

3Q2021 EARNINGS REPORT

Rio de Janeiro, November 30, 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

Thursday, December 2nd at 12:00 AM (Brasília time); 10:00 (US-ET).

Telephone number for participants:

*No passcode is needed

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Participants should connect 5 minutes before the conference call starts.

3Q2021 Financial Highlights

Ferroport handled, during the third quarter of 2021, 6.0 million tons of iron ore, an increase of 23% in the volume handled if compared to the same period of 2020. Comparing to the second quarter of 2021 the volume handled remained relatively stable, with a decrease of 1%. For the nine months ended on September 30, 2021, Ferroport handled 17.5 million tons of iron ore, a decrease of approximately 1%, when comparing to the same period of 2020.

For the third quarter of 2021, when compared to the same period of 2020, Ferroport was negatively impacted by the appreciation of BRL against USD, which reduced from an average of R\$ 5.44 for the third quarter of 2020 to R\$ 5.23 for the same period of 2021. This decrease in revenues was partially offset by the increase in revenues from T-Oil (Port Access Fees), impacted by the increase of operations in terminal during the quarter.

During the third quarter of 2021, Ferroport's gross revenues related to the take-or-pay decreased 2.4%, to R\$ 244.8 million. Revenues from ships accessing the Channel to the T-Oil and paying Port Access Fees reached R\$ 7.9 million, an increase of 16% when compared to the third quarter of 2020. For the third quarter of 2021, EBITDA summed 183.0 million, an increase of 10% comparing to the same period of 2020.

Ferroport distributed to PRUMOPAR and Anglo American, during the third quarter of 2021, R\$ 101.2 million as intercompany loans repayment, out of which R\$ 96.7 million as principal and R\$ 4.5 million as interests. PRUMOPAR received R\$ 50.6 million in total and R\$ 50.2 million net of taxes.

Business Specifics:

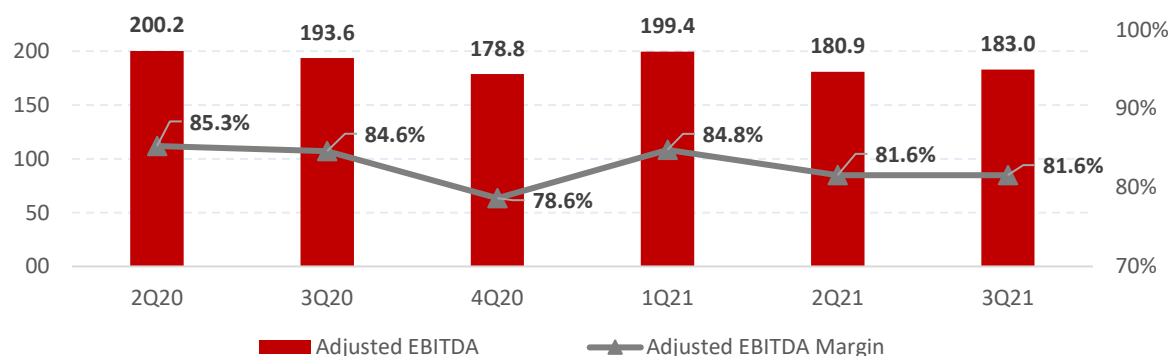
Ferroport	3Q21	3Q20	Δ %	2Q21	Δ %	9M21	9M20	Δ %
Volume T-Ore (K-ton)	5,992	4,885	23%	6,070	(1%)	17,450	17,541	(1%)
T-Ore Access (BRL k)	244,840	250,763	(2%)	243,889	0%	746,825	720,898	4%
T-Oil Access (BRL k)	7,901	6,808	16%	5,987	32%	19,471	26,080	(25%)
EBITDA	182,991	166,466	10%	162,265	13%	563,310	519,788	8%
EBITDA Margin	81.6%	84.6%	(304 bps)	81.6%	1 bps	82.8%	78.4%	446 bps

Prumopar	3Q21	3Q20	Δ %	2Q21	Δ %	9M21	9M20	Δ %
IC Loan - Principal (BRL k)	47,916	66,548	(28%)	57,779	(17%)	172,354	292,263	(41%)
IC Loan - Interest (BRL k)	2,683	4,189	(36%)	2,622	2%	7,870	20,493	(62%)
IC Loan (BRL k)	50,599	70,737	(28%)	60,401	(16%)	180,224	312,756	(42%)

Adjusted EBITDA (In BRL M) and Margin:

Ferroport	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
(+) Net Revenues	234.9	228.8	227.3	235.3	221.7	224.3
(-) Costs	(51.3)	(70.2)	(53.6)	(66.2)	(53.7)	(50.3)
(-) SG&A	(6.4)	(6.2)	(11.1)	(4.8)	(5.8)	(5.0)
(+) Depreciation & Amortization	13.9	14.0	14.5	35.1	18.6	13.9
(-/+) Non Recurring Revenues/Costs	9.1	27.1	1.6	0.0	0.0	0.0
Adjusted EBITDA	200.2	193.6	178.8	199.4	180.9	183.0
Adjusted EBITDA Margin	85.3%	84.6%	78.6%	84.8%	81.6%	81.6%
Average BRL/USD	5.44	5.44	5.38	5.58	5.19	5.23

* Excluding dredging (2020)



Coronavirus Impact on Activities:

During the second semester of 2021, all the companies of Prumo Group (Ferroport included) started a voluntary return to office. This return for the administrative staff is following all the recommendations and protocols of the health agencies. Regarding the operations, Ferroport's operating activities have remained in place since of the beginning of the pandemic 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.

FERROPORT CONSOLIDATED

Consolidated Simplified Analysis of the Income Statement:

Consolidated (BRL k)								
Income Statement	3Q21	3Q20	Δ %	2Q21	Δ %	9M21	9M20	Δ %
Shipment of iron ore	244,840	250,763	(2.4%)	243,889	0.4%	746,825	720,898	3.6%
Oil transshipment (T-Oil)	7,901	6,808	16.1%	5,987	32.0%	19,471	26,080	(25.3%)
Port Services/Others	0	41	(100.0%)	0	(100.0%)	0	282	(100.0%)
Taxes	(28,420)	(28,817)	(1.4%)	(28,129)	1.0%	(86,356)	(84,113)	2.7%
Net revenue of services	224,321	228,795	(2.0%)	221,747	1.2%	679,940	663,147	2.5%
Cost of Services	(50,258)	(70,182)	(28.4%)	(53,660)	(6.3%)	(168,682)	(164,149)	2.8%
Gross Profit	174,063	158,613	9.7%	168,087	3.6%	511,258	498,998	2.5%
Operating Expenses	(5,009)	(6,189)	(19.1%)	(5,822)	(14.0%)	(15,627)	(20,824)	(25.0%)
Financial Income/Loss	(4,180)	(15,579)	(73.2%)	(11,369)	(63.2%)	(23,877)	26,245	(191.0%)
Income before income and social contribution taxes	164,874	136,845	20.5%	150,896	9.3%	471,754	504,419	(6.5%)
Taxes (IR and CSLL)	(64,841)	(46,680)	38.9%	(57,485)	12.8%	(160,303)	(174,012)	(7.9%)
Net income (loss) for the year	100,034	90,165	10.9%	93,411	7.1%	311,451	330,407	(5.7%)
EBITDA	182,991	166,466	9.9%	162,265	12.8%	563,310	519,788	8.4%

The consolidated net revenue for the third quarter of 2021 decreased approximately 2.0%, in comparison to the same period of 2020, mostly due to the appreciation of the BRL against the USD. This decrease was partially offset by the increase in T-Oil's activities. Revenues from iron ore (take or pay) decreased 2.4% to R\$ 244.8 million and Port Access Fee from T-Oil increased 16.1% to R\$ 7.9 million. During the first nine months of 2021, net revenues increase 2.5%.

For the third quarter of 2021, cost of services decreased 28.4% compared to the same period of 2020, mostly due to the dredging maintenance of R\$ 27.1 million, accounted as "third parties services", that occurred in 2020. This decrease was partially offset by increases in: payroll and related charges of R\$ 1.0 million, caused by an increment in headcount; depreciation and amortization of R\$ 1.6 million, which increased due to an adjustment in the methodology; and consumables spare parts of R\$ 1.9 million, impacted by the increase in energy costs

Overall operating expenses decreased 19.1%, compared to the third quarter of 2020, primarily due to higher income on net sales of non-consumed electric energy, caused by the increase of the price of the energy sold at the spot market, which generated an increase of R\$ 2.0M in other operating income. General and administrative expenses increased R\$ 0.9 million, mainly impacted by increase in payroll and related charges and third-party services.

Net financial expenses summed R\$ 4.2 million, versus an expense of R\$ 15.6 million for the same period of 2020. The decrease was impacted by the reduction of the intercompany loan, and by a penalty due to tax parcellation of R\$ 8.7 million during the third quarter of 2020.

For the third quarter of 2021, income before income taxes amounted to R\$ 164.9 million, leading to a net income of R\$ 100.0 million versus a net income of R\$ 90.2 million for the same period of 2020.

Consolidated Simplified Analysis of the Cash Flow Statement:

Consolidated (BRL k)								
Cash Flow Statement	3Q21	3Q20	Δ %	2Q21	Δ %	9M21	9M20	Δ %
Net income (loss) before taxes	164,874	136,845	20.5%	150,895	9.3%	471,754	504,419	(6.5%)
Depreciation and Amortization	13,930	14,042	(0.8%)	18,612	(25.2%)	67,671	41,613	62.6%
Other Cash Adjustments	9,424	18,361	(48.7%)	13,593	(30.7%)	33,948	55,554	(38.9%)
Working Capital Variation	(78,744)	(22,974)	(242.8%)	(57,042)	(38.0%)	(134,051)	(149,397)	10.3%
Cash Flow from Operating Activities	109,484	146,274	(25.2%)	126,058	13.1%	439,322	452,189	(2.8%)
Capex/Intangibles	(13,862)	(20,726)	(33.1%)	(9,793)	41.6%	(33,533)	(36,868)	(9.0%)
Cash Flow from Investing Activities	(13,862)	(20,726)	33.1%	(9,793)	(41.6%)	(33,533)	(36,868)	9.0%
Intercompany Loans Settled	(96,662)	(66,552)	45.2%	(116,132)	(16.8%)	(346,542)	(292,263)	18.6%
Lease payments	(508)	(418)	21.5%	(490)	3.7%	(1,461)	(1,196)	22.2%
Cash Flow from Financing Activities	(97,170)	(66,970)	45.1%	(116,622)	16.7%	(348,003)	(293,459)	(18.6%)
Increase in cash and cash equivalents	(1,548)	58,578	(102.6%)	(357)	(333.6%)	57,786	121,862	(52.6%)

Ferroport reported cash flow from operating activities of R\$ 109.5 million for the third quarter of 2021, a decrease of R\$ 36.9 million if compared to the same period of 2020. This decrease was driven by higher negative working capital variation driven primarily by higher income tax contribution. It is worth mentioning that variations on interests and withholding taxes paid on the intercompany loan are accounted in working capital variation in the cash flow from operations.

Ferroport's Capex for the third quarter of 2021 summed R\$ 13.9 million. The main expenditures were related to operational efficiency investments, and painting restoration, which summed approximately R\$ 4.3 million and R\$ 1.8 million, respectively. The remaining was associated to stay in business capex, such as environmental compensation, spare parts and minor repairment.

During the third quarter of 2021, Ferroport amortized R\$ 96.7 million of principal from the intercompany loan. By the end of the first nine months of 2021, R\$ 346.5 million of principal from the intercompany loan had been amortized.

Consolidated Simplified Analysis of the Balance Sheet:

Balance Sheet	Consolidated (BRL k)		
	September 30, 2021	June 30, 2021	December, 2020
Current Assets	266,892	275,335	290,219
Cash and equivalent	136,929	138,477	79,143
Receivables from related parties	85,158	81,181	161,994
Noncurrent Assets	2,311,271	2,316,331	2,352,297
Total Assets	2,578,163	2,591,666	2,642,516
Current Liabilities	210,696	231,258	254,613
Related parties – loans	145,375	144,250	142,000
Income taxes and social contribution	7,093	24,341	26,154
Noncurrent Liabilities	606,209	699,183	938,096
Related parties – loans	61,951	159,892	412,192
Shareholders' equity	1,761,258	1,661,225	1,449,807
Total Liabilities plus Shareholders' equity	2,578,163	2,591,666	2,642,516

Ferroport's consolidated cash and securities on September 30, 2021, were R\$ 136.9 million. When compared to December 31, 2020, the increase in cash position and the decrease in receivables are 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 debt, as of September 30, 2021, was R\$ 207.3 million, out of which R\$ 128.0 million related to PRUMOPAR's loan.

PRUMOPAR

Simplified Analysis of the Income Statement:

Income Statement (BRL k)	3Q21	3Q20	Δ %	2Q21	Δ %	9M21	9M20	Δ %
Net Operating Revenue	-	-		-		-	-	
Sales Cost	-	-		-		-	-	
Gross Profit	-	-		-		-	-	
General and Administrative Expenses	(40)	(183)	(78.1%)	205	119.5%	(179)	(248)	(27.8%)
Financial Income/Loss	(155,930)	(67,716)	(130.3%)	159,533	(197.7%)	(174,721)	(593,640)	70.6%
Equity in income of subsidiaries	50,565	46,266	9.3%	48,130	5.1%	159,829	168,742	(5.3%)
Income before income and social contribution taxes	(105,405)	(21,633)	(387.2%)	207,868	150.7%	(15,071)	(425,146)	96.5%
Taxes (IR and CSLL)	(1,651)	(992)	66.4%	1,160	(242.3%)	(1,615)	(1,254)	28.8%
Profit (Loss) for the period	(107,056)	(22,625)	(373.2%)	209,028	151.2%	(16,686)	(426,400)	96.1%

For the third quarter of 2021 ended on September 30, PRUMOPAR reported net financial loss of R\$ 155.9 million versus a net loss of R\$ 67.7 million for the same period of 2020. This increase is explained by the depreciation of the Real against the U.S. dollar from June 30, 2021, to September 30, 2021, which were R\$ 5.00 and 5.44 respectively. Net exchange variation on loans was negative on R\$ 129.5 million for the period.

Results of equity-accounted investees increased 9.3%, when compared to the same period of 2020, to R\$ 50.6 million.

After income and social contribution taxes of R\$ 1.7 million for the third quarter of 2021, PRUMOPAR reported a net loss of R\$ 107.1 million versus a loss of R\$ 22.6 million for the same period of 2020.

Simplified Analysis of the Cash Flow Statement:

Cash Flow Statement	3Q21	3Q20	Δ %	2Q21	Δ %	9M21	9M20	Δ %
Cash flows from operating activities	1,312	(904)	245.1%	1,250	5.0%	449	(5,029)	108.9%
Interest received on related party loans	2,280	3,557	(35.9%)	2,230	2.2%	6,690	17,419	(61.6%)
Loans received from related parties	47,917	66,552	(28.0%)	57,778	(17.1%)	172,354	292,263	(41.0%)
Cash flows from investment activities	50,197	70,109	(28.4%)	60,008	(16.3%)	179,044	309,682	(42.2%)
Capital increase/(reduction) and dividends	0	0	-	0	-	0	(30,609)	-
Loans settled with third parties (net)	0	0	-	(11,931)	-	(11,931)	(166,757)	(92.8%)
Interest paid	0	0	-	(57,630)	-	(57,630)	(68,453)	(15.8%)
Transaction Cost	(1,165)	(2,647)	(56.0%)	0	-	(1,165)	(2,647)	(56.0%)
Escrow accounts (Debt Requirement)	0	0	-	0	-	0	66,342	-
Derivative	0	0	-	(8,349)	-	(8,349)	0	-
Cash flows from financing activities	(1,165)	(2,647)	56.0%	(77,910)	98.5%	(79,075)	(202,124)	60.9%

During the third quarter of 2021, PRUMOPAR received R\$ 47.9 million of principal and R\$ 2.3 million of interests (net of taxes) related to the intercompany loan from Ferroport, a reduction of 28.4% over these receivables. The decrease is explained mainly by the lower expenses during the third quarter of 2020, due to the uncertainty caused by the pandemic.

PRUMOPAR reported R\$ 1.2M of transaction costs, related to an invoice due and not paid to the market consultant of the emission of the bonds. During the third quarter of 2020, PRUMOPAR reported R\$2.6M of transaction costs, related to the conclusion of the internal regularization of some expenditures of the issuance of the bonds. of the issuance of the bonds.

Simplified Analysis of the Balance Sheet:

Balance Sheet	September 30, 2021	June 30, 2021	December 31, 2020
Current Assets	311,221	250,557	210,257
Cash and cash equivalents	165,699	115,355	65,281
Escrow deposits	62,654	57,617	60,955
Related Party	72,625	72,125	71,000
Noncurrent Assets	965,045	963,187	979,494
Related Party	55,281	103,771	229,379
Investment	909,748	859,183	749,919
Total Assets	1,276,266	1,213,744	1,189,751
Current Liabilities	66,181	50,167	58,752
Loans and borrowings	64,879	49,306	55,520
Noncurrent Liabilities	1,531,386	1,377,822	1,435,614
Loans and borrowings	1,529,951	1,377,822	1,435,614
Total Equity	(321,301)	(214,245)	(304,615)
Total liabilities and equity	1,276,266	1,213,744	1,189,751

On September 30, 2021, PRUMOPAR reported cash and cash equivalents of R\$ 165.7 million, an increase of R\$ 50.3 million if compared to June 30, 2021. This increase is the cash received by PRUMOPAR during the third quarter of 2021. There are also R\$115.4 million, which is available for distribution to the shareholders, after paying all debt due by the end of the year. The escrow account is related to the DSRA, which is constituted in USD. On September 30, 2021, the escrow account summed R\$ 62.7M, which was equivalent to USD 11.5 million.

When comparing to June 30, 2021, PRUMOPAR's total debt increased, in BRL, approximately R\$ 167.7 million, to R\$ 1.59 billion, mostly impacted by the foreign exchange variation. In USD, the total debt summed USD 310.7 million, being USD 304.8 of principal.

On September 30, 2021 PRUMOPAR's equity was negative at R\$ 321.3 million, as a result of the accumulated accounting loss caused by the depreciation of BRL since the notes issuance.

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