

Ferropport Logística
Comercial
Exportadora S.A.

**Condensed interim
financial information
March 31, 2021**

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Independent auditors' report on review of condensed parent company and consolidated interim financial information

To the Shareholders, Board of Directors and Management of
Ferroport Logística Comercial Exportadora S.A.
Rio de Janeiro – RJ

Introduction

We have reviewed the condensed parent company and consolidated balance sheet of Ferroport Logística Comercial Exportadora S.A. ("Company"), as of March 31, 2021, and the related condensed statements of income, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation and fair presentation of the condensed parent company and consolidated interim financial information in accordance with standard CPC 21(R1) - Demonstração Intermediária and IAS 34 – Interim Financial Reporting issued by International Accounting Standards Board. 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 Interim Financial Information Review Standards (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of condensed and individual interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

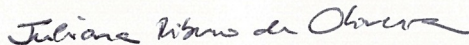
A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the condensed parent company and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed parent company and consolidated interim financial information, as of March 31, 2021, are not prepared, in all material respects, in accordance with CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting.

Rio de Janeiro, May 04, 2021

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



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

Ferropport Logística Comercial Exportadora S.A.

Condensed balance sheets

March 31, 2021 and 2020

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Assets					
Current assets					
Cash and cash equivalents	4	134,781	78,553	135,364	79,143
Accounts receivable from related parties	12	89,470	161,994	89,470	161,994
Inventories		31,595	29,064	31,595	29,064
Recoverable taxes	7	17,077	16,942	17,176	17,039
Income taxes and social contribution recoverable	7	-	-	42	43
Prepaid expenses		42	1,322	42	1,324
Other		1,969	1,612	1,969	1,613
Total current assets		274,934	289,487	275,658	290,219
Noncurrent assets					
Judicial deposits	8	34,368	34,409	34,368	34,409
Related parties - asset to be transferred	13	210,102	210,102	210,102	210,102
Investments in subsidiary	9	723	731	-	-
Right of use assets	10	2,851	3,067	2,851	3,067
Property, plant and equipment	11	2,075,159	2,101,680	2,075,159	2,101,680
Intangible assets	12	535	573	535	573
Deferred charges		2,301	2,466	2,301	2,466
Total noncurrent assets		2,326,039	2,353,028	2,325,316	2,352,297
Total assets		2,600,973	2,642,515	2,600,974	2,642,516
Liabilities and equity					
Current liabilities					
Trade accounts payable		29,924	56,230	29,925	56,231
Payroll and related charges		18,813	16,449	18,813	16,449
Taxes payable	14	13,274	11,889	13,274	11,889
Lease liabilities	10	2,014	1,890	2,014	1,890
Income taxes and social contribution payable	14	25,519	26,154	25,519	26,154
Related parties - loans	13	143,125	142,000	143,125	142,000
Total current liabilities		232,669	254,612	232,670	254,613
Noncurrent liabilities					
Income taxes and social contribution payable	14	72,583	61,030	72,583	61,030
Lease liabilities	10	1,068	1,400	1,068	1,400
Deferred income tax and social contribution	6	117,632	130,559	117,632	130,559
Related parties - accounts payable	13	210,102	210,102	210,102	210,102
Related parties - loans	13	277,248	412,192	277,248	412,192
Deferred revenue with related party	13	47,899	48,447	47,899	48,447
Provision for contingencies	15	21,978	22,386	21,978	22,386
Taxes payable	14	32,668	32,615	32,668	32,615
Other		19,311	19,365	19,311	19,365
Total noncurrent liabilities		800,489	938,096	800,489	938,096
Shareholders' equity					
Share Capital	16	803,404	803,404	803,404	803,404
Profits to be allocated		393,748	393,748	393,748	393,748
Capital reserve		94,589	94,589	94,589	94,589
Contingencies reserve		109,595	109,595	109,595	109,595
Legal reserve		48,471	48,471	48,471	48,471
Acumulated Profit		118,008	-	118,008	-
Total shareholders' equity		1,567,815	1,449,807	1,567,815	1,449,807
Total liabilities and shareholders' equity		2,600,973	2,642,515	2,600,974	2,642,516

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

Ferroport Logística Comercial Exportadora S.A.

Condensed statements of income

Three-month period ended March 31, 2021 and 2020

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Net revenue of services	17	235,266	199,360	235,266	199,473
Costs of services	18	(66,157)	(42,530)	(66,157)	(42,701)
Gross profit		169,109	156,830	169,109	156,772
Operating income (expenses)					
General and administrative expenses	19	(8,231)	(10,851)	(8,240)	(10,860)
Reversal of Expected Credit Loss	20	895	12	895	12
Other operating income	20	2,549	2,594	2,549	2,594
		(4,787)	(8,245)	(4,796)	(8,254)
Income before financial income (expenses) and taxes		164,322	148,585	164,313	148,518
Financial income (expenses)					
Financial income	21	581	1,475	582	1,483
Financial expenses	21	(8,910)	(18,517)	(8,910)	(18,518)
Equity loss		(8)	(71)	-	-
Income before taxes		155,985	131,472	155,985	131,483
Income and social contribution taxes					
Current	6	(50,903)	(25,833)	(50,903)	(25,844)
Deferred	6	12,926	(21,052)	12,926	(21,052)
Total income and social contribution taxes		(37,977)	(46,885)	(37,977)	(46,896)
Profit for the period		118,008	84,587	118,008	84,587

The notes are an integral part of these condensed interim financial information

Ferroport Logística Comercial Exportadora S.A.

Condensed statements of comprehensive income

Three-month period ended March 31, 2021 and 2020

(In thousands of Reais)

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Profit for the period	118,008	84,587	118,008	84,587
Total comprehensive income for the year	118,008	84,587	118,008	84,587

The notes are an integral part of these condensed interim financial information

Ferroport Logística Comercial Exportadora S.A.

Condensed statements of changes in shareholders' equity

Three-month period ended on March 31, 2021 and 2020

(In thousands of Reais)

		Parent Company and Consolidated						
	Note	Share Capital	Profits to be allocated	Capital reserve	Contingencies reserve	Legal reserve	Accumulated profit	Total
Balances as of January 1 st , 2020	16	803,404	-	94,589	109,595	27,756	-	1,035,344
Profit for the period		-	-	-	-	-	84,587	84,587
Balances as of March 31, 2020		803,404	-	94,589	109,595	27,756	84,587	1,119,931
Balances as of January 1 st , 2021		803,404	393,748	94,589	109,595	48,471	-	1,449,807
Profit for the period		-	-	-	-	-	118,008	118,008
Balances as of March 31, 2021		803,404	393,748	94,589	109,595	48,471	118,008	1,567,815

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

Ferropport Logística Comercial Exportadora S.A.

Condensed statements of cash flows

Three-month period ended March 31, 2021 and 2020

(In thousands of Reais)

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Operating activities				
Profit before income taxes	155,985	131,472	155,985	131,483
Adjustments to reconcile income before taxes and net cash provided by operating activities:				
Depreciation and amortization	35,130	13,702	35,129	13,702
Monetary variation and interest	4,732	18,209	4,732	18,209
Tax Provision	4,293	1,264	4,293	1,264
Amortization of insurance	1,280	1,073	1,282	1,073
Provision for bonus	2,469	2,268	2,469	2,270
Provision for legal proceeding	(408)	806	(408)	806
Deferred revenue amortization	(549)	(549)	(549)	(549)
Shares of results of investee	8	71	-	-
Provision for expected credit losses	(895)	(12)	(895)	(12)
	202,045	168,304	202,045	168,246
(Increase) decrease of assets and increase (decrease) of liabilities:				
Account receivable from related parties	72,542	50,188	72,542	50,192
Inventories	(2,285)	(91)	(2,285)	(91)
Recoverable taxes	(136)	9,687	(138)	9,646
Prepaid expenses	-	(7)	-	(5)
Trade accounts payable	(24,289)	374	(24,289)	374
Taxes payable	(9,107)	(11,453)	(9,107)	(11,492)
Payroll and related charges	37	166	37	163
Taxes payable related to intercompany loans	(705)	(8,694)	(705)	(8,694)
Interest paid	(3,995)	(49,264)	(3,995)	(49,264)
Income tax and social contribution tax paid	(34,116)	(15,808)	(34,116)	(15,808)
Interest on leases	(100)	(128)	(100)	(128)
Other	426	(323)	428	(323)
Net cash flows generated by operating activities	200,317	142,951	200,310	142,816
Investing activities				
Acquisition of intangible assets	(180)	(29)	(180)	(29)
Acquisition of property, plant and equipment	(9,698)	(5,431)	(9,698)	(5,431)
Net cash flows used in investing activities	(9,878)	(5,460)	(9,878)	(5,460)
Financing activities				
Intercompany loans settled	(133,748)	(39,273)	(133,748)	(39,273)
Lease payments	(463)	(380)	(463)	(380)
Net cash flows used in financing activities	(134,211)	(39,653)	(134,211)	(39,653)
Increase in cash and cash equivalents	56,228	97,838	56,221	97,703
Cash and cash equivalents				
At beginning of the period	78,553	38,600	79,143	39,327
At end of the period	134,781	136,438	135,364	137,030
Increase in cash and cash equivalents	56,228	97,838	56,221	97,703

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

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

1 The Company and its operations

In 2007, Ferroport Logística Comercial Exportadora S.A, (“Ferroport” or the “Company”), formerly known as LLX Minas-Rio Logística Comercial Exportadora S.A., located in the state of Rio de Janeiro, Rua da Passagem 123/ 11th floor - Botafogo, was incorporated with the purpose of developing and operating port facilities and providing logistics support services.

Ferroport is joint owner of an area of 300 hectares in the Açú Port which is responsible for iron ore processing, handling, and storage, and an offshore structure comprising an access bridge, access canal, breakwater and two berths for iron ore loading. The development of the project was established by the Framework Agreement and Asset Allocation Agreement (“Agreement”) which sets forth the operating and commercial relations between the Company, Prumo Participações e Investimentos S.A. (“Prumopar”), Prumo’s subsidiary Açú Petróleo S.A. (“Açú Petróleo”) and Anglo American Minério de Ferro do Brasil S.A. (“AAMFB”).

In 2021, the Company loaded 5.4 million tons (unreviewed) of iron ore in 36 vessels (unreviewed) (6.1 million tons (unreviewed) in 41 vessels (unreviewed) during three-month period of 2020). Since the beginning of operations in October 2014, the Company loaded 96.9 million tons (unreviewed) of iron ore, reaching a mark of 614 vessels (unreviewed) berthing at the port.

In 2021, the Açú Petróleo S.A. performed 20 operations (unreviewed) in 48 vessels (unreviewed), loading 3.8 million metric tons (unreviewed) of oil transshipment. In the same period of 2020, the Açú Petróleo S.A. performed 13 operations (unreviewed) in 31 vessels (unreviewed), loading 2.16 million metric tons (unreviewed) of oil transshipment. Since the beginning of operations in August 2016, they carried out 201 operations (unreviewed) in 472 Suezmax and VLCC vessels (unreviewed). According to the port access contract, Ferroport receives monthly variable fees from Açú Petróleo, due to the use of the area to provide the service.

The main preventive measures adopted related to Covid-19 and still in place are: Institution of crisis committee, home office for employees, suspension of travel and events, enhanced hygiene on buses, administrative buildings and cafeteria, checkpoint for inspection of hygiene in vehicles, temperature measurement of employees, distribution of masks for employees and third parties, testing of employees and third parties.

On March 25, 2021, Ferroport started the test operation called “Sinter feed”, which consists of receiving iron ore by trucks. This test operation will have an initial duration of 6 weeks, with an expectation of 55 trucks (unreviewed) accessing the port per day and handling an estimated total volume of 40,000 tons (unreviewed) of iron ore. This test operation will not generate revenue, only reimbursement of costs incurred.

1.1 Subsidiary

See out below the subsidiary of Ferroport Logística:

Activity	Ownership interest
Ferroport Serviços Service of maintenance	100%

In August 2018, Ferroport Serviços EIRELI (“Ferroport Serviços”), a fully controlled subsidiary of Ferroport Logística, started the operations providing maintenance and engineering services to the companies located in the port terminal.

2 Licenses

Type	Issue date	Maturity
Permit the management of terrestrial fauna in the port terminal by the company Firjan/Senai Consulting Engineering AA N° IN003173. License in the process of renewal. Protocol 011.10481/2021.	April 04,2019	April 04, 2021
Permit to Use Water Resources OUT IN05405 authorizes the extraction of raw water through tubular wells, for human consumption, and other applications (in civil construction works and to spray on roads), in the Hydrographic Basin RH-IX - BaixoParaíba do Sul.	September 27, 2019	September 27, 2024
INEA (State Institute of Environment): Statutory law for receipts of iron ore, stockyard iron transfer unit, access bridge, loading pier, areas of utilities and repair shop, administrative area, , dredging for maintenance of draught for access and navigation, trans-shipment of waste of vessels and food loading activities, inputs of drinking water on vessels. Statutory Law - Regulatory Procedure 027024.(AVB002815).	September 02, 2015	December 22, 2023
License renewed for another 6 Years through AVB003584.		
ANTAQ (Supervising Office for Grants of the National Waterway Agency) authorizes Ferroport to start operating the port terminal.	September 02, 2014	September 02, 2039
Permit temporary refueling, by using tank trucks, tug boats, and speed boats on Porto do Açú iron ore terminal LI no.IN 047638.	December 13, 2018	December 13, 2023

3 Basis of preparation and presentation of the condensed interim financial information and summary of significant accounting practices

a. Statement of compliance

The condensed consolidated and individual interim financial information have been prepared in accordance with CPC 21 - *Interim Financial Reporting* issued by the Accounting Pronouncements Committee (“CPC”).

The condensed consolidated and individual interim financial information do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the financial statements as of December 31, 2020, prepared in accordance with accounting practices adopted in Brazil (“BR GAAP”), which comprise dispositions of the

Brazilian Corporate Law, as determined by Law 6.404/76 with updates on Law 11.638/07 and accounting pronouncements, interpretations and orientations issued by the Accounting Pronouncements Committee (CPC) approved by Brazilian CVM..

The accounting policies mentioned adopted in this condensed interim financial information are consistent with those followed in the preparation of the Company's financial statements for the year ended December 31, 2020 and concluded on March 26, 2021.

The Company's Directors authorized the conclusion of these condensed interim financial information on May 04, 2021.

b. Basis of measurement

The condensed interim financial information has been prepared on the historical cost basis, except for derivative financial instruments, which have been measured at fair value.

c. Functional and reporting currency

This condensed interim financial information is presented in Brazilian Reais, which is the Company's functional and reporting currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4 Cash and cash equivalents

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Cash and banks	289	306	299	474
Cash equivalents				
Bank deposit certificate (CDB)	134,492	78,247	135,064	78,669
	134,781	78,553	135,364	79,143

Highly liquid short-term investments are readily convertible into a known amount of cash and subject to insignificant risk of change in their value. The return of investments was 101,20% of Interbank Deposit (DI) rate in first quarter of 2021. The portfolio currently consists of deposits certificates (CDB) issued by Santander and Banco ABC.

5 Inventories

In March 31, 2021, the individual and consolidated balance of inventories applied to equipment maintenance totaled R\$ 31,595 (R\$ 29,064 in December 31, 2020).

6 Income tax and social contribution

The changes in the deferred income and social contribution taxes assets and liabilities are as follow:

	Parent Company and Consolidated		
	December 31, 2020	Additional amount/offset (liability) recorded	March 31, 2021
Assets			
Temporary differences:			
Provisions of bonus, contingencies and others			
Difference between tax basis and book value - deferred assets	17,760	(1,123)	16,637
Other	1,078	161	1,239
Total deferred income taxes assets	18,838	(962)	17,876
Liabilities			
Difference between tax basis and book value of depreciation rates	(74,173)	19,470	(54,703)
Temporary differences:			
Capitalized interests	(73,851)	(5,674)	(79,525)
Judicial deposits	(1,373)	93	(1,280)
Total deferred income taxes liabilities	(149,397)	13,889	(135,508)
Net effect	(130,559)	12,927	(117,632)

The reconciliation of the reported income tax and social contribution and the amount determined by applying the nominal rate for the periods ended March 31, 2021 and 2010, are as follows:

Income Tax and Social Contribution	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Income before income taxes	155,985	131,472	155,985	131,483
Income tax at the nominal rate 34%	(53,035)	(44,700)	(53,035)	(44,704)
Tax aliquot effect about presumed profit	-	-	(53)	(11)
Tax adjustments:				
Deferred tax adjustment - Capitalized interest	21,863	-	21,863	-
Effect of addition depreciation adjustment	(6,644)	-	(6,644)	-
Current income tax and social contribution for 2019	-	945	-	945
Deferred - Provision and reversal provision	-	(4,661)	-	(4,661)
Deferred - Tax loss	-	1,263	-	1,263
Other	(161)	268	(108)	272
Total	(37,977)	(46,885)	(37,977)	(46,896)
Current income and social contribution tax	(50,903)	(25,833)	(50,903)	(25,844)
Deferred income and social contribution tax	12,926	(21,052)	12,926	(21,052)
Total income and social contribution tax	(37,977)	(46,885)	(37,977)	(46,896)
Effective rate	24%	36%	24%	36%

7 Recoverable taxes

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Income tax	9,553	9,417	9,553	9,417
Social contribution	3,298	3,298	3,298	3,298
PIS and COFINS	4,172	4,175	4,201	4,204
INSS	-	-	59	59
ISS	48	48	48	48
Other	6	4	17	13
Subtotal recoverable taxes	17,077	16,942	17,176	17,039
Income tax	-	-	32	33
Social contribution	-	-	10	10
Total income taxes and social contribution recoverable	-	-	42	43
Total	17,077	16,942	17,218	17,082
Current	17,077	16,942	17,218	90,132

8 Judicial deposits

	Parent Company and Consolidated	
	March 31, 2021	December 31, 2020
Income tax and social contribution (a)	32,630	32,563
Other	1,738	1,846
	34,368	34,409

- (a) The Company challenges the payment of income tax and social contribution on net income recognized in its pre-operating phase and filed an injunction in January 2008, making a judicial deposit in the original amount of R\$ 16,403 (R\$ 35,921). Ferroport obtained an unfavorable decision and is awaiting decision on its appeal, the amount deposited is fully reserved under "Taxes payable". In December 2020, the 10th federal court of Rio de Janeiro was granted a favorable decision, with partial return of the judicial deposit in the amount of R\$ 3,358. The amount was received on December 4, 2020. The total amount in March 2021 is R\$ 32,630 (R\$32,563 in December 2020).

9 Investments in subsidiary

The investments in subsidiary are as follow:

a. Movement of participation in subsidiary

	December 31, 2020	Addition	Equity loss	March 31, 2021
Ferroport Serviços EIRELI	731	-	(8)	723

b. Relevant information about subsidiary

As of March 31, 2021:

Direct subsidiaries	%	Number of shares (thousand)	Asset	Liability	Shareholders ' equity	Capital	Profit for the period
Ferroport Serviços EIRELI	100	100	725	(2)	(723)	100	(8)

10 Right-of-use assets/Lease liabilities

The table below shows the contracts within the scope of CPC 06 R2 / IFRS 16, segregated by supplier, with their respective contractual terms and interest rates applied, as of March 31, 2021:

Parent Company and Consolidated						
Suppliers	Assets	Right of use assets	Lease Liabilities	Months	Interest rates	
Localiza	Vehicles	883	979	38	1,0280%	
Transbarra	Machinery and equipment	1,310	1,425	36	0,9902%	
Ormec	Machinery and equipment	319	325	22	0,9902%	
Solaris	Machinery and equipment	96	109	36	0,9902%	
Trimak	Machinery and equipment	243	244	36	0,9902%	
		2,851	3,082			

To obtain the interest rates, the Company simulated obtaining funds from financial institutions for the acquisition of the underlying assets, with similar terms to the respective contracts.

The movements of the right of use assets and lease liabilities, with their respective final balances at March 31, 2021 and December 2020, are as follows:

Lease Assets	Parent Company and Consolidated			
	December 31, 2020	Additions	(-) Depreciation	March 31, 2021
Right of use – Vehicles	1,186	-	(166)	1,020
Right of use - Machinery and equipment	1,881	256	(306)	1,831
	3,067	256	(472)	2,851

Lease Assets	Parent Company and Consolidated			
	December 31, 2019	Additions	(-) Depreciation	March 31, 2020
Right of use - Vehicles	1,688	-	(150)	1,538
Right of use - Machinery and equipment	2,595	-	(276)	2,319
	4,283	-	(426)	3,857

Lease Liabilities	Parent Company and Consolidated					March 31, 2021
	January 01, 2021	Additions	Transfer	Interest	Payments	
Current	1.890	75	512	100	(563)	2.014
Non-current	1.400	180	(512)	-	-	1.068
	3.290	255	-	100	(563)	3.082

Lease Liabilities	Parent Company and Consolidated					March 31, 2020
	January 01, 2020	Transfer	Interest	Payments	March 31, 2020	
Current	1,569	393	128	(508)	1,582	
Non-current	2,820	(393)	-	-	2,427	
	4,389	-	128	-	4,009	

Payments	Parent Company and Consolidated			
	March 31, 2020		March 31, 2021	
	Fixed (Lease)	Total	Fixed (Lease)	Total
Vehicles	(182)	(182)	(200)	(200)
Machinery and equipment	(326)	(326)	(363)	(363)
	(508)	(508)	(563)	(563)

The table below describe the maturity terms of the lease liabilities, considering the future cash flows of principal and interest payments according to the contractual forecast, with position as of March 31, 2021:

Parent Company and Consolidated					
Maturity					
	up to 6 months	From 6 to 12 months	From 1 to 2 years	Above 2 years	Total
Lease Liabilities	982	1,032	988	80	3,082

11 Property, plant and equipment

Parent Company and Consolidated	Annual depreciation rate %	Cost	Accumulated depreciation	Net balance at March 31, 2021	Net balance at December 31, 2020
Improvements	4	66,220	(65,157)	1,063	1,076
Furniture and fixtures	10	1,067	(575)	492	513
Vehicles	20 and 25	1,332	(1,079)	253	278
IT equipment	20	10,425	(4,483)	5,942	5,994
Machinery and equipment	10, 20 and 50	31,268	(6,696)	24,572	24,080
Electronic equipment	20	1,786	(589)	1,197	866
Defenses	10	4,031	(2,412)	1,619	1,716
Breakwater	2,22	853,493	(118,838)	734,655	738,933
Maritime access canal	2,22	451,796	(58,750)	393,046	407,334
Pier - Port Terminal	2,22	831,507	(98,324)	733,183	744,483
Safety equipment	10	22,211	(8,828)	13,383	12,548
Operational tools and equipment	5 and 20	36,838	(10,800)	26,038	24,202
Construction in progress	-	127,621	-	127,621	127,759
Other equipment's	10 and 5	17,705	(5,610)	12,095	11,898
		2,457,300	(382,141)	2,075,159	2,101,680

Changes in property, plant and equipment

Parent Company and Consolidated	Annual depreciation rate %	December 31, 2020	Additions	Write-offs	March 31, 2021
Cost					
Improvements	4	66,220	-	-	66,220
Furniture and fixtures	10	1,067	-	-	1,067
Vehicles	20	1,332	-	-	1,332
IT equipment	20	10,176	249	-	10,425
Machinery and equipment	10	30,038	1,230	-	31,268
Electronic equipment	20	1,396	390	-	1,786
Defenses	10	4,031	-	-	4,031
Breakwater	2,22	853,058	435	-	853,493
Maritime access canal	2,22	451,796	-	-	451,796
Pier - Port Terminal	2,22	830,479	1,028	-	831,507
Safety equipment	10	20,854	1,357	-	22,211
Operational tools and equipment	5 and 20	33,920	2,918	-	36,838
Construction work in progress	-	127,759	2,016	(2,154)	127,621
Others equipments	10 and 5	17,421	284	-	17,705
		2,449,547	9,907	(2,154)	2,457,300

Parent Company and Consolidated	Parent Company and Consolidated			
	Annual depreciation rate %	December 31, 2020	Additions	March 31, 2021
Depreciation				
Improvements	4	(65,144)	(13)	(65,157)
Furniture and fixtures	10	(554)	(21)	(575)
Vehicles	20	(1,054)	(25)	(1,079)
IT equipment	20	(4,182)	(301)	(4,483)
Machinery and equipment	10	(5,958)	(738)	(6,696)
Electronic equipment	20	(530)	(59)	(589)
Defenses	10	(2,315)	(97)	(2,412)
Breakwater	2,22	(114,125)	(4,713)	(118,838)
Maritime access canal	2,22	(44,462)	(14,288)	(58,750)
Pier - Port Terminal	2,22	(85,996)	(12,328)	(98,324)
Safety equipment	5 and 20	(8,306)	(522)	(8,828)
Operational tools and equipment	10	(9,718)	(1,082)	(10,800)
Others equipments	10 and 5	(5,523)	(87)	(5,610)
		(347,867)	(34,274)	(382,141)
Property and equipment, net		2,101,680	(26,383)	2,075,159

Asset allocation

As aforementioned, the Company, Açú Petróleo and AAMFB signed the Asset Allocation Agreement, which determines that the Company is responsible for the construction of the T1 port terminal and sets out the allocation of assets between the parties, means of payment, transfer of divisible assets and joint ownership rules for the indivisible assets. The divisible

assets will be transferred to the parties individually as stated in the Agreement.

As for the indivisible assets, each company has its share of participation in the assets (“condominium agreement”) according to a formula defined in the Agreement at construction cost.

12 Intangible assets

		Parent Company and Consolidated		
		December 31, 2020	Additions	March 31, 2021
	Amortization			
Cost				
Software use license	5 years	11,813	179	11,992
Total Cost		11,813	179	11,992
Amortization				
Software use license	5 years	(11,240)	(217)	(11,457)
Total Amortization		(11,240)	(217)	(11,457)
		573	(38)	535

13 Transactions with related parties

		Parent Company and consolidated	
		March 31, 2021	December 31, 2020
Assets			
Assets to be transferred to AAMFB (a)		210,102	210,102
Accounts receivable from AAMFB (b)		86,898	158,955
Accounts receivable from Açü Petróleo (c)		1,982	2,275
		298,982	371,332
Credit Note			
AAMFB		393	528
Açü Petróleo		197	236
Current		89,470	161,994
Noncurrent		210,102	210,102
		March 31, 2021	December 31, 2020
Liabilities			
Advances of the asset allocation			
AAMFB (a)		210,102	210,102
Intercompany loans			
Prumo Participações e Investimentos		233,696	300,376
Withholding income tax on loan		142	153
Anglo American Capital London		186,535	253,663
		630,475	764,294
Deferred revenue			
Deferred revenue with related party (d)		47,899	48,447
Current		143,125	142,000
Noncurrent		487,350	622,294

- (a) This refers to the divisible assets that will be transferred to AAMFB, according to the Agreement;
- (b) Receivables from the take-or-pay agreement with AAMFB;
- (c) Receivables from the Port Access agreement related to T-Oil operations;
- (d) In January 2008, an agreement was entered into with Porto do Açú for granting the right of accessing the port facilities to load and unload ships, this contract, amounting to R\$ 62,159, is effective for 35 years, renewable for another 35 years, and was fully paid as of December 31, 2009. The revenue will be recognized over the contract term. After the start-up of operation in October 2014, this amount started to be monthly recognized as other revenues.

Maturity and interest

Intercompany loans are determined in Brazilian Reais (BRL) and subject to annual interest of 100% of the CDI plus 2% p.a. Intercompany loans have no covenants or guarantees.

The Company shall repay all amounts outstanding, including any outstanding interest thereon, under all shareholder loans by no later than December 31, 2030.

The transactions that affect the profit or loss are as follows:

	Revenues (expenses)			
	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue				
AAMFB - take-or-pay agreement	231,279	191,656	231,279	191,656
Açú Petróleo	5,093	8,201	5,093	8,201
Ferroport Serviços	-	113	-	-
Expenses/Costs				
Anglo American	-	(92)	-	(92)
Financial expenses				
Interest on loans				
Prumo Participações e Investimentos	(2,540)	(9,382)	(2,540)	(9,382)
Anglo American Capital London	(2,089)	(8,710)	(2,089)	(8,710)
	231,744	181,786	231,744	181,673

Reconciliation of assets and liabilities to cash flows from financing activities:

	Liabilities
	Intercompany loans
Opening balances on January 1, 2021	764,142
Variations in cash	
Interest paid	(3,995)
Intercompany loans settled	(133,748)
Total variations in financing cash flows	(137,743)
Other variations	
Related liabilities	
Income tax on intercompany loans	(690)
Interest expense	4,624
Total other variations related liabilities	3,934
Closing balances on March 31, 2021	630,333

	March 31, 2021	March 31, 2020
Key management compensation was as follows:		
Payroll and related charges	976	948

14 Taxes payable

	Parent Company and consolidated	
	March 31, 2021	December 31, 2020
PIS and COFINS	29,708	31,866
ISS	73	588
ICMS	12,132	11,327
Income tax and social contribution (*)	97,745	86,389
Other	4,386	1,518
	144,044	131,688
Current	38,793	38,043
Noncurrent (*)	105,251	93,645

(*) This refers to the judicial deposit for income tax and social contribution described in Note 8.

15 Provision for contingencies

Contingent Liabilities

The Company is subject to legal proceedings involving civil and administrative matters arising from the ordinary course of business, the Company classified as probable loss the following amounts:

	Parent Company and Consolidated	
	March 31, 2021	December 31, 2020
Probable:		
Labor claims	8,526	8,235
Civil claims (a)	<u>13,452</u>	<u>14,151</u>
	<u>21,978</u>	<u>22,386</u>

- (a) In 2018, ARG/Civilport filed a new litigation related to services claimed as rendered in the amount of R\$ 10,890 (actual amount R\$ 13,060) classified as probable loss.

Provision movements

	Parent Company and Consolidated			March 31, 2021
	December 31, 2020	Additions	write-offs	
Labor	8,235	329	(38)	8,526
Civil	14,151	48	(747)	13,452
	<u>22,386</u>	<u>377</u>	<u>(785)</u>	<u>21,978</u>

According to the legal counsel, the main proceedings classified as possible loss are demonstrated below:

	Parent Company and Consolidated	
	March 31, 2021	December 31, 2020
Labor claims	2,454	2,313
Tax claims(a)	249,453	248,866
Civil claims(b)	<u>262,179</u>	<u>246,906</u>
	<u>514,086</u>	<u>498,085</u>

- (a) Impacted mainly by the tax assessment of the Federal Revenue of Brazil (“RFB”) referring to the deduction of capitalized interest in the calculation of income tax and social contribution, and amortization of deferred tax on the merger goodwill, both from 2015 to 2017, in the amount of R\$ 215,760. The additional exposure of the period 2018 to 2019 is R\$33,106.

- (b) Impacted mainly by ARG/Civilport litigation in the amount of R\$ 173,500 (R\$ 163,394 in December 31, 2020) and Arcoenge R\$ 54,931 (R\$ 51,732 in December 31, 2020). The claims are due to breach of the contract (Lump Sum and Turn Key contracts) and the costs related to decommissioning.

16 Shareholders' equity

Capital

The Company's shareholding structure at March 31, 2021 and December 31, 2020, is as follows:

Shareholders	Number of shares	%
Prumo Participações e Investimentos S.A	875,617	50
Anglo American Investimentos - Minério de Ferro Ltda.	<u>875,617</u>	<u>50</u>
	<u>1,751,234</u>	<u>100</u>

Reserves

In accordance with the Brazilian Corporate Law, the legal reserve, which is intended to ensure the integrity of capital and may only be used to offset losses or increase the capital stock, is set up on an annual basis at 5% of the net income for the year and it cannot exceed 20% of the Share Capital. On March 31, 2021 the legal reserve has the amount of R\$ 48,471 (R\$ 48,471 on December 31, 2020).

On April 30, 2020, the capital increase in the amount of R\$ 393,747 was approved at the annual general meeting, without the issue of new shares, fully subscribed by the two shareholders Anglo American Investimentos - Minério de Ferro Ltda and Prumo Participações e Investimentos SA. After the capital increase, Ferroport's capital increased to R\$ 1,197,152 (R\$ 803,404 on December 31, 2020).

The general meeting may, at the proposal of the management bodies, allocate part of the net profit to the formation of a contingency reserve, with the purpose of offsetting, in a future year, the decrease in profit resulting from a loss deemed probable, the amount of which can be estimated. On March 31, 2021 the contingency reserve has the amount of R\$ 109,595 (R\$ 109,595 on December 31, 2020).

Capital reserves are constituted with amounts received by the Company and which do not pass through the result, do not refer to the delivery of goods or services by the company. On March 31, 2014, Ferroport approved at the Extraordinary General Meeting the merger of Centennial Asset Participações Minas-Rio SA and part of the spun off assets of Anglo American Participações Ltda. With the merger, Ferroport recorded a tax benefit of R\$ 94,589, arising from the acquisition of equity interest in the Company, against capital reserve. On March 31, 2021 the capital reserves have the amount of R\$ 94,589 (R\$ 94,589 on December 31, 2020).

Dividends

The Shareholder's Agreement determines that dividends will be distributed after loans and financings with related parties are fully settled.

17 Net revenue from services

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Gross revenue	265,072	224,893	265,072	225,013
Shipment of iron ore (Take or Pay)	259,487	215,788	259,487	215,787
Oil transshipment (T-Oil)	5,585	9,105	5,585	9,105
Port services	-	-	-	121
Taxes	(29,806)	(25,533)	(29,806)	(25,540)
Taxes on gross revenue - PIS/COFINS	(24,519)	(21,062)	(24,519)	(21,066)
Tax on services – ISS	(5,287)	(4,471)	(5,287)	(4,474)
Net revenue from services	235,266	199,360	235,266	199,473

18 Costs of services

	Parent company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payroll and related charges	(11.597)	(10.449)	(11.597)	(10.617)
Depreciation and amortization	(32.011)	(11.594)	(32.011)	(11.594)
Third-parties services	(9.138)	(5.849)	(9.138)	(5.849)
Leases and rents	(799)	(718)	(799)	(719)
Insurance	(1.261)	(1.012)	(1.261)	(1.012)
Consumables spare parts	(9.569)	(11.363)	(9.569)	(11.364)
Environmental expenses	(494)	(630)	(494)	(630)
Depreciation of rights of use assets	(425)	(395)	(425)	(395)
Other	(863)	(520)	(863)	(521)
	(66.157)	(42.530)	(66.157)	(42.701)

19 General and administrative expenses

	Parent company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payroll and related charges	(3,806)	(3,400)	(3,806)	(3,407)
Third party services	(1,619)	(4,374)	(1,626)	(4,374)
Depreciation and amortization	(2,646)	(1,682)	(2,646)	(1,682)
Insurance	(19)	(19)	(21)	(21)
Travel expenses	(13)	(79)	(13)	(79)
Leases and rents	(80)	(122)	(80)	(122)
Depreciation of rights of use assets	(48)	(31)	(48)	(31)
Other	-	(1,144)	-	(1,144)
	(8,231)	(10,851)	(8,240)	(10,860)

20 Other operating income

	Parent Company and Consolidated	
	March 31, 2021	March 31, 2020
Non-consumed electric energy (a)	2,038	2,096
Provision for expected credit losses - Non-consumed electric energy (a)	895	12
Deferred revenue - right of use	498	498
Other	13	-
	3,444	2,606

- (a) Refers to the sale of non-consumed electric energy with CCEE - *Câmara de Comércio de Energia Elétrica and other energy traders*. The income is associated to the power trading, regarding the CCEE, which Ferroport is an agent, which means, Company associated to the CCEE that participates holding rights and duties.

21 Financial income (expenses)

	Parent company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial expenses				
Tax on financial transactions (IOF)	(50)	(44)	(50)	(45)
Interest - intercompany loan	(4,629)	(18,092)	(4,629)	(18,092)
Interest on leases	(100)	(128)	(100)	(128)
Penalty and interest due to tax parcellation	(3,817)	-	(3,817)	-
Other	(314)	(253)	(314)	(253)
	(8,910)	(18,517)	(8,910)	(18,518)
Financial income				
Interest income	581	1,475	582	1,483
	581	1,475	582	1,483
Financial results, net	(8,329)	(17,042)	(8,328)	(17,035)

22 Commitments

The Company undertook future purchase commitments amounting to R\$ 218,912 at March 31, 2021 (R\$ 209,475 on December 31, 2020) and these should be fulfilled in the course of the operations.

	March 31, 2021	December 31, 2020	Description
Asset			
Property, plant and equipment / Intangible / Right of use assets			
Construction in progress	1,911	3,818	Repowering and emergency routes
	999	1,813	Structural reform to adapt the facilities
Intangible	347	439	Systems licenses
Total asset	3,257	6,070	
Result			
Cost/Expenses	68,121	77,136	Electricity purchase agreement
	20,068	23,034	Industrial cleaning and facilities services
	11,012	11,447	Support for navigation and underwater activities
	7,078	7,835	Transport of employees
	5,663	5,966	Vigilance and Security
	7,487	8,674	Health and medical services plan
	11,861	11,985	Legal and financial consultancy
	11,569	12,585	Reforestation and waste management
	5,265	7,144	Employee benefits
	3,423	3,668	IT Services
	40,982	11,550	Preventive and corrective maintenance
	5,314	6,550	Medical services and occupational health
	12,904	10,154	Others
Total Results	210,747	197,728	
Total	214,004	203,798	

23 Financial instruments

The estimated realizable values of the financial assets and liabilities of the Company were determined based on available market information and proper valuation methodologies. However, considerable judgment was required in interpreting market data to develop the most adequate estimate of realizable value. Consequently, the estimates do not necessarily indicate the values that could be realized in the current exchange market.

Financial assets and liabilities at March 31, 2021 and December 31, 2020 are as follows:

Classifications	Parent Company					
	March 31, 2021			December 31, 2020		
	Book Value	Amortized cost	Fair value measurement hierarchy	Book Value	Amortized cost	Fair value measurement hierarchy
Assets						
Cash and cash equivalents	134,781	134,781	2	38,600	38,600	2
Accounts receivable	89,470	89,470	2	373,440	373,440	2
Liabilities						
<i>Other financial liabilities</i>						
Lease liabilities	3,082	3,082	2	3,290	3,290	2
Trade accounts payable	29,924	29,924	2	22,884	22,884	2
Related parties' loans	630,475	630,475	2	1,458,916	1,458,916	2
Classifications	Consolidated					
	March 31, 2021			December 31, 2020		
	Book Value	Amortized cost	Fair value measurement hierarchy	Book Value	Amortized cost	Fair value measurement hierarchy
Assets						
Cash and cash equivalents	135.364	135.364	2	38.600	38.600	2
Accounts receivable	89.470	89.470	2	373.521	373.521	2
Liabilities						
<i>Other financial liabilities</i>						
Lease liabilities	3,082	3,082	2	3,290	3,290	2
Trade accounts payable	29.925	29.925	2	22.284	22.284	2
Related parties' loans	630.475	630.475	2	1.458.916	1.458.916	2

- **Level 1:** quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- **Level 2:** valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- **Level 3:** valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable,

The financial assets and liabilities, due to their characteristics and due dates, Management understands that fair values do not differ relevantly from their booking values.

The valuation technique used by the Company consider discounted cash flows. The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

The Company's financial transactions are subject to the following risk factors:

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales and loans are denominated and the Group's functional currency. The Group's functional currency is mainly the Real. The currency in which these transactions are primarily denominated is the dollar.

An exhibition summary to foreign exchange risk in the table below:

Financial instruments	Parent Company and Consolidated			
	March 31, 2021		December 31, 2020	
	R\$	USD	R\$	USD
Accounts receivable (Related parties)	89,470	15,706	161,994	31,176
Net exposure of the balance sheet	89,470	15,706	161,994	31,176

Liquidity risk

The table below provides the Company's main financial liabilities at March 31, 2021. These amounts are gross and are not discounted and include payments of estimated interest and exclude the impact of the offsetting agreements.

	No maturity	Up to 6 months	Up to 1 year	From 1 year to 11 years	Total
Financial liabilities					
Trade accounts payable	-	29,925	-	-	29,925
Asset allocation	210,102	-	-	-	210,102
Related parties - loans	-	202,394	390,324	93	592,812
Total by maturity range	210,102	232,319	390,324	93	832,839

The Company's shareholders have supported the implementation of the business plan. The remaining Capex to completion will be funded by Company's cash generation and the shareholders when required by the Agreement.

Credit risk

This risk arises from the possibility of the Company incurring losses arising from default of their counterparties or financial institutions depository of funds.

The Company uses rating analyzes of the financial institutions through rating reports provided by the risk agencies, for the purpose of classifying and systematically follow up on the risk and performance of each bank.

The Company exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of customer base, including the default risk associated with the industry in which customers operate.

The Company held cash and cash equivalents of R\$ 135,364 thousand at March 31, 2021 (R\$ 79,143 thousand at December 31, 2020). The cash and cash equivalents are held with bank and financial institution counterparties, which is rated AAA, based on rate S&P agency rating.

At the exposure to credit risk are the following:

Financial instruments	March 31, 2021	December 31, 2020
Cash equivalents	135,364	79,143
Accounts receivable (Related parties)	89,470	161,994
	<u>224,834</u>	<u>241,137</u>

For the period ended on March 31, 2021 and December 31, 2020, the Company's service revenue is entirely related to services provided to the related parties and cash and banks and cash equivalents are invested in banks with at least A- rating.

Capital Management

The Company's funds to develop its business plan have been entirely funded through capital contributions and loans from the shareholders. The Company started its operations in October 2014 and started generating operating cash since then; the additional funds needed for the conclusion of the port construction will also be funded by its shareholders through additional loans when required by the Agreement, and operational cash generation.

24 Insurance coverage

The Company's policy consists of entering into insurance coverage for assets subject to risks at amounts deemed sufficient by management to cover claims, if any, considering the nature of its activity. The policies are in force and the premiums were duly paid.

As of March 31, 2021 and December 31, 2020, the insurance coverage was as follows:

	March 31, 2021	December 31, 2020
Property and equipment damages	2,642,100	2,642,100
Civil liability	284,865	259,835
Environmental Liability	30,000	30,000
Directors & Management	60,000	60,000

25 Subsequent events

On April 30, 2020, the capital increase in the amount of R\$ 393,747 was approved at the annual general meeting, without the issue of new shares, fully subscribed by the two shareholders Anglo American Investimentos - Minério de Ferro Ltda and Prumo Participações e Investimentos SA. After the capital increase, Ferropport's capital increased to R\$ 1,197,152 (R\$ 803,404 on December 31, 2020).

* * *

Carsten Bosselmann
Chief Executive Officer

Marcelo Amaral Palladino
Chief Financial Officer

Douglas dos Santos Guimarães
Accountant CRC-RJ-110416/O-0