



# Press Release - 1Q20





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# Main Highlights

Transported Volume  
for General Cargo

12.8

MM Tons

EBITDA

R\$283MM

-41.5%

Leverage  
Indicator

1.16x

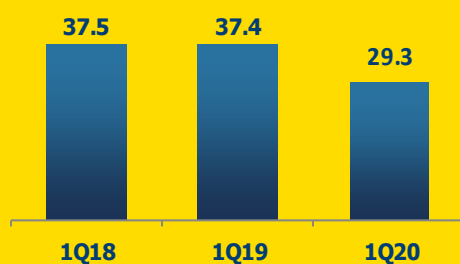
-0.03x

EBITDA margin

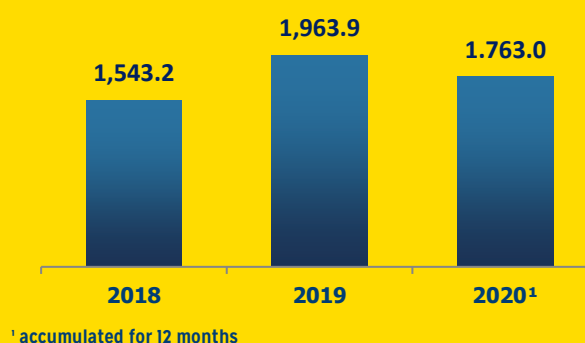
42.0

-16.6 p.p.

Transported Volume  
In millions of TU



EBITDA  
In millions of reais



Rio de Janeiro, June 26<sup>th</sup>, 2020. MRS Logística S.A. informs the results for 1Q20. The comparisons refer to the results of the previous quarter and the same periods of 2019, as indicated. The information directly extracted from the Balance Sheet and Income Statement was duly reviewed by the independent auditors, with the exception of non-financial information.

## COVID-19

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MRS has been supporting numerous actions to combat the impacts of Covid-19. In addition to the precautions with its internal public, professionals who work in an essential sector, such as load transportation by railroad, the Company is responsible for approximately R\$ 3 million in investments in actions to support vulnerable populations, purchase of equipment and development of quick tests for diagnosis of the disease.

The Company adopted the home office working model, on March 17<sup>th</sup>, for its administrative areas and rotation of in person presence for employees unable to develop their activities remotely. Situations such as face-to-face meetings, non-essential trips, trips abroad and participation in seminars, fairs and events were suspended indefinitely.

The Federal Government defined, through Decree No. 10,282, dated of March 20<sup>th</sup>, 2020, the essential and indispensable activities for the Brazilian society. Load transportation services by the railroad are part of this group, as are support activities and supply of inputs or raw materials for the proper functioning of the railroad. In general, the turnover by MRS suffered a very limited impact due to the pandemic, a small retraction in specific loads.

Actions by MRS prove that the company understands its social function, its importance to society and its leading role. We are supporting several fronts, both those targeting vulnerable people and initiatives for the purchase of essential medical equipment for the care of critically ill patients. The Covid-19 pandemic is a major challenge and will be overcome with the participation of everybody. This includes every person, in general, but also companies.

## Financial and Operational Results - 1Q20

Financial and Operational Results	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
Transported Volume (TU million)	29,293	37,362	-21.7%	33,507	-12.5%
Gross Revenues (R\$ million)	748.2	897.1	-16,6%	772.4	-3.1%
Net Revenues (R\$ million)	674.7	827.1	-18,4%	701.7	-3.8%
EBITDA <sup>1</sup> (R\$ million)	283.4	484.3	-41.5%	409.2	-30.7%
EBITDA Margin <sup>1</sup> (%)	42.0%	58.6%	-16.6pp	58.3%	-16.3pp
Net Income <sup>1</sup> (R\$ million)	(91.5)	115.9	-	87.1	-
Gross Debt (R\$ million)	2,996	2,532	18.3%	3,007	-0.4%
Net Debt (R\$ million)	2,040	2,158	-5.4%	2,337	-12.7%
Net Debt/EBITDA <sup>1</sup> (x)	1.16x	1.27x	-0.11x	1.19x	0.03x

<sup>1</sup> Last 12 months (unadjusted result, that is, considering the non-recurring events).

The year of 2020 began with its particularities in results, in addition to the retraction in the transported volume, EBITDA was below regarding the historical performance.

The Company ended the first quarter with 29.3 million tons transported, registering a decrease of 12.6% in relation to 4Q19. This decline can be explained by the rains that devastated the region served by the MRS at the beginning of the year and by the consequences of the fall of the dam in Brumadinho (MG) in 2019, which continues to influence the mining volume. The General Cargo group (group composed of agricultural products, steel, cement, containers, among others) ended the period, practically in line with the volume of 4Q19, totaling 12.8 Mt, a slight decrease of 0.1% and reached the 43.6% share in the transported mix, in line with the Company's strategy of diversifying the transported volume.

So far, the transport volume in the 2nd quarter is partially recovering the losses at the beginning of the year. The performances of the months April and May 2020 were better than the same period of 2019.

EBITDA in the period decreased by 30.7% when compared to the result of 4Q19, and closed the quarter with the result of R\$ 283 million, with a margin of 42.0%.

# Operational Results



*MRS train crossing an urban area*

## Operational Results

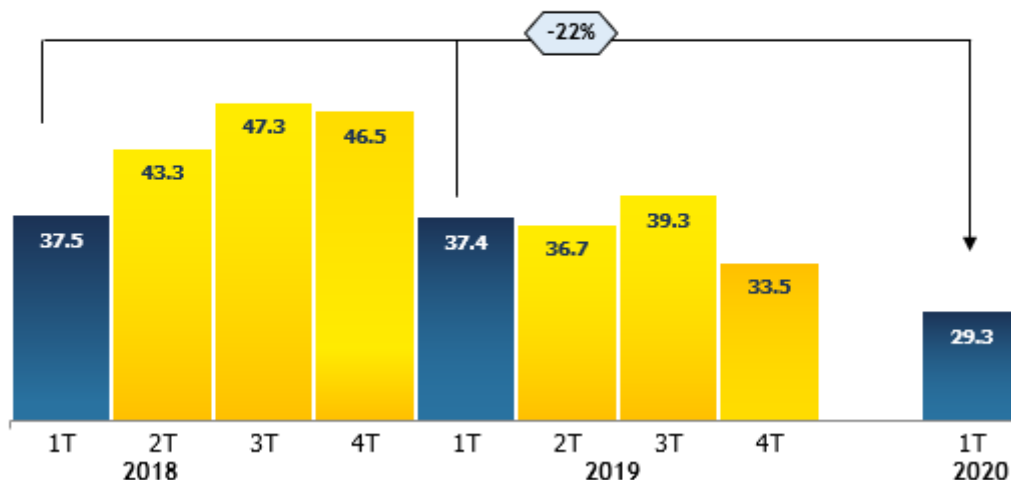
Transported Volume TU Million	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
<b>Mining</b>	<b>16,536</b>	<b>24,430</b>	<b>-32,3%</b>	<b>18,449</b>	<b>-10.4%</b>
Iron Ore	15,900	23,792	-33,2%	17,957	-11.5%
Export	12,773	20,602	38.0%	15,081	-15.3%
Domestic Market	3,127	3,190	-2.0%	2,876	8.7%
Coal and Coke	636	638	-0.3%	492	29.2%
<b>General Cargo</b>	<b>12,758</b>	<b>12,932</b>	<b>-1.3%</b>	<b>15,059</b>	<b>-15.3%</b>
Agricultural Products	7,871	8,062	-2.4%	9,686	-18.7%
Steel Products	1,759	1,855	-5.2%	1,631	7.8%
Container	570	545	4.6%	631	-9.6%
Construction	463	441	5.1%	513	-9.7%
Others	2,094	2,029	3.2%	2,598	-19.4%
<b>Total</b>	<b>29,293</b>	<b>37,362</b>	<b>-21.6%</b>	<b>33,508</b>	<b>-12.6%</b>

The total volume transported by the Company in the 1Q20 was 29.3 million tons (Mt), a reduction of 21.6% in relation to the first quarter of the previous year, as a result of the drop in the volume of Ore to serve the foreign market, which decreased by 33.2% in the same comparison between the first quarter of 2020 and 2019.



## Quarterly Results - Transported Volume

Transported Volume in Million of TU

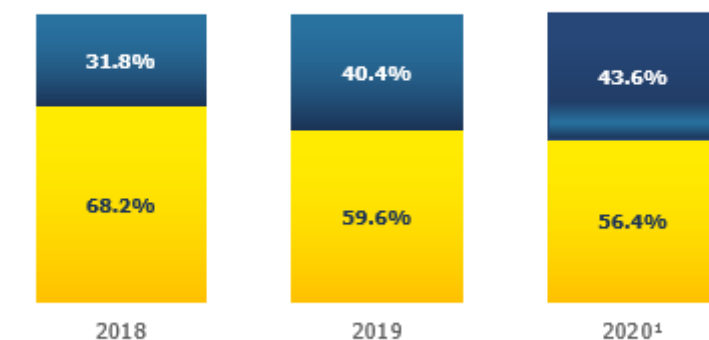


The result of General Loads in the first quarter of 2020, with 12.8 million tons (Mt), remained at the level of the first quarter of 2019, with a slight decrease of 0.1%. Despite not exceeding the volume of the same period of the previous year, it is a representative result in view of the current world economic scenario and the record results of 2019.

The General Loads Group, in the accumulated volume of 2020, reached the mark of 43.6% of share in the total transported, representing the highest percentage ever recorded in the segment, even with the drop in the volume of ore, the increase in the representativeness of General Loads demonstrates the strengthening of this group in the total volume transported by MRS. The Mining group ended the period with 56.4% of the volume transported in the same period.

## Transported Mix

■ Mining ■ General cargo



<sup>1</sup> accumulated result

## Mining

The Mining segment (which includes ore, coal and coke) totaled 16.5 Mt in 1Q20, which represents a reduction of 32.3% compared to 1Q19, reflecting a combination of factors, with the greatest relevance being the heavy rains which reached the states of Minas Gerais and Rio de Janeiro, in addition to the 2019 Brumadinho (MG) event, which still has consequences for the sector, but above all, compares January 2019 with a higher volume level in the following months.

Transported Volume TU Million	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
<b>Mining</b>	<b>16,536</b>	<b>24,430</b>	<b>-32,3%</b>	<b>18,449</b>	<b>-10.4%</b>
Iron Ore	15,900	23,792	-33,2%	17,957	-11.5%
Export	12,773	20,602	38.0%	15,081	-15.3%
Domestic Market	3,127	3,190	-2.0%	2,876	8.7%
Coal and Coke	636	638	-0.3%	492	29.2%
SubTotal Iron Ore	15,900	23,792	-33.2%	17,957	-11.5%
SubTotal Domestic Market	3,763	3,828	-1.7%	3,368	11.7%

### Iron Ore - Export

In the first quarter of 2020, the Iron Ore volume, intended for export, decreased by 37.9% when compared to the same period of the immediately previous year. The segment totaled 12.8 Mt transported in 1Q20.

The first quarter of 2020 was greatly affected by the heavy rains that plagued, especially, the Southeast region of Brazil, with regard to mining, the greatest impacts are related to the states of Minas Gerais and Rio de Janeiro, which registered accumulated rainfall rates higher than the marks that lasted for decades, according to the Brazilian National Institute of Meteorology (Inmet).

The rain rate above the usual, caused complications in the production process of the mines, as well as, a drop in the operational performance of the Company's customers with regard to the loading and unloading operations at the railway terminals, having also, for some customers, created difficulties in the port operation.

In the evaluation of the results of ore destined for export, it is also possible to highlight that the comparison between the first quarter of 2019 and 2020 brings differences in volumes for January with different levels, due to the Brumadinho (MG) event at the end of the first month of 2019.



## Iron Ore, Coal and Coke - Domestic Market

The Mining Group's transportation to serve the domestic market, considering the volumes of ore, coal and coke, decreased 1.7% compared to 1Q19, closing at 3.8 million tons (Mt) in the same period of 2020.

In addition to the movement initiated in previous periods by the steel sector, which has maintained a strategy of replacing iron ore as the main raw material in the production process, the reductions in the volume transported are also related to the reductions in the productive performance of steel making mills as a result of the deteriorating economic context, in which the main sectors of consumption of steel products opted for reductions in production processes or momentary shutdowns, as observed in the automobile sector.

## General Loads

In 1Q20, the volume transported for General Loads (other products not covered by the Mining group), which considers transportation by MRS itself and by the other railways, through the paid right of way, reached 12.8 million tons (Mt). Compared to 1Q19, there was a slight decrease of 0.1%.

The Company regularly monitors new commercial partnerships and the possibilities of offering the most complete possible logistical solutions, establishing an extension in serving traditional customers and retaining new business. In view of the entire economic scenario, the result obtained so far in the first quarter of 2020 demonstrates the reach and consolidation of growing performances in this segment in recent years.

## Agricultural Products

Transported Volume TU Million	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
<b>Agricultural Products</b>	<b>7,871</b>	<b>8,062</b>	<b>-2.4%</b>	<b>9,686</b>	<b>18.7%</b>
Corn	121	557	-78.3%	5,393	-97.8%
Sugar	1,782	1,331	33.9%	2,417	-26.3%
Soy	5,158	5,120	0.7%	590	-
Soybean Meal	810	1,054	-23.1%	1,286	-37.0%

The volume of agricultural products, owned and by third parties (through paid right of way), totaled 7.9 million tons in 1Q20, 2.4%, lower than in 1Q19. This result is mainly justified by the difficulties that the Company's agricultural customers are facing with other logistical suppliers in the service

chain, such as maintaining waterway locks, in addition to the interdiction of a waterway and multimodal terminal.

## Steel Products

Transported Volume TU Million	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
Steel Products	1,759	1,855	-5.2%	1,631	7.8%

MRS recorded 1.8 million tons of steel products transported in the first three months of the year, a growth of 7.9% in the comparison between the first quarter of 2020 and the immediately previous quarter. When compared to the 1Q19 result, the Company had a decrease of 5.1%.

The difference, less than 96 thousand tons transported, between the first quarters of 2019 and 2020 is a reflection of the reduction in the volume of purchases of semi-finished products that an important customer of the Company maintained in 2019 due to the maintenance in the plant's blast furnace and the fall demand for steel products in the main national consumer sectors, such as the automobile sector, due to the current economic context.

## Containers

Transported Volume TU Million	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
Container	570	545	4.6%	631	-9.7%

Container transportation continues with a positive performance, totaling 0.6 million tons transported in 1Q20, 4.6% higher than that registered in 1Q19, also considering the volume of other railroads that exercise the paid right of way.

The railway modal provides great operational predictability for customers, which shows the strengthening and consolidation of MRS in this type of logistics solution, through negotiations with new customers and routes, supported by an efficient operational model and starting to serve several flows in the main economic centers in the Southeast region of the country.

Still regarding the good performance in the period, the following contributed to this result: (i) the leverage of new volumes / customers, through the Santos - Jundiaí route, corresponding to a growth of 98.4% (1Q20 x 1Q19), representing 93.9 thousand tons on such route in the first quarter of 2020; (ii) the leverage of new volumes from new prospective customers and terminals established on the Santos - Vale do Paraíba route, corresponding to a growth of 109.8% (1Q20 x 1Q19), represent-

ing 79.3 thousand tons on such route in the first quarter of 2020; (iii) start of railroad transportation on the domestic market route between Rio de Janeiro - São Paulo, a route that has not operated in recent years; and (iv) the positive results achieved on the other routes due to the strengthening of planning with customers, increasing productivity without the need for new investments in routes already consolidated, with special emphasis on short routes in the State of Rio de Janeiro, with 23,0 thousand tons on such a route in the first quarter of 2020, increasing the result of 2019 by four times.

## Construction Industry

Transported Volume TU Million	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
Construction	463	441	5.1%	513	-9.7%

The results of products related to the Construction Industry (sand, cement, blast furnace slag), remain positive and ended 1Q20 with a volume of more than 463 thousand tons transported, representing a growth of 5.0% when compared to the same period of 2019.

The good performance is due to the Company's strategy in prospecting for new customers, renegotiating inoperative routes, improving operational performance and increasing share in current customers, in a movement that started in previous years and which still yield good results for the Company in this segment.

## Others

Transported Volume TU Million	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
Others	2,094	2,029	3.3%	2,598	-19.4%

The remaining products totaled 2.1 million tons transported. The group, which is composed of a variety of loads (pig iron, chemicals, fertilizers, cellulose, among others), reported an increase of 12.2% in the comparison between the first quarters of 2020 and 2019.

Corroborated for it result: (i) the transport of pig iron for export, with an increase of 57.1% compared to the same period of the previous year and totaling 0.4 million tons transported in 1Q20. This growth can be explained by the Company's effort to serve new ships by railroad shipments associated with the price of pig iron in the foreign market and favorable exchange rates; (ii) the transportation of alternative products to iron ore in the steelmaking sector's production process, such as pig iron itself and petroleum coke, with an increase of 7.5% in the comparison between 1Q20 and 1Q19; and (iii) the leverage in the Cellulose volumes with an important customer and, with

an increase of 30.9% in the comparison between 1Q20 and 1Q19, resulting from the efforts of the Company and driven by favorable market conditions to increase product exports.



# Economic and Financial Results



MRS train transporting containers

Results	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
Gross Revenues (R\$ million)	748.2	897.1	-16,6%	772.4	-3.1%
Gross Average Tariff (R\$/ton)	25.5	24.0	6.4%	23.1	10.6%
Net Revenues (R\$ million)	674.7	827.1	-18,4%	701.7	-3.8%
Net Average Tariff (R\$/ton)	23.0	22.1	4.2%	20.9	10.2%
EBITDA (R\$ million)	283.4	484.3	-41.5%	409.2	-30.7%
EBITDA Margin (%)	42.0%	58.6%	-16.6pp	58.3%	-16.3pp
Net Income (R\$ million)	(91.5)	115.9	-	87.1	-
Net Debt/EBITDA <sup>1</sup> (x)	1.16x	1.27x	-0.11x	1.19x	0.03x

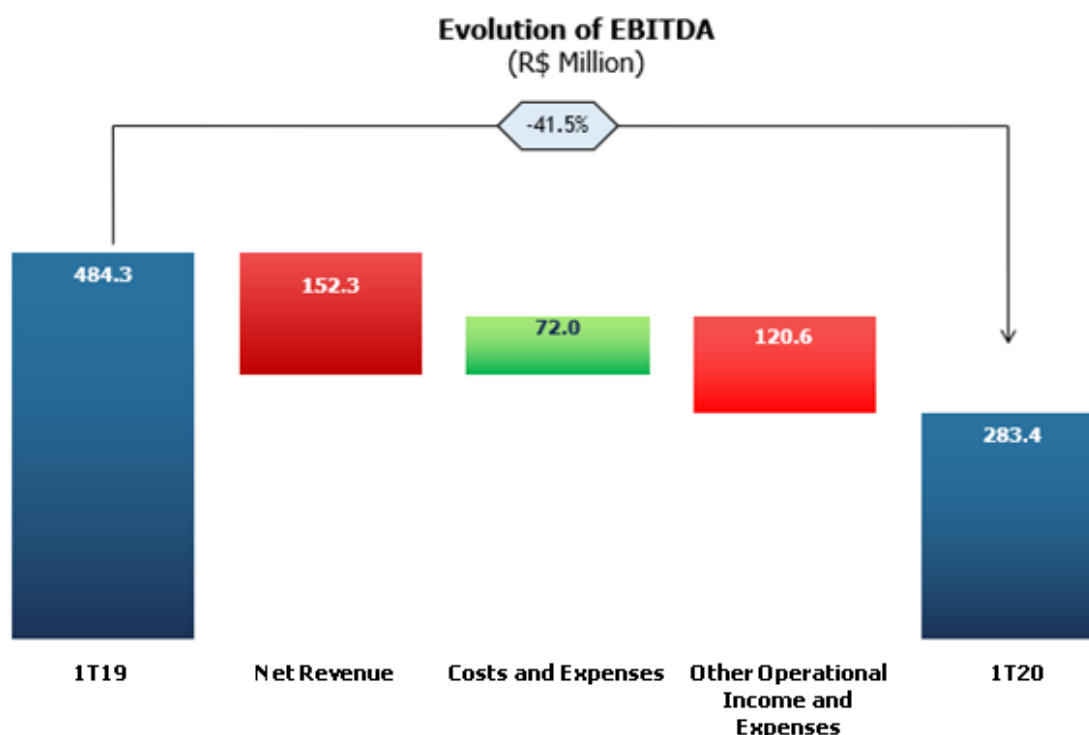
<sup>1</sup> EBITDA accumulated over the past 12 months. The covenant adopted towards some creditors was detailed in the debt

## Net Revenue

In 1Q20, MRS recorded net revenue of R\$ 674.7 million, a decrease of 3.8% compared to the last quarter of 2019. This result, among other factors, is a consequence of the heavy rains that hit the region served by the Company.

## EBITDA

The EBITDA for the 1Q20 decreased by 41.5% when compared to the first quarter of 2019, reaching R\$ 283.4 million, with an EBITDA Margin of 42.0%, 16.6 p.p. below what was recorded in 1Q20.



**I. Net Revenue:** Reduction by R\$ 152.3 million, mainly reflecting the impacts of the rains in early 2020 in the states of MG and RJ and also the consequences of the occurrence in Brumadinho (MG).

**II. Costs and Expenses:** Drop of R\$ 72 million, compared to what was seen in 1Q20. The result can be explained by the reduction in fuel consumption, due to the lower volume transported, by the retraction in third party services, and mainly related to the postponement of routes maintenance services due to the large volume of rain in the period;

**III. Other Operational Income and Expenses:** The first quarter of 2019 was atypical for the Company. For this reason, when comparing the periods of 1Q19 x 1Q20, we identified an unfavorable impact of R\$ 120.6 million in the EBITDA for the 1Q20, which mainly refers to the difference in the provision of the clauses provided for in the Company's long-term contracts (take or pay) occurred in 1Q19.

## Indebtedness

In R\$ million	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
<b>Gross Debt<sup>1</sup></b>	<b>2,995.8</b>	<b>2,531.9</b>	<b>-18.3%</b>	<b>3,006.9</b>	<b>-0.4%</b>
Gross Debt in Reais	2,404.8	2,014.1	19.4%	2,445.1	-1.6%
Gross Debt in US\$ <sup>2</sup>	591.0	517.8	14.1%	561.8	5.2%
<b>Cash<sup>3</sup></b>	<b>953.4</b>	<b>319.2</b>	<b>-</b>	<b>670.3</b>	<b>42.2%</b>
<b>Net Debt</b>	<b>2,039.5</b>	<b>2,157.5</b>	<b>-5.5%</b>	<b>2,336.6</b>	<b>-12.7%</b>
<b>EBITDA <sup>4</sup></b>	<b>1,763.0</b>	<b>1,963.9</b>	<b>-10.2%</b>	<b>1,543.2</b>	<b>14.2%</b>
<b>Net Debt/EBITDA (x) <sup>4</sup></b>	<b>1.16x</b>	<b>1.27x</b>	<b>-0.11x</b>	<b>1.19x</b>	<b>-0.03x</b>

<sup>1</sup> The difference in relation to the sum of the Lines of Loans and Financing (Balance Sheet) corresponds to the Transaction Costs. <sup>2</sup> Incorporates the fair value of derivative instruments. <sup>3</sup> Includes restricted cash. <sup>4</sup> EBITDA accumulated in the last 12 months (unadjusted result, that is, considering non-recurring events)

The Company's Gross Debt in 1Q20 was stable, compared to the immediately previous period, ending at R\$ 2,995.8 million. Result that can be explained by the lack of funding throughout the quarter.

The leverage indicator, measured by the Net Debt/EBITDA ratio, decreased from 1.19x at the end of 2019 to 1.16x in the first quarter of 2020. The positive performance of the indicator is mainly due to the focus on resource management, which results in good operational performance, in addition to low leverage.

The table below shows the reconciliation of Recurring EBITDA used in the calculation of covenants.

Reconciliation EBITDA (R\$ million)	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
<b>Net Income</b>	<b>(91.5)</b>	<b>115.9</b>	<b>-</b>	<b>87.0</b>	<b>-</b>
(+) Taxes on Profit	(41.5)	62.7	-	38.8	-
(+) Depreciation and Amortization	303.6	224.7	35.1%	236.4	28.4%
(-) Depreciation Right of Use (lease agreements)	(69.2)	(64.7)	7.0%	(69.6)	-0.6%
(+) Net Financial Result	112.9	81.4	38.7%	46.8	-
(-) AVP Financial Charges (lease contracts)	(38.1)	(41.0)	-7.1%	(39.3)	-3.1%
<b>(=) Adjusted EBITDA <sup>1</sup></b>	<b>176.1</b>	<b>379</b>	<b>-53.5%</b>	<b>300.2</b>	<b>-41.3%</b>

<sup>1</sup> More restrictive condition assumed with creditors

## Net Profits (Losses)

The final result for 1Q20 was a Net Profit (loss) of R\$ 91.5 million, which represented a decrease of R\$ 178.5 million in relation to that determined in 4Q19.

## Cash Flow Statement

Cash generation i a decrease of R\$ 178.5 million in relation to that determined in 4QIn 1Q20 was R\$ 285.1 million. The cash balance, at the end of the first quarter of 2020, was R\$ 953.4 million, a result of R\$ 634.3 million higher than the same period in 2019. This variation was influenced by the take or pay receipt - clauses provided for in the Company's long-term contracts - due to the reduction in the volume of a relevant customer of the Company and the lack of funding in the period.

Statement of Cash Flow - R\$ Million	1Q20	1Q19
<b>Cash at beginning of period</b>	<b>668.3</b>	<b>276.7</b>
<b>Net Income before IR and CSLL</b>	<b>(133.1)</b>	<b>178.1</b>
Depreciation and Amortization	303.7	224.7
Monetary/Foreign Exchange Variation and Financial Charges	140.3	31.5
Provision (Reversal)	(21.9)	6.1
Others	7.9	33.0
<b>Net Income cash basis</b>	<b>296.9</b>	<b>473.4</b>
<b>Changes is assets and liabilities</b>	<b>244.4</b>	<b>(230.1)</b>
Accounts Receivable and Related Parties	689.7	(18.0)
Stocks	(0.2)	(9.8)
Restricted Cash	2.1	67.8
Taxes Recoverable	(53.9)	18.2
Providers	4.3	(30.2)
Tax liabilities	(28.7)	(2.0)
Taxes on profit	(193.8)	(117.5)
Social and Labor Obligations	(65.6)	(44.1)
Payment of interest on loans and financing	(60.8)	(55.4)
Payment of interest on rights of use	(38.0)	(40.9)
Others	(10.7)	1.8
<b>Net Cash provided by operating activities</b>	<b>541.3</b>	<b>243.3</b>
Immobilized	(95.6)	(120.5)
Intangible	(0.8)	(0.5)
<b>Investment activities</b>	<b>(96.4)</b>	<b>(121.0)</b>
Borrowing and financing	-	185.0
Payments	(102.2)	(212.8)
Rights of use	(57.6)	(52.0)
<b>Financing activities</b>	<b>(159.8)</b>	<b>(79.8)</b>
<b>Cash at end of period</b>	<b>953.4</b>	<b>319.2</b>
<b>Cash Flow</b>	<b>285.1</b>	<b>42.5</b>



## Subsequent Events

In June 2020, the Company concluded the fundraising, approved by the Board of Directors on May 15<sup>th</sup>, 2020, in the total amount of R\$ 500 million, through: (i) the issuance of the Bank Credit Note (CCB) in the total amount of R\$ 150 million, and (ii) operation 4131 in the total amount of R\$ 350 million, with the goal of strengthening its cash and lengthening the debt profile. It should be noted that, together with 4131 funding, a full cash flow swap was contracted, eliminating the exchange risk associated with the operation in foreign currency.

# Relationships with the Investors and Consolidated Tables



## Relationships with the Investors

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### **B3 - Over-the-counter market**

### **Relationships with the Investors Site**

[ri.mrs.com.br](http://ri.mrs.com.br)

# Consolidated Tables

Transported Volume TU Million	1Q20			1Q19			4Q19		
	MRS	Others	Total	MRS	Others	Total	MRS	Others	Total
<b>Mining</b>	<b>16,536</b>	<b>-</b>	<b>16,536</b>	<b>24,430</b>	<b>-</b>	<b>24,430</b>	<b>18,449</b>	<b>-</b>	<b>18,449</b>
Iron Ore	15,900	-	15,900	23,792	-	23,792	17,957	-	17,957
Export	12,773	-	12,773	20,602	-	20,602	15,081	-	15,081
Domestic Market	3,127	-	3,127	3,190	-	3,190	2,876	-	2,876
Coal and Coke	636	-	636	638	-	638	492	-	492
<b>General Cargo</b>	<b>4,154</b>	<b>8,604</b>	<b>12,758</b>	<b>4,525</b>	<b>8,407</b>	<b>12,932</b>	<b>4,509</b>	<b>10,550</b>	<b>15,059</b>
Agricultural Products	659	7,212	7,871	1,003	7,059	8,062	902	8,784	9,686
Corn	-	121	121	-	557	557	273	5,119	5,392
Sugar	515	1,267	1,782	599	732	1,331	628	1,788	2,416
Soy	144	5,014	5,158	337	4,783	5,120	-	590	590
Soybean Meal	-	810	810	670	986	1,053	-	1,286	1,286
Steel Products	1,756	-	1,756	1,851	-	1,851	1,631	-	1,631
Container	343	227	570	298	247	545	331	300	631
Construction	463	-	463	441	-	441	513	-	513
Others	932	1,161	2,093	932	1,097	2,029	1,132	1,466	2,598
<b>Total</b>	<b>20,689</b>	<b>8,604</b>	<b>29,293</b>	<b>28,955</b>	<b>8,407</b>	<b>37,362</b>	<b>22,956</b>	<b>10,550</b>	<b>33,507</b>

Investments - R\$ million	1Q20	1Q19	1Q20 x 1Q19	4Q19	1Q20 x 4Q19
Chains	126.0	147.6	-14.6%	168.9	-25.4%
Expansion	8.1	8.0	1.6%	11.0	-26.4%
Improvement	1.7	6.2	-72.6%	10.2	-83.3
<b>Total</b>	<b>135.8</b>	<b>161.8</b>	<b>-16.1%</b>	<b>190.1</b>	<b>-28.6%</b>

<b>Income Statement - Em R\$ Million</b>	<b>1Q20</b>	<b>1Q19</b>	<b>4Q19</b>
<b>Net Revenue</b>	<b>674.7</b>	<b>827.1</b>	<b>701.7</b>
Costs of Provided Services	(324.3)	(397.5)	(367.2)
<b>(=) Gross Profit</b>	<b>350.4</b>	<b>429.5</b>	<b>334.5</b>
<b>Income (Expenses)</b>	<b>(67.0)</b>	<b>54.7</b>	<b>74.7</b>
Sales Expenses	(3.0)	(3.0)	(4.3)
General and Administrative Expenses	(49.3)	(48.1)	(56.8)
Other Operating Income	39.0	159.4	271.1
Other Operating Expenses	(53.8)	(53.6)	(135.3)
<b>(=) EBITDA</b>	<b>283.4</b>	<b>484.3</b>	<b>409.2</b>
Depreciation/Amortization	(303.5)	(224.7)	(236.4)
<b>(=) Operating Income Before Financial Effects</b>	<b>(20.2)</b>	<b>259.5</b>	<b>172.7</b>
Financial Income	192.5	60.4	92.6
Financial Expenses	(305.4)	(141.8)	(139.5)
<b>(=) Income Before Income Tax and Social</b>		<b>178.1</b>	<b>125.9</b>
IR/CS Current/Deferred	41.5	(62.3)	(38.8)
<b>(=) NET INCOME</b>	<b>(91.5)</b>	<b>115.9</b>	<b>87.0</b>



Balance sheet - R\$ Million

ASSETS	1Q20	2019	1Q19
<b>Current</b>			
Cash and Cash Equivalents	953.4	668.3	319.2
Restricted Cash	-	2.0	2.0
Accounts Receivable with Related Parties	214.7	899.7	269.6
Others Accounts Receivables	7.7	8.4	39.4
Stocks	119.6	119.5	117.3
Recoverable Taxes	138.7	90.9	86.7
Prepaid Expenses	17.7	18.0	13.4
Derivative Financial Instruments	151.4	51.6	1.1
Other Current Assets	17.7	20.1	15.2
<b>Total Current Assets</b>	<b>1,621.1</b>	<b>1,878.5</b>	<b>863.8</b>
<b>Not Current</b>			
Long Term Realizable	-	-	-
Accounts Receivable with Related Parties	171.8	175.2	198.8
Others Accounts Receivables	85.8	85.2	117.1
Recoverable Taxes	99.9	92.8	44.2
Prepaid Expenses	2.6	4.8	0.9
Derivative Financial Instruments	93.0	44.7	51.1
Other Not-Current Assets	125.5	126.9	111.7
Immobilized	1,782.9	1,852.6	1,967.8
Rights of use	6,299.2	6,417.6	6,420.7
Intangible	44.3	45.8	40.0
<b>Total Not-Current Assets</b>	<b>8,705.0</b>	<b>8,845.8</b>	<b>8,953.4</b>
<b>Total Assets</b>	<b>10,326.1</b>	<b>10,724.3</b>	<b>9,817.3</b>

LIABILITIES	1Q20	2019	1Q19
<b>Current Liabilities</b>			
Suppliers	172.3	197.3	185.4
Labor Express	112.6	178.2	136.1
Income Tax and Social Contribution	-	209.0	102.8
Others Taxes Obligations	46.7	106.4	37.8
Loans and Financing	1,029.8	714.5	322.6
Leasing to pay	257.7	256.0	243.8
Derivative Financial Instruments	17.4	12.3	20.2
Payable Dividends	119.7	119.7	124.0
Payable Concessions and Lease	3.8	3.8	3.7
Client Advances	0.6	0.4	3.5
Provisions	33.9	39.8	38.4
Others Current Liabilities	18.9	31.4	27.3
<b>Total Current Liabilities</b>	<b>1,813.5</b>	<b>1,868.9</b>	<b>1,245.8</b>
<b>Not Current</b>			
Suppliers	37.4	37.0	36.3
Loans and Financing	2,166.5	2,351.0	2,162.7
Derivative Financial Instruments	-	-	1.5
Payable Concessions and Lease	2.6	2.7	2.9
Client Advances	-	-	-
Diferred Taxes	69.1	63.6	139.9
Provisions	567.6	581.4	415.2
Leasing to pay	1,592.0	1,650.8	1,773.5
Others Current Liabilities	66.3	66.4	79.5
<b>Total Not-Current Liabilities</b>	<b>4,501.4</b>	<b>4,752.8</b>	<b>4,611.5</b>
<b>TOTAL LIABILITIES</b>	<b>6,314.9</b>	<b>6,621.7</b>	<b>5,857.1</b>
Capital Stock	2,047.3	1,917.3	1,917.3
Reserve Allocation for Capital	-	130.0	-
Profit Reserves	2,047.2	2,047.2	1,917.3
. Legal Reserves	320.5	320.5	295.4
. Investments Reserves	1,726.7	1,726.7	1,621.9
. Proposed Additional Dividend	-	-	-
Accumulated Profit	(91.5)	-	115.9
Equity Valuation Adjustments	8.1	8.0	9.7
<b>Total Stockholders Equity</b>	<b>4,011.0</b>	<b>4,102.5</b>	<b>3,960.2</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS</b>	<b>10,326.1</b>	<b>10,724.3</b>	<b>9,817.3</b>