

## 1Q2021 EARNINGS REPORT

**Rio de Janeiro, May 31, 2021** - PRUMO PARTICIPAÇÕES E INVESTIMENTOS S.A. ("PRUMOPAR"), located at 804, Russel Street, 5º floor, Glória, Rio de Janeiro, was incorporated in 2015 in order to acquire interests in other company. The Company 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, June 1st at 12:00 P.M. (Brasília time); 11:00 A.M (US-ET).

Telephone number for participants:

\*No passcode is needed

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Participants should connect 5 minutes before the conference call starts.

### 1Q2021 Financial Highlights

For the first quarter of 2021, when compared to the same period of 2020, PRUMOPAR and Ferroport were positively impacted by the appreciation of USD against BRL, which grew from an average of R\$ 4.47 for the first three months of 2020 to R\$ 5.47 for the same period of 2021. Revenues were also benefited by the increase of 0.55% of the preliminary PPI for 2020. On the other hand, the results were negatively impacted by the reduction in revenues from T-Oil (Port Access Fees), due to the discounts granted from Ferroport, which decreased 39% from the first quarter of 2020 to the same period of 2021.

Ferroport handled 5.4 million tons of iron ore during the first quarter of 2021, a decrease of 12% comparing to the same quarter of 2020. The punctual reduction was caused by some maintenance in Anglo American's sites, which did not change the forecast for the year. In February 2021, Ferroport reached the mark of 600 ships loaded, since the beginning of its operations.

For the first quarter of 2021, comparing to the same period of 2020, Ferroport's gross revenues grew 18% to R\$ 265 million. EBITDA increased 23% to R\$ 199.4 million and EBITDA margin increased 327 bps to 84.8%. As a consequence of the better operational results, Ferroport distributed to PRUMOPAR and Anglo American R\$ 138.4 million as intercompany loan repayment versus R\$ 97.2 million for 2020.

In the first quarter of 2021, PRUMOPAR received, after R\$ 0.4 million of withholding taxes, R\$ 68.8 million of intercompany loan, 46% higher than the R\$ 47.2 million received in 2020.

### Business Specifics:

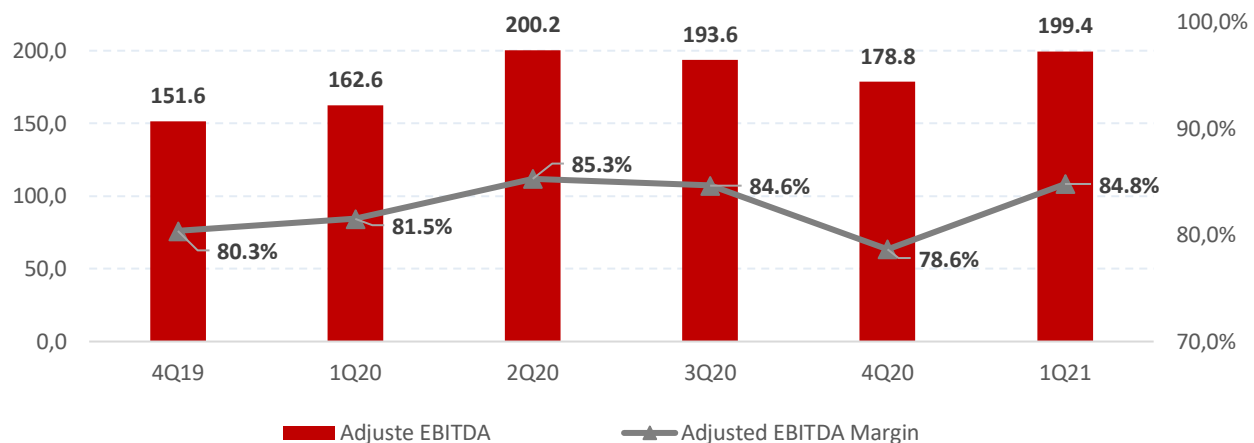
Ferroport	1Q21	1Q20	Δ %	4Q20	Δ %
Volume T-Ore (K-ton)	5,388	6,156	(12%)	6,308	(15%)
T-Ore Access (BRL k)	259,487	215,787	20%	250,111	4%
T-Oil Access (BRL k)	5,585	9,105	(39%)	6,244	(11%)
EBITDA	199,443	162,220	23%	177,163	13%
EBITDA Margin	84.8%	81.3%	345 bps	77.9%	685 bps

Prumopar	1Q21	1Q20	Δ %	4Q20	Δ %
IC Loan - Principal (BRL k)	66,659	39,273	70%	52,767	26%
IC Loan - Interest (BRL k)	2,566	9,342	(73%)	2,744	(6%)
IC Loan (BRL k)	69,225	48,615	42%	55,511	25%

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

Ferroport	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
(+) Net Revenues	408.22	199.5	234.9	228.8	227.3	235.3
(-) Costs	(43.7)	(42.7)	(51.3)	(70.2)	(53.6)	(66.2)
(-) SG&A	(5.9)	(8.3)	(6.4)	(6.2)	(11.1)	(4.8)
(+) Depreciation & Amortization	12.4	13.7	13.9	14.0	14.5	35.1
(-/+ Non-Recurring Revenues/Costs)	(219.3)	0.4	9.1	27.1	1.6	-
<b>Adjusted EBITDA</b>	<b>151.6</b>	<b>162.6</b>	<b>200.2</b>	<b>193.6</b>	<b>178.8</b>	<b>199.4</b>
<b>Adjusted EBITDA Margin</b>	<b>80.3%</b>	<b>81.5%</b>	<b>85.3%</b>	<b>84.6%</b>	<b>78.6%</b>	<b>84.8%</b>

\* Excluding the Arbitration Settlement (4Q2019) and dredging (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. Consequently, all IC Loan repayments from Ferroport to PRUMOPAR also remain in place and no changes occurred due to the COVID-19 outbreak.

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	1Q21	1Q20	Δ %
Shipment of iron ore (Take or Pay)	259,487	215,787	20.3%
Oil transshipment (T-Oil)	5,585	9,105	(38.7%)
Port Services/Others	0	121	(100.0%)
Taxes	(29,806)	(25,540)	16.7%
<b>Net revenue of services</b>	<b>235,266</b>	<b>199,473</b>	<b>17.9%</b>
Cost of Services	(66,157)	(42,701)	54.9%
<b>Gross Profit</b>	<b>169,109</b>	<b>156,772</b>	<b>7.9%</b>
Operating Expenses	(4,796)	(8,254)	(41.9%)
Financial Income/Loss	(8,328)	(17,035)	51.1%
<b>Income before income and social contribution taxes</b>	<b>155,985</b>	<b>131,483</b>	<b>18.6%</b>
Income and social contribution taxes	(37,977)	(46,896)	19.0%
<b>Net income (loss) for the year</b>	<b>118,008</b>	<b>84,587</b>	<b>39.5%</b>
Net Margin	50.2%	42.4%	775 bps
<b>EBITDA</b>	<b>199,443</b>	<b>162,220</b>	<b>22.9%</b>

For the first quarter of 2021, revenues from iron ore (take or pay) increased 20.3% to R\$259.5 million, mostly due to the USD appreciation against BRL and to the positive preliminary PPI for 2020. On the other hand, revenues from Port Access Fee from T-Oil decreased 38.7% to R\$ 5.6 million, as a result of the discounts granted by Ferroport, which began in the second quarter of 2020.

Cost of services increased 54.9%, mostly due to increase of depreciation and amortization, caused by an accounting adjustment of approximately R\$ 19.0 million, and due underwater surveys on the pier and access channel of R\$ 2.9 million, which was accounted as third party services.

Overall operating expenses decreased R\$ 3.5 million, primarily due the decrease in third party services and 'other', which, in 2020, included fees and legal costs related to the arbitration settlement. This reduction was somehow offset by the increase in payroll and related charges, and depreciation and amortization. The company also reverted a credit loss of R\$ 0.9 million related to sales of non-consumed electric energy, which also contributed to the decrease of overall expenses.

Net financial expenses summed R\$ 8.3 million, a decrease of 51.1%, if compared to the same period of 2020. This reduction is mainly explained by the decrease of the CDI (base rate for Ferroport's intercompany debt), which was above 4% in the first

quarter of 2020 and approximately at 2% for the same period of 2021. The decrease of the outstanding balance of the intercompany loan also contributed to the reduction of net financial expenses.

For the first quarter ended on March 31, 2021, income before income taxes amounted to R\$ 156.0 million, leading to a net income of R\$ 118.0 million versus a net income of R\$ 84.6 million for the same period of 2020.

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

Consolidated (BRL k)			
Cash Flow Statement	1Q21	1Q20	Δ %
Net income (loss) before taxes	155,985	131,483	18.6%
Depreciation and Amortization	35,129	13,702	156.4%
Other Cash Adjustments	7,461	23,061	(67.6%)
Working Capital Variation	1,735	(25,430)	106.8%
<b>Cash Flow from Operating Activities</b>	<b>200,310</b>	<b>142,816</b>	<b>42.7%</b>
Capex/Intangibles	(9,878)	(5,460)	80.9%
<b>Cash Flow from Investing Activities</b>	<b>(9,878)</b>	<b>(5,460)</b>	<b>(80.9%)</b>
Intercompany Loans Settled	(133,748)	(39,273)	240.5%
Lease payments	(463)	(380)	(21,8)
<b>Cash Flow from Financing Activities</b>	<b>(134,211)</b>	<b>(39,653)</b>	<b>(238.5%)</b>
<b>Increase in cash and cash equivalents</b>	<b>56,221</b>	<b>97,703</b>	<b>(42.5%)</b>

Ferroport reported a cash flow from operating activities of R\$ 200.3 million for the first quarter of 2021, an increase of R\$ 57.5 million if compared to the same period of 2020. This increase was driven not only by the better results, but also by some positive working capital variations, such as the take or pay payment due in 2020 that was postponed to the first week of 2021. It is also important to mention that intercompany loan's payments on interests and withholding taxes are accounted in working capital variation in the cash flow from operations. Considering that, by the end of 2020, Ferroport paid the last portion of accumulated interest on its balance sheet, the interests paid on intercompany loan plummeted and consequently, the principal paid, accounted at cash flow from financing activities, rocketed up.

Ferroport's Capex for 2021 summed R\$ 9.9 million. The main expenditures were related to repowering the piling system and emergency route, which summed R\$ 1.5 million and painting and corrosion repairing of R\$ 1.9 million. The remainder was associated to stay in business capex, especially spare parts, environmental compensation, and minor repairs for operational efficiency.

During the first quarter of 2021, Ferroport amortized R\$ 133.7 million of principal from the intercompany loan.

### Consolidated Simplified Analysis of the Balance Sheet:

Consolidated (BRL k)		
Balance Sheet	March 31, 2021	December 31, 2020
Current Assets	275,658	290,219
Cash and equivalent	135,364	79,143
Receivables from related parties	89,470	161,994
Noncurrent Assets	2,325,316	2,352,297
<b>Total Assets</b>	<b>2,600,974</b>	<b>2,642,516</b>
Current Liabilities	232,670	254,613
Related parties – loans	143,125	142,000
Income taxes and social contribution	25,519	26,154
Noncurrent Liabilities	800,489	938,096
Related parties – loans	277,248	412,192
Shareholders' equity	1,567,815	1,449,807
<b>Total Liabilities plus Shareholders' equity</b>	<b>2,600,974</b>	<b>2,642,516</b>

Ferroport's consolidated cash and securities on March 31, 2021 were R\$ 135.4 million, and current receivables from related parties summed R\$ 89.5 million. The decrease on receivables and increase in cash and equivalent is explained by the fact that the take-or-pay payment for December 31, 2020 was postponed to January 02, 2021, by Anglo American, for the closing of the fiscal year.

Company's intercompany loan, as of March 31, 2021, was R\$ 420.4 million, out of which R\$ 233.7 million was due to PRUMOPAR.

## PRUMOPAR CONSOLIDATED

### Consolidated Simplified Analysis of the Income Statement:

Income Statement	1Q21	1Q20	Δ %
Net Operating Revenue	-	-	-
Sales Cost	-	-	-
Gross Profit	-	-	-
Operating Expenses	(344)	1	(34,500.0%)
Financial Income/Loss	(178,324)	(392,261)	54.5%
Equity in income of subsidiaries	61,134	43,467	40.6%
Income before income and social contribution taxes	(117,534)	(348,794)	66.3%
Taxes (IR and CSLL)	(1,124)	(3,744)	70.0%
Profit (Loss) for the period	(118,658)	(352,538)	66.3%

For first quarter of 2021 ended in March 31, PRUMOPAR's net financial loss decreased almost 55%, if compared to the same period of 2020. The financial loss is mainly impacted by the depreciation of the BRL against the USD. The BRL devaluated approximately 10% during the first quarter of 2021 and 30% for the same period of 2020.

Results of equity-accounted investees increased R\$ 17.7 million due to the better results from Ferroport.

Income and social contribution taxes amounted R\$ 1.1 million as compared to R\$ 3.7 million for 2020, leading to a reduction of 66.3% on the net loss.

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

Cash Flow Statement	1Q21	1Q20	Δ %
<b>Cash flows from operating activities</b>	<b>(2,113)</b>	<b>(422)</b>	<b>(400.7%)</b>
Interest received on related party loans	2,180	7,941	(2.5%)
Loans received from related parties	66,659	39,273	69.7%
<b>Cash flows from investment activities</b>	<b>68,839</b>	<b>47,214</b>	<b>45.8%</b>
Capital increase/(reduction) and dividends	-	-	-
Loans settled with third parties (net)	-	-	-
Interest paid	-	-	-
Escrow accounts (Debt Requirement)	-	-	-
Financial Hedge	-	-	-
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in cash and cash equivalents</b>	<b>66,726</b>	<b>46,792</b>	<b>42.6%</b>

During the first quarter of 2021, PRUMOPAR received R\$ 68.8 million of principal on the intercompany loan from Ferroport (net of taxes). The increase comparing to the same period of 2020 is explained by the better results for Ferroport.

PRUMOPAR did not pay any amount related to financing activities during the first quarter of 2021, since payments are scheduled for the end of each semester.



### Consolidated Simplified Analysis of the Balance Sheet:

Balance Sheet	March 31, 2021	December 31, 2020
<b>Current Assets</b>	<b>286,189</b>	<b>210,257</b>
Cash and cash equivalents	132,007	65,281
Escrow accounts	66,827	60,955
Accounts receivable from related parties	71,563	71,000
<b>Noncurrent Assets</b>	<b>973,282</b>	<b>979,494</b>
Accounts receivable from related parties	162,213	229,379
Equity investments	811,053	749,919
<b>Total Assets</b>	<b>1,259,471</b>	<b>1,189,751</b>
<b>Current Liabilities</b>	<b>94,913</b>	<b>58,752</b>
Loans and financing	94,695	55,520
<b>Noncurrent Liabilities</b>	<b>1,587,831</b>	<b>1,435,614</b>
Loans and financing	1,586,887	1,435,614
<b>Shareholders' Equity</b>	<b>(423,273)</b>	<b>(304,615)</b>
<b>Total Liabilities plus Shareholders' equity</b>	<b>1,259,471</b>	<b>1,189,751</b>

On March 31, 2021, Prumopar reported cash and cash equivalents of R\$ 132.0 million, an increase of R\$ 66.7 million if compared to December 31, 2020. This increase reflects the intercompany loan received during the first quarter of 2021. It is important to mention that this amount is hedged in accordance with the Accounts Agreement. There was no increase, in USD, in the escrow accounts during the first quarter of 2021. The increase reported in the balance sheet is related to the depreciation of the BRL against the USD, since these are offshore accounts constituted in USD.

PRUMOPAR's total debt increased, in Reais, by approximately R\$ 190.4 million, to R\$ 1.68 billion, mostly impacted by the foreign exchange variation.

On March 31, 2021 PRUMOPAR's equity was negative at R\$ 423.3 million, as a result of the accounting loss for the first quarter of 2021.

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