

EARNINGS RELEASE

PRUMO PARTICIPAÇÕES E INVESTIMENTOS
AND FERROPORT

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PRUMO PARTICIPAÇÕES AND FERROPORT

3Q2023 EARNINGS REPORT

Rio de Janeiro, December 12th, 2023 - 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, December 12th at 12:00 PM (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.

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3Q2023 FINANCIAL HIGHLIGHTS

Ferroport	3Q23	3Q22	Δ %	2Q23	Δ %	9M23	9M22	Δ %
Volume T-Ore (K-ton)	6,076	6,226	(2,4%)	6,218	(2,3%)	17,301	15,154	14,2%
T-Ore Access (BRL k)	270,386	281,283	(3,9%)	273,631	(1,2%)	828,327	817,409	1,3%
T-Oil Access (BRL k)	13,456	10,724	25,5%	11,934	12,8%	53,317	26,561	100,7%
EBITDA	194,035	202,284	(4,1%)	200,465	(3,2%)	617,938	561,540	10,0%
EBITDA Margin	77.5%	78.1%	(59 bps)	79.5%	(209 bps)	79.4%	75.0%	445 bps
Adjusted EBITDA ¹ (BRL k)	194,035	214,433	(9,5%)	200,465	(3,2%)	617,938	618,584	(0,1%)
Adjusted EBITDA Margin	77.5%	81.6%	(412 bps)	79.5%	(209 bps)	79.4%	82.6%	(317 bps)

¹ Excluding dredging (2022)

Prumopar	3Q23	3Q22	Δ %	2Q23	Δ %	9M23	9M22	Δ %
IC Loan - Principal (BRL k)	-	-	-	-	-	-	73,010	-
IC Loan - Interest (BRL k)	-	-	-	-	-	-	1,088	-
Dividends (BRL k)	66,576	61,601	8.1%	55,050	20.9%	197,209	119,977	64.4%
Total Distribution from Ferroport (BRL k)	66,576	61,601	8.1%	55,050	20.9%	197,209	194,075	1.6%

In the first nine months of 2023, Ferroport loaded 17,3 million tons of iron ore, an increase of 14.2% comparing to the 15.1 million tons of iron ore loaded in the same period of 2022. During the third quarter of 2023, the Company loaded 6,07 million tons of iron ore, a decrease of 2.4% in comparison with the same period of 2022.

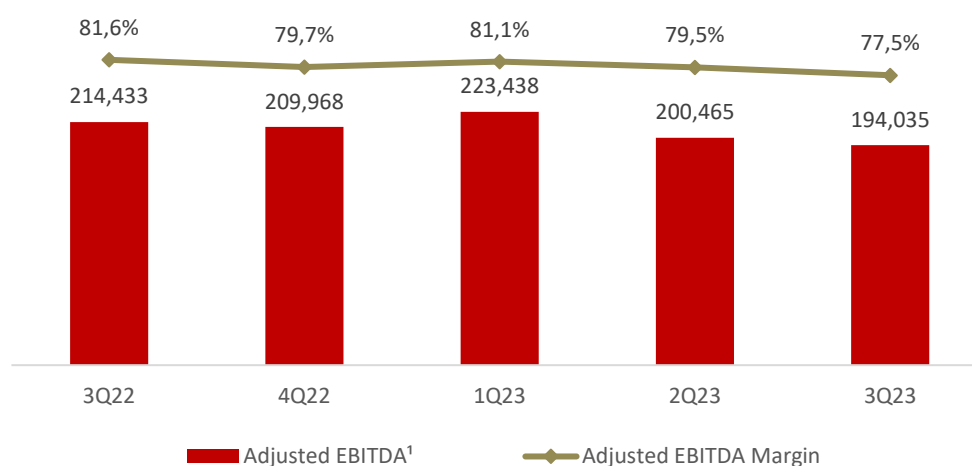
During 2023, Ferroport was positively impacted on gross revenues from T-Ore 1.3% in comparison with the same period of 2022, due to the readjustment of the port tariff under the Take or Pay contract. In the third quarter of 2023 there was a slight decrease of 3.9% if we compare to the third quarter of 2022, caused by the lower Fx rate.

In the third quarter of 2023, the gross revenues from T-Oil presented an increase of 25.5% with an amount of BRL 13.45 million versus BRL 10.72 million in the same period of 2022, due to higher number of vessels and a decrease in tariffs discounts.

Ferroport distributed to PRUMOPAR and Anglo American in the third quarter of 2023 the amount of BRL 133.15 million, an aggregate amount of BRL 394.42 million as dividends in the first nine months of 2023. At PRUMOPAR level, total distributions were BRL 75.58 million in the first quarter of 2023, BRL 55.05 million in the second quarter of 2023 and BRL 66.57 million in the third quarter of 2023, an aggregate amount of BRL 197.209 million in 2023.

Ferroport	3Q22	4Q22	1Q23	2Q23	3Q23
(+)Net Revenues	259,171	263,538	275,606	252,007	250,507
(-)Costs	(63,709)	(54,473)	(62,259)	(58,256)	(67,701)
(-)SG&A	(11,202)	(18,910)	(10,012)	(13,435)	(10,036)
(+) Depreciation & Amortization	18,024	19,398	20,103	20,149	21,265
(-/+) Non Recurring Revenues/Costs	12,149	0,415	-	-	-
Adjusted EBITDA¹	214,433	209,968	223,438	200,465	194,035
Adjusted EBITDA Margin	81.6%	79.7%	81.1%	79.5%	77.5%

¹Excluding Dredging (Non Recurring Costs)



I. ESG:

Ferroport structures its ESG policies and actions following the ESG score ranking designed by NINT (former "Sitawi Finanças do Bem" that produced the last report). The scores range from 0.0 to 10.0 and Critical to Superior and indicates the company's status in each section measured and for the company as a whole.

The improvements that the company is aiming for 2023 and the upcoming years are:

- To obtain certain certifications in its operations;
- To develop action plans to promote a more diverse participation in the workforce for gender, race and other minorities;
- To report to Carbon Disclosure Project2 (CDP) on atmospheric emissions;
- Develop Decarbonization Plan for Ferroport's processes.

II. FERROPORT CONSOLIDATED

a. Consolidated Simplified Analysis of the Income Statement:

Income Statement	Consolidated (BRL k)							
	3Q23	3Q22	Δ %	2Q23	Δ %	9M23	9M22	Δ %
Shipment of iron ore (Take or Pay)	270,386	281.283	(3,87%)	273,631	(1.19%)	828,327	817,409	1.34%
Oil transshipment (T-Oil)	13,456	10.724	25.48%	11,934	12.75%	53,317	26,561	100.73%
Port Services/Others	7	7	-	13	(46.15%)	22	18	22.22%
Taxes	(33,342)	(32,843)	1.52%	(33,571)	(0.68%)	(103,546)	(94,928)	9.08%
Net revenue of services	250,507	259,171	(3,34%)	252,007	(0.60%)	778,120	749,060	3.88%
Cost of Services	(67,701)	(63,709)	6.27%	(58,256)	16.21%	(188,216)	(211,129)	(10.85%)
Gross Profit	182,806	195,462	(6.47%)	193,751	(5.65%)	589,904	537,931	9.66%
Operating Expenses	(10,036)	(11,202)	(10.41%)	(13,435)	(25.30%)	(33,483)	(29,139)	14.91%
Financial Income/Loss	4,918	6,399	(23.16%)	3,457	42.26%	13,412	11,851	13.17%
Income before taxes	177,688	190,659	(6,80%)	183,773	(3.31%)	569,833	520,643	9.45%
Income and social contribution taxes	(63,004)	(65,314)	(3.54%)	(62,344)	1.06%	(198,826)	(177,908)	11.76%
Net income (loss) for the year	114,684	125,345	(8.51%)	121,429	(5.55%)	371,007	342,735	8.25%
EBITDA	194,035	202,284	(4.08%)	200,465	(3.21%)	617,938	561,540	10.04%

The net revenues of services in 2023 increased 3.9%, in comparison to the same period of 2022, mainly because of:

- Port Access revenues from T-Oil increased 100.7% as a result of higher operations at the T-Oil terminal, a total of 117 operations, and lower tariffs discounts;
- Port Services revenues increased 22.2% in 2023 compared to the same period of 2022, caused by operations providing maintenance and engineering services to the companies located in the port terminal.

Cost of services decreased 10.8% versus the same period of 2022, mainly impacted by maintenance dredging and consumables, partially offset by personnel.

Overall operating expenses increased 14.9% compared to the same period of 2022, mostly due to compliance campaigns and IT services.

Net Financial income increased 13.2% from BRL 11,851 in 2022 to BRL 13,412 million in 2023, caused by higher financial income, due to greater accumulated cash.

During 2023, income before taxes amounted to BRL 569.8 million meaning an increase of 9.45% and net income amounted BRL 371,0 million, an increase of 8.25% both when compared to the same period of 2022.

b. Consolidated Simplified Analysis of the Cash Flow Statement:

Cash Flow Statement	Consolidated (BRL k)							
	3Q23	3Q22	Δ %	2Q23	Δ %	9M23	9M22	Δ %
Net income (loss) before taxes	177,688	190,659	(6.80%)	183,773	(3.31%)	569,833	520,643	9.45%
Depreciation & Amortization	21,294	18,023	18.15%	20,149	5.68%	61,546	52,731	16.72%
Other Cash Adjustments	5,480	5,203	5.32%	3,115	75.92%	15,081	16,461	(8.38%)
Working Capital Variation	(38,449)	(67,471)	(43.01%)	(69,878)	(44.98%)	(178,108)	(186,420)	(4.46%)
Cash Flow from Operating Activities	166,013	146,414	13.39%	137,159	21.04%	468,352	403,415	16.10%
Capex/Intangibles	(25,895)	(23,748)	9.04%	(18,617)	39.09%	(58,740)	(44,949)	30.68%
Cash Flow from Investing Activities	(25,895)	(23,748)	9.04%	(18,617)	39.09%	(58,740)	(44,949)	30.68%
Intercompany Loans Settled	-	-	-	-	-	-	(96,544)	-
Lease payments	(611)	(578)	5.71%	(593)	3.04%	(1,780)	(1,665)	6.91%
Dividends Paid	(133,151)	(123,202)	8.08%	(110,101)	20.94%	(394,418)	(239,954)	64.73%
Cash Flow from Financing Activities	(133,762)	(123,780)	8.06%	(110,694)	20.84%	(396,198)	(338,163)	17.16%
Increase in cash and cash equivalents	6,356	(1,114)	(670.56%)	7,848	(19.01%)	13,414	20,303	(33.93%)

The cash flow from operating activities increased 13.4% an amount of BRL 166.01 million in the third quarter of 2023 if compared to the same period of 2022 and an increase of 16.1% in the first nine months of 2023 in comparison with the same period of 2022.

Ferroport's Capex summed BRL 25.9 million in the third quarter of 2023, an increase of 9.0% compared to the same period of 2022, mostly due to conveyor belts purchases and other infrastructure maintenance projects;

Working capital variation decreased 43.01% in the third quarter of 2023 in comparison with the same period of 2022, caused by the receipt of reimbursement of pier repairs and an increase of 4.5% in the first nine months of 2023 in comparison with the same period of 2022.

c. Consolidated Simplified Analysis of the Balance Sheet:

Consolidated (BRL k)				
Balance Sheet	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Current Assets	328,140	334,710	326,810	330,573
Cash and equivalent	181,253	174,897	167,049	167,839
Receivables from related parties	99,815	112,211	119,297	121,212
Noncurrent Assets	2,103,436	2,106,210	2,316,479	2,322,373
Total Assets	2,431,576	2,440,920	2,643,289	2,652,946
Current Liabilities	203,827	334,591	119,109	269,365
Dividends Payable	97,738	230,890	3,523	154,689
Income taxes and social contribution	25,504	22,298	27,876	25,486
Noncurrent Liabilities	361,519	354,783	556,596	550,891
Taxes Payable	33,907	33,934	34,003	34,093
Shareholders' equity	1,866,230	1,751,546	1,967,584	1,832,690
Total Liabilities plus Shareholders' equity	2,431,576	2,440,920	2,643,289	2,652,946

Ferroport's consolidated cash and cash equivalent on September 30th, 2023 were BRL 181.25 million, an increase of 3.6% versus BRL 174.89 million on June 30th, 2023 due to the receipt of reimbursement of pier repairs.

It is important to mention that Ferroport will continue to distribute its excess of cash following the minimum cash mechanism. The company will perform quarterly cash distribution to its shareholders, through dividends and capital reductions.

III. PRUMOPAR
a. Simplified Analysis of the Income Statement:

Consolidated (BRL k)								
Income Statement	3Q23	3Q22	Δ %	2Q23	Δ %	9M23	9M22	Δ %
Net Operating Revenue	-	-	-	-	-	-	-	-
Sales Cost	-	-	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-	-	-
Operating Expenses	(111)	(132)	(15.9%)	(112)	0.9%	(208)	(212)	(1.9%)
Financial Income/Loss	(81,545)	(79,992)	1.9%	28,666	(384.5%)	(48,199)	(55,928)	(13.8%)
Equity in income of subsidiaries	58,486	63,845	(8.4%)	61,887	3.2%	188,993	174,883	8.1%
Income before taxes	(23,170)	(16)	42.3%	90,441	(125.6%)	140,586	118,743	18.4%
Taxes (IR and CSLL)	-	(195)	-	-	-	-	(813)	-
Profit (Loss) for the period	(23,170)	(16,474)	40.6%	90,441	(125.6%)	140,586	117,930	19.2%

For the third quarter of 2023, PRUMOPAR reported a net financial loss of BRL 81.5 million versus a loss of BRL 79.9 million for the same period in 2022, mostly to the negative impact of the exchange variation on loans, which impacted the financial costs (R\$ 77.4 million in the 3Q2023 versus R\$ 70.3 million in the 3Q2022) and the financial income account (R\$ 25.1 million in the 3Q2023 versus R\$ 21.9 million in the 3Q2022).

On September 30th, 2023, net profit decreased BRL 23.2 million versus negative BRL 16.5 million for the same period of 2022.

b. Simplified Analysis of the Cash Flow Statement:

Consolidated (BRL k)								
Cash Flow Statement	3Q23	3Q22	Δ %	2Q23	Δ %	9M23	9M22	Δ %
Cash flows from operating activities	(913)	(256)	256.64%	(6,482)	(85.91%)	(8,862)	(5,558)	59.45%
Dividends received	66,576	61,601	8.08%	55,050	20.94%	197,209	119,977	64.37%
Loans granted to related parties	-	-	-	(54,029)	-	(54,029)	(66,621)	(18.90%)
Loans paid from related parties - Interest	-	-	-	-	-	-	1,088	-
Loans paid from related parties - Principal	-	-	-	-	-	-	73,010	-
Cash flows from investment activities	66,576	61,601	8.08%	1,021	6420.67%	143,180	127,454	12.34%
Derivatives	-	-	-	(8,105)	-	(8,105)	(2,915)	178.04%
Escrow account (Debt Requirement)	-	189	-	406	-	89	189	46984.66%
Loans settled with third parties	-	-	-	(10,178)	-	(39,713)	(8,561)	363.88%
Interest paid	-	-	-	(51,941)	-	(110,990)	(57,855)	91.84%
Cash flows from financing activities	-	189	-	(69,818)	-	(69,818)	(69,142)	0.98%
Decrease (increase) in cash and cash equivalents	65,663	61,534	6.71%	(75,279)	(187.23%)	64,500	52,754	22.27%

During 2023 PRUMOPAR received an aggregate amount of BRL 197.2 million through dividend distributions from Ferroport, BRL 75.58 million in the first quarter of 2023, BRL 55.05 million in the second quarter of 2023 and BRL 66.57 million in the third quarter of 2023.

With respect to the USD 350 million 7.5% Series 2019-1 Notes ("Notes"), it is important to highlight the difference between the Legal curve, which represents the required amortization amount payable on such semi-annual payment date, and the Target curve, which represents the maximum amortization amount payable on such semi-annual payment date and enable to speed up the payment schedule.

It means that the payment schedule floats according to each such semi-annual payment date. Since the Company has been making the best efforts to pay the maximum amount of the Target curve, the Legal curve has not been applicable.

By the end of June 2023, PRUMOPAR paid BRL 10.2 million of principal and interest in the amount of BRL 51.9 million related to the Notes. The Company is in compliance with the Target curve amortization schedule and, for this reason, is already in compliance with Legal curve schedule obligations for the next 12 months.

Escrow Deposits as a reserve account in accordance with the financing contract which contains six months of the minimum principal payment plus interest payable in the period. As mentioned before, on December 30, 2022, as predicted in the amortization schedule, the Company sent the resources for the payment of BRL 28.6 million of principal amortization and interest in the amount of BRL 57.3 million, to the Payment Account (Escrow Deposits). Due to the bank holiday, however, this payment was settled on January 3rd, 2023.

The Company is in compliance with its Hedging Program to protect its cash position and protect its next debt service balance from exchange rate variations and will continue to do so over the following months.

c. Simplified Analysis of the Balance Sheet:

Consolidated (BRL k)				
Balance Sheet	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Current Assets	172,282	171,095	135,934	168,524
Cash and cash equivalents	66,351	688	75,967	1,851
Escrow deposits	54,998	52,929	55,798	143,260
Income tax recoverable	2,064	2,033	2,408	2,313
Dividends receivable	48,869	115,445	1,761	21,100
Noncurrent Assets	1,213,474	1,155,004	1,207,821	1,195,446
Related Party	241,895	241,895	187,866	187,866
Investment	971,579	913,093	1,019,940	1,007,564
Intangible assets	-	16	15	16
Total Assets	1,385,756	1,326,099	1,343,755	1,363,970
Current Liabilities	241,836	207,857	136,993	169,251
Bonds	240,434	205,068	135,071	168,195
Other	1,402	2,789	1,922	1,056
Noncurrent Liabilities	1,149,851	1,101,003	1,279,964	1,341,236
Bonds	1,149,851	1,101,003	1,279,964	1,341,236
Total Equity	(5,931)	17,239	(73,202)	(146,517)
Total liabilities and equity	1,385,756	1,326,099	1,343,755	1,363,970

On September 30th, 2023, PRUMOPAR reported cash and cash equivalents of BRL 66.4 million, an increase of BRL 64.5 million if compared to December 31st, 2022, as a result of dividends payment from Ferroport.

The escrow deposits on September 30th, 2023 were BRL 54.9 million versus BRL 143,3 million on December 31st, 2022. The difference is related to the debt service payment due in December 2022 that was settled on the first business day of January 2023 and the next debt service payment.

PRUMOPAR's equity was negative BRL 5.9 million in the third quarter of 2023, from negative BRL 146.5 million in the end of 2022 as a result of net profit for the period.

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