)	840
Total	41,708	1,570	(9,090)	8,946

	Balance at 12.31.2019	Additions	Payment of award	Other changes (*)	Balance at 12.31.2020
Labor provision	18,491	844	(15,988)	19,313	22,660
Provision for FAP	12,026	211	-	(832)	11,405
Tax provision	5,077	-	-	(269)	4,808
Other lawsuits	1,899	-	(2,673)	3,609	2,835
Total	37,493	1,055	(18,661)	21,821	41,708

(*) These refer basically to changes in contingencies or in the positive or negative likelihood of loss.

In addition to the aforementioned lawsuits, the Company and its subsidiaries are parties to ongoing legal and administrative lawsuits, whose likelihood of loss is assessed by their legal advisors as possible, amounting to R\$769,940 (R\$758,447 at December 31, 2020), and in this case, no provision for loss was recorded in the condensed quarterly information.

Changes in lawsuits assessed as possible loss, for the period ended June 30, 2021 and year ended December 31, 2020, are as follows:

<u>Nature of the lawsuit</u>	Balance at 12.31.2020	Additions (*)	Other changes (**)	Balance at 06.30.2021
Customs	8,631	18	570	9,219
Civil	69,179	599	2,244	72,022
Labor	81,183	11,530	(10,466)	82,247
Tax	587,242	916	5,974	594,132
Other	12,212	290	(182)	12,320
Total	758,447	13,353	(1,860)	769,940

(*) These refer to new lawsuits whose likelihood of loss is assessed as possible. Regarding labor claims, the additions are related to various lawsuits filed in the period.

(**) These refer basically to changes in contingencies or in the positive or negative likelihood of loss. The main change in the period refers to the restatement of the contingency of the Goodwill Lawsuit, whose balance at December 31, 2020 was R\$379,230 and at June 30, 2021 is R\$381,563.

<u>Nature of the lawsuit</u>	Balance at 12.31.2019	Additions (*)	Other changes (**)	Balance at 12.31.2020
Customs	15,169	-	(6,538)	8,631
Civil	39,418	41,700	(11,939)	69,179
Labor	77,600	19,416	(15,833)	81,183
Tax	441,871	5,521	139,850	587,242
Other	7,712	4,026	474	12,212
Total	581,770	70,663	106,014	758,447

(*) These refer to new lawsuits whose likelihood of loss is assessed as possible. Regarding civil lawsuits, two of them stand out, which address the legality of charging for container segregation and delivery services. As for labor claims, the additions are related to various lawsuits filed in the period.

(**) These refer basically to changes in contingencies or in the positive or negative likelihood of loss. The main change in the period refers to the restatement of the contingency of the Goodwill Lawsuit, whose balance at December 31, 2019 was R\$259,815 and at December 31, 2020 was R\$379,230.

Notes

Goodwill Lawsuit

On December 14, 2012, the Company and its subsidiary Numeral 80 were served a tax deficiency notice from the Brazilian Federal Revenue, referring to the payment of IRPJ and CSLL from 2006 to 2011, with arrears interest, compounded ex-officio and isolated fine, amounting to R\$334,495. According to the tax deficiency notice, Numeral 80 did not add back expenses with goodwill amortization, arising from merger of entities that acquired shares issued by it, to the income and social contribution tax bases.

The Company and its subsidiary Numeral 80 filed an objection to this the tax deficiency notice on the grounds that the goodwill generated on the acquisition of equity interests held in Numeral 80 (then Santos-Brasil S.A.), and transferred thereto through the merger, was recognized appropriately, strictly in compliance with the tax and corporate legislation. The Assessment amount, for June 30, 2021, totals R\$381,563 (R\$379,230 at December 31, 2020). For additional information on this lawsuit, see Item 4.3, Lawsuit No. 1 of the Reference Form.

PIS / COFINS Lawsuit

In October 2019, the Company was served the Tax Assessment Notice No. 0816500.2018. 00316 filed by the Special Inspection Office of the Brazilian Federal Revenue of Foreign Trade, in the amount of R\$18,742, referring to the payment of PIS and COFINS for 2015. The Brazilian IRS (RFB) understands that the Company unduly used the credit of certain inputs. The Company filed an objection, as all credits were generated in accordance with the current legislation. At June 30, 2021, the restated amount totals R\$23,115 (R\$21,701 at December 31, 2020). For additional information on this lawsuit, see Item 4.3, Lawsuit No. 7 of the Reference Form.

16. Obligations with the Concession Grantor

The Company and its subsidiaries recognize in liabilities fixed and variable installments (Contract Minimum Handling - "MMC"), which are brought to present value at lease inception.

Agreements	Individual					Accounting balance at 06.30.2021
	Accounting balance at 12.31.2020	Additions	Recognized interest	Inflation adjustment / Renewal effects (*)	Payments	
Lease:						
Tecon Santos	754,079	-	15,845	-	(25,052)	744,872
Tecon Imbituba	37,591	-	720	14,737	(2,267)	50,781
Saboó 42,000 m ²	1,720	3,100	1,672	-	(4,244)	2,248
Saboó 64,412 m ²	-	1,503	216	-	(621)	1,098
	<u>793,390</u>	<u>4,603</u>	<u>18,453</u>	<u>14,737</u>	<u>(32,184)</u>	<u>798,999</u>
MMC:						
Tecon Imbituba	384,291	-	5,866	128,514	(3,424)	515,247
TCG Imbituba	5,527	-	102	352	(290)	5,691
Saboó 42,000 m ²	410	530	286	-	(707)	519
Saboó 64,412 m ²	-	51	7	-	(8)	50
	<u>390,228</u>	<u>581</u>	<u>6,261</u>	<u>128,866</u>	<u>(4,429)</u>	<u>521,507</u>
Obligations with the Concession Grantor	<u>1,183,618</u>	<u>5,184</u>	<u>24,714</u>	<u>143,603</u>	<u>(36,613)</u>	<u>1,320,506</u>
(-) Current	(96,142)					(126,589)
Non-current	1,087,476					1,193,917

(*) The contra-entry to this amount is the right of exploration in intangible assets, as explained in Note 12.

Notes

	Individual					Accounting balance at 12.31.2020
	Accounting balance at 12.31.2019	Additions	Recognized interest	Inflation adjustment / Renewal effects (*)	Payments	
Agreements						
Lease:						
Tecon Santos	559,583	-	31,869	207,651	(45,024)	754,079
Tecon Imbituba	36,683	-	1,483	3,287	(3,862)	37,591
Saboó 42,000 m ²	-	4,279	2,016	-	(4,575)	1,720
	<u>596,266</u>	<u>4,279</u>	<u>35,368</u>	<u>210,938</u>	<u>(53,461)</u>	<u>793,390</u>
MMC:						
Tecon Imbituba	347,591	-	12,102	28,548	(3,950)	384,291
TCG Imbituba	5,783	-	211	293	(760)	5,527
Saboó 42,000 m ²	-	731	345	-	(666)	410
	<u>353,374</u>	<u>731</u>	<u>12,658</u>	<u>28,841</u>	<u>(5,376)</u>	<u>390,228</u>
Obligations with the Concession Grantor	<u>949,640</u>	<u>5,010</u>	<u>48,026</u>	<u>239,779</u>	<u>(58,837)</u>	<u>1,183,618</u>
(-) Current	(53,619)					(96,142)
Non-current	896,021					1,087,476

(*) The contra-entry to this amount is the right of exploration in intangible assets, as explained in Note 12.

	Consolidated					Accounting balance at 06.30.2021
	Accounting balance at 12.31.2020	Additions	Recognized interest	Inflation adjustment / Renewal effects (*)	Payments	
Agreements						
Lease:						
Tecon Santos	754,079	-	15,845	-	(25,052)	744,872
Tecon Imbituba	37,591	-	720	14,737	(2,267)	50,781
Saboó 42,000 m ²	1,720	3,100	1,672	-	(4,244)	2,248
Saboó 64,412 m ²	-	1,503	216	-	(621)	1,098
Tecon Vila do Conde	14,741	-	311	-	(766)	14,286
Vehicles Terminal/TEV	49,470	-	914	16,750	(2,925)	64,209
	<u>857,601</u>	<u>4,603</u>	<u>19,678</u>	<u>31,487</u>	<u>(35,875)</u>	<u>877,494</u>
MMC:						
Tecon Imbituba	384,291	-	5,866	128,514	(3,424)	515,247
TCG Imbituba	5,527	-	102	352	(290)	5,691
Saboó 42,000 m ²	410	530	286	-	(707)	519
Saboó 64,412 m ²	-	51	7	-	(8)	50
Tecon Vila do Conde	14,491	-	306	-	(753)	14,044
Vehicles Terminal/TEV	59,776	-	1,104	20,246	(3,536)	77,590
	<u>464,495</u>	<u>581</u>	<u>7,671</u>	<u>149,112</u>	<u>(8,718)</u>	<u>613,141</u>
Obligations with the Concession Grantor	<u>1,322,096</u>	<u>5,184</u>	<u>27,349</u>	<u>180,599</u>	<u>(44,593)</u>	<u>1,490,635</u>
(-) Current	(104,239)					(137,428)
Non-current	1,217,857					1,353,207

(*) The contra-entry to this amount is the right of exploration in intangible assets, as explained in Note 12.

Notes

	Consolidated					
	Accounting balance at 12.31.2019	Additions	Recognized interest	Inflation adjustment / Renewal effects (*)	Payments	Accounting balance at 12.31.2020
Agreements						
Lease:						
Tecon Santos	559,583	-	31,869	207,651	(45,024)	754,079
Tecon Imbituba	36,683	-	1,483	3,287	(3,862)	37,591
Saboó 42,000 m ²	-	4,279	2,016	-	(4,575)	1,720
Tecon Vila do Conde	11,483	-	641	3,873	(1,256)	14,741
Vehicles Terminal/TEV	47,186	-	1,873	5,066	(4,655)	49,470
	<u>654,935</u>	<u>4,279</u>	<u>37,882</u>	<u>219,877</u>	<u>(59,372)</u>	<u>857,601</u>
MMC:						
Tecon Imbituba	347,591	-	12,102	28,548	(3,950)	384,291
TCG Imbituba	5,783	-	211	293	(760)	5,527
Saboó 42,000 m ²	-	731	345	-	(666)	410
Tecon Vila do Conde	10,651	-	630	4,449	(1,239)	14,491
Vehicles Terminal/TEV	57,026	-	2,265	6,109	(5,624)	59,776
	<u>421,051</u>	<u>731</u>	<u>15,553</u>	<u>39,399</u>	<u>(12,239)</u>	<u>464,495</u>
Obligations with the Concession Grantor	<u>1,075,986</u>	<u>5,010</u>	<u>53,435</u>	<u>259,276</u>	<u>(71,611)</u>	<u>1,322,096</u>
(-) Current	(60,139)					(104,239)
Non-current	1,015,847					1,217,857

(*) The contra-entry to this amount is the right of exploration in intangible assets, as explained in Note 12.

At June 30, 2021, the maturity structure of non-current commitment with the concession grantor was as follows:

	Individual				Total
	2022	2023	2024	2025 until the end of the agreement	
Tecon Santos	9,409	19,043	19,369	678,442	726,263
Tecon Imbituba	18,862	38,242	38,991	366,616	462,711
TCG Imbituba	207	426	439	3,871	4,943
	<u>28,478</u>	<u>57,711</u>	<u>58,799</u>	<u>1,048,929</u>	<u>1,193,917</u>
	Consolidated				Total
	2022	2023	2024	2025 until the end of the agreement	
Tecon Santos	9,409	19,043	19,369	678,442	726,263
Tecon Imbituba	18,862	38,242	38,991	366,616	462,711
TCG Imbituba	207	426	439	3,871	4,943
Tecon Vila do Conde	944	1,933	1,999	21,610	26,486
Vehicles Terminal/TEV	4,555	9,239	9,423	109,587	132,804
	<u>33,977</u>	<u>68,883</u>	<u>70,221</u>	<u>1,180,126</u>	<u>1,353,207</u>

Notes

Terms of the agreements

<u>Agreements</u>	<u>Commencement of the agreement</u>	<u>Termination of the agreement</u>
Tecon Santos	November/1997	November/2047
Tecon Imbituba	April/2008	April/2033
TCG Imbituba	June/2007	June/2032
Saboó 42,000 m ²	May/2021	November/2021
Saboó 64,412 m ²	May/2021	November/2021
Tecon Vila do Conde	September/2003	September/2033
Vehicles Terminal/TEV	January/2010	January/2035

Guarantee insurance

<u>Agreements</u>	<u>Effectiveness</u>
Tecon Santos	April/2021 to April/2022
Tecon Imbituba	July/2020 to July/2021
Saboó 42,000 m ²	May/2021 to January/2022
Saboó 64,412 m ²	May/2021 to November/2021
Tecon Vila do Conde	July/2020 to July/2021
Vehicles Terminal/TEV	July/2020 to July/2021

The Company and its subsidiaries have contractual commitments to pay amounts based on their operational handling. These amounts were effective at June 30, 2021 and are annually restated, according to the lease agreements, by reference to General Market Price Index (IGP-M)/ Brazil's National Consumer Price Index (INPC).

<u>Agreements</u>	In reais - R\$		
	<u>Cost per container handled</u>	<u>Cost per ton handled</u>	<u>Cost per vehicle handled</u>
Tecon Santos (a)	49.00	-	-
Tecon Santos (b)	24.40	-	-
Tecon Imbituba (c)	137.20	-	-
TCG Imbituba (d)	-	3.33	-
TCG Imbituba (e)	-	7.37	-
TCG Imbituba (f)	-	4.44	-
Saboó 42,000 sqm (g)	-	2.84	-
Saboó 42,000 sqm (h)	-	-	14.18
Saboó 64,412 sqm (i)	-	4.28	-
Saboó 64,412 sqm (j)	3.25	-	-
Tecon Vila do Conde (k)	32.50	-	-
Tecon Vila do Conde (l)	6.50	-	-
Tecon Vila do Conde (m)	-	3.25	-
Vehicles Terminal/TEV (n)	-	-	25.97

- (a) Amount due when the Contract Minimum Handling (MMC) is not reached, limited to the MMC.
- (b) Amount due when the handling exceeds the MMC.
- (c) Amount due for the use of the land infrastructure and also when the MMC is not reached, limited to the MMC.
- (d) Amount due for the use of the leased area and also when the MMC is not reached, limited to the MMC.
- (e) Amount due for the use of land infrastructure (quay), referring to handling of cargo from ship.

Notes

- (f) Amount due for the use of land infrastructure (yard), referring to handling of cargo from container unitization and de-unitization.
- (g) Amount per ton of pulp handled, as a variable lease (handling).
- (h) Amount per vehicle handled, as a variable lease (handling).
- (i) Amount per ton handled, as a variable lease (handling).
- (j) Amount per container handled, as a variable lease (handling).
- (k) Amount due per full container and also when the MMC is not reached, limited to the MMC.
- (l) Amount due per empty container.
- (m) Amount due per ton.
- (n) Amount due per vehicle and also when the MMC is not reached, limited to the MMC.

17. Lease - Consolidateda) Lease - Rents

	Individual		
	Accounting balance at 12.31.2020	Additions / write-offs	Accounting balance at 06.30.2021
<u>Right-of-use (Assets)</u>			
Santos Brasil Participações			
Property	2,265	44	(306)
Total assets	2,265	44	(306)

	Individual		
	Accounting balance at 12.31.2019	Additions / write-offs	Accounting balance at 12.31.2020
<u>Right-of-use (Assets)</u>			
Santos Brasil Participações			
Property	-	2,412	(147)
Total assets	-	2,412	(147)

	Consolidated		
	Accounting balance at 12.31.2020	Additions / write-offs	Accounting balance at 06.30.2021
<u>Right-of-use (Assets)</u>			
Santos Brasil Participações			
Property	2,265	44	(306)
Santos Brasil Logistics			
Property	36,469	6,282	(4,678)
Tecon Vila do Conde			
Machinery and equipment	876	8,406	(1,926)
Total assets	39,610	14,732	(6,910)

Notes

	Consolidated		
	Accounting balance at 12.31.2019	Additions / write-offs	Accounting balance at 12.31.2020
<u>Right-of-use (Assets)</u>			
Santos Brasil Participações			
Property	-	2,412	(147)
Santos Brasil Logistics			
Property	25,528	18,089	(7,148)
Tecon Vila do Conde			
Machinery and equipment	4,379	-	(3,503)
Total assets	29,907	20,501	(10,798)

	Individual				
	Accounting balance at 12.31.2020	Additions	Recognized interest	Inflation adjustment / Renewal effects (*)	Accounting balance at 06.30.2021
<u>Leases (Liabilities)</u>					
Santos Brasil Participações (I)	2,270	-	61	44	(344)
Total liabilities	2,270	-	61	44	(344)
(-) Current	(536)				(505)
Non-current	1,734				1,526

(*) The contra-entry to this amount is property, plant and equipment in non-current assets.

	Individual				
	Accounting balance at 12.31.2019	Additions	Recognized interest	Inflation adjustment / Renewal effects (*)	Accounting balance at 12.31.2020
<u>Leases (Liabilities)</u>					
Santos Brasil Participações (I)	-	2,412	13	-	(155)
Total liabilities	-	2,412	13	-	(155)
(-) Current	-				(536)
Non-current	-				1,734

(*) The contra-entry to this amount is property, plant and equipment in non-current assets.

	Consolidated				
	Accounting balance at 12.31.2020	Additions	Recognized interest	Inflation adjustment / Renewal effects (*)	Accounting balance at 06.30.2021
<u>Leases (Liabilities)</u>					
Santos Brasil Participações (I)	2,270	-	61	44	(344)
Santos Brasil Logistics (II)	39,155	-	1,119	6,282	(5,370)
Tecon Vila do Conde (III)	932	8,406	145	-	(2,063)
Total liabilities	42,357	8,406	1,325	6,326	(7,777)
(-) Current	(8,587)				(14,166)
Non-current	33,770				36,471

(*) The contra-entry to this amount is property, plant and equipment in non-current assets.

Notes

<u>Leases (Liabilities)</u>	Consolidated					Accounting balance at 12.31.2020
	Accounting balance at 12.31.2019	Additions	Recognized interest	Inflation adjustment / Renewal effects (*)	Payments	
Santos Brasil Participações (I)	-	2,412	13	-	(155)	2,270
Santos Brasil Logistics (II)	26,408	15,509	2,202	2,580	(7,544)	39,155
Tecon Vila do Conde (III)	4,497	-	185	-	(3,750)	932
Total liabilities	<u>30,905</u>	<u>17,921</u>	<u>2,400</u>	<u>2,580</u>	<u>(11,449)</u>	<u>42,357</u>
(-) Current	(8,830)					(8,587)
Non-current	22,075					33,770

(*) The contra-entry to this amount is property, plant and equipment in non-current assets.

(I) On March 9, 2020, the Company executed a lease agreement referring to the lease of commercial offices in the city of Santos, which matures on January 31, 2022, at a discount rate of 5.91% p.a.

On December 20, 2020, the Company executed a lease agreement referring to the lease of commercial offices, in the city of São Paulo, in the Company's new headquarters, which matures on December 19, 2025, at a discount rate of 5.91% p.a.

(II) On January 1, 2019, subsidiary Santos Brasil Logistics first-time adopted CPC 06 (R2) - Lease Transactions, regarding the lease of the Distribution Center - SBC, maturing in May 2024, at a discount rate of 7.47% p.a.

On February 20, 2020, subsidiary Santos Brasil Logistics executed a lease agreement related to the lease of the Distribution Center - Imigrantes, whose inception was on June 1, 2020 and maturity on May 27, 2031, at a discount rate of 5.91% p.a.

(III) On April 1, 2019, subsidiary Tecon Vila do Conde executed a lease agreement referring to the lease of a Mobile Harbor Crane (MHC), at a discount rate of 7.47% p.a., settled in March 2021.

On June 8, 2021, subsidiary Tecon Vila do Conde executed a lease agreement referring to the renewal of the MHC lease, at a discount rate of 7.48% p.a., maturing in April 2023.

The discount rate for the period ended June 30, 2021, of 5.91% and 7.48% p.a. (5.91% and 7.47% at December 31, 2020) for agreements maturing in up to 5 years, was based on risk-free interest rates observed in the Brazilian market and adjusted to the reality of the subsidiaries.

At June 30, 2021, the maturity structure of non-current balance is as follows:

	Individual				
	2022	2023	2024	2025 - end of the agreement	Total
Santos Brasil Participações	<u>199</u>	<u>417</u>	<u>442</u>	<u>468</u>	<u>1,526</u>
	Consolidated				
	2022	2023	2024	2025 - end of the agreement	Total
Santos Brasil Participações	199	417	442	468	1,526
Santos Brasil Logistics	4,955	10,305	5,292	11,098	31,650
Tecon Vila do Conde	2,177	1,118	-	-	3,295
	<u>7,331</u>	<u>11,840</u>	<u>5,734</u>	<u>11,566</u>	<u>36,471</u>

Notes

Tax credits were not highlighted in the measurement of cash flows from leases and the potential PIS / COFINS are presented in the table below:

Cash flow	Individual			
	06.30.2021		12.31.2020	
	Nominal	Adjusted to present value	Nominal	Adjusted to present value
Lease consideration	2,284	2,031	2,583	2,270
Potential PIS / COFINS (9.25%)	211	188	239	210

Cash flow	Consolidated			
	06.30.2021		12.31.2020	
	Nominal	Adjusted to present value	Nominal	Adjusted to present value
Lease consideration	57,716	50,637	50,166	42,357
Potential PIS / COFINS (9.25%)	5,339	4,684	4,640	3,918

b) Operating lease

The Company and its subsidiary Vehicles Terminal/TEV also have lease agreements for administrative areas, with short-term maturities, which, in the period ended June 30, 2021, gave rise to expenses amounting to R\$993 (R\$673 at June 30, 2020).

18. Equity - Individual

a) Capital

	Common shares	
	06.30.2021	12.31.2020
Existing in the beginning of the period	862,478,378	669,798,378
Issuance of share capital	-	192,680,000
Issued / authorized with no face value	862,478,378	862,478,378

Out of the total shares at June 30, 2021, 857,969,073 (858,115,812 at December 31, 2020) were outstanding (free float), i.e., 99.48% and 99.49%, respectively, of the total capital, fully composed of common shares.

At the Board of Directors' Meeting held on September 14, 2020, the shareholders approved the initial public offering of 192,680,000 common registered book-entry no par value shares, issued by the Company, free of any and all encumbrances.

At the Board of Directors' Meeting held on September 24, 2020, the shareholders approved the price per share of R\$4.10, the Company's effective capital increase under the "Restricted Offer", in the amount of R\$789,988, through the issue of 192,680,000 common shares, as well as its approval within the scope of the public offering with restricted efforts for primary distribution of Shares ("Restricted Offer"), under the terms of CVM Instruction No. 476. The shares subject to the Restricted Offer were traded on B3 - Brasil Bolsa Balcão on September 28, 2020, and their physical and financial settlement was carried out on September 29, 2020.

The Company is authorized to increase its capital, irrespective of a decision at the General Meeting, up to the limit of 2,000,001,000 shares, through a resolution of the Board of Directors, which will set the issue and placement conditions of the referred to said securities.

Notes

Each common share entitles its holder to one vote in resolutions at the General Meeting.

b) Capital reserve

- Stock option plan / Share-based incentive plan

Represented by the accounting record of the stock option plan in the amount of R\$65,447 at June 30, 2021, 2021 (R\$65,433 at December 31, 2020) and of the share-based incentive plan: Performance Shares, in the amount of R\$3,010 (R\$990 at December 31, 2020), and Share Matching in the amount of R\$1,450 (R\$1,180 at December 31, 2020), in compliance with the provisions of Technical Pronouncement CPC 10 - Share-based payments.

- Other

In the merger of shares, the equity value of the then subsidiary Santos-Brasil S.A., as at December 31, 2006, was recorded under "Capital" account of the parent company, as provided for in the Merger Agreement. The net income for the year, in equity of the then subsidiary Santos-Brasil S.A., represented by the result of its operations in the period between the referred to reporting date and the merger date, October 2007, net of distributions made to shareholders, amounting to R\$28,923, was classified under "Capital reserve" account.

On April 30, 2010, the Company acquired indirect equity interest of its subsidiary Pará, through its then direct subsidiary Nara Valley, increasing its equity interest from 75% to 87.67%. This transaction resulted in the change in equity interest in the amount of R\$(4,548).

On April 20, 2011, by means of a Share Purchase and Sales Agreement and Other Covenants, subsidiary Nara Valley Participações S.A. acquired 12.327% equity interest of its direct subsidiary Pará Empreendimentos, for the amount of R\$4,500, and it now holds 100% shareholding control. This transaction resulted in the change in equity interest in the amount of R\$(5,478).

By June 30, 2021, stock options were exercised, whereby the Company delivered treasury shares, generating a gain (loss) amounting to R\$(3,614) - (R\$(3,577) by December 31, 2020).

By June 30, 2021, the Company recorded costs with the supplementary issue of new shares for the Restricted Offer, as explained in Note 18.a), amounting to R\$(24,753).

c) Profit reserve

- Legal reserve

The legal reserve is set up at 5% of net income for each year, under the terms of Law No. 6404/76, article 193, capped at 20% of the capital.

Reserve for Investment and expansion

Represented by management's proposals for the retention of remaining balances of net income for the current and prior periods, after retentions set forth by law or approved by the shareholders, to implement investment plan for expansion in subsidiaries, according to capital budgets, which at June 30, 2021 amounts to R\$140,088 (R\$140,088 at December 31, 2020).

- Repurchase of shares

At the Board of Directors' Meeting held on December 17, 2013, the Company's Share Buyback Program was approved, aimed at maximizing returns for shareholders.

Notes

The program authorized the purchase of up to 4,215,556 units, of which 4,215,556 were common shares and 16,862,225 preferred shares, within a maximum period of 365 days to purchase the shares, beginning on December 20, 2013 and ended on December 20, 2014.

On August 22, 2016, with migration to the *Novo Mercado* (New Market) of B3 - Brasil Bolsa Balcão, the units were canceled and converted from preferred shares into common shares.

Until December 31, 2019, 4,003,556 treasury shares related to the exercised options were delivered, generating a gain (loss) amounting to R\$12,940.

In the year ended December 31, 2020, 1,237,348 treasury shares related to the Stock Option and Performance Shares exercised were delivered, generating a gain (loss) amounting to R\$4,000.

In the period ended June 30, 2021, 478,593 treasury shares related to the Stock Option and Performance Shares exercised were delivered, generating a gain (loss) amounting to R\$1,548.

Following is a position at June 30, 2021 of shares purchased by the Company:

	Number of Common Shares	Amount	Market value (*)	Price		
				Weighted average	Minimum	Maximum
Original balance	6,138,745	19,844	55,432	3.23	2.90	3.70
(-) Delivered shares	(5,719,497)	(18,488)				
Current balance	<u>419,248</u>	<u>1,356</u>	3,786			

(*) Market value based on the last quotation prior to the period end.

d) Shareholders' remuneration

Shareholders are entitled to annual minimum dividends of 25% of net income, adjusted in accordance with the Brazilian Corporation Law and the Company's Articles of Incorporation.

e) Equity evaluation adjustment

- Supplementary health care plan

Represented by the accounting record of the actuarial calculation of supplementary health care plan (Note 26), in compliance with the provisions of Technical Pronouncement CPC 33 (R1) - Employee Benefits.

19. Operating income

Reconciliation between gross income for tax purposes and income stated in the statements of income for the periods ended June 30, 2021 and 2020, as well as income breakdown are as follows:

Notes

	Individual		Consolidated	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
Gross revenue	529,881	311,374	802,212	523,934
Port Terminals	529,881	311,374	606,902	368,478
Port Operations	273,750	146,418	314,129	181,926
Customs Warehousing	246,354	158,400	280,331	177,624
General Cargo	9,777	6,556	12,442	8,928
Santos Brasil Logistics	-	-	157,015	132,209
Transportation	-	-	18,696	20,412
Customs Warehousing	-	-	114,124	91,305
Distribution Center	-	-	18,947	15,862
Logistic Terminals	-	-	5,248	4,630
Vehicles Terminal/TEV	-	-	38,295	23,247
Customs Warehousing	-	-	38,295	23,247
Deductions from revenue:				
Service tax	(58,388)	(35,619)	(94,995)	(66,324)
Other	(8,719)	(5,075)	(13,078)	(8,944)
Total	462,774	270,680	694,139	448,666

20. Operating expenses by type

	Individual		Consolidated	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
Outsourced labor	(15,552)	(10,759)	(15,906)	(10,960)
Rates - Companhias Docas	(5,934)	(4,003)	(7,348)	(6,115)
Electric power	(6,340)	(4,708)	(7,315)	(5,859)
Fuels and lubricants	(13,337)	(7,984)	(20,266)	(13,459)
Freight	(5,440)	(5,781)	(22,492)	(19,637)
Changes in vehicles	-	-	(11,912)	(6,650)
Other services and materials	(1,412)	(1,461)	(7,838)	(5,793)
Personnel expenses	(153,246)	(131,851)	(203,771)	(178,835)
Consulting, advisory and audit services	(8,965)	(11,411)	(10,133)	(12,331)
Other third-party services	(14,038)	(13,188)	(19,914)	(18,951)
Operational maintenance	(19,065)	(15,123)	(25,329)	(20,389)
Depreciation and amortization	(64,725)	(50,492)	(88,892)	(71,572)
Rents / condominium - operating areas	-	-	(4,789)	(3,239)
Commissions on sales of services	(11,733)	(9,425)	(47,592)	(40,930)
Allowance for expected credit losses and bad debt losses	(10,091)	(8,926)	(10,928)	(8,971)
Other expenses	(11,414)	(9,631)	(32,985)	(25,931)
Total	(341,292)	(284,743)	(537,410)	(449,622)
Classified as:				
Cost of goods and/or services provided	(274,867)	(224,705)	(422,707)	(348,791)
Selling expenses	(18,293)	(11,759)	(56,959)	(45,524)
Allowance for expected credit losses and bad debt losses	(10,091)	(8,926)	(10,928)	(8,971)
General and administrative expenses and amortization of goodwill	(38,041)	(39,353)	(46,816)	(46,336)
Total	(341,292)	(284,743)	(537,410)	(449,622)

Notes

21. Other operating income (expense)

	Individual		Consolidated	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
Other operating income:				
Adjustments of advances for dredging fund	2,030	479	2,030	479
Restatement of judicial deposits	4,550	1,901	4,560	1,916
Restatement of recoverable credit - FUNDAF	-	-	8	13
Gain in the sale of assets	48	49	337	659
Income from non-identified deposits	510	262	964	553
Recovery of electric power	2	349	2	356
Recovery of INSS - Payroll	464	139	576	139
Insurance reimbursement	487	3,772	562	3,772
Reimbursement of berth occupation	-	2,955	-	2,955
Other income	213	224	586	627
Total	8,304	10,130	9,625	11,469
Other operating expenses:				
Write-off and losses on the sale of assets	(776)	(1,293)	(806)	(1,455)
Restatement of provisions	(62)	212	(80)	182
Court-ordered debt payments	-	-	(228)	(57)
Service Tax (ISS) on canceled sales	(286)	-	(363)	(5)
Total	(1,124)	(1,081)	(1,477)	(1,335)

22. Finance income (costs)

	Individual		Consolidated	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
Finance income:				
Interest income	455	198	676	384
Yield from financial investments	11,280	586	13,457	2,429
Foreign-exchange and monetary variations - gain	-	-	1,771	-
Restatement of recoverable taxes	188	373	198	397
Restatement of judicial deposits	96	71	106	75
Other income	-	13	3	13
Total	12,019	1,241	16,211	3,298
Finance costs:				
Interest on debentures and loans	(2,839)	(6,715)	(4,528)	(8,483)
Foreign-exchange and monetary variations - liabilities	-	-	(3,505)	(5,522)
Tax on Financial Transactions - IOF on administrative operations	(39)	(76)	(54)	(86)
Interest on obligations with the concession grantor	(24,714)	(23,385)	(27,349)	(26,112)
Interest on lease	(61)	(7)	(1,325)	(1,100)
Commissions and financial rates	(1,917)	(1,681)	(1,948)	(1,714)
Other costs	(611)	(494)	(765)	(632)
Total	(30,181)	(32,358)	(39,474)	(43,649)

23. Stock option plan and share-based incentive plan - Individual

At the Special General Meeting held on August 4, 2017, the shareholders approved the amendment to the Stock Option Plan approved at the Special Shareholders' Meeting held on January 9, 2008, amended on April 1, 2015, as well as the creation of the Share-Based Incentive Plan of the Company (Performance Shares and Share Matching Plan).

Notes

The purpose of the Company's Share-Based Incentive Plan is to rule the possibility of granting incentives in connection with the Company's common shares to managing officers and employees with whom it has employment or statutory relationship, aimed at: (i) increasing the capacity to attract talents; (ii) strengthening the culture of sustainable performance and search for the development of certain directors and employees, aligning their interests to the shareholders' interests; (iii) allowing the Company to maintain its professionals, offering them, as additional advantage and incentive, the opportunity of becoming shareholders; and (iv) promotion the expansion, achievement and surpassing of their business goals, allowing greater integration of its administrators and employees as shareholders of the Company.

The shares granted as incentive under the programs of the Stock Option Plan and Share-Based Incentive Plan cannot exceed the maximum limit of 4.5% of the shares of the Company's subscribed and paid-up capital.

a) Stock Option Plan

At the Special General Meeting held on September 22, 2006, the shareholders of the then subsidiary Santos-Brasil S.A. approved the Stock Option Plan ("Plan") for managing officers and senior employees. At the Special General Meeting held on January 9, 2008, the Plan was transferred to the Company.

The Plan is managed by the Board of Directors or, at its discretion, by a Committee comprised of three members, where at least one of them must be a (full or alternate) member of the Board of Directors.

The Board of Directors or the Committee periodically create Stock Option Programs ("Programs"), grouped in units to determine the beneficiaries that will receive the options, the number of Company's units that each beneficiary will be authorized to subscribe or acquire with the exercise of the option, the subscription price, the initial grace period over which the option cannot be exercised, and the limit dates for total or partial exercise. Terms and conditions are defined in a Stock Option Contract entered into by and between the Company and each beneficiary.

The price of units to be acquired by the beneficiaries due to the exercise of the option (strike price) is equivalent to the average value of units in the last 30 trading sessions of B3 - Brasil Bolsa Balcão, prior to the option grant date, and may be increased by inflation adjustment by reference to the variation of a price index, and also by interest, at the discretion of the Board of Directors or of the Committee, which may also grant to beneficiaries a discount of up to 15% in the strike price.

The Company's units acquired within the Plan may only be disposed of if the minimum blackout period defined in each Program for each batch of units is met. This period should never be shorter than three years, from the exercise date of each annual batch.

At June 30, 2021, prevailing Programs are those listed in the table below:

Programs	Strike prices R\$/units (*)	Number of granted units	Grace periods	Exercise terms	Option value R\$/units (*)	Number of exercised units	Number of overdue / expired units	Number of units balance
2006 to 2015 Programs		9,581,720				2,828,178	6,753,542	-
Total options granted		9,581,720				2,828,178	6,753,542	-

(*) Original amounts on the dates of Option Grant Programs.

Notes

On March 2 and 3, 2016, at the Board of Directors' Meeting, the members approved the strike price for the 2016 Stock Option Program and resolved to submit it to prior appreciation and recommendation of the Board of Directors' Remuneration Committee for subsequent examination and approval by the Board itself.

On August 22, 2016, with the cancellation of units, in case the program's options are exercised up to 2015, five common shares will be issued to the beneficiary.

Programs	Strike prices R\$/shares (*)	Number of share granted	Grace periods	Exercise terms	Option value R\$/shares (*)	Number of exercised shares	Number of overdue / expired shares	Number of shares - balance
03/02/16 – 2016 Program	2.29	2,897,395			1.18	2,301,593	595,802	-
1 st annual batch		965,798	03/02/17	03/02/19		806,371	159,427	-
2 nd annual batch		965,798	03/02/18	03/02/20		769,288	196,510	-
3 rd annual batch		965,799	03/02/19	03/02/21		725,934	239,865	-
08/23/17 – 2017 Program	2.02	6,609,811			0.71	1,763,766	3,023,801	1,822,244
1 st annual batch		2,203,270	08/23/18	08/23/21		1,070,238	1,133,032	-
2 nd annual batch		2,203,270	08/23/19	08/23/22		409,675	882,473	911,122
3 rd annual batch		2,203,271	08/23/20	08/23/23		283,853	1,008,296	911,122
02/28/18 – 2018 Program	3.51	2,914,885			1.61	539,144	918,470	1,457,271
1 st annual batch		971,628	02/28/19	02/28/22		221,123	264,749	485,756
2 nd annual batch		971,628	02/28/20	02/28/23		159,011	326,861	485,756
3 rd annual batch		971,629	02/28/21	02/28/24		159,010	326,860	485,759
02/19/19 – 2019 Program	4.39	1,143,048			1.52	194,578	73,806	874,664
1 st annual batch		381,016	02/19/20	02/19/23		97,289	36,903	246,824
2 nd annual batch		381,016	02/19/21	02/19/24		97,289	36,903	246,824
3 rd annual batch		381,016	02/19/22	02/19/25		-	-	381,016
Total options granted		<u>13,565,139</u>				<u>4,799,081</u>	<u>4,611,879</u>	<u>4,154,179</u>

(*) Original amounts on the dates of Option Grant Programs.

Grace periods reflect conditions established in Programs, according to which options may be exercised in three annual batches, each equivalent to 33.3333% of total of option granted in each Program.

Strike prices of annual batches will be adjusted by reference to the IGP-M/FGV, in the shortest period legally allowed, up to the options exercise dates.

The exercise term reflects the 24-month period for Plans up to 2016. For Plans from 2017 onwards, the exercise term reflects the 36-month period, and they are all counted from the end of initial grace periods of annual batches.

Cost of options granted is calculated over their related grace period, based on options values determined by the Black-Scholes evaluation method on Programs' dates. Due to the low historical turnover of managing officers and senior employees that are the beneficiaries of the stock option plan, 100% of options in the referred to calculation are considered as vested.

As determined by Technical Pronouncement CPC 10, the Company and its subsidiaries recognized, as the services were rendered, under share-based payment transactions, the effect in income (loss) for the period ended June 30, 2021, in the amount de R\$165 (R\$1,464 at June 30, 2020).

Notes

In 2020, part of the 2017, 2018 and 2019 Programs was exercised, subject to withholding income tax (IRRF) and INSS in the amount of R\$266. In 2021, part of the 2018 and 2019 Programs was exercised, subject to withholding income tax and INSS in the amount of R\$152, both accounted for in capital reserves.

Of the outstanding shares by June 30, 2021, those exercised represented a dilution in the shareholders' interest of 2.83% and those not exercised, in case they were fully exercised under certain conditions set forth in the agreements, they would represent a dilution of the current shareholders' interest of 0.48%.

b) Share-based incentive plans

• Performance Shares

The beneficiaries will be entitled to receive, free of charge, common shares of the Company if the goals are achieved by the beneficiaries. The ownership of the Company's common shares granted to the beneficiaries as Performance Shares will be transferred in a single batch, after three (3) years ("Grace Period") after the date defined for each beneficiary in its Adhesion Agreement ("Initial Date"). The Board of Directors, however, may, at its sole discretion, anticipate the transfer of ownership of the Company's common shares granted to the beneficiaries as Performance Shares in case the goals described in the program have been achieved before 3 years, in which case the end of the Grace Period will be anticipated. In case of employee termination (termination or dismissal) the options granted and not yet exercised will be automatically extinguished.

On August 23, 2017, the grant of 1,970,443 common shares to the Performance Shares Program was approved, within the limit established in the Share-Based Incentive Plan.

On February 25, 2021, new Performance Shares programs were approved for 2020 (retroactive to July 2, 2020) and 2021. Each program comprises 4 annual batches with the following grace periods: 1st batch with a 2-year grace period, 2nd batch with a 3-year grace period, 3rd batch with a 4-year grace period, and 4th batch with a 5-year grace period.

Programs	Number of granted shares	Grace periods	Valeu of shares - (R\$) (*)	Number of exercised shares	Number of overdue / expired shares	Number of shares - balance
08/23/17 - 2017 Program	1,970,443		2.31	597,403	1,373,040	-
- Annual Batch	1,970,443	08/23/20		597,403	1,373,040	-
07/02/20 - 2020 Program	889,877		5.27	-	-	889,877
1 st Annual batch	222,469	07/02/22		-	-	222,469
2 nd Annual batch	222,469	07/02/23		-	-	222,469
3 rd Annual batch	222,469	07/02/24		-	-	222,469
4 th Annual batch	222,470	07/02/25		-	-	222,470
02/25/21 - 2021 Program	896,683		5.23	-	-	896,683
1 st Annual batch	224,171	02/25/23		-	-	224,171
2 nd Annual batch	224,171	02/25/24		-	-	224,171
3 rd Annual batch	224,171	02/25/25		-	-	224,171
4 th Annual batch	224,170	02/25/26		-	-	224,170
Total shares granted	3,757,003			597,403	1,373,040	1,786,560

(*) Original amounts on the dates of Share Grant Programs.

Notes

The Company recognized the effect in income (loss) for the period ended June 30, 2021, in the amount of R\$2,021 (R\$552 at June 30, 2020).

In 2020, 597,403 shares of the 2017 Program were exercised, subject to withholding income tax in the amount of R\$913, accounted for in capital reserves.

Of the outstanding shares by June 30, 2021, those exercised represented a dilution in the shareholders' interest of 0.07% and those not exercised, in case they were fully exercised under certain conditions set forth in the agreements, they would represent a dilution of the current shareholders' interest of 0.21%.

- Share Matching

The beneficiaries will be entitled to receive, free of charge, one (1) common share of the Company for each common share of the Company acquired through the Broker (Matching), after there (3) years ("Grace period") as from the adhesion date, up to the limit established in their respective Adhesion Agreement and observing the period of fifteen (15) days to transfer the shares acquired under this Program to a deposit account for the shares it holds, maintained by Itaú Corretora de Valores S.A., institution responsible for the bookkeeping of the Company's shares ("Bookkeeping Agent"), as well as to authorize the blocking, by the Bookkeeping Agent, of these shares due to the adhesion to the present Program.

On August 23, 2017, the first grant of 903,896 common shares to the Share Matching Program was approved, within the limit established in the Share-Based Incentive Plan.

On February 25, 2021, new Share Matching programs were approved for 2020 (retroactive to July 2, 2020) and 2021. Each program comprises 4 annual batches with the following grace periods: 1st batch with a 2-year grace period, 2nd batch with a 3-year grace period, 3rd batch with a 4-year grace period, and 4th batch with a 5-year grace period. In these programs, if the beneficiaries subscribe more than 50% of the grant, they will receive in addition to 1 (one) common share, another 0.5 (half) supplementary share.

Programs	Number of shares granted	Grace period	Value of shares -(R\$) (*)	Number of shares subscribed / delivered	Number of overdue / expired shares	Number of shares - balance
08/23/17 - 2017 Program	903,896		2.31	200,774	703,122	-
- Annual batch	903,896	3 years		200,774	703,122	-
02/28/18 - 2018 Program	615,369		3.71	277,678	337,691	-
- Annual batch	615,369	3 years		277,678	337,691	-
02/19/19 - 2019 Program	523,485		4.11	156,537	366,948	-
- Annual batch	523,485	3 years		156,537	366,948	-
07/02/20 - 2020 Program	646,880		5.27	539,179	107,701	-
1 st Annual batch	161,720	2 years		134,796	26,924	-
2 nd Annual batch	161,720	3 years		134,795	26,925	-
3 rd Annual batch	161,720	4 years		134,794	26,926	-
4 th Annual batch	161,720	5 years		134,794	26,926	-
02/25/21 - 2021 Program	651,828		5.23	-	-	651,828
1 st Annual batch	162,957	2 years		-	-	162,957
2 nd Annual batch	162,957	3 years		-	-	162,957
3 rd Annual batch	162,957	4 years		-	-	162,957
4 th Annual batch	162,957	5 years		-	-	162,957
Total shares granted	3,341,458			1,174,168	1,515,462	651,828

(*) Original amounts on the dates of Share Grant Programs.

Notes

The Company recognized the effect in income (loss) for the period ended June 30, 2021, in the amount of R\$630 (R\$244 at June 30, 2020), since there was an Adhesion Agreement to the referred to Program.

Until June 30, 2021, 970,116 shares were adhered to; in case those adhesions remain until the end of the grace period, as from their adhesion date, their dilution percentage would be 0.11%, in case those non-adherent were fully adhered to under certain conditions set forth in the agreements, they would represent a dilution in the current shareholders' interest of 0.08%.

In 2019, 10,152 shares related to part of the 2017 and 2018 Programs were delivered, subject to withholding income tax in the amount of R\$23. In 2021, 193,900 shares were delivered, related to part of the 2017 program, subject to withholding income tax in the amount of R\$360, both of which are accounted for in capital reserves. The shares delivered represented a dilution of 0.02% in the shareholders' interest.

24. Income and social contribution taxes

- a) Reconciliation of Corporate Income Tax (IRPJ) and Social Contribution (CSLL) - current and deferred

The reconciliation of IRPJ and CSLL recognized in income (loss) is as follows:

	Individual		Consolidated	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
Profit / (loss) before taxation	130,733	(33,076)	141,614	(31,173)
Exclusion of equity pickup	(20,234)	(3,055)	-	-
Profit / (loss) before adjusted taxation	110,499	(36,131)	141,614	(31,173)
I - Base value - IRPJ and CSLL:	(37,558)	12,296	(48,136)	10,611
Tax rates: 15% IRPJ and 9% CSLL	(26,520)	8,671	(33,987)	7,482
Surtax: 10% IRPJ with deduction of R\$120	(11,038)	3,625	(14,149)	3,129
II - Effects of permanent additions and exclusions of expenses and income	(2,368)	(1,849)	(2,569)	(2,071)
Permanent additions:				
Variable compensation of the Executive Board	(758)	(292)	(758)	(292)
Stock option plan / Performance Share	(957)	(768)	(957)	(768)
Other	(881)	(831)	(1,082)	(1,053)
Permanent exclusions:				
Exercised options	228	42	228	42
III - Effects of tax incentives:	517	16	538	58
Tax incentives	517	16	538	58
IV - Effective tax rate:				
Adjusted IRPJ and CSLL (I + II + III)	(39,409)	10,463	(50,167)	8,598
Effective tax rate	35.66%	28.96%	35.43%	27.58%
V - Effects of deferred IRPJ and CSLL:				
Tax losses and temporary differences not accounted for (*)	-	-	(26)	(13)
VI - Extraordinary adjustments:				
IRPJ and CSLL of the prior period	-	-	(97)	(25)
Effects of IRPJ and CSLL in profit (loss) (IV + V + VI)	(39,409)	10,463	(50,290)	8,560

Notes

	Individual		Consolidated	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
IRPJ and CSLL - current	(33,385)	(807)	(43,049)	(3,181)
IRPJ and CSLL - deferred	(6,024)	11,270	(7,241)	11,741
Total	<u>(39,409)</u>	<u>10,463</u>	<u>(50,290)</u>	<u>8,560</u>

(*) These refer to subsidiaries Numeral 80, Santos Brasil Logistics and TPV, for which deferred tax credits will be recorded upon generation of deferred income.

b) Composition of deferred tax assets and liabilities

Assets (liabilities)	Individual					
	06.30.2021			12.31.2020		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Tax losses and social contribution tax loss carryforwards	7,115	3,063	10,178	17,889	6,824	24,713
Temporary differences:						
Allowance for expected credit losses	4,274	1,539	5,813	2,941	1,060	4,001
Provision for contingencies	32,275	11,619	43,894	27,489	9,896	37,385
Amortization of goodwill	(16,417)	(5,910)	(22,327)	(16,728)	(6,022)	(22,750)
Depreciation	(39,532)	(14,231)	(53,763)	(39,197)	(14,111)	(53,308)
Loss for devaluation of assets	5,229	1,883	7,112	5,451	1,963	7,414
Obligations with the concession grantor	28,148	10,133	38,281	27,312	9,832	37,144
Others	18,931	6,991	25,922	19,294	7,241	26,535
Actuarial losses	7,350	2,644	9,994	7,350	2,644	9,994
Total	<u>47,373</u>	<u>17,731</u>	<u>65,104</u>	<u>51,801</u>	<u>19,327</u>	<u>71,128</u>
Assets	<u>47,373</u>	<u>17,731</u>	<u>65,104</u>	<u>51,801</u>	<u>19,327</u>	<u>71,128</u>

Assets (liabilities)	Consolidated					
	06.30.2021			12.31.2020		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Tax losses and social contribution tax loss carryforwards	15,569	6,107	21,676	27,935	10,440	38,375
Temporary differences:						
Allowance for expected credit losses	4,567	1,645	6,212	3,063	1,104	4,167
Provision for contingencies	33,576	12,088	45,664	28,524	10,269	38,793
Amortization of goodwill	(26,284)	(9,462)	(35,746)	(26,594)	(9,574)	(36,168)
Depreciation	(45,595)	(16,414)	(62,009)	(45,226)	(16,281)	(61,507)
Loss for devaluation of assets	5,229	1,883	7,112	5,451	1,963	7,414
Obligations with the concession grantor	31,854	11,468	43,322	30,947	11,140	42,087
Others	21,913	8,066	29,979	21,982	8,211	30,193
Court-ordered debt payments receivable	(1,544)	(558)	(2,102)	(1,473)	(532)	(2,005)
Actuarial losses	9,621	3,462	13,083	9,621	3,462	13,083
Total	<u>48,906</u>	<u>18,285</u>	<u>67,191</u>	<u>54,230</u>	<u>20,202</u>	<u>74,432</u>
Assets	<u>53,617</u>	<u>19,981</u>	<u>73,598</u>	<u>59,607</u>	<u>22,137</u>	<u>81,744</u>
Liabilities	<u>(4,711)</u>	<u>(1,696)</u>	<u>(6,407)</u>	<u>(5,377)</u>	<u>(1,935)</u>	<u>(7,312)</u>

Until June 30, 2021, deferred tax credits on temporary differences are applicable to the Company and its subsidiaries Tecon Vila do Conde, Santos Brasil Logistics and Vehicles Terminal/TEV.

Notes

25. Earnings (loss) per share

a) Basic earnings (loss) per share

Basic earnings (loss) per share was calculated based on the Company's income (loss) for the periods ended June 30, 2021 and 2020 and on the average number of common shares outstanding in these periods, as follows:

	06.30.2021	06.30.2020
	Common	Common
Earnings / (loss) for the period	91,324	(22,613)
Weighted average of shares	862,059,130	667,922,108
Basic earnings (loss) per share	0.10594	(0.03386)

b) Diluted earnings (loss) per share

Diluted earnings (loss) per share was calculated based on the Company's income (loss) for the periods ended June 30, 2021 and 2020, as follows:

	06.30.2021	06.30.2020
	Common	Common
Earnings / (loss) for the period	91,324	(22,613)
Weighted average number of shares	862,059,130	667,922,108
Possible effects of share option subscription	3,582,185	4,099,143
Diluted earnings (loss) per share	0.10550	(0.03365)

Diluted earnings (loss) per share is calculated considering the instruments that may have potential dilution effect in the future.

26. Actuarial liabilities - supplementary health care plan

These refer to a provision for supplementary health care, which reflects the costs of healthcare plans to employees and statutory officers who will be entitled to the benefit in the post-employment period, pursuant to Law No. 9656/98 and Technical Pronouncement CPC 33 (R1), determined based on an actuarial study.

Actuarial calculations, performed under the responsibility of independent actuary Deloitte Touche Tohmatsu Consultores Ltda., were based on the following assumptions in the period ended June 30, 2021 and year ended December 31, 2020:

Assumptions

Economic assumptions:

Discount Rate	3.80% p.a.
Economic Inflation	3.25% p.a.
Health Care Cost Trend Rate (HCCTR)	3.00% p.a.
Aging Factor	3.50% p.a.
Changes in Medical Cost	Economic Inflation + HCCTR + Aging Factor
Changes in Contribution	Economic Inflation + HCCTR

Notes

Assumptions

Biometric assumptions:

Mortality Table	AT-2000, segregated by gender
Turnover	10% (Santos Brasil Logística S.A.) and 5% (Others companies)
Age for Retirement	Male: 65 years old
Hypotheses for Retirement	Female: 62 years old
Stay in Retirement	100% at first eligibility
	39.53%

Other assumptions

Family Composition	<u>Active Participants</u>
	72.81% Married
	Holder Age Difference: Male - 4 years younger and
	Female - 2 years older
	<u>Assisted Participants</u>
	Actual Family

Based on the independent actuary's reports prepared, which contain the projected expenses, the Company and its subsidiaries recorded proportional provisions for the period ended June 30, 2021 and for the year ended December 31, 2020:

	Individual	
	06.30.2021	12.31.2020
Present value of actuarial obligations	2,096	5,005
Calculated actuarial losses	58,197	53,192
Total net actuarial liabilities to be provided for	<u>60,293</u>	<u>58,197</u>

	Consolidated	
	06.30.2021	12.31.2020
Present value of actuarial obligations	2,956	7,265
Calculated actuarial losses	76,494	69,229
Total net actuarial liabilities to be provided for	<u>79,450</u>	<u>76,494</u>

27. Financial instruments

The policy for taking out financial instruments, the methods and assumptions adopted in determining fair values as well as the criteria for recording and classifying them are the same as those disclosed in the financial statements for the year ended December 31, 2020.

Notes

a) Classification of financial instruments

	Hierarchy level	Individual				Consolidated			
		06.30.2021		12.31.2020		06.30.2021		12.31.2020	
		Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Assets:									
Cash and cash at banks	-	2,242	2,242	2,123	2,123	5,042	5,042	7,073	7,073
		2,242	2,242	2,123	2,123	5,042	5,042	7,073	7,073
Measured at amortized cost:									
Accounts receivable	2	134,237	134,237	89,899	89,899	184,469	184,469	130,883	130,883
Dividends receivable	2	-	-	6,120	6,120	-	-	-	-
Court-ordered debt payments receivable	2	-	-	-	-	6,182	6,182	5,896	5,896
		134,237	134,237	96,019	96,019	190,651	190,651	136,779	136,779
Fair value through profit or loss:									
Marketable securities	2	477,486	477,486	458,223	458,223	662,999	662,999	636,788	636,788
Other marketable securities	2	431,006	431,006	426,598	426,598	431,006	431,006	426,598	426,598
		908,492	908,492	884,821	884,821	1,094,005	1,094,005	1,063,386	1,063,386
Liabilities:									
Measured at amortized cost:									
Loans and financing	2	40,088	40,544	60,142	60,837	54,942	55,398	78,819	79,515
Debentures	2	299,787	295,877	298,376	290,982	355,768	352,855	354,375	350,955
Suppliers	2	64,511	64,511	54,097	54,097	98,834	98,834	82,843	82,843
Dividends and interest on own capital payable	2	18	18	18	18	18	18	18	18
Obligations with the concession grantor	2	1,320,506	1,611,358	1,183,618	1,534,007	1,490,635	1,796,634	1,322,096	1,723,487
Leases	2	2,031	2,498	2,270	2,785	50,637	59,621	42,357	58,069
Court-ordered debt payments payable (*)	2	-	-	-	-	4,945	4,945	4,717	4,717
		1,726,941	2,014,806	1,598,521	1,942,726	2,055,779	2,368,305	1,885,225	2,299,604

(*) Court-ordered debts payments are classified in the statements of financial position under "Other liabilities", in non-current liabilities.

Notes

Fair value

For financial assets not traded in active market or not publicly listed, management established the fair value through valuation techniques. These techniques include the use of transactions recently contracted with third parties, reference to other instruments that are substantially similar, discounted cash flow analysis, and the swap pricing model, which makes the maximum possible use of information generated by the market and the minimum possible use of information generated by Company management itself.

The fair value of these derivatives, when applicable, is obtained using a future cash flow model, according to contractual rates, discounted to present value using market rates. Information used for projections is disclosed by B3 - Brasil Bolsa Balcão, BC - Central Bank of Brazil, among others.

At June 30, 2021, the Company and its subsidiaries had no derivative transaction in force.

b) Market risk

The Company's market risk management policies include, among others, the development of economic and financial studies and analyses to assess the impact of different scenarios on its market positions, and reports used to monitor its risk exposures.

The Company's income (loss) is subject to changes due to effects of volatility of foreign-exchange rate and interest rate on its stakes in financial instruments.

The Company maps its risks, threats and opportunities on an ongoing basis, considering the scenarios forecast and their impacts on the Company's results. Moreover, any other risk factors as well as the possibility of engaging hedging transactions against them are also analyzed.

b.1) Currency risk and sensitivity analysis

Transactions linked to foreign currencies, mainly Euro, closed the period ended June 30, 2021 devaluated in relation to the Brazilian Real by 7.06% in relation to December 31, 2020.

The Company uses financial instruments to hedge the oscillations of short-term liabilities denominated in foreign currency related to loans and financing; therefore, without speculative purposes.

At June 30, 2021, the Company and its subsidiaries had no derivative agreement in force. The subsidiaries have financing denominated in foreign currency and the Company considers them as the only financial instruments that may pose coverage risk.

Sensitivity analysis of changes in foreign currency

Five risk scenarios were considered for the currency indexes of these financial liabilities, whereas the probable scenario was adopted by the Company and its subsidiaries. Scenarios II and III were estimated considering an additional appreciation of 25% and 50%, respectively, for the probable scenario rates. Scenarios IV and V were estimated considering an additional devaluation of 25% and 50%, respectively, for the probable scenario rates, as follows:

Notes

				Consolidated				
Operation	Risk	Rate	Exposure	Probable scenario I	Scenario II (+) 25%	Scenario III (+) 50%	Scenario IV (-) 25%	Scenario V (-) 50%
<u>Equity balances</u>								
Financial liabilities:								
Loans and financing	€	5.93	13,759	-	3,440	6,880	(3,440)	(6,880)
Net debt			13,759	-	3,440	6,880	(3,440)	(6,880)

(*) The amount showed refers to the nominal amount regarding the agreements in effect.

b.2.) Interest exposure and sensitivity analysis

The Company manages this risk considering floating and fixed rates contracted. These contracts are exposed to risk of significant fluctuations in interest rates, as liabilities related to debt transactions are pegged to the CDI rate. The balance of cash and cash equivalents pegged to the CDI partially neutralizes the interest rate risk.

Liabilities related to obligations with the Granting Authority are exposure to the risk of fluctuation in the General Market Price Index - IGP-M and Brazilian National Consumer Price Index - INPC.

The balances exposed to the volatility of interest rates used are presented in section "Sensitivity analysis of changes in interest rates" below.

Sensitivity analysis of changes in interest rates

For the sensitivity analysis of changes in the interest rates, management adopted, for the probable scenario, the rate disclosed by B3 regarding the debt transactions pegged to the CDI and rates accumulated in the last 12 months for liabilities pegged to the IPCA, IGP-M and INPC. Scenarios II and III were estimated considering an additional appreciation of 25% and 50%, respectively, for the next 12 months, whereas scenarios IV and V were estimated considering an additional devaluation of 25% and 50%, respectively, for the next 12 months, for the probable scenario rates.

Operation	Risk	Rate	Exposure	Individual				
				Probable scenario I	Scenario II (+) 25%	Scenario III (+) 50%	Scenario IV (-) 25%	Scenario V (-) 50%
<u>Equity balances</u>								
Financial assets:								
Marketable securities	CDI	4.15%	477,486	19,816	24,770	29,724	14,862	9,908
Other marketable securities	CDI	4.15%	431,006	17,887	22,358	26,830	13,415	8,943
Financial liabilities:								
Loans and financing	CDI	4.15%	40,088	1,664	2,080	2,495	1,248	832
Debentures	CDI	4.15%	299,787	12,441	15,551	18,662	9,331	6,221
Obligations with the concession grantor	IGP-M	35.77%	1,310,900	468,909	586,136	703,364	351,682	234,455
Obligations with the concession grantor	INPC	9.22%	5,691	525	656	787	394	262
Leases	IGP-M	35.77%	2,031	726	908	1,090	545	363
Net debt			750,005	446,562	558,203	669,844	334,923	223,282

Notes

Operation	Risk	Rate	Exposure	Consolidated				
				Probable scenario I	Scenario II (+) 25%	Scenario III (+) 50%	Scenario IV (-) 25%	Scenario V (-) 50%
<u>Equity balances</u>								
Financial assets:								
Marketable securities	CDI	4.15%	662,999	27,514	34,393	41,272	20,636	13,757
Other marketable securities	CDI	4.15%	431,006	17,887	22,358	26,830	13,415	8,943
Financial liabilities:								
Loans and financing	CDI	4.15%	40,088	1,664	2,080	2,495	1,248	832
Debentures	CDI	4.15%	299,787	12,441	15,551	18,662	9,331	6,221
Debentures	IPCA	8.35%	55,981	4,674	5,843	7,012	3,506	2,337
Obligations with the concession grantor	IGP-M	35.77%	1,481,029	529,765	662,206	794,647	397,323	264,882
Obligations with the concession grantor	INPC	9.22%	5,691	525	656	787	394	262
Leases		35.77%	50,637	18,113	22,641	27,169	13,585	9,056
Net debt			839,208	521,781	652,226	782,670	391,336	260,890

c) Credit risk

At June 30, 2021, the consolidated allowance for expected credit losses totaled R\$18,271, representing 9.01% of the outstanding balance of accounts receivable. At December 31, 2020, this allowance totaled R\$12,254, equivalent to 8.56% of the outstanding balance of accounts receivable.

In addition, aiming at minimizing the credit risks related to financial institutions, Management seeks to diversify its operations in prime institutions.

	Individual		Consolidated	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Assets:				
Cash and cash equivalents	479,728	460,346	668,041	643,861
Other marketable securities	431,006	426,598	431,006	426,598
Accounts receivable	134,237	89,899	184,469	130,883
Dividends receivable	-	6,120	-	-
Court-ordered debt payments receivable	-	-	6,182	5,896
Total	1,044,971	982,963	1,289,698	1,207,238

d) Liquidity risk

Management understands that the Company is not exposed to liquidity risk, considering its ability to generate cash and its low debt capital structure.

In addition, mechanisms and tools that allow fundraising, in order to reverse positions that could jeopardize the Company's liquidity, are periodically analyzed.

	Accounting balance at 06.30.2021	Individual				
		Payment flow				
		Expected flow	Up to 1 year	From 1 to 3 years	From 3 to 5 years	From 5 to 30 years
<u>Liabilities</u>						
Loans and financing	40,088	42,377	42,377	-	-	-
Debentures	299,787	383,201	49,874	106,396	226,931	-
Trade accounts payable	64,511	64,511	49,490	15,021	-	-
Dividends and interest on own capital payable	18	18	18	-	-	-
Obligations with the concession grantor	1,320,506	1,992,038	171,201	201,352	201,352	1,418,133
Leases	2,031	2,284	604	960	720	-
Total	1,726,941	2,484,429	313,564	323,729	429,003	1,418,133

Notes

	Accounting balance at 06.30.2021	Consolidated				
		Payment flow				
		Expected flow	Up to 1 year	From 1 to 3 years	From 3 to 5 years	From 5 to 30 years
Liabilities						
Loans and financing	54,942	58,350	48,184	10,166	-	-
Debentures	355,768	470,609	58,063	122,942	243,634	45,970
Trade accounts payable	98,834	98,834	83,813	15,021	-	-
Dividends and interest on own capital payable	18	18	18	-	-	-
Obligations with the concession grantor	1,490,635	2,205,444	188,891	233,275	233,275	1,550,003
Leases	50,637	57,716	16,523	26,391	4,792	10,010
Court-ordered debt payments payable	4,945	4,945	-	4,945	-	-
Total	2,055,779	2,895,916	395,492	412,740	481,701	1,605,983

e) Capital management

In the period ended June 30, 2021, the Company and its subsidiaries maintained the same accounting policy described in the financial statement as at December 31, 2020.

The debt in relation to the capital in the period ended June 30, 2021 and year ended December 31, 2020 is as follows:

	Individual		Consolidated	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
Total current and non-current liabilities	1,943,838	1,795,500	2,327,720	2,132,054
(-) Cash, cash equivalents and others marketable securities	(910,734)	(886,944)	(1,099,047)	(1,070,459)
Net debt	1,033,104	908,556	1,228,673	1,061,595
Total shareholders' equity	2,192,349	2,097,210	2,192,349	2,097,210
Net debt to shareholders' equity ratio	0.47123	0.43322	0.56044	0.50619

28. Non-cash effects

If non-cash effects, for the periods ended June 30, 2021 and 2020, had affected cash, they would have been presented in the following cash flow account:

	Individual		Consolidated	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
(Increase) in intangible assets of obligations with the concession grantor	(148,787)	(34,446)	(185,783)	(46,262)
(Increase) in property, plant and equipment of lease	(44)	(320)	(14,732)	(18,409)
Investment activity transactions	(148,831)	(34,766)	(200,515)	(64,671)

Notes**29. Insurance coverage**

At June 30, 2021, the following insurance policies were in effect:

	Individual and Consolidated		
	Coverage	Currency	Maturity
<u>Branch - Tecon Imbituba</u>			
Port Operator Insurance - SOP			July/2021
Civil liability	20,000	US\$	
Movable property and real estate	16,000	US\$	
Employer Civil Liability - RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	
Loss of income due to blockage of berth and channel	600	US\$	
Electrical damages	250	US\$	
Vehicles fleet insurance (passenger):			October/2021
Hull	100% FIPE table	R\$	
Personal accidents of passengers - APPs	10	R\$	
Material damages to third parties	200	R\$	
Bodily injury to third parties	200	R\$	
Moral damages	50	R\$	
Vehicles fleet insurance (trucks):			October/2021
Material damages to third parties	500	R\$	
Bodily injury to third parties	500	R\$	
Moral damages	100	R\$	
<u>Branch - Tecon Santos</u>			
SOP:			July/2021
Civil liability	20,000	US\$	
Movable property and real estate	17,850	US\$	
RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	
Transportation of goods	2,000	US\$	
Transportation of passengers in vessels (Civil Liability) and moral damages	1,000	US\$	
Loss of income due to blockage of berth	4,000	US\$	
Electrical damages	250	US\$	
Vehicles fleet insurance (passenger):			October/2021
Hull	100% FIPE table	R\$	
APPs	10	R\$	
Material damages to third parties	200	R\$	
Bodily injury to third parties	200	R\$	
Moral damages	50	R\$	

Notes

	Individual and Consolidated		
	Coverage	Currency	Maturity
<u>Branch - Saboó 01</u>			
SOP:			July/2021
Civil liability	10,000	US\$	
Movable property and real estate	313	US\$	
RCE	1,000	US\$	
Civil liability moral damages	1,000	US\$	
Transportation of goods	2,000	US\$	
Transportation of passengers in vessels (Civil Liability) and moral damages	1,000	US\$	
Loss of income due to blockage of berth	4,000	US\$	
Electrical damages	250	US\$	
<u>Santos Brasil Logistics</u>			
SOP:			July/2021
Civil liability	20,000	US\$	
Movable property and real estate	20,000	US\$	
RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	
Transportation of goods	2,000	US\$	
Extended civil liability for CD - São Bernardo do Campo	50,000	US\$	
Electrical damages	250	US\$	
Extended civil liability CD - Imigrantes	10,000	US\$	
Cargo Road Transportation - RCTR-C	10,000	R\$	January/2022
Cargo Theft and Deviation - RCF-DC	10,000	R\$	January/2022
Vehicles fleet insurance (trucks):			October/2021
Material damages to third parties	500	R\$	
Bodily injury to third parties	700	R\$	
Moral damages	100	R\$	
<u>Tecon Vila do Conde</u>			
SOP:			July/2021
Civil liability	20,000	US\$	
Movable property and real estate	7,600	US\$	
RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	
Loss of income due to blockage of berth and channel	600	US\$	
Electrical damages	250	US\$	
Vehicles fleet insurance (passenger):			October/2021
Hull	100% FIPE table	R\$	
APPs	10	R\$	
Material damages to third parties	200	R\$	
Bodily injury to third parties	200	R\$	
Moral damages	50	R\$	
Vehicles fleet insurance (trucks):			October/2021
Material damages to third parties	500	R\$	
Bodily injury to third parties	500	R\$	
Moral damages	100	R\$	

Notes

	Individual and Consolidated		
	Coverage	Currency	Maturity
Vehicles Terminal/ <u>TEV</u>			
SOP:			July/2021
Civil liability	20,000	US\$	
Movable property and real estate	1,000	US\$	
RCE	1,000	US\$	
Civil liability - moral damages	1,000	US\$	
Loss of income due to blockage of berth and channel	600	US\$	
Electrical damages	250	US\$	
<u>Institutional</u>			
Civil liability - D&O (Directors and Officers)	40,000	R\$	June/2022
Civil Liability - POSI (Public Offering of Securities Insurance)	60,000	R\$	October/2025
Nominated risks - Santos and São Paulo offices	4,392	R\$	April/2022

30. Capital commitment

At June 30, 2021, there were purchase orders in connection with the future acquisition of property and equipment items amounting to R\$9,841 (R\$3,348 at December 31, 2020), which were not recorded in this condensed quarterly information.

31. Drawee risk

The Company and its subsidiaries have agreements entered into with partner banks to structure a factoring transaction with certain suppliers. In this transaction, suppliers transfer the right to receive its trade notes to the banks in exchange for the early receipt of the related amounts. The banks, in turn, become the creditor in the transaction, and the Company and its subsidiaries settle the notes on the same date originally agreed with its suppliers. This operation does not change the terms, prices and conditions previously established with the supplier. At June 30, 2021, the Company and its subsidiaries had recorded the outstanding amount of R\$13,001 (R\$9,176 at December 31, 2020) under "Suppliers".

32. Operating segments

In the period ended June 30, 2021, no conceptual changes were made to the definitions of segment reporting, statements of profit or loss and invested capital; those described in the financial statements at December 31, 2020 were kept.

Notes

Consolidated statement of income by operating segment - January to June 2021

Accounts	Port Terminals	Santos Brasil Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
Gross operating income	608,918	160,394	38,295	-	(5,395)	802,212
Deductions from revenue	(75,639)	(27,167)	(5,766)	-	499	(108,073)
Net operating income	533,279	133,227	32,529	-	(4,896)	694,139
Cost of services provided	(312,137)	(94,539)	(20,927)	-	4,896	(422,707)
Variable / fixed costs	(243,711)	(85,431)	(11,748)	-	4,896	(335,994)
Depreciation / amortization	(68,426)	(9,108)	(9,179)	-	-	(86,713)
Gross income	221,142	38,688	11,602	-	-	271,432
Operating expenses	(42,795)	(41,019)	(1,863)	(20,878)	-	(106,555)
Selling expenses	(29,969)	(36,473)	(1,408)	-	-	(67,850)
General and administrative expenses	(17,278)	(5,340)	(392)	(21,664)	-	(44,674)
Depreciation / amortization	(167)	(45)	-	(1,967)	-	(2,179)
Other	4,619	839	(63)	2,753	-	8,148
EBIT	178,347	(2,331)	9,739	(20,878)	-	164,877
Depreciation / amortization	68,593	9,153	9,179	1,967	-	88,892
EBITDA	246,940	6,822	18,918	(18,911)	-	253,769
Finance income (loss)	-	-	-	(23,263)	-	(23,263)
Equity pickup	-	-	-	20,233	(20,233)	-
IRPJ / CSLL	-	-	-	(50,290)	-	(50,290)
Net income	N/A	N/A	N/A	N/A	N/A	91,324

Consolidated statement of income by operating segment - January to June 2020

Accounts	Port Terminals	Santos Brasil Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
Gross operating income	369,281	136,840	23,247	-	(5,434)	523,934
Deductions from income	(46,965)	(25,232)	(3,573)	-	502	(75,268)
Net operating income	322,316	111,608	19,674	-	(4,932)	448,666
Cost of services provided	(257,856)	(80,272)	(15,595)	-	4,932	(348,791)
Variable / fixed costs	(204,398)	(72,114)	(7,584)	-	4,932	(279,164)
Depreciation / amortization	(53,458)	(8,158)	(8,011)	-	-	(69,627)
Gross income	64,460	31,336	4,079	-	-	99,875
Operating expenses	(30,797)	(34,770)	(1,758)	(23,372)	-	(90,697)
Selling expenses	(21,330)	(31,780)	(1,375)	-	-	(54,485)
General and administrative expenses	(17,430)	(3,873)	(386)	(22,712)	-	(44,401)
Depreciation / amortization	(115)	(39)	-	(1,791)	-	(1,945)
Other	8,078	922	3	1,131	-	10,134
EBIT	33,663	(3,434)	2,321	(23,372)	-	9,178
Depreciation / amortization	53,573	8,197	8,011	1,791	-	71,572
EBITDA	87,236	4,763	10,332	(21,581)	-	80,750
Finance income (loss)	-	-	-	(40,351)	-	(40,351)
Equity pickup	-	-	-	3,055	(3,055)	-
IRPJ / CSLL	-	-	-	8,560	-	8,560
Net loss	N/A	N/A	N/A	N/A	N/A	(22,613)

A June 30, 2021, income from a client of the port terminal segment accounted for approximately R\$148,943 (R\$53,683 at June 30, 2020), equivalent to 24.5% of total consolidated gross income.

Notes

Consolidated statement of capital invested per operating segment - June 30, 2021

Accounts	Port Terminals	Santos Brasil Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
<u>Invested capital</u>						
Current assets	180,942	30,171	11,629	1,102,454	(2,872)	1,322,324
Cash and cash equivalents	-	-	-	668,041	-	668,041
Other marketable securities	-	-	-	431,006	-	431,006
Other	180,942	30,171	11,629	3,407	(2,872)	223,277
Non-current assets	2,555,958	168,937	253,713	625,725	(406,588)	3,197,745
Other	306,494	5,997	27	106,306	-	418,824
Investment	-	-	-	406,588	(406,588)	-
Property, plant and equipment	81,112	122,432	1,041	36,089	-	240,674
Intangible assets	2,168,352	40,508	252,645	76,742	-	2,538,247
Current liabilities	(112,375)	(37,974)	(3,494)	(13,805)	2,872	(164,776)
Suppliers	(57,285)	(26,151)	(1,965)	(59)	1,647	(83,813)
Other	(55,090)	(11,823)	(1,529)	(13,746)	1,225	(80,963)
Non-current liabilities	(112,204)	(6,779)	(118)	(12,393)	-	(131,494)
Suppliers	(15,021)	-	-	-	-	(15,021)
Provision for tax, labor and civil risks	(36,125)	(6,779)	(118)	(112)	-	(43,134)
Other	(61,058)	-	-	(12,281)	-	(73,339)
Total	<u>2,512,321</u>	<u>154,355</u>	<u>261,730</u>	<u>1,701,981</u>	<u>(406,588)</u>	<u>4,223,799</u>
<u>Capital sources</u>						
Current liabilities	-	-	-	-	-	238,275
Loans and financing	-	-	-	-	-	86,663
Dividends / Interest on own capital payable	-	-	-	-	-	18
Obligations with the concession grantor	-	-	-	-	-	137,428
Leases	-	-	-	-	-	14,166
Non-current liabilities	-	-	-	-	-	1,793,175
Loans and financing	-	-	-	-	-	324,047
Obligations with the concession grantor	-	-	-	-	-	1,353,207
Leases	-	-	-	-	-	36,471
Actuarial liabilities	-	-	-	-	-	79,450
Shareholders' equity	-	-	-	-	-	2,192,349
Shareholders' equity	-	-	-	-	-	2,217,752
Actuarial liabilities	-	-	-	-	-	(25,403)
Total	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>4,223,799</u>

Notes

Consolidated statement of capital invested per operating segment - December 31, 2020

Accounts	Port Terminals	Santos Brasil Logistics	Vehicles Terminal	Institutional	Eliminations	Consolidated
<u>Invested capital</u>						
Current assets	131,090	26,675	8,378	1,075,552	(2,579)	1,239,116
Cash and cash equivalents	-	-	-	643,861	-	643,861
Other marketable securities	-	-	-	426,598	-	426,598
Other	131,090	26,675	8,378	5,093	(2,579)	168,657
Non-current assets	2,367,288	170,539	225,475	631,523	(404,677)	2,990,148
Other	297,978	6,273	27	112,053	-	416,331
Investment	-	-	-	404,677	(404,677)	-
Property, plant and equipment	73,473	123,672	682	36,308	-	234,135
Intangible assets	1,995,837	40,594	224,766	78,485	-	2,339,682
Current liabilities	(91,336)	(31,700)	(3,011)	(6,654)	2,579	(130,122)
Suppliers	(45,624)	(21,580)	(1,833)	(263)	1,478	(67,822)
Other	(45,712)	(10,120)	(1,178)	(6,391)	1,101	(62,300)
Non-current liabilities	(107,822)	(6,514)	(117)	(13,320)	-	(127,773)
Suppliers	(15,021)	-	-	-	-	(15,021)
Provision for tax, labor and civil risks	(34,965)	(6,514)	(117)	(112)	-	(41,708)
Other	(57,836)	-	-	(13,208)	-	(71,044)
Total	<u>2,299,220</u>	<u>159,000</u>	<u>230,725</u>	<u>1,687,101</u>	<u>(404,677)</u>	<u>3,971,369</u>
<u>Capital sources</u>						
Current liabilities	-	-	-	-	-	166,264
Loans and financing	-	-	-	-	-	53,420
Dividends / Interest on own capital payable	-	-	-	-	-	18
Obligations with the concession grantor	-	-	-	-	-	104,239
Leases	-	-	-	-	-	8,587
Non-current liabilities	-	-	-	-	-	1,707,895
Loans and financing	-	-	-	-	-	379,774
Obligations with the concession grantor	-	-	-	-	-	1,217,857
Leases	-	-	-	-	-	33,770
Actuarial liabilities	-	-	-	-	-	76,494
Shareholders' equity	-	-	-	-	-	2,097,210
Shareholders' equity	-	-	-	-	-	2,122,613
Actuarial liabilities	-	-	-	-	-	(25,403)
Total	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>3,971,369</u>

Notes**33. Subsequent events**Initial payment of Concessions of areas subject to Notices No. 06/2020, No. 07/2020 and 08/2020 for Liquid Fuel Bulks in the Itaquí port complex

On July 26, 2021, the Company made the concessions' initial payments referring to leased areas in Port of Itaquí, which were the subject matter of bidding processes - Notices No. 06/2020, No. 07/2020 and No. 08/2020, promoted by Brazil's National Waterway Transportation Agency - ANTAQ. The amounts paid by the Company were as follows: R\$15,325 for the IQI03 terminal; R\$14,000 for the IQ11 terminal; and R\$10,000 for the IQI12 terminal. After fulfilling the other obligations provided for in the Notices, the Company will enter into the related Lease Agreements with the Granting Authority.

Notes

Board of Directors

Verônica Valente Dantas (President)
Maria Amalia Delfim de Melo Coutrim (Vice-President)
Valdecyr Maciel Gomes (Independent member)
Eduardo de Britto Pereira de Azevedo (Independent member)
Luiz Sergio Fisher de Castro (Independent member)
José Luis Bringel Vidal (Independent member)
Felipe Villela Dias (Independent member)

Executive Board

Antonio Carlos Duarte Sepúlveda - Chief Executive Officer and Chief Operating Officer
Daniel Pedreira Dorea - Economic-Financial and Investor Relations Office
Ricardo dos Santos Buteri - Commercial Officer

Fiscal Council

Gilberto Braga (President)
Leonardo Guimarães Pinto
Luis Fernando Moran de Oliveira

Thiago Otero Vasques - CRC No. 1 SP 238735/O-0
Accountant

Comments on the Behavior of Business Projections

2021 Business Projections

Due to the mix of cargo, the average ticket and the volumes of containers observed in the first half of the year and expected throughout the second half, striving for transparency and fairness, the Company (extraordinarily) the volume projections for quay handling and consolidated EBITDA of the Company's current businesses to be monitored in the 2021 fiscal year ("2021 Guidance"). Capex projections have not changed:

Indicator	2021 Projection (range)	Var. % 2021 vs. 2020
Quay handling volume	1.300.000 - 1.400.000 containers	20% - 30%
EBITDA	R\$ 530 million - R\$ 580 million	150% - 174%
Capex ¹	R\$ 250 million - R\$ 300 million	12% - 34%

¹ Capital Expenditures: Organic investments.

The quay handling volume corresponds to the sum of quay operations at Tecon Santos, Tecon Vila do Conde and Tecon Imbituba terminals. EBITDA is calculated based on the Company's financial statements, calculated based on the Operating Profit (EBIT) + costs and expenses with depreciation and amortization.

The data exposed above reflects the range of information currently available, supported by macroeconomic, sector and industry, local and international indicators, related to the Company's market of operation, in addition to management's assumptions and insights. These estimates and projections are subject to various risks and uncertainties, depending on market conditions, the performance of the Brazilian economy, the Company's business segments and international markets; accordingly, they are subject to changes, including those resulting from a possible worsening of the COVID-19 pandemic. In case of a significant change in these factors, these projections may be reviewed.

Legal Notice

We make statements on future events that are subject to risks and uncertainties. These statements are based on our Management's beliefs and assumptions and on information currently available to the Company. Statements on future events include information on our current intentions, beliefs or expectations as well as those of the members of the Board of Directors and Officers of the Company.

The reservations regarding forward-looking statements and information also include information on possible or assumed operating results, as well as statements that are preceded, followed or that include the words "believes", "may", "will", "continues", "expects", "forecasts", "intends", "plans", "estimates" or similar expressions.

Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events which, therefore, depend on circumstances that may or may not materialize. Future results and the creation of value for shareholders may significantly differ from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and values are beyond Santos Brasil's control or foresight ability.

Other Information the Company Deems to be Relevant

The Company is subject to the arbitration of São Paulo Stock Exchange's Market Arbitration Chamber, as set forth in an arbitration clause included in its Articles of Incorporation.

In compliance with the Regulation of Special Corporate Governance Practices (*Novo Mercado*), we present the following information (not reviewed by Independent Auditors):

- 1) Statement of shareholding position of each investor or shareholder holding more than 5% of shares of each type and class, either directly or indirectly, up to the level of individual, at June 30, 2021:

BREAKDOWN OF EQUITY OF LEGAL ENTITIES CAPITAL (COMPANY'S SHAREHOLDERS) UP TO THE LEVEL OF INDIVIDUAL				
Company name: SANTOS BRASIL PARTICIPAÇÕES S.A.				
Shareholder	Common Shares		(In unit - Shares)	
	Number	%	Number	%
THE BANK OF NEW YORK ADR DEPARTMENT	198,897,030	23.06%	198,897,030	23.06%
PW237 PARTICIPAÇÕES S.A.	149,382,595	17.32%	149,382,595	17.32%
OPPORTUNITY	65,609,269	7.61%	65,609,269	7.61%
Treasury shares	419,248	0.05%	419,248	0.05%
Other	448,170,236	51.96%	448,170,236	51.96%
Total	862,478,378	100.00	862,478,378	100.00

- 2) Marketable securities held by the Company's Controlling Shareholders, Officers, members of the Board of Directors and members of the Supervisory Board at June 30, 2021:

CONSOLIDATED SHAREHOLDING POSITION OF THE CONTROLLING SHAREHOLDERS AND MANAGEMENT MEMBERS AND OUTSTANDING SHARES				
Shareholder	Number of Common Shares (in units)	%	Total Number of Shares (in units)	%
Controlling Shareholders	-	-	-	-
Management members	4,090,056	0.48	4,090,056	0.48
Board of Directors	305,924	0.04	305,924	0.04
Executive Board	3,784,132	0.44	3,784,132	0.44
Fiscal Council	1	0.00	1	0.00
Treasury shares	419,248	0.05	419,248	0.05
Other Shareholders	857,969,073	99.48	857,969,073	99.48
Total	862,478,378	100.00	862,478,378	100.00
Outstanding Shares	857,969,073	99.48	857,969,073	99.48

- 3) We inform that, at June 30, 2021, the number of outstanding shares was 857,969,073, i.e., 99.48% of total capital, which is fully composed of common shares.

Opinions and Statements / Special Review Report - Unqualified

A free translation from Portuguese into English of independent auditor's review report on interim information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil

To the Shareholders, Board of Directors and Officers of
Santos Brasil Participações S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated condensed interim financial information of Santos Brasil Participações S.A. (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2021, which comprises the statement of financial position as at June 30, 2021 and the statements of profit or loss and of comprehensive income (loss) for the three and six-month periods then ended, and the statements of changes in equity and of cash flows for the six-month period then ended, including other explanatory information.

Management is responsible for the preparation of the individual and consolidated condensed interim financial information in accordance with the Brazilian Accounting Standard ("NBC") - General Technical ("TG") 21 "NBC TG 21" - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in accordance with the rules issued by the Brazilian Securities and Exchange Commission ("CVM") applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this condensed 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 on the individual and consolidated condensed interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated condensed interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission ("CVM").

Opinions and Statements / Special Review Report - Unqualified**Other matters***Statements of value added*

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2021, prepared under the responsibility of Company management and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the individual and consolidated condensed interim financial information taken as a whole.

Review and audit of corresponding figures

The individual and consolidated condensed interim financial information, for the three and six-month periods ended June 30, 2020, and the individual and consolidated financial statements, for the year ended December 31, 2020, were reviewed and audited, respectively, by other independent auditors, who issued an unmodified conclusion on the quarterly information on August 5, 2020 and an unmodified opinion on the financial statements on February 25, 2021.

São Paulo, August 4, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Ezequiel Litvac
Partner
Accountant CRC-1SP249186/O-5

Opinions and Statements / Fiscal Council opinion or Equivalent Body

The Fiscal Council of Santos Brasil Participações S.A. examined the Separate and Consolidate Interim Financial Statements in the Quarterly Information Form ITR for the quarter ended **June 30, 2021** and the draft of “Report on Review of the Quarterly Information,” issued by ERNST & YOUNG Auditores Independentes S.S on **August 04, 2021** and, if there is no future change to the submitted draft, in accordance with Official Letter CVM/SEP/CVM 01/2021, item 3.3.4, stated that such interim information is in accordance with the accounting practices adopted in Brazil, applicable to its preparation, and in accordance with the rules issued by the Securities and Exchange Commission of Brazil.

São Paulo, August 4, 2021.

Gilberto Braga
Chairman of the Audit Board

Leonardo Guimarães Pinto
Member of the Audit Board

Luis Fernando Moran de Oliveira
Member of the Audit Board

Opinions and Statements / Statement of the Executive Board on the Financial Statements

In compliance with the provisions in article 25, item VI of CVM Instruction No. 480 of December 7, 2009, the Chief Executive Officer and the Economic-Financial and Investor Relations Officer of **SANTOS BRASIL PARTICIPAÇÕES S.A.**, a publicly-held corporation, enrolled with the Ministry of Finance under the Brazilian IRS Registry of Legal Entities ("CNPJ/MF") No. 02.762.121/0001-04, headquartered at Rua Joaquim Floriano, nº 413, 10th floor, city and state of São Paulo, represent that they reviewed, discussed and agree with the financial statements presented.

São Paulo, August 4, 2021.

Antonio Carlos Duarte Sepúlveda
Chief Executive Officer and Chief Operating Officer

Daniel Pedreira Dorea
Economic-Financial and Investor Relations Officer

Opinions and Statements / Statement of the Executive Board on the Independent Auditor's Report

In compliance with the provisions in article 25, item V of CVM Instruction No. 480 of December 7, 2009, the Chief Executive Officer and the Economic-Financial and Investor Relations Officer of **SANTOS BRASIL PARTICIPAÇÕES S.A.**, a publicly-held corporation, enrolled with the Ministry of Finance under the Brazilian IRS Registry of Legal Entities ("CNPJ/MF") No. 02.762.121/0001-04, headquartered at Rua Joaquim Floriano, nº 413, 10th floor, city and state of São Paulo, represent that they reviewed, discussed and agree with the opinions expressed in the independent auditor's report.

São Paulo, August 4, 2021.

Antonio Carlos Duarte Sepúlveda
Chief Executive Officer and Chief Operating Officer

Daniel Pedreira Dorea
Economic-Financial and Investor Relations Officer