

## 2020 EARNINGS REPORT

**Rio de Janeiro, April 05, 2021** - PRUMO PARTICIPAÇÕES E INVESTIMENTOS S.A. ("PRUMOPAR"), located at 804, Russel Street, 5th floor, Glória, Rio de Janeiro, was incorporated in 2015 in order to acquire interests in other companies. PRUMOPAR carries out its operations via the joint venture Ferroport Logística Comercial e Exportadora S.A. ("Ferroport") with Anglo American Participações Minério de Ferro Ltda. ("Anglo American").

### Information about the Conference Call

**Tuesday, April 6th at 12:00 AM (Brasília time); 11:00 (US-ET).**

Telephone number for participants:

\*No passcode is needed

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Participants should connect 5 minutes before the conference call starts.

### 2020 Financial Highlights

2020 financial results for both PRUMOPAR and Ferroport were positively impacted by the appreciation of USD against BRL, which compensated the decrease in the Take-or-Pay (ToP) tariff of 1.09% from 2019, due to PPI deflation, and the decrease in revenues from T-Oil, due to the discounts granted from Ferroport.

Ferroport handled 23.8 million tons of iron ore during 2020, an increase of 4% compared to 2019, reaching an all-time high for the company. Ferroport's Adjusted EBITDA, which excludes the Settlement Agreement that end the arbitration process, and the dredging maintenance that occurred in 2020, increased 22% to R\$ 697.0 million and Adjusted EBITDA margin increased 146 bps to 82.6%.

As a consequence of the better operational results and considering the compensation of USD 60 million from the Settlement Agreement received in April 2020, Ferroport distributed to PRUMOPAR and Anglo American R\$ 737.5 million as intercompany loan repayment versus R\$ 419.0 million for 2019. In 2020, PRUMOPAR received, after R\$ 3.6 million of withholding taxes, R\$ 365.2 million of intercompany loan, 88% higher than the R\$ 194.2 million received in 2019.

In 2020, the cash received by PRUMOPAR allowed the company to honor all the interest, legal and target payments related to the bonds, fulfill and release the Target Amortization Reserve Account ("TARA"), distribute dividends, and accumulate cash, which is available to be distributed to Prumo.

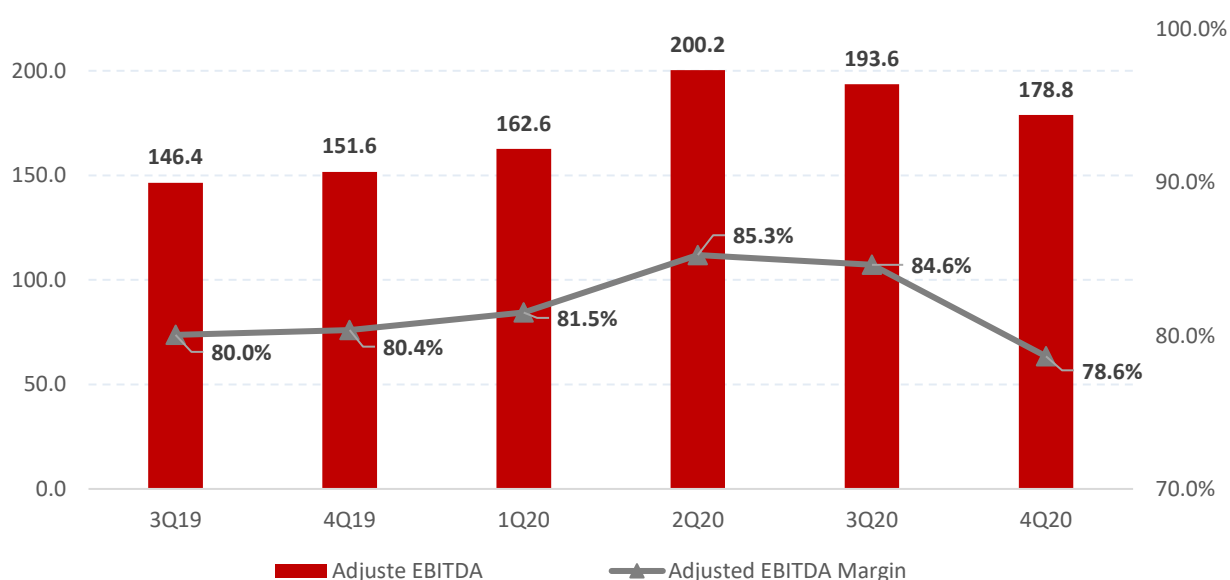
### Business Specifics:

Ferroport	4Q20	4Q19	Δ %	3Q20	Δ %	2020	2019	Δ %
Volume T-Ore (K-ton)	6,308	6,513	(3%)	4,885	29%	23,849	23,042	4%
T-Ore Access (BRL k)	250,111	191,494	31%	250,763	0%	971,009	741,477	31%
T-Oil Access (BRL k)	6,244	20,893	(70%)	6,808	-8%	32,324	51,962	-38%
EBITDA (BRL k)	177,163	370,968	(52%)	166,466	6%	696,951	791,171	(12%)
EBITDA Margin	77.9%	90.9%	(1,295 bps)	72.8%	517 bps	78.3%	85.6%	(729 bps)
Adjusted EBITDA <sup>1</sup> (BRL k)	178,803	151,625	18%	193,584	(8%)	735,225	571,725	29%
Adjusted EBITDA Margin	78.6%	80.4%	(172 bps)	84.6%	(596 bps)	82.6%	81.1%	146 bps

<sup>1</sup> Excluding the Arbitration Settlement (4Q2019) and dredging (4Q/3Q 2020) effects.

Prumopar	4Q20	4Q19	Δ %	3Q20	Δ %	2020	2019	Δ %
IC Loan - Principal (BRL k)	52,767	49,980	6%	66,552	(21%)	345,030	107,453	221%
IC Loan - Interest (BRL k)	2,744	10,343	(73%)	3,557	(23%)	20,163	86,727	(77%)
IC Loan (BRL k)	55,511	60,323	(8%)	70,109	(21%)	365,193	194,180	88%

### Adjusted EBITDA (In BRL M) and Margin:



<sup>1</sup> Excluding the Arbitration Settlement (4Q2019) and dredging (4Q/3Q 2020) effects.

### Coronavirus Impact on Activities:

The company has been working internally to respond to the COVID-19 threat. In order to contribute to the reduction of the spread rate of Coronavirus and in line with the guidelines of the health agencies, all the companies of Prumo Group (Ferroport included) are still adopting home office for the administrative staff. Regarding the operations, Ferroport's operating activities remain in place and the Take-or-Pay contract with Anglo American remains in course without any interruption.

To the extent the Company becomes aware of material and relevant additional information/developments that impacts Ferroport's operations, a notice will be released to all bondholders as may be required under the reporting obligations under the Senior Secured Bonds contract.

## FERROPORT CONSOLIDATED

### Consolidated Simplified Analysis of the Income Statement:

Consolidated (BRL k)			
Income Statement	2020	2019	Δ %
Shipment of iron ore (Take or Pay)	971,009	741,477	31.0%
Settlement Agreement	-	241,806	(100.0%)
Oil transshipment (T-Oil)	32,324	51,962	(37.8%)
Port Services/Others	282	1,673	(83.1%)
Taxes	(113,122)	(112,127)	(0.9%)
<b>Net revenue of services</b>	<b>890,493</b>	<b>924,791</b>	<b>(3.7%)</b>
Cost of Services	(217,721)	(159,938)	36.1%
<b>Gross Profit</b>	<b>672,772</b>	<b>764,853</b>	<b>(12.0%)</b>
Operating Expenses	(31,939)	(22,966)	39.1%
Financial Income/(Loss)	18,141	(105,990)	117.1%
<b>Income before income and social contribution taxes</b>	<b>658,974</b>	<b>635,897</b>	<b>3.6%</b>
Income and social contribution taxes	(244,511)	(226,416)	8.0%
<b>Net Income (loss) for the year</b>	<b>414,463</b>	<b>409,481</b>	<b>1.2%</b>
<b>EBITDA</b>	<b>696,951</b>	<b>791,171</b>	<b>(11.9%)</b>

The consolidated gross revenues for 2020 decreased 3.2%, in comparison to the same period of 2019. Excluding the effect of the extraordinary revenue from the proceeds from the financial compensation due to the Settlement Agreement, gross revenues grew 26.2%, when comparing to 2019, primarily impacted by the Dollar's appreciation against Real and partially offset by the tariffs discounts granted to the T-Oil. Revenues from iron ore (take or pay) increased 31% to R\$ 971 million and Port Access Fee from T-Oil decreased 37.8% to R\$ 32.3 million.

For 2020, cost of services increased 36.1%, comparing to 2019, mostly due to the dredging maintenance of R\$ 38.3 million, accounted as "third parties services" and to a higher maintenance and supply costs, related not only to the increase in the volume handled, but also to prepare the company to the expected growth in the next years.

Overall operating expenses increased R\$ 9.0 million, compared to 2019, impacted by the increase in payroll and related charges, primarily due to the increase in headcount, aiming the growth of the volume handled, and by the increase in third party services and contingencies, which include fees and legal costs related to the Settlement Agreement. This increase in expenses was also driven by lower income on net sales of non-consumed electric energy, which decreased R\$ 3.4 million comparing to 2019, caused by the reduction of the price of the energy sold at the spot market and lower reversal on credit loss.

Net financial income summed R\$ 18.1 million, versus a loss of R\$ 106 million reported for 2019. The increase was mainly driven by the exchange and monetary variations on the gain of the arbitration settlement, which summed R\$ 70 million, and also by the reduction of the interests on the intercompany loans, caused by the reduction of CDI (Brazilian benchmark interest rate) and by the reduction of total debt.

For 2020, income before income taxes amounted to R\$ 659.0 million, leading to a net income of R\$ 414.5 million versus a net income of R\$ 409.5 million for the same period of 2019.

### Consolidated Simplified Analysis of the Cash Flow Statement:

Consolidated (BRL k)			
Cash Flow Statement	2020	2019	Δ %
<b>Net income (loss) before taxes</b>	<b>658,974</b>	<b>635,897</b>	<b>3.6%</b>
Depreciation & Amortization	56,118	49,271	13.9%
Other Cash Adjustments	68,491	(85,218)	180.4%
Working Capital Variation	(320,193)	(456,619)	29.9%
<b>Cash Flow from Operating Activities</b>	<b>463,390</b>	<b>143,331</b>	<b>223.3%</b>
Capex/Intangibles	(52,090)	(26,940)	93.4%
<b>Cash Flow from Investing Activities</b>	<b>(52,090)</b>	<b>(26,940)</b>	<b>(93.4%)</b>
Intercompany Loans Settled	(379,394)	(107,453)	253.1%
<b>Cash Flow from Financing Activities</b>	<b>(381,011)</b>	<b>(108,989)</b>	<b>(249.6%)</b>

Ferroport reported cash flow from operating activities of R\$ 463.4 million for 2020, an increase of R\$ 320.1 million if compared to 2019, impacted mainly by the settlement agreement, which was accounted in 2019, but paid in April 2020.

Ferroport's Capex for 2020 summed R\$ 52.1 million. The main expenditures were related to repowering the piling system and emergency route, which summed R\$ 38.6 million and painting and corrosion repairing of R\$ 6.6 million. The remainder was associated to stay in business capex, such as environmental compensation, spare parts, painting restoration and measures to avoid the clogging of equipment and dust emissions.

During 2020, Ferroport amortized R\$ 379.4 million of principal from the intercompany loan.

### Consolidated Simplified Analysis of the Balance Sheet:

Consolidated (BRL k)		
Balance Sheet	December 31, 2020	December 31, 2019
Current Assets	290,219	517,122
Cash and equivalent	79,143	39,327
Receivables from related parties	161,994	373,521
Noncurrent Assets	2,352,297	2,351,291
<b>Total Assets</b>	<b>2,642,516</b>	<b>2,868,413</b>
Current Liabilities	254,613	317,313
Related parties – loans	142,000	137,000
Income taxes and social contribution	26,154	112,802
Noncurrent Liabilities	938,096	1,515,756
Related parties – loans	412,192	1,111,814
Shareholders' equity	1,449,807	1,035,344
<b>Total Liabilities plus Shareholders' equity</b>	<b>2,642,516</b>	<b>2,868,413</b>

Ferroport's consolidated cash and securities on December 31, 2020 were R\$ 79.2 million, and current receivables from related parties summed R\$ 162.0 million. The decrease on receivables is explained by the Settlement Agreement, which was accounted in December 2019, but paid in April 2020. It is important mentioning that the take-or-pay payment for December 31, 2020 was postponed to January 02, 2021, by Anglo American, decreasing the cash position and increasing the receivables from related parties account, for the closing of the fiscal year. Income taxes and social contribution decreased R\$ 86.6 million, partially because some taxes were booked in the long term since Ferroport entered in a parcellation of taxes on financial compensation due to Settlement Agreement.

Company's intercompany loan, as of December 31, 2020, was R\$ 554.2 million, out of which R\$ 300.4 million was due to PRUMOPAR.

## PRUMOPAR

### Simplified Analysis of the Income Statement:

Income Statement (BRL k)	2020	2019	Δ %
<b>Net Operating Revenue</b>	-	-	-
Sales Cost	-	-	-
<b>Gross Profit</b>	-	-	-
General and Administrative Expenses	(782)	(944)	(17.2%)
Financial Income/Loss	(515,756)	(125,492)	(311%)
Equity in income of subsidiaries	211,954	208,817	(1.5%)
<b>Income before income and social contribution taxes</b>	<b>(304,584)</b>	<b>82,381</b>	<b>(470%)</b>
Taxes (IR and CSLL)	(43)	13,268	(103%)
<b>Profit (Loss) for the period</b>	<b>(304,627)</b>	<b>95,649</b>	<b>(418%)</b>

For the twelve months ended on December 31, 2020, PRUMOPAR's net financial loss increased R\$ 390 million, if compared to 2019, due mainly to the depreciation of the Real against the U.S. dollar, but also to the increase in total debt and to the decrease of intercompany loans interests accrued. During 2020, interest expenses increased R\$ 70.1 million, net exchange variation decreased R\$ 359 million and interests received on intercompany loan decreased R\$ 35.3 million.

Results of equity-accounted investees remained relatively stable and increased only R\$ 3.1 million.

PRUMOPAR reported Income and social contribution taxes expense of R\$ 0.04 million for 2020 as compared to tax credits of R\$ 13.3 million for 2019.

On 2020, net loss amounted R\$ 305 million versus a net income of R\$ 95.6 million for the same period of 2019.

### Simplified Analysis of the Cash Flow Statement:

Cash Flow Statement (BRL k)	2020	2019	Δ %
<b>Cash flows from operating activities</b>	<b>(5,250)</b>	<b>(46,832)</b>	<b>88.8%</b>
Interest received on related party loans	20,163	86,727	(76.8%)
Loans received from related parties	345,030	107,454	221.1%
<b>Cash flows from investment activities</b>	<b>365,193</b>	<b>194,181</b>	<b>88.1%</b>
Capital increase/(reduction) and dividends	(36,410)	(832,645)	95.6%
Loans settled with third parties (net)	(195,829)	967,777	(120.2%)
Interest paid	(129,026)	(51,396)	151.0%
Escrow accounts (Debt Requirement)	73,658	(100,581)	173.2%
Transaction costs	(2,647)	(132,552)	(98.0%)
Financial Hedge	(5,592)	-	100.0%
<b>Cash flows from financing activities</b>	<b>(295,846)</b>	<b>44,784</b>	<b>(760.6%)</b>

During the year of 2020, PRUMOPAR received R\$ 345 million of principal and R\$ 20.2 million of interests (net of taxes) related to the intercompany loan from Ferroport. The increase comparing to 2019 is related to the settlement of arbitration between Ferroport and Anglo American.

In 2020, PRUMOPAR paid USD 23.3 million on interest and USD 36.1 million on principal, out of which USD 6.9 million were related to regular target amortization and USD 29.2 million to TARA release payment. The company also distributed R\$ 36.4 million as dividends in 2020.



### Simplified Analysis of the Balance Sheet:

Balance Sheet (BRL k)	December 31, 2020	December 31, 2019
<b>Current Assets</b>	<b>210,257</b>	<b>188,737</b>
Cash and cash equivalents	65,281	1,184
Escrow accounts	60,955	100,956
Accounts receivable from related parties	71,000	68,188
<b>Noncurrent Assets</b>	<b>979,494</b>	<b>1,116,449</b>
Accounts receivable from related parties	229,379	578,245
Equity investments	749,919	537,965
<b>Total Assets</b>	<b>1,189,751</b>	<b>1,305,186</b>
<b>Current Liabilities</b>	<b>58,752</b>	<b>21,117</b>
Loans and financing	55,520	17,597
<b>Noncurrent Liabilities</b>	<b>1,435,614</b>	<b>1,247,647</b>
Loans and financing	1,435,614	1,247,647
<b>Shareholders' Equity</b>	<b>(304,615)</b>	<b>36,422</b>
<b>Total Liabilities plus Shareholders' equity</b>	<b>1,189,751</b>	<b>1,305,186</b>

On December 31, 2020, PRUMOPAR reported cash and cash equivalents of R\$65.3 million. The increase comparing to December 31, 2019 is due the excess of cash generated at PRUMOPAR, which were not distributed to the shareholders. The escrow account decreased, when comparing to December 31, 2019, due to the termination of the TARA, in the end of the first half of 2020. As of December 31, 2020, the escrow account was represented only by the DSRA (Debt Service Reserve Account), constituted in USD, which summed USD 11.7 million.

PRUMOPAR's total debt increased, in Reais, when compared to December 31, 2020, by approximately R\$ 225.9 million, to R\$ 1.49 billion, impacted by the increase in foreign exchange rate. In USD, the total debt decreased USD 36.1 million to USD 307.2 million.

On December 31, 2020 PRUMOPAR's equity was negative at R\$ 304.6 million, due to the accounting loss, driven by the accrued exchange variance registered in the period.

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