

2Q2022 EARNINGS REPORT

Rio de Janeiro, August 18th, 2022 - PRUMO PARTICIPAÇÕES E INVESTIMENTOS S.A. ("PRUMOPAR"), located at 804, Russel Street, 5^o floor, Glória, Rio de Janeiro, was incorporated in 2015 to hold Prumo's interests in 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

Friday, August 19th 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.

2Q2022 Financial Highlights

During the second quarter of 2022, Ferroport handled 4.3 million metric tons of iron ore, a decrease of 28.5% comparing to the 6.1 million tons of iron ore handled during the same quarter of 2021. The decline was due to unplanned maintenance stoppages in Anglo's operations at the beginning of the second quarter of 2022. In relation to the production outlook, Anglo revised its forecast from 24-26 million metric tons to 22-24 million metric tons.

PRUMOPAR and Ferroport financial results in this quarter were positively impacted by an increase of 21% YoY in the PPI, which compensated the negative effect of the exchange variation. USD depreciated against BRL from an average of R\$ 5.19 per US\$ in the second quarter of 2021 to R\$ 5.01 for the same period of 2022. Both effects resulted in a growth of 10% YoY on revenues from iron ore handling, to R\$ 266.4 million. Revenues from T-Oil terminal (Port Access Fees) increased 51% YoY to R\$ 9.1 million in the second quarter of 2022.

EBITDA presented a decrease of 11.2% comparing to the same period last year, reaching R\$ 160.6 million. EBITDA margin decreased to 65.7% mainly due to the increase of third party services costs, caused by the execution of the dredging services on the second quarter and higher costs with consumables spare parts. If isolated the dredging effect, margin would remain relatively stable at 77.1%, compared to the 1Q2022.

Ferroport distributed to PRUMOPAR and Anglo American R\$ 116.8 million as dividends in the second quarter of 2022. It is important to highlight that on the first quarter of 2022 the intercompany loan was fully repaid by Ferroport.

Business Specifics:

Ferroport	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
Volume T-Ore (K-ton)	4,341	6,070	(28.5%)	4,587	(5.4%)	8,928	11,458	(22.1%)
T-Ore Access (BRL k)	266,401	242,498	9.9%	269,725	(1.2%)	536,126	501,985	6.8%
T-Oil Access (BRL k)	9,069	5,985	51.5%	6,779	33.6%	15,837	11,570	36.9%
EBITDA	160,630	180,881	(11.2%)	198,659	(19.1%)	359,279	380,324	(5.5%)
EBITDA Margin	65.7%	82.1%	(1,639 bps)	81.0%	(1,526) bps	73.3%	83.5%	(1,013 bps)
Adjusted EBITDA ¹ (BRL k)	188,522	180,877	4.2%	184,428	2.2%	188,522	380,319	(50.4%)
Adjusted EBITDA Margin	77.1%	81.6%	(446 bps)	78.2%	(105) bps	79.8%	83.5%	(363 bps)

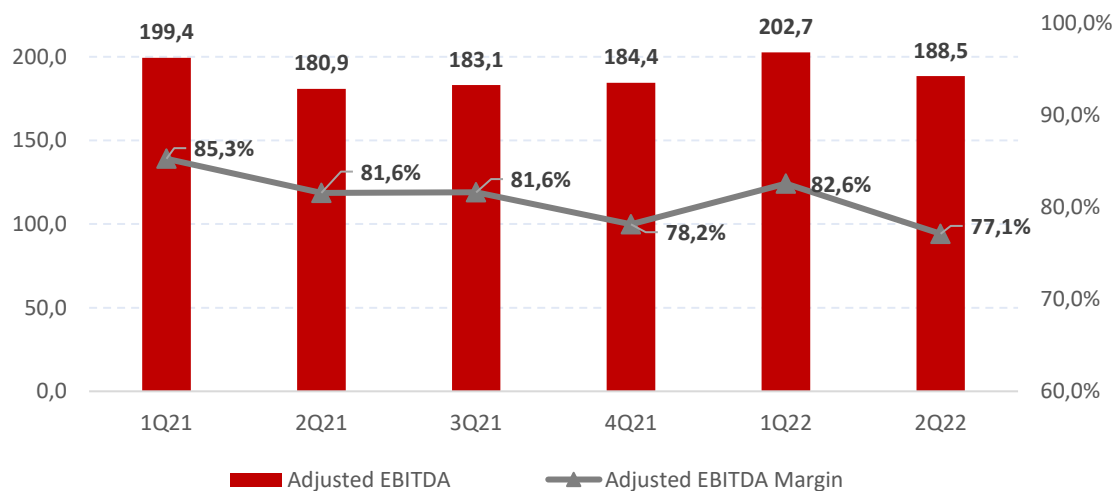
¹ Excluding dredging

Prumopar	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
IC Loan - Principal (BRL k)	0	57,778	(100.0%)	73,010	(100.0%)	73,010	124,437	(41.3%)
IC Loan - Interest (BRL k)	0	2,230	(100.0%)	1,088	(100.0%)	1,088	4,410	(75.3%)
Dividends (BRL k)	58,376	0	-	0	-	58,376	0	-
Total Distribution from Ferroport (BRL k)	58,376	60,008	(2.7%)	74,098	(21.2%)	132,474	128,847	2.8%

Adjusted EBITDA (In BRL M) and Margin:

Ferroport	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
(+) Net Revenues	233,9	221,7	224,3	236,0	245,4	244,5
(-) Costs	(64,8)	(53,7)	(50,3)	(56,3)	(55,5)	(91,9)
(-) SG&A	(4,8)	(5,8)	(5,0)	(11,7)	(8,3)	(9,5)
(+) Depreciation & Amortization	35,1	18,6	14,0	16,5	17,1	17,6
(-/+) Non Recurring Revenues/Costs	0,0	0,0	0,0	0,0	4,0	27,9
Adjusted EBITDA	199,4	180,9	183,1	184,4	202,6	188,5
Adjusted EBITDA Margin	85,3%	81,6%	81,6%	78,2%	82,6%	77,1%

¹ Excluding dredging



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Consolidated Simplified Analysis of the Income Statement:

Consolidated (BRL k)								
Income Statement	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
Shipment of iron ore (Take or Pay)	266.401	242.498	9,9%	269.725	(1,2%)	536.126	501.985	6,8%
Oil transshipment (T-Oil)	9.069	5.985	51,5%	6.779	33,6%	15.837	11.570	36,9%
Taxes	(30.976)	(28.129)	(10,1%)	(31.109)	(0,4%)	(62.084)	(57.935)	(7,2%)
Net revenue of services	244.494	220.353	11,0%	245.395	(0,4%)	489.879	455.619	7,5%
Cost of Services	(91.906)	(52.267)	75,8%	(55.514)	65,6%	(147.420)	(118.424)	24,5%
Gross Profit	152.588	168.086	(9,2%)	189.881	(19,6%)	342.459	337.195	1,6%
Operating Expenses	(9.575)	(5.817)	(64,6%)	(8.329)	15,0%	(17.904)	(10.613)	68,7%
Financial Income/Loss	4.691	(11.376)	141,2%	731	541,7%	5.422	(19.704)	(127,5%)
Income before income and social contribution taxes	147.704	150.893	2,1%	182.283	(19,0%)	329.977	306.878	7,5%
Income and social contribution taxes	(50.349)	(57.483)	(12,4%)	(62.238)	(19,1%)	(112.587)	(95.460)	17,9%
Net income (loss) for the year	97.355	93.410	4,2%	120.045	(18,9%)	217.390	211.418	2,8%
EBITDA	160.630	180.881	(11,2%)	198.659	(19,1%)	359.279	380.324	5,5%

For the second quarter of 2022, revenues from the T-Ore (take or pay contract) increased 9.9% to R\$266.4 million, mostly due to the positive PPI of 21% for 2021. Tariffs varied from US\$ 7.03 in 2021 to US\$ 8.02 in 2022. On the other hand, this impact was partially offset by the depreciation of USD against BRL. Revenues of Port Access Fee from T-Oil increased 51.5% to R\$ 9.1 million, mainly because of the growth of operations at the T-Oil terminal to 46 operations.

Cost of services increased 75.8%, mostly because of the costs with dredging, which didn't occurred on the same period last year (R\$ 30.0 million) and by the increase of costs with consumable spare parts on the period (R\$ 9.2 million).

Overall operating expenses increased 64.1%, due to the increase of the provision of expenses with ARG/Civilport litigations, caused by an update of the disputed amount, and due to increase depreciation and amortization of R\$ 0.3 million. During the second quarter of 2022, the company sold R\$ 0.8 million of non-consumed electric energy which reflected in an additional income of the same amount.

Net financial income summed R\$ 5.4 million in 1H2022, compared to a net financial loss of R\$ 19.7 million on the same period last year. This movements are mainly explained by:

the full repayment of the intercompany loan on the first quarter of 2022, which reduced the interest on loans from R\$ 9.2 Million in the first half of 2021 to R\$ 1.0 million in the first half of 2022; the penalty for tax parcellation of R\$ 11.4 million that occurred during the second quarter of 2021 and was concluded during the 2Q2022; and the higher interest income of R\$ 9.4 million, caused by the increase of the CDI, which is the base interest rate for the cash investments.

Consolidated Simplified Analysis of the Cash Flow Statement:

Consolidated (BRL k)								
Cash Flow Statement	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
Net income (loss) before taxes	147.704	150.895	2,1%	182.280	19,0%	329.984	306.880	7,5%
Depreciation and Amortization	17.614	18.612	(5,4%)	17.094	3,0%	34.708	53.741	35,4%
Other Cash Adjustments	3.091	13.600	(77,3%)	8.167	62,2%	11.258	24.524	54,1%
Working Capital Variation	(45.506)	(53.579)	(15,1%)	(73.443)	38,0%	(118.949)	(55.307)	115,1%
Cash Flow from Operating Activities	122.903	129.528	(5,1%)	134.098	8,3%	257.001	329.838	22,1%
Capex/Intangibles	(16.203)	(9.793)	(65,5%)	(4.998)	224,2%	(21.201)	(19.671)	7,8%
Cash Flow from Investing Activities	(16.203)	(9.793)	(65,5%)	(4.998)	224,2%	(21.201)	(19.671)	7,8%
Intercompany Loans Settled	0	(116.132)	(100,0%)	(96.544)	100,0%	(96.544)	(249.880)	61,4%
Lease payments	(550)	(490)	(12,2%)	(537)	2,4%	(1.087)	(953)	14,1%
Dividends Paid	(116.752)	0	-	0	-	(116.752)	0	-
Cash Flow from Financing Activities	(117.302)	(116.622)	(0,6%)	(97.081)	20,8%	(214.383)	(250.833)	14,5%
Increase in cash and cash equivalents	(10.602)	3.113	(440,6%)	32.019	133,1%	21.417	59.334	63,9%

Ferroport reported a cash flow from operating activities of R\$ 122.9 million for the second quarter of 2022, 5.1% lower if compared to the same period of 2021. This result was mostly driven by the lower net income before taxes, decrease in other cash adjustments account, which were partially offset by the increase of the working capital variation account.

The lower position on the other cash adjustments account occurred mainly due to the lower tax provision on the 2Q2022 (R\$ 1.7 million) in comparison with the same period last year (R\$ 7.2 million) and the lower monetary variation and interest account on the current period (R\$ 0.1 million) comparing with the 2Q2021 (R\$ 4.8 million).

Working Capital Account presented a lower negative position on the 2Q2022 in comparison with the same period last year mainly due to the lower income tax and contribution paid and lower interest paid on the current year.

Ferroport's Capex for 2022 summed R\$ 21.2 million. The main expenditures were related to painting and corrosion repairing and projects related to the maintenance of the electrical equipment at the substation. The remainder was associated to others stay in business capex, especially minor repairs for operational efficiency and environmental compensation.

On the second quarter of 2022, Ferroport distributed BRL 116.7 million of dividends to Prumopar and AngloAmerican.

Consolidated Simplified Analysis of the Balance Sheet:

Consolidated (BRL k)			
Balance Sheet	June 30, 2022	March 31, 2022	December, 2021
Current Assets	336.735	332.572	290.273
Cash and equivalent	161.869	172.471	140.452
Receivables from related parties	109.653	95.323	90.578
Noncurrent Assets	2.302.889	2.308.679	2.315.196
Total Assets	2.639.624	2.641.251	2.605.469
Current Liabilities	406.870	100.726	191.379
Related parties – loans	0	0	97.083
Income taxes and social contribution	20.416	26.532	25.129
Noncurrent Liabilities	543.823	535.655	529.255
Related parties – loans	0	0	0
Shareholders' equity	1.688.931	2.004.870	1.884.835
Total Liabilities plus Shareholders' equity	2.639.624	2.641.251	2.605.469

Ferroport's consolidated cash and securities on June 30, 2022 were R\$ 161.9 million, and current receivables from related parties summed R\$ 109.6 million. The lower cash position presented is mainly due to the exchange variation on the period as revenues are converted from USD to BRL on a monthly basis, which impacted negatively on the cash position at the end of the second quarter.

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.

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Consolidated Simplified Analysis of the Income Statement:

Consolidated (BRL k)								
Income Statement	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
Net Operating Revenue	0	0	-	-	-	0	0	-
Sales Cost	0	0	-	0	-	0	0	-
Gross Profit	0	0	-	-	-	0	0	-
Operating Expenses	(87)	205	142.4%	7	(1342.9%)	(80)	(139)	(42.4%)
Financial Income/Loss	(179,919)	159,533	212.8%	203,983	(188.2%)	24,064	(18,791)	(228.1%)
Equity in income of subsidiaries	49,851	48,130	3.6%	61,187	(18.5%)	111,038	109,264	1.6%
Income before income and social contribution taxes	(130,155)	207,868	162.6%	265,177	(149.1%)	135,022	90,334	49.5%
Taxes (IR and CSLL)	(2,868)	1,160	347.2%	2,251	(227.4%)	(617)	36	(1813.9%)
Profit (Loss) for the period	(133,023)	209,028	163.6%	267,428	(149.7%)	134,405	90,370	48.7%

For the second quarter of 2022, PRUMOPAR reported a net financial loss of R\$ 179.9 million, versus a profit of R\$ 159.5 million for the same period of 2021, mostly due to the negative impact of the exchange variation on loans, which impacted negatively the financial costs (R\$ 211.5 million in the 2Q2022 versus R\$ 7.0 million in the 2Q2021) and the financial income account (R\$ 65.2 million in the 2Q2022 versus R\$ 218.7 million in the 2Q2021).

Results of equity in income of subsidiaries remained stable and summed R\$ 49.9 million in the second quarter. Prumopar registered on the 2Q2022 the amount of R\$ 2.9 million as deferred taxes over the hedge operation.

The net loss of the period amounted R\$ 133.0 million versus a net income of R\$ 209.0 million for the same period of 2021.

Consolidated Simplified Analysis of the Cash Flow Statement:

Cash Flow Statement	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
Cash flows from operating activities	957	1.250	23,4%	957	0,0%	(5.302)	(863)	514,4%
Dividends	58.376	0	-	0	-	58.376	0	-
Loans granted to Related Parties	(66.621)	0	-	0	-	(66.621)	0	-
Interest received on related party loans	0	2.230	(100,0%)	1.088	100,0%	1.088	4.410	75,3%
Loans received from related parties	0	57.778	(100,0%)	73.010	100,0%	73.010	124.437	41,3%
Cash flows from investment activities	(8.245)	60.008	(113,7%)	74.098	111,1%	65.853	128.847	48,9%
Capital increase/(reduction) and dividends	0	0	-	0	-	0	0	-
Loans settled with third parties (net)	(8.561)	(11.931)	(28,2%)	0	-	(8.561)	(11.931)	28,2%
Interest paid	(57.855)	(57.630)	0,4%	0	-	(57.855)	(57.630)	0,4%
Transaction Cost	0	0	-	0	-	0	0	-
Escrow accounts (Debt Requirement)	0	0	-	0	-	0	0	-
Derivative	(2.915)	(8.349)	(65,1%)	0	-	(2.915)	(8.349)	(65,1%)
Cash flows from financing activities	(69.331)	(77.910)	(11,0%)	0	-	(69.331)	(77.910)	11,0%
Increase in cash and cash equivalents	(76.619)	(16.652)	360,1%	75.055	202,1%	(8.780)	50.074	117,5%

During the second quarter of 2022, PRUMOPAR received, as dividends from Ferroport, R\$ 58.4 As mentioned before, in March of 2022, Ferroport performed the last payment under the intercompany loan.

By the end of June 2022, PRUMOPAR paid an R\$ 8.6 million of principal and R\$ 57.9 million of interest related to the Notes. PRUMOPAR presented a negative result of R\$ 2.9 million on its NDFs, considering the appreciation of BRL by the end of June 2022.

Consolidated Simplified Analysis of the Balance Sheet:

Consolidated (BRL k)			
Balance Sheet	June 30, 2022	March 31, 2022	December 31, 2021
Current Assets	214.019	144.279	151.928
Cash and cash equivalents	2.245	86.080	11.025
Escrow deposits	57.855	54.155	63.792
Related Party	0	0	73.355
Noncurrent Assets	1.030.902	1.123.392	1.059.954
Related Party	153.792	87.171	87.171
Investment	877.094	1.033.891	972.704
Total Assets	1.244.921	1.267.671	1.211.882
Current Liabilities	29.617	56.464	29.765
Loans and borrowings	29.453	49.552	29.394
Noncurrent Liabilities	1.421.835	1.284.715	1.523.053
Loans and borrowings	1.421.281	1.284.715	1.523.053
Total Equity	(206.531)	(73.508)	(340.936)
Total liabilities and equity	1.244.921	1.267.671	1.211.882

On June 30, 2022, PRUMOPAR reported cash and cash equivalents of R\$ 2.2 million, a decrease of R\$ 83.8 million if compared to March 31, 2022. This reflects the debt served on June 30. It is important to mention that this amount is hedged in accordance with the Accounts Agreement.

Regarding to the escrow deposits and the loans and borrowings reported in the balance sheet, there was no increase, in USD, during the second quarter of 2022. The increase reported in the balance sheet is related to the depreciation of the BRL against the USD, since these items are constituted in USD.

On June 30, 2022, total outstanding debt summed USD 292.1 million.

PRUMOPAR's equity decreased R\$ 133.0 million, from negative R\$73.5 million in the second quarter of 2021 to negative R\$ 206.5 million for the same period in 2022, as a result of the accounting loss for the period.

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