

Annual Report • 2019



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Key Highlights

Volume Transported
in General Cargo



6.9%

59.4 MM Tons

EBITDA



R\$1.9 bn

Leverage
Indicator



1.19x

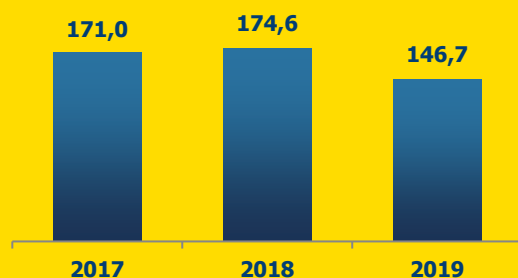
-0.19x

EBITDA Margin

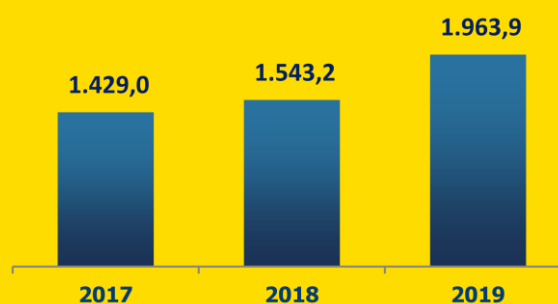


61.4%

Volume Transported
(in TU million)



EBITDA
(In millions of Brazilian reais)



Rio de Janeiro, March 25, 2020. MRS Logística SA announces its results for 4Q19 and 2019. Comparisons refer to results for the previous quarter and the same periods in 2018, as indicated. Information directly extracted from the Balance Sheet and the Income Statement was duly reviewed by independent auditors, except for non-financial information.

HIGHLIGHTS - 2019

Financial and Operational Outcomes	2017	2018	2019	2019 x 2018
Transported Volume (TU million)	171.0	174.5	146.9	-15.9%
Gross Revenues (R\$ million)	3,870.3	4,083.6	3,483.7	-14.7%
Net Revenues (R\$ million)	3,492.8	3,726.4	3,200.8	-14.1%
Adjusted EBITDA ¹ (R\$ milhões)	1,429.0 ¹	1,543.2	1,963.9	27.3%
Adjusted EBITDA Margin ¹ (%)	40.9% ¹	41.4%	61.3%	20,0pp
Adjusted Net Income ¹ (R\$ million)	434.5	521.6	503.4	-3.5%
Gross Debt (R\$ million)	2,695.9	2,474.9	3,038.9	21.5%
Net Debt (R\$ million)	2,209.2	2,128.9	2,336.6	9.8%
Net Debt/EBITDA ² (x)	1.50x	1.38x	1.19x	-0,19x

¹ In the adjusted results, two non-recurring events, which were the sale of assets in 1Q17

² Last 12 months (unadjusted result, that is, considering the non-recurring events).

As discussed in the quarterly reports, 2019 was as a unique period for the Company.

MRS ended 2019 with 146.9 million tons transported, recording a 15.9% drop as compared to the previous year. This decline can be explained by the dam break in Brumadinho (MG), at the beginning of the year, and its consequences. However, the volume of General Cargo recorded a 6.9% increase (group comprising agricultural products, steel products, cement, containers, among others), which, for the first time in an one-year period, reached a 40.4% of the mix transported, slightly offsetting the downturn in iron ore transport, in line with the Company's strategy of diversifying the transported cargo.

The iron ore Transit Time, an indicator that calculates the transportation time (from origin to destination) of the Company's main cargo, has also improved. It reached 19.08 hours, the best result in the entire historical series.

Reinforcing the importance of a good performance in safety indicators, the accident target agreed with the National Land Transport Agency - ANTT - was met. The indicator (accidents/million.train.km) was 5.91% below what had been defined for 2019. This result reflects the constant investments in operational safety and awareness campaigns carried out over the years.

EBITDA in the period grew 27.3% when compared to 2018 result, and amounted to R\$ 1.96 billion, with a 61.4% margin.

Commercial and Operational Results



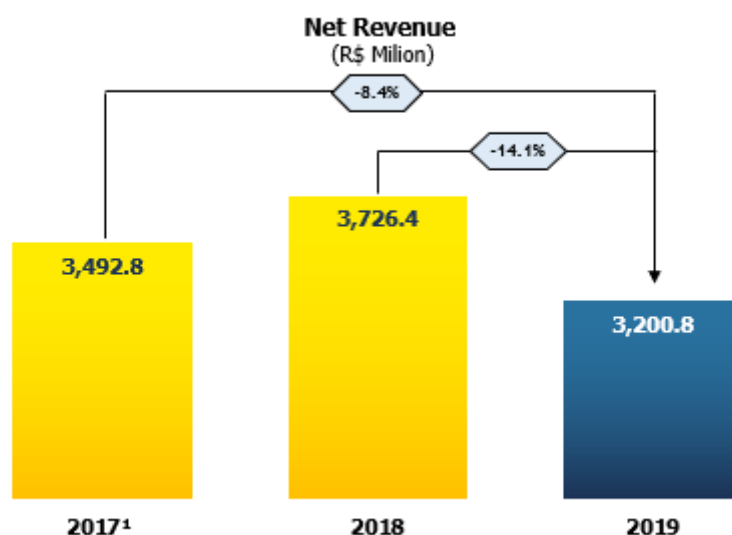
MRS train crossing urban area

Commercial Results

Transported Volume TU Million	4Q19	4Q18	4Q19 X 4Q18	3Q19	4Q19 X 3Q19	2019	2018	2019 X 2018
Mining	18,448	31,934	-42.2%	22,580	-18.3%	87,464	118,993	-26.5%
Iron Ore	17,957	31,206	-42.6%	22,092	-18.7%	85,164	115,948	-26.6%
Export	15,081	27,480	-45.1%	19,918	-24.3%	74,130	101,342	-26.9%
Domestic Market	2,876	3,779	-23.9%	2,174	32.3%	11,034	14,605	-24.5%
Coal and Coke	492	675	-27.2%	488	0.8%	2,301	3,045	-24.4%
General Cargo	15,059	14,586	3.2%	16,708	-9.9%	59,402	55,570	6.9%
Agricultural Products	9,686	9,477	2.2%	11,371	-14.8%	38,538	37,180	3.7%
Steel Products	1,631	1,822	-10.5%	1,845	-11.6%	7,089	6,812	4.1%
Container	631	564	12.0%	634	-0.4%	2,406	1,983	21.3%
Cement	513	458	11.8%	563	-8.9%	2,049	1,689	21.4%
Others	2,598	2,267	14.6%	2,296	13.2%	9,320	7,906	17.9%
Total	33,508	46,520	-28.0%	39,288	-14.7%	146,866	174,563	-15.9%

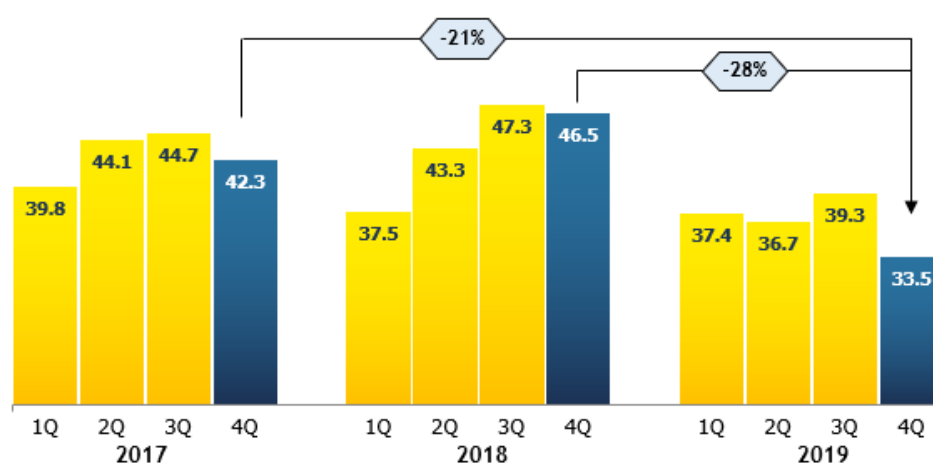
2019 was an unusual year for the Company, due to the break of the tailings dam in Brumadinho (MG). The iron ore loading terminal at Córrego do Feijão was covered by the tailings from the dam, disrupting this terminal operation. In addition, as a consequence, as determined by the courts, other mines were also paralyzed with direct impacts on MRS.

As a result of this event, the total volume transported by the Company in 2019 recorded a 15.9% decline when comparing with the volume in 2018, reaching 146.9Mt. In 4Q19, volume transported amounted to 33.5 million tons (Mt), a 14.7% reduction versus the third quarter of this year.



Quarterly Results - Transported Volume

Transported Volume in millions of TU

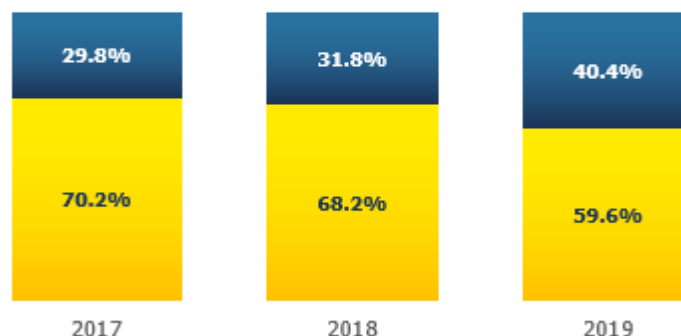


The result of the volume transported in General Cargo set an annual record, amounting to 59.4 million tons, a 6.9% increase versus 2018. Moreover, the figures achieved by this group in 4Q19 are the best for a fourth quarter, reaching 15.1 Mt, a 3.2% increase when compared to 4Q18.

Year-to-date, 2019 volume in General Cargo Group reached 40.4% share of total volume transported, representing the highest percentage ever recorded in the segment. This increase demonstrates the strengthening of this group in the total volume transported, in line with the strategy adopted by the Company. Mining group ended the period with a 59.6% share in the volume transported.

Transported Mix

■ Mining ■ General Cargo



Mining

The Mining group (which includes ore, coal and coke) amounted to 18.5 Mt in 4Q19, representing an 18.3% reduction compared to 3Q19.

Transported Volume TU Million	4Q19	4Q18	4Q19 X 4Q18	3Q19	4Q19 X 3Q19	2019	2018	2019 X 2018
Mining	18,448	31,935	-42.2%	22,579	-18.3%	87,464	118,993	-26.5%
Export	15,081	27,480	-45.1%	19,918	-24.3%	74,130	101,342	-26.9%
Domestic Market	2,876	3,779	-23.9%	2,174	32.3%	11,034	14,605	-24.5%
Coal and Coke	492	675	-27.2%	488	0.8%	2,301	3,045	-24.4%
Subtotal Mining	17,957	31,260	-42.6%	22,092	-18.7%	85,164	115,948	-26.6%
Subtotal Domestic Market	3,367	4,455	-24.4%	2,662	26.5%	13,334	17,650	-24.5%

Iron Ore – Export

In the fourth quarter of 2019, Iron Ore volume destined for export decreased 24.3% when compared to the immediately previous period. This reduction is explained by operational problems in production faced by important customers in the segment and the increase in product quality requirements imposed by the seaborne market, resulting in restrictions on the supply of iron ore to small and medium miners. Therefore, the segment totaled 15.1Mt transported in 4Q19.

The Company recorded 74.1 Mt transported in 2019, a 26.9% decrease as compared to the same period of previous year, explained by the impediments for the operation in some mines of the Company's relevant customers, as a result of the event in Brumadinho (MG).

Iron Ore, Coal and Coke - Domestic Market

The result achieved in the transportation of the Mining Group to supply the domestic market in 4Q19 amounted to 3.4Mt, a 26.5% increase versus 3Q19. The positive result can be explained by the resumption of the blast furnace activities of an important customer. In 2019, considering the volumes of ore, coal and coke, the group recorded a 24.5% decrease when compared to 2018, closing at 13.3 Mt.

The steel industry has been adopting a strategy of replacing iron ore as the main raw material for the production process, directly impacting the domestic market. The reductions in transported volume in 2019 are also related to occurrences in the mining market, due to the aforementioned events.

General Cargo

In 2019, transported volume in General Cargo (other products not covered by the Mining group), which includes transportation by MRS and further railways, through track rights payment, recorded a 6.9% growth as compared to 2018, reaching 59.4Mt. Comparing 4Q19 versus 4Q18, this means an increase of 3.2%.

The Group's growth reflects the Company's efforts to foster General Cargo transported volumes, showing progress in handling, both to the ports of Rio de Janeiro and Santos, as a result of the extension in serving traditional customers, new partnerships and new customers. Thus, we achieved the best performance in recent years in this segment, exceeding the historical record in General Cargo transportation.

Agricultural products

Transported Volume TU Million	4Q19	4Q18	4Q19 X 4Q18	3Q19	4Q19 X 3Q19	2019	2018	2019 X 2018
Agricultural Products	9,686	9,477	2.2%	11,371	-14.8%	38,538	37,180	3.7%
Corn	5,393	5,351	0.8%	7,232	-25.4%	14,511	11,245	29.0%
Sugar	2,417	2,319	4.2%	2,491	-3.0%	8,405	9,049	-7.1%
Soy	590	784	-24.7%	495	19.3%	10,733	12,733	-15.7%
Soybean Meal	1,286	1,023	25.7%	1,153	11.5%	4,888	4,152	17.7%

The volume of own and third-party agricultural products (through track rights payment) amounted to 9.7Mt in 4Q19, 2.2% higher than 4Q18. This is a favorable result, reflecting the consolidation of the rail modal in the product transportation to the Santos port region and the good performance of the cargoes of other railways that pass through the Company's network through the track right.

In the second half of 2019, the stoppage of an important Cargo Terminal affected the total volume transported, mainly of soybeans. Nevertheless, we were able to close the year with growth in the segment. Among those commodities transported, corn stands out, with a signif-

icant 29% increase compared to 2018, corresponding to a total year-to-date amount of 14.5 Mt transported.

The current record scenario in corn harvest and the improvement in the international price of this commodity have fueled the growth in production flow as compared to previous years. The percentage breakdown of the volume transported between domestic consumption and exports was 14.1% and 85.9%, respectively, considering own cargo and other railways. Although domestic market share is lower compared to exports, the growth recorded in recent years was expressive.

Steel Products

Transported Volume TU Million	4Q19	4Q18	4Q19 X 4Q18	3Q19	4Q19 X 3Q19	2019	2018	2019 X 2018
Steel Products	1,631	1,822	-10.5%	1,845	-11.6%	7,089	6,812	4.1%

Unlike Brazilian crude steel production, which fell 9%, the transportation of steel products at MRS has grown 4.1% when comparing 2019 and 2018.

This result represents the second best volume transported during a one-year period for the segment, approaching the historical peak. The increase in the number of slabs transported to service some customers' operations, volume leverage on new routes and development of inter-plant transportation for some customers, are some of the main factors that explain this result.

The export volume in the last two years has been showing retraction, representing an increasingly lower share in the category. On the other hand, regarding the domestic market volume, the Company constantly seeks strategies to offset for the imbalance, which can be seen in the favorable results of the segment, namely, in 2017 (4.9 Mt), 2018 (5.7 Mt) e 2019 (6.2 Mt).

Containers

Transported Volume TU Million	4Q19	4Q18	4Q19 X 4Q18	3Q19	4Q19 X 3Q19	2019	2018	2019 X 2018
Containers	631	563	12.0%	634	-0.4%	2,406	1,983	21.3%

Container segment remains with positive performance, amounting to 0.6 million tons transported in 4Q19, 12.0% higher than 4Q18, considering other railways using track rights payment.

The rail modal provides great operational predictability and resource optimization for customers. In this regard, MRS is consolidated, through negotiations with new customers and routes, supported by an efficient operational model for serving several demand flows in the

main economic centers of the Southeast region of the country.

Container segment also recorded its best annual performance in 2019, amounting to 2.4 Mt. The following contributed to this result: (i) flows from Other Railways, (ii) the leverage of new volumes/customers, through Santos - Jundiaí route, corresponding to a 22.2% growth, thus representing 70.5 thousand tons; (iii) the growth in RJ-BH route, mainly related to the increase in volume transported with the ship-owners and partner logistics operators, in addition to the start-up of the new cargo terminal in Itutinga (MG), corresponding to a 6.7% gain, equivalent to 23.1 thousand tons; and (iv) the positive results achieved in other routes due to enhanced planning with customers, increasing productivity without the need for new investments in well-established routes.

Civil Construction

Transported Volume TU Million	4Q19	4Q18	4Q19 X 4Q18	3Q19	4Q19 X 3Q19	2019	2018	2019 X 2018
Construction	513	458	11.8%	563	-8.9%	2,049	1,689	21.4%

Results from products related to Civil Construction (sand, cement, blast furnace slag) remained positive and ended 2019 with a total of 2.0 Mt transported, representing a 21.4% growth when compared to 2018.

The good performance is due to the Company's strategy in prospecting new customers, re-negotiating non-operating routes, improving operating performance and the increased share with current customers and positive growth scenario in the sector.

Others

Transported Volume TU Million	4Q19	4Q18	4Q19 X 4Q18	3Q19	4Q19 X 3Q19	2019	2018	2019 X 2018
Others	2,598	2,267	14.6%	2,296	13.2%	9,32	7,906	17.9%

MRS transported a total of 9.3Mt in 2019 in Other Products group (pig iron, chemicals, fertilizers, pulp, among others), an increase of 17.9% compared to 2018.

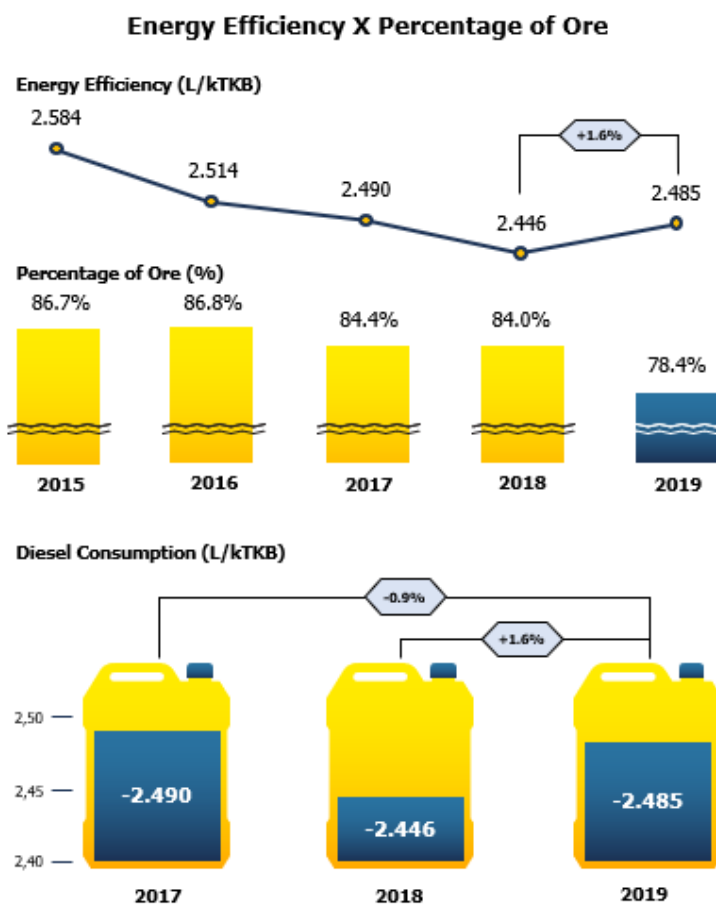
The following contributed to this result: (i) the transportation of pig iron for export, with 88.8% increase. This growth may be explained by the pig iron price in foreign market and favorable exchange rate, combined with the reduction of this product sale in the domestic market; (ii) the transportation of chemicals from other railways for domestic market supply; and (iii) the transportation of fertilizers from other railways, with significant growth.

Operating Results

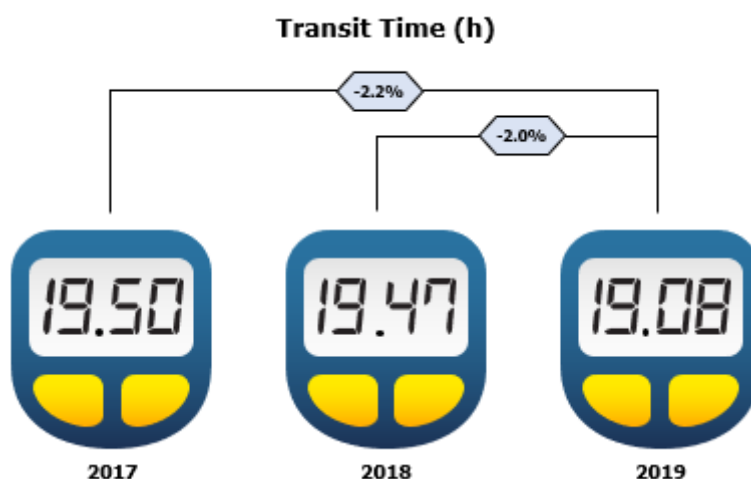
In 2019, the energy efficiency indicator, which measures the fuel consumption of locomotives, reached the mark of 2.485 L/kTKB (Liter/Thousand Ton Gross Kilometer). Although the Ore and General Cargo groups have showed improvement on a standalone basis, the global energy efficiency indicator for 2019 fell as compared to 2018. This variation is due to the reduction in the ore volume in 2019, which historically has a higher share in the cargo mix.

Despite the small variation of 1.6% in fuel consumption, the result remains within the scenario estimated by the Company, considering that 2019 was an unusual year. MRS maintains its focus on better cost and production management, ranging from the use of more efficient locomotives to the use of operational improvements and technologies, such as the AEES (Automatic Engine Start Stop), which automatically controls the start and stop of the diesel engine. In addition, the increase in the length and weight of General Cargo trains allowed a better use of the more efficient locomotives (model AC-44), which brought relevant efficiency gains for this group.

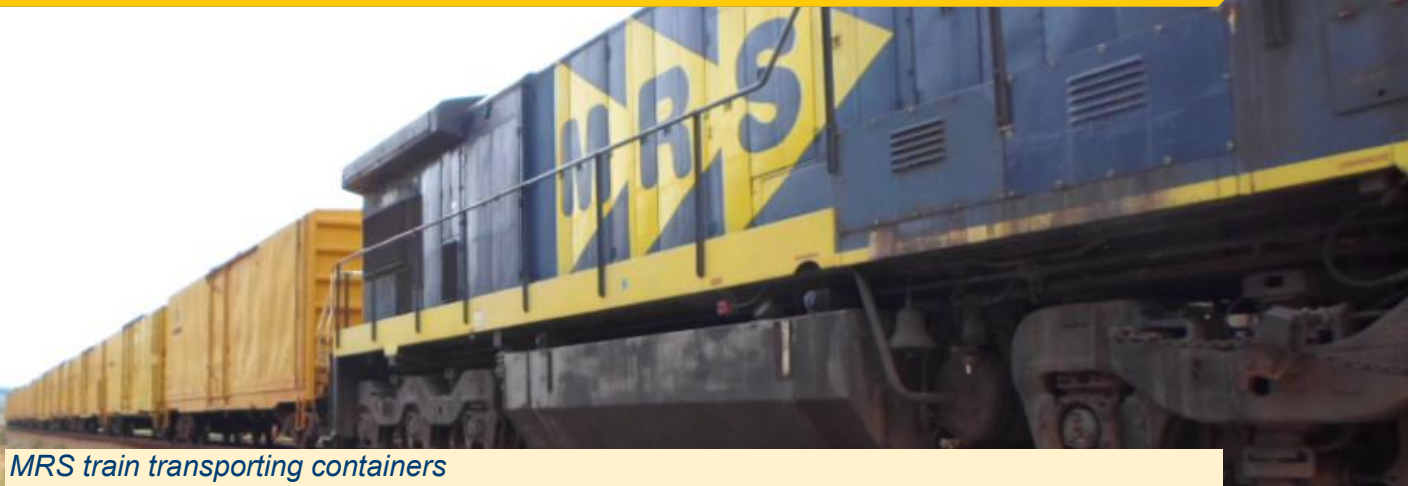
The graph below allows comparing the evolution of global efficiency with the difference in the percentage of ore in annual production in TKB.



Iron ore Transit Time - which calculates the time it takes to transport cargo from origin to destination - improved in 2019 and ended the period at 19.08 hours (best result in the whole historical series). This 2.0% evolution reflected the investments made by the Company over the years - such as the acquisition of the GE AC-44 locomotives and the CBTC (Communication Based Train Control) system - that provides more productivity and safety to the operation, as well as the reduction in the flow of trains due to the event in Brumadinho (MG).



Economic and Financial Results



MRS train transporting containers

Results	4Q19	4Q18	4Q19 x 4Q18	3Q19	4Q19 x 3Q19	2019	2018	2019 x 2018
Gross Revenues (R\$ million)	772.4	1,086.0	-28.9%	927.0	-16.7%	3,483.7	4,083.6	-14.7%
Gross Average Tariff (R\$/ton)	23.1	23.3	-0.9%	23.6	-2.1%	23.7	23.4	1.3%
Net Revenues (R\$ million)	701.7	992.7	-29.3%	856.5	-18.1%	3,200.8	3,726.4	-14.1%
Net Average Tariff (R\$/ton)	20.9	21.3	-1.9%	21.8	-4.1%	21.8	21.3	2.3%
Adjusted EBITDA ¹ (R\$ million)	409.2	396.0	3.3%	597.5	-31.5%	1,963.9	1,543.2	27.3%
Adjusted EBITDA Margin ¹ (%)	58.3%	39.9%	18.4pp	69.8%	-11.5pp	61.4%	41.4%	20,0pp
Adjusted Net Income ¹ (R\$ millio	87.1	144.6	-39.8%	181.1	-51.9%	503.4	521.6	-3.5%
Net Debt/EBITDA ¹ (x)	1.19x	1.38x	-0.19x	1.06x	0.13x	1.19x	1.38x	-0.19x

¹EBITDA accumulated over the past 12 months. The covenant adopted towards some creditors was detailed in the debt chapter of this release

In order to better reflect the operational cash generation and the net result, the non-recurring event in 2017, referring to the sale of Company's discontinued assets, was excluded. The table below shows the reconciliation of this adjustment based on the accounting results:

Reconciliation EBITDA (R\$ million)	2017	2018	2019
Net Income for the Year	461.2	521.6	503.4
(+) Taxes on Profit	254.0	262.8	254.4
(+) Depreciation and Amortization	566.9	604.6	921.2
(+) Net Financial Result	187.3	154.3	284.9
(=) EBITDA	1,469.5	1,543.2	1,963.9
(-) Non-recurring Events ¹	40.5	-	-
(=) Adjusted EBITDA	1,429.0	1,543.2	1,963.9

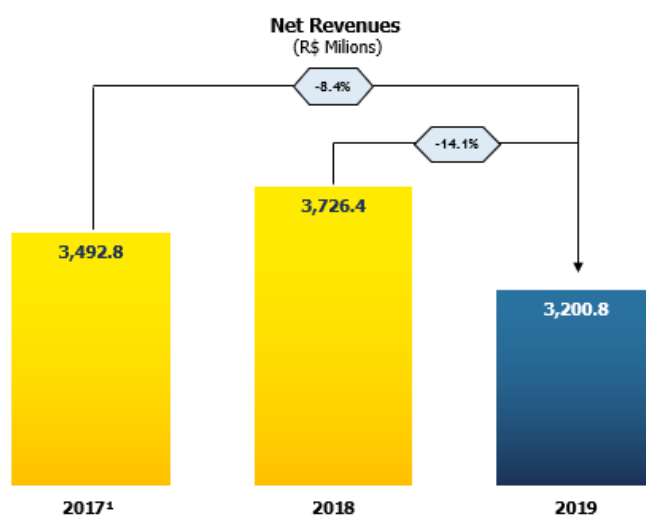
¹ Net of taxes (PIS and COFINS, when incidents)

Reconciliation of Net Income (R\$ million)	2017	2018	2019
Net Income for the Year	461.2	521.6	503.4%
(-) Non-recurring Events ²	26.7	-	-
(=) Adjusted Net Income	434.5	521.6	503.4

²Net of taxes (PIS, COFINS, IRPJ and CSLL, when incidents)

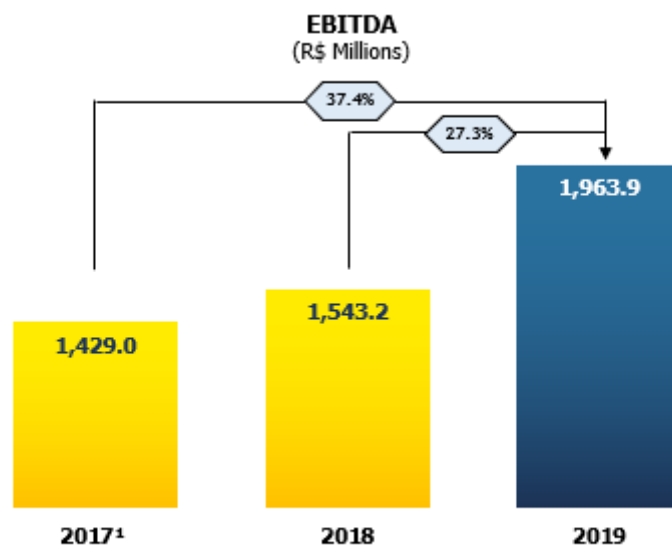
Net Revenues

MRS recorded net sales in the amount of R\$ 3.2 billion in 2019, with a highlight to the 11.3% increase in revenue from the General Cargo segment when compared to 2018. This growth, among other factors, is explained by the 6.9% increase in the volume transported by said Group.



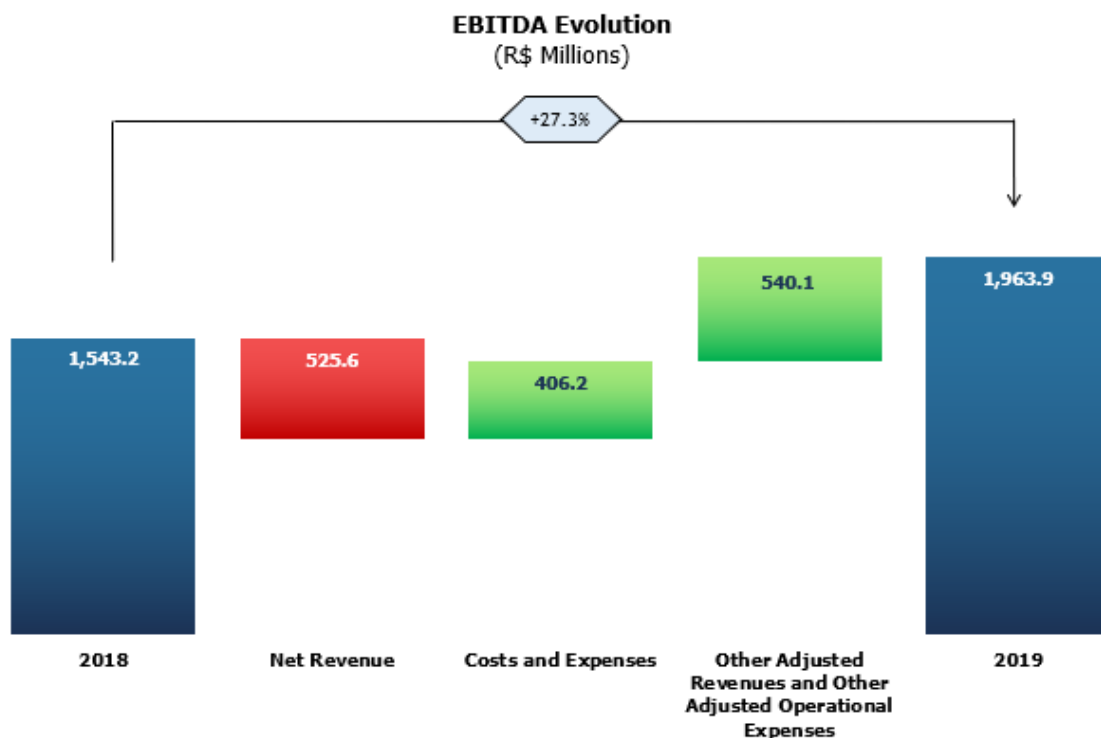
Compared to 2019, a 14.1% decrease can be seen in net revenue following a 28.0% drop in transported TU in the period, when compared to 2018. The reduction can be explained by the dam break in Brumadinho (MG) and its consequences.

EBITDA



¹ In the adjusted results, two non-recurring events, which were the sale of assets in 1Q17

2019 EBITDA grew 27.3% when compared to 2018, reaching R\$ 1.9 billion, with EBITDA Margin of 61.4%, 20 p.p. higher versus 2018.



I. Net Revenues R\$ 525.6 million retraction, mainly reflecting the impacts of the developments of the event in Brumadinho (MG).

II. Costs and Expenses 21.5% decrease or R\$ 406.2 million, when compared to 2018. The favorable result can be explained by the adoption of the accounting standard CPC06-R2/IFRS16, which reallocated the costs of some operating lease agreements to the lines of depreciation and financial expenses, implying a R\$ 429.9 MM effect, due to the reduction in fuel consumption as a result of the lower volume transported, as well as the Company's efforts to resize and reduce its operating expenses;

III. Other Operating Revenues and Expenses. The R\$ 540.1 million positive impact in EBITDA is basically due to the provision for indemnity set forth in the Company's long-term agreements (take or pay), due to the volume reduction in Ore transportation. The impact was partially reduced by legal provisions in for labor proceedings.

Indebtedness

In R\$ Million	4Q19	4Q18	3Q19	4Q19 x 4Q18	4Q19 x 3Q19
Gross Debt¹	3,006.9	2,474.9	3,072.0	21.5%	-2.1%
Gross Debt in Reais	2,445.1	1,855.3	2,513.3	31.8%	-2.7%
Gross Debt in US\$ ²	561.8	619.6	558.7	-9.3%	0.6%
Cash³	670.3	495.7	1,023.8	35.2%	-34.5%
Net Debt	2,336.6	1,958.9	2,066.1	19.3%	13.1%
EBITDA ⁴	1,963.9	1,445.6	1,950.7	35.9%	0.7%
Net Debt/EBITDA (x) ⁴	1.19x	1.38x	1.06x	-0.19x	0.13x

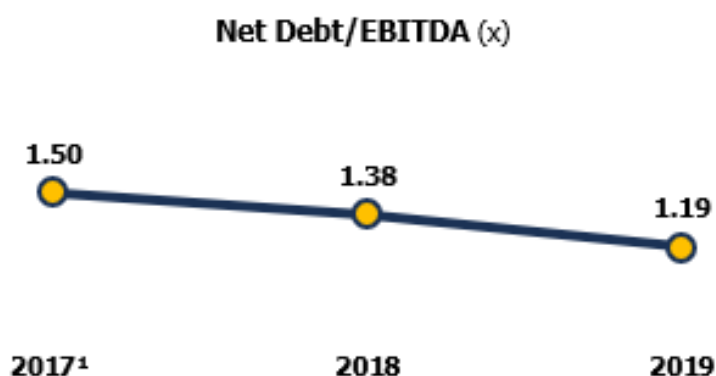
¹ The difference in relation to the sum of the Lines of Loans and Financing (Balance Sheet) corresponds to the Transaction Costs.

² Incorporates the fair value of derivative instruments.

³ Includes restricted cash.

⁴ EBITDA accumulated in the last 12 months (unadjusted result, that is, considering non-recurring events)

The Company raised approximately R\$ 930.5 million in 2019. As a result, Gross Debt was 23.1% higher versus 2018 and closed 2019 at R\$ 3.0 billion. The result is explained by the strong volume of funding in the period, taking advantage of the good market moment, due to the uncertainties in the mining sector. Among the main funding, we can highlight: i) 9th issue of debentures, in the amount of R\$ 650 million; ii) Finem with BNDES, in the amount of R\$ 140 million; and iii) Financing with Banco MUFG, in the amount of R\$ 95 million.



The leverage indicator, measured by the Net Debt/EBITDA ratio, decreased from 1.38x at 2018 year-end to 1.19x at 2019 year-end. The good performance of the indicator reflected the sustainable focus on the management of resources, low leverage and good operational performance.

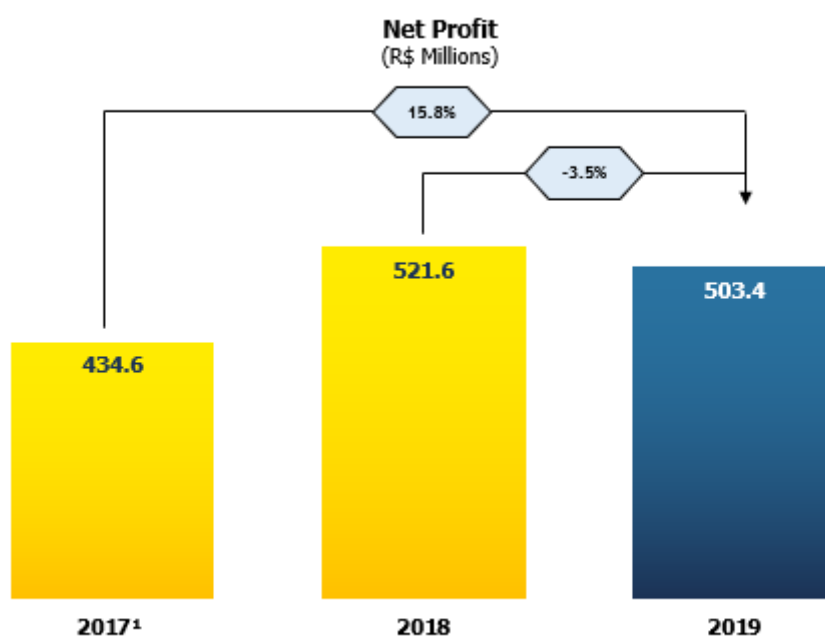
The table below shows the Recurring EBITDA reconciliations used to calculate covenants.

Reconciliation EBITDA (R\$ million)	4Q19	4Q18	4Q19 x 4Q18	2019	2018	2019 x 2018
Net Income for the Year	87.1	144.6	-39.8%	503.4	521.6	-3.5%
(+) Taxes on Profit	38.8	67.4	-	254.4	262.8	-
(+) Depreciation and Amortization	236.5	155.6	-	921.2	604.6	-
(-) Depreciation - Right of Use (lease agreements)	(69.6)	-	-	(269.9)	-	-
(+) Net Financial Result	46.8	28.4	-	284.9	154.3	-
(-) Financial Charges AVP (lease contracts)	(39.3)	-	-	(160.0)	-	-
(=) EBITDA ¹	300.2	396.0	-24.2%	1,534.9	1,543.2	-0.8%

¹ More restrictive condition assumed with creditors

Net Profit

The bottom-line for 2019 was a Net Income of R\$ 503.4 million, representing a small decrease of 3.5% versus 2018.



¹ In the adjusted results, two non-recurring events, which were the sale of assets in 1Q17

The graph above shows the evolution of Net Profit, adjusted for 2017, due to the sale of assets in 1Q17, a non-recurring event. The result achieved in 2019 reflected the constant policy for searching cost efficiency, in addition to the improvement in General Cargo performance and the provision of take-or-pay contractual provisions included in the Company's long-term agreements.

Cash Flow Statement

Cash generation in 2019 amounted to R\$ 391.6 million. The cash balance at the end of 2019 was R\$ 668.3 million, higher when compared to the end of 2018, of R\$ 276.6 million. This change was influenced by the increased funding in the period, bilateral, Debentures and BNDES. The redemption of investments linked to some financing agreements with BNDES in 2019 compared to 2018, have naturally influenced the performance assessed in the period.

Cash Flow Statement - R\$ Million	2019	2018
Beginning	276.7	422.8
Net Income	757.7	784.4
Depreciation and Amortization	921.2	604.6
Monetary, Exchange Rate Variation and Financial Charges	382.9	187.0
Low Residual Assets Value and Investment	56.5	18.1
Provision (Reversal)	121.3	41.9
Others	13.7	5.3
Net Income Cash Basis	2,253.3	1,641.3
Asset and Liability	(1,147.4)	(505.7)
Receivable Accounts	(591.8)	(60.)
Stocks	(10.0)	(21.6)
Restrict Cash	(67.9)	(2.0)
Taxes to be recovered	25.6	(4.9)
Suppliers	(19.3)	(36.5)
Fiscal Charges	67.2	(16.7)
Taxes on Profit	280.0	(303.3)
Payroll and Social Charges	2.0	10.2
Pay Interest on loans and financing	144.1	(137.1)
Pay Interest on rights of use	(160.0)	-
Others	49.7	66.2
Net Cash Provided by Operating Activities	1,105.9	1,135.6
Fixed Assets	(645.7)	(688.0)
Intangible Assets	(13.3)	(11.5)
Proceeds from the sale of property, plant and equipment	2.2	0.4
Investment Activities	(656.8)	(699.1)
Captures	280.5	307.1
Debêntures	650.0	-
Payments	(521.8)	(670.8)
Rights of use	(218.5)	-
Paid Dividends	(247.7)	(219.0)
Financing Activities	(57.5)	(582.7)
End of Period Cash	668.3	276.6
Cash Generation	391.6	(146.2)

Projects and Investments



MRS train set in transit

In 2019, MRS invested R\$ 747.5 million, prioritizing investment initiatives essential for maintaining production and business sustainability.

Investments 2019	R\$ Million
Permanent Way ¹	391.9
Undercarriage ²	301.6
Electronic System	16.1
SMS Program ³	6.4
Others	31.5
Total	747.5

1 Infrastructure expansion, reliability and modernization of permanent tracks

2 Acquisition, reliability and modernization of rolling stock;

3 Investments in Health, Environment and Safety

The major investment groups made in 2019 are detailed below:

The main investments were:

- **Expansion of the permanent way and yards:** In 2019, as in previous years, investments were prioritized and linked to the transport flows of the General Cargo group, with investments being made to meet new container loads; start of definitive signaling at TIPLAM (general cargo - Santos Port); and the payment of investments made by RUMO, related to signaling in 5 yards of the Pederneiras stretch.
- **Infrastructure reliability:** Continuing the multiannual plan for preventive interventions, in order to minimize the risks associated with the reliability of the permanent way, 29 containment works, works in 3 tunnels and 11 interventions on

bridges were carried out, as well as the creation of new drainage devices.

- **Undercarriage:** Still proceeding with the modernization plan for the General Cargo fleets, 247 HPT wagons (suitable for grain transportation) and 74 FLT wagons for pulp transportation were added to the fleet last year.
- **Modernization of assets:** Interventions in locomotives, wagons and in the railway network were maintained, providing increased levels of reliability and, consequently, increased availability of assets, thus allowing higher efficiency and optimization of railway operations.
- **Technological projects:** (i) Completion of the equipment replacement to improve the data telecommunication system MPLS (Multi Protocol Label Switching) / Wifi. (ii) IT systems focused on improving the company's operating processes, with the development of a circulation planning program, with operational decisions.

MRS train railway tunnel



Human Resources

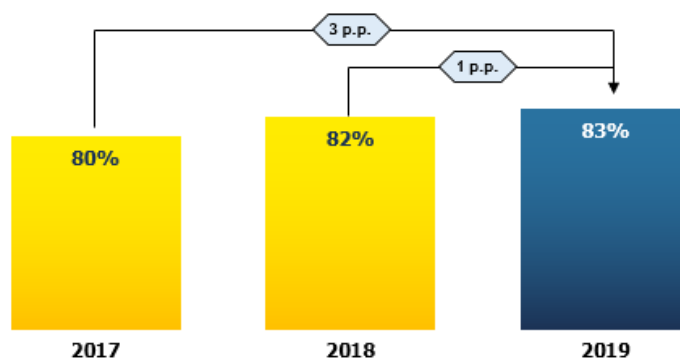


MRS employee performing train maintenance

Regarding to the Organizational Climate Management process, the Company maintains its continuous efforts to implement improvements in the work environment, providing positive results in “Climate Favorability” item, which reached the 83% in 2019.

Evolution of the Organizational Climate

Favorability Index - Climate Survey



The Climate Survey is carried out with all employees, who answer 64 questions on the topics: Identity, Leadership, Satisfaction / Motivation and Learning/Development.

At the end of 2019, MRS counted on the dedication of 5,741 employees, 86% linked to the railway operation. Of this number, 55% were based in Minas Gerais State, 24% in São Paulo State and 21% in Rio de Janeiro State. The average age of employees is 35 years old and women share has been increasing, currently, accounting for 11.4% of the Company's total workforce. A 21% increase occurred in 2019 in the number of persons with disabilities (PwC) in our workforce. During the year, 442 promotions were carried out, representing 86% of the total open positions, reinforcing the policy of valuing employees.

HR Development

MRS continues to invest in training, qualification, improvement and specialization of its employees. In 2019, operational and personal safety training was carried out at the MRS Academy, in addition to courses for qualification and improvement of the activities performed in the most diverse positions. Such training programs were offered to most employees, with an average of 35.3 training hours for each student/employee.

MRS employees also have access to the Education Incentive Program, whereby MRS pays part of the monthly fees for training and improvement courses, such as undergraduate, graduate, technical and language courses. In 2019, 332 employees graduated or continued their studies through this program.

Reiterating its commitment with the professional development of the employees, MRS trained 51 employees in 2019 in the Leadership Training Program in partnership with FIA Business School, enabling employees to make agile decisions and in line with the Company's business strategies. In addition, in partnership with other institutions, the MRS Academy also provided training courses in Railway Operation to 137 students, along with SENAI education system, and Industrial Learning, which offered 163 new enrollments in the states of MG/RJ/SP, FIEMG/FIRJAN/FIESP.

Occupational Health

MRS constantly cares for its human potential and continuously supports them in the search for the plenitude of their health. The Company devoted actions to its employees aimed at fostering their health, physical and emotional well-being and preventing illness. Moreover, the Company never forgets their family members.

With this in mind, the Company developed several actions during 2019, including:

- **Campaigns for Quality of Life:** These are monthly actions, aimed at all MRS employees that aim to improve the quality of life. 145 actions were carried out in 2019, executed by the occupational medicine and nursing teams of each of the 07 MRS Health Centers, located in MG, RJ and SP, sometimes enriched with the attendance of specialists in the topic addressed. For example: "Healthy eating habits"; "Dengue"; "Measles"; "Heart disease"; "Combating high cholesterol"; "Diabetes mellitus"; "Prevention of Sexually Transmitted Diseases"; "Yellow September - Suicide risk prevention"; "Pink October - Breast Cancer Prevention"; "Blue November - Prostate Cancer Prevention"; "Red December"; "Skin cancer"; "Kidney Nutrition"; "Care of the voice"; "Women's Health"; "Blood Donation"; "Eye Health"; "Labor Gymnastics" among others.

- **Flu Vaccination Campaign for Employees and Family Members:** Last year, the company provided the quadrivalent flu vaccine (updated vaccine with the highest potential) to 5,190 individuals, including employees and their legal dependents.

- **Prevention of cardiovascular disease and its consequences:** The “Health Profile”, through supplementary exams, identified employees prone to develop cardiovascular diseases and/or diabetes mellitus, and promoted awareness, encouragement and support actions, under the guidance of a multi-professional team (physicians, nutritionists, physical educators and nurses), to foster healthy habits and lifestyles to change the natural course of illness.

- **Program for the Prevention of Misuse of Alcohol and other Drugs - PPAD:** Safety in the work environment is a reality in MRS routine and, to ensure it, the Program provides guidelines to raise awareness about the harmful effects of the misuse of alcohol and other drugs in the performance of routine and usual activities.

- **PCA - Hearing Conservation Program:** The entire population of employees exposed to noise is permanently monitored by a multidisciplinary team (physicians and hearing care professionals) who, in addition to providing guidance to avoid impairment of hearing capacity, is quickly mobilized to ensure the best treatment at the very first sign of symptoms.

- **MRS Mom:** Pregnant employees and pregnant wives of our employees have the opportunity to participate in semiannual meetings with trained and active professionals in the area of obstetrics, breastfeeding, vaccination and childcare.

- **Periodic Medical Examinations:** The annual meeting between the occupational physician and the MRS employee (100% of our employees, irrespective of occupational risk or age, are evaluated annually) is a moment dedicated to assess the individual in its entirety, expanding the horizon of occupational health. 5,924 periodic examinations were carried out in 2019.

Innovating and caring for the safety and comfort of the employee MRS has taken, in the last year, a mobile team to carry out in-company supplementary, ophthalmological and periodic clinical examinations to several places distant from large health centers.

- **Other occupational examinations:** 2,064 examinations executed in addition to the periodic exams.

Employee having his blood pressure checked during health program



In addition to all the aforementioned actions, in 2019, MRS carried out an important work aiming at encouraging railway workers to make a change in their mindset, with a focus on quality of life and well-being. In addition to the routine support, periodic actions and all messages sent during the year, with a focus on health and well-being, the Quality of Life Month brought an additional important proposal. Lectures, theatrical plays and labor gymnastics were offered to employees in operational and administrative areas.

MRS also offers benefits that encourage prevention and health treatments, namely:

- **Health care plan:** The benefit includes hospital medical care for employees and their legal dependents;
- **Dental plan:** Service is offered to employees and their legal dependents through the accredited network; and
- **Agreements:** For MRS employees, agreements are available providing discounts on medicines and products in drugstores across the country.

Lecture on health held at MRS



Institutional Relations



Social project to encourage sports supported by MRS

Relationship with Government and the Community

In 2019, MRS expanded its relationship actions with the communities surrounding the railroad, through partnerships with leadership and Municipal Governments. In order to address possible impacts of the railroad on communities, as well as to develop partnerships, the Company has regional teams working in a systemic manner, in a process called “Dialogue Methodology”. This process has formal and informal structures operating at various levels of management, with the aim of promoting solutions for the most diverse demands of the community and Governments. In 2019, these actions resulted in the construction and refurbishment of leisure areas, urban mobility actions and lighting of public areas around the railway, in several municipalities in the states of Minas Gerais, São Paulo and Rio de Janeiro, among other initiatives.

Annually, MRS holds the event “Espaço Aberto: MRS e Comunidade”, in which it presents a set of actions and investments made to the main regional leaders, with the objective of reducing the impacts of the railway operation, in addition to improving the coexistence with the railway. In 2019, the event was held in five locations, gathering approximately 180 community leaders, representatives of Public Authorities and the City Council. In addition to these events and meetings held with managers to address demands, specific meetings are held with the aim of strengthening the relationship, stimulating dialogue and seeking shared solutions. In addition, 68 specific meetings were held with the aforementioned leaders.

Accident Prevention Actions

In 2019, MRS expanded actions with Communities intended to raise awareness of the population on the risks of rail accidents, seeking the involvement of its partners in social, cultural and sports projects and actions, significantly expanding its coverage capacity.

Almost 36,000 people were involved in actions carried out with a focus on the communities with the highest incidence of accidents, including adults, children and adolescents, covering 34 municipalities. Among the topics covered in these actions, the following stand out: risks related to crossing the railway line, imprudence as a cause of accidents, the risks for the health of improper garbage disposal in the right of way area and the disclosure of the relationship and communication channels with the company.

Social, Cultural and Sports Projects

Through the Childhood and Adolescence Fund (FIA), MRS supported 16 Municipal Councils of Rights of the Child and Adolescent, benefiting numerous projects, in addition to 12 Municipal Councils of Rights of the Elderly. The Company also sponsored 13 cultural projects through the Rouanet Law and 4 sports projects through the Sports Incentive Law. In 2019, MRS continued to use funds incentivized by PRONON (National Program to Support Oncological Care) and PRONAS (National Program to Support Health Care for People with Disabilities) Laws, which were allocated to 5 projects. Sociocultural and sporting investments amounted to R\$ 8.9 million in 2019.

Refurbishment of Villa Mariano, in Juiz de Fora (MG), a project supported by MRS



Regulatory Goals

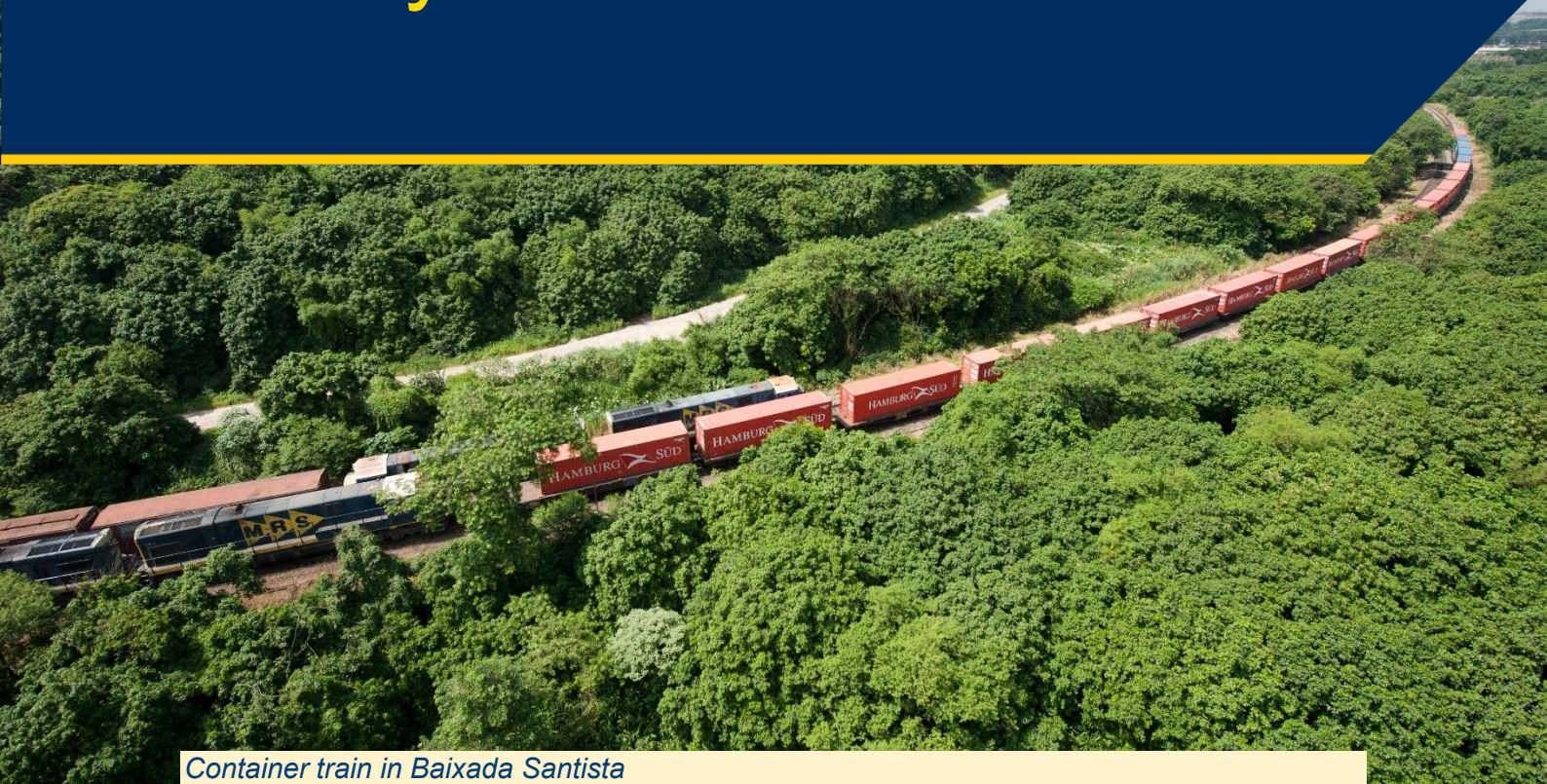
The accident prevention goal agreed with the National Land Transport Agency - ANTT was duly met by MRS and closed the year 5.91% below the rate set out for 2019 (8.28 accidents/million.train.km versus the goal of 8.80). This result reflects, mainly, the investments made in operational safety and the continuous effort on the campaigns for prevention and awareness of population, developed by the Company to reduce the number and severity of railway accidents.

The accident rate set out for 2018 (9.0) was also met, at 7.39 (17.89% below the goal set).

Results related to the production goal for 2018 and 2019 are still being assessed by ANTT and MRS has not yet received data of such analysis for verification and potential interface with the Agency.

In any case, MRS informs that it has agreed with ANTT the production and safety goals for the 2018-2022 period, with approval of adjustment in the production goals 2019 and 2020 (Resolutions No. 728, of June 25, 2019, and No. 974, of November 5, 2019), due to the extraordinary events occurred in Brumadinho-MG, in January 2019, which impacted the rail-road transport of iron ore, in the region known as “the iron quadrilateral” in Minas Gerais, pursuant to terms of the Concession Agreement entered into with the Federal Government and ANTT Resolution No. 5.831/2018.

Safety and Environment



Container train in Baixada Santista

Safety

Occupational Health and Safety

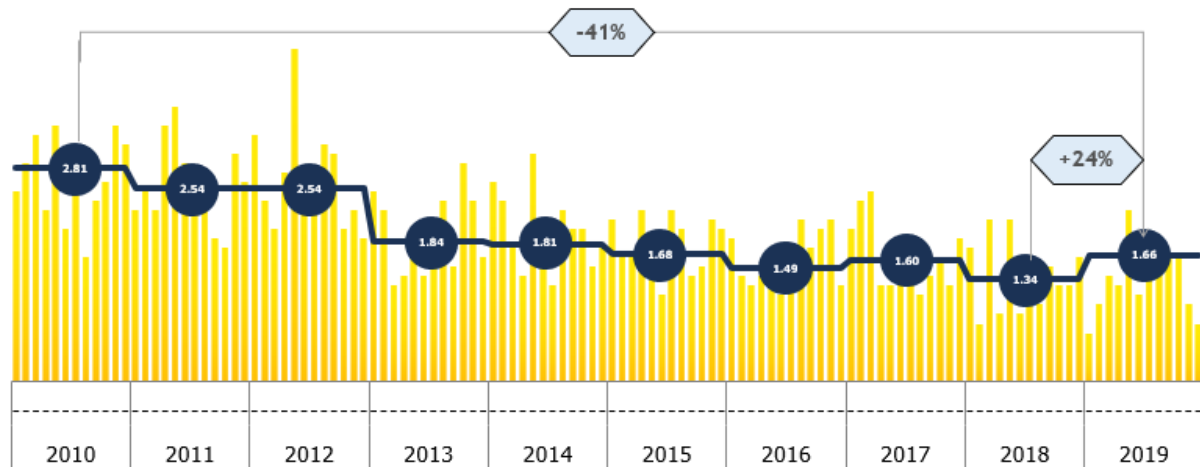
From 2010 to 2019, we had a 41% reduction in the railway incident rate per billion TKB (ton x gross km), due to the Company's efforts aimed at the safety of the railway operation. This number includes incidents with direct participation of MRS (related to failures in the operation and maintenance), in addition to incidents involving other railways and communities (run over and collision).

In 2019, we reached the lowest historical rate of railway incidents, but, as TKB was reduced, the rate increased 24% when compared to the previous year, but this does not detract from the result, as we explain below:

- **2nd consecutive year without high-impact accidents to the business;**
- **Reliability of the railway network in a straight stretch, whose accidents with direct participation of MRS practically zeroed in 2019 (only 1 case recorded); and**
- **Best historical result in the number of incidents involving the community (run over and collision), with 99 incidents.**

Historical Evolution of Railway Events

Accident Frequency Rate (No. of Events/TKB Bi)



Programs focused on occupational safety:

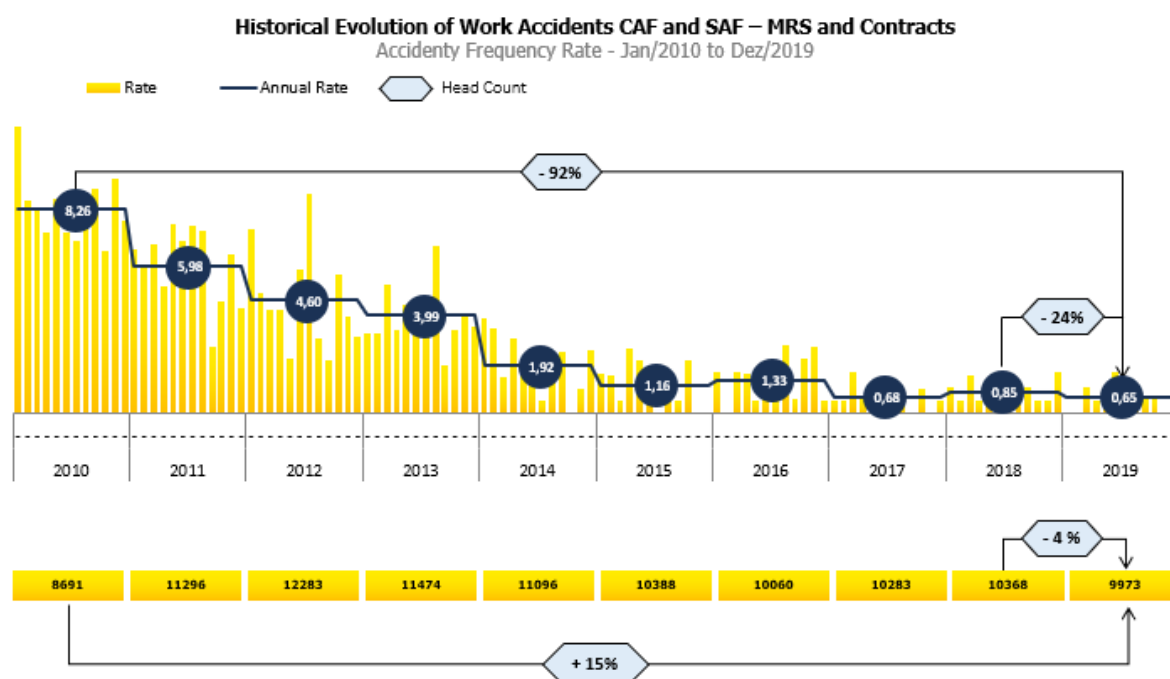
In 2019, we continue with various actions aimed at strengthening safety at MRS, customers and neighboring communities:

- **Task Observation Program:** Behavior audit program for control of risks due to operating failures. This is a prevention tool with emphasis in identifying conduct deviations of safety when performing procedure activities and in training through feedbacks of identified deviations. The purpose of the program is to mitigate risks in the execution of operational activities, verify the need for qualification, prevent accidents and incidents that endanger the physical integrity of employees and company assets.
- **Safety Program in Terminals (PST):** Audit program focusing on operating routines and permanent road condition in client terminals where MRS operates. In 2019, approximately 1,500 inspections were performed at over 100 different terminals.
- **Network Safety Program:** Audit program aimed at ensuring optimal conditions of the state of conservation of the permanent road, assisting in the planning and control for eliminating anomalies found in the critical MRS yards. In 2019, approximately 3,400 audits were performed in approximately 100 yards.
- **Communities Committee:** It is a group consisted of professionals of several areas of MRS, whose work is to fight run overs and collisions involving the community. In 2019 cycle, investment planning for the next year began in the amount of R\$ 10 million, aimed at the preservation of the right of way area, whose location has been used as a clandestine path for neighboring communities and drug consumption. This scenario accounts for approximately 67% of incidents recorded throughout the year.
- **Cameras at PNs:** Used to record images of recklessness of walkers and drivers, these cameras in the level walkways generate images that are recorded and used in run over and collision investigations, as well as disclosed in the media as a manner of community awareness.

Occupational Health and Safety

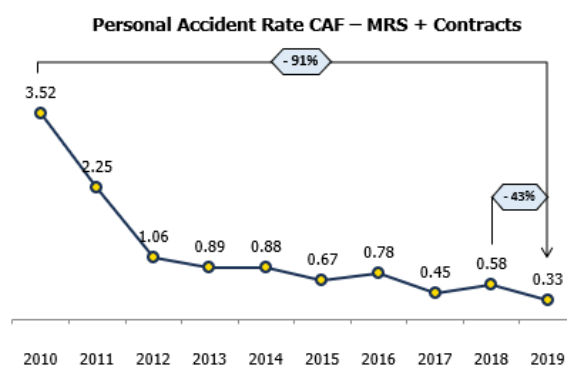
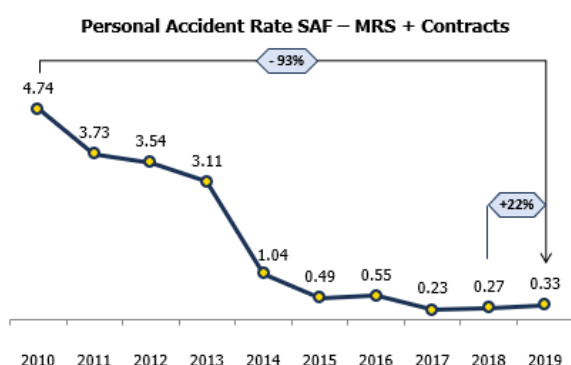
The accident frequency rate with and without lost-time, including regular and outsourced employees, closed at 0.65 in 2019, the best historic result for MRS. Compared to the previous year, there was a reduction of 5 work accidents, representing a 24% drop in the personal accident frequency rate.

In 2019, we totaled 88 days without registering any incident - whether of low or high severity -, setting a new record for days without accidents by the Company. In addition, it is worth noting the 92% reduction in the typical personal accident rate between 2010 and 2019.



Considering only lost-time accidents (CAF), including regular and outsourced employees, the reduction was also significant over the years, falling from 3.52 in 2010 to 0.33 in 2019, the latter being also the best historical MRS result.

The personal non-loss-time accident rate (SAF) has also improved significantly over the years, falling from 4.74 in 2010 to 0.33 in 2019, a reduction of 93%.



Programs focused on work safety:

As in previous years, in 2019 we continued with the various actions in order to strengthen the safety of our regular and outsourced employees:

- **Risk and Loss Statement (CRP):** It is a prevention tool based on the identification, communication and handling of potential loss risks related to processes, people or the environment, which allows solving different problems and taking appropriate actions, creating a favorable work environment and helping to reduce incidents and accidents . In 2019, more than 13,000 CRP's were registered.
- **Safety Workshops:** It aims to emphasize behavioral safety with our employees through practical and theoretical approaches contributing to the promotion of a safety culture in the organizational environment. In 2019, more than 3,200 employees were involved in safety interventions.
- **Preliminary Risk Analysis (APR):** It is a tool that aims to analyze the risks before the beginning of the activity, identifying and signaling the control measures that must be taken during the entire activity to ensure safety.
- **Practical Daily Safety Dialogs (DDS):** Simulation of a specific activity that poses risks to employees. The doubts are clarified at the time of the presentation, providing clearer and more objective communication. Among the 802 DDS carried out throughout 2019, 291 were practical DDS.
- **Planned inspections:** Audits aiming to assess the environment and workspace conditions and documents related to safety processes. In 2019, around 2,250 inspections were performed, generating approximately 2,500 improvement measures.
- **Meetings with contractors:** The objective is to present the indicators, results of audits, investigations of accidents and best practices of critical service providers of MRS. In 2019, a compliance percentage of 86.8% was obtained in the audited agreements.

Environment

In 2019, MRS conducted its activities ensuring compliance with legislation, applicable standards and other requirements for the preservation of the environment, in full compliance with all environmental programs relating to the conditions of its Operating License for the Railway Network and the determinants of the Operating Licenses for the Workshops, such as:

- **Air quality management program;**
- **Erosion process management program;**
- **Noise management program;**
- **Risk management program and emergency action plan;**
- **Flora management program;**
- **Fauna management program;**
- **Environmental education program;**
- **Social communication program;**
- **Program for management of the right of way area;**
- **Liquid waste management program;**
- **Solid waste management program;**
- **Works environmental management program.**

The main environmental programs held in 2019 are listed below:

- **Solid waste management program:** This program aims to ensure the proper final disposal of the waste generated by MRS' activities, minimizing the impacts caused by its operation. In 2019, approximately 2,459 tons of waste were generated, of which 69% are classified as non-hazardous waste (Class II) and 31% as hazardous waste (Class I). In 2019, 61% of waste was sent to more sustainable disposal such as co-processing, recycling and incineration, reducing the final disposal in landfills.
- **Liquid waste management program:** It aims at the proper handling of industrial waste derived from locomotive maintenance activities carried out in the workshops. For this purpose, MRS has 6 units of Industrial Wastewater Treatment Plants (IWTP). During 2019, the IWTPs reached 96% global efficiency in removing pollutants and treated 7509,161 m³ of industrial waste, which is equivalent to approximately 3 Olympic-sized pools of treated waste.
- **Air quality management program;** MRS is committed to mitigation measures relating to air quality along the network as a result of railway transportation. Reflecting this program, in 2019, the Environment Management restructured the methodology of this program, which will result in the implementation of new polymer sprinklers in the coming years. This effective measure will reduce problems in communities in the railway surroundings.
- **Noise management program:** In line with the air quality program, the noise program is being framed to minimize the discomfort caused to the communities surrounding the railway due to the railway activities, both relating to railway transport and workshop activities.

- **Risk management program and environmental emergency plan:** In 2019, simulations were carried out at MRS units and in the network.

- **Environmental Education Program (PEA):** The Environmental Education Program (PEA) aims to raise awareness among the communities in the surroundings of the railway network, encompassing social groups in situations of impacted social and environmental vulnerability.

In 2019, the program was implemented in 13 municipalities surrounding the railway network, including Barra do Piraí/RJ, Barra Mansa/RJ, Belo Horizonte/MG, Congonhas/MG, Conselheiro Lafaiete/MG, Juiz de Fora/MG, Santos/SP, Suzano/SP.

The campaigns at each location were aimed at mitigating or offsetting the environmental impact of the railway activity. PEA carried out activities using a “door-to-door” approach, in which the team members, with training and qualification consistent with the conduct and approach of the proposed themes, spoke with the community about the railway operation, environmental licensing and environmental controls and sustainability of the railway operation. In addition to verbal approaches, flyers with playful information on the topic were delivered.

On a global basis, PEA reached approximately 2,800 listeners during the mobilizations carried out by the program in the 13 municipalities covered.

The Environmental Education Program for Workers (PEAT) addresses the training and awareness of MRS employees and, in some cases, of outsourced teams. The purpose of the action is to raise awareness on the negative impacts resulting from the activities they perform. Accordingly, the target audience acts in the prevention of possible environmental damage caused by the activities of the railway operation, as well as the role of multipliers of knowledge and environmentally correct attitudes. Thus, the Environmental Education technical team annually analyzes which target audience will be included in the PEAT actions in the current year.

Accordingly, the following campaigns were developed:

Workshops: The central theme was “waste” where, during the three campaigns, we sought to relate the day-to-day situations of work environments with the proposed theme to environmental issues that involve good water resource management practices.

Maintenance of the Permanent Road: The central theme was “social and environmental responsibility”. The theme was necessary because the target audience involved performs a wide array of activities related to railway maintenance in a network distributed in several municipalities.

On a global basis, PEAT reached around 3,786 listeners in 119 activities in 2019.

The “Internal Week for the Prevention of Accidents at Work and the Environment”, SIPATMA, has held across the company from April 15 to May 3, 2019. It is worth mentioning that this event occurs in compliance with Regulatory Standard number 5, the “NR-5” (SIPAT - Internal Week for the Prevention of Occupational Accidents), and, as usual, in addition to various activities related to work safety and health, environmental themes are also emphasized.

About 2,900 people, from 27 cities, are connected through activities and group dynamics focused on specific themes. Safety, environment and health messages were transmitted during three weeks of approaches and sought to build conscious mindsets and behaviors. MRS regular and outsourced employees were always marked by the word “prevention”.

In addition to the activities mentioned, good practice actions were carried out, such as:

At the Conselheiro Lafaiete Wagon Workshop, a wooden train was assembled using the waste generated on the site itself, such as wood and metal scrap.

At the Horto Florestal Workshop Complex, Conselheiro Lafaiete Wagon Workshop and the Jeceaba Locomotive Workshop, the Environment Week focused on activities aimed at the conscious generation and correct disposal of waste. In addition to the interactive activities, we carried out, together with outsourced employees, the refurbishment of the garden at three MRS units, located in Conselheiro Lafaiete/MG and Wagon Workshop, located in Jeceaba/MG, contributing to the improvement of social and environmental well-being.

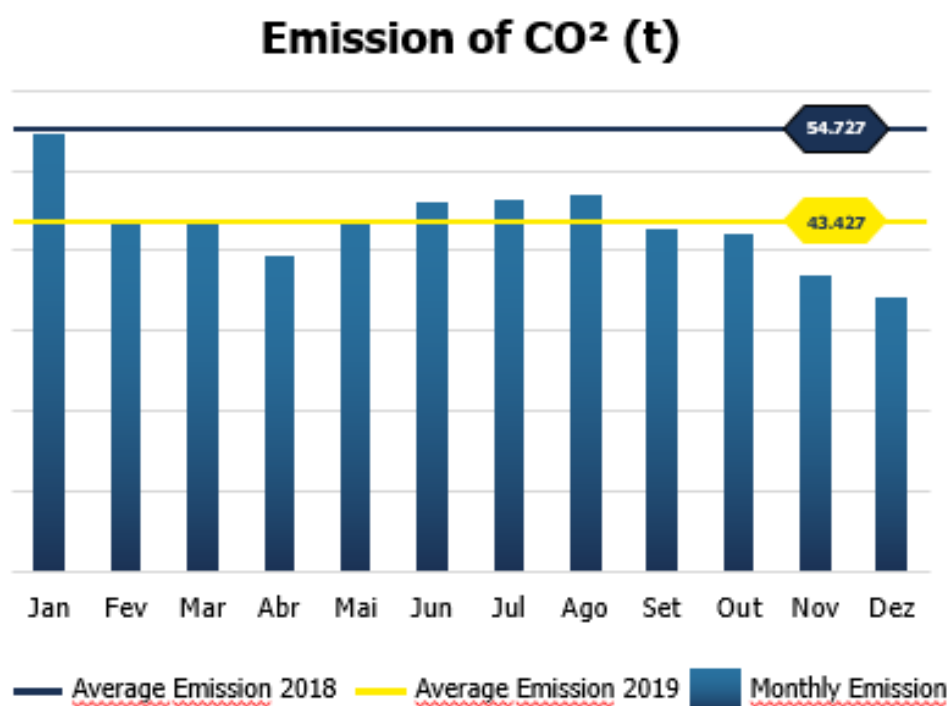
In the social and environmental campaign, donations were delivered to Lar do Menor Amparado - LARMENA, and fruit seedlings were planted with the children supported, promoting environmental education.

- **Flora management program (Caminhos Verdes):** In 2019, 12,500 native tree seedlings of the Atlantic Forest biome were planted in the Municipal Natural Park of Lajinha, located in Juiz de Fora/MG, corresponding to an area of 7.5 hectares of planting which is equivalent to a planted area of approximately 7.5 official soccer fields.

Atmospheric emissions

MRS has been looking for ways to increase energy efficiency in order to reduce diesel consumption and, consequently, the reduction of carbon dioxide emissions (“CO₂”). The of CO₂ reduction generates an positive and global environmental impact, as it contributes to mitigate the worsening of global warming caused by the increase in carbon dioxide emissions.

In 2018, around 241 million liters of diesel were consumed with emissions of 657 thousand tons of CO₂. In 2019, 190 million liters of diesel were used with emissions of 519 thousand tons of CO₂. Thus, in 2019 we were able to achieve a reduction of around 27% in atmospheric CO₂ compared to 2018, where this retraction was partially influenced by the drop in volume transported as a result of the developments of the event in Brumadinho (MG).



In 2019, the Company published the CO₂ calculator in its unprecedented form in Brazil. The instrument was officially launched by MRS on June 5, 2019, the World Environment Day.

This internationally accepted calculation methodology quantifies CO₂, exclusively, of the road modal and the emissions from intermodal (rail + road). Through this tool, it is possible to estimate the percentage of reduction in CO₂ emissions from the cargo transport of the rail modal as compared to the road modal.

In parallel, an *e-book* which presents the gains obtained with the CO₂ reduction, for example, perception of the financial market, such as credit gains in the financial market, carbon credit market and green marketing for those involved.

Strategies and Perspectives



Detail of freight wagon in MRS railway set

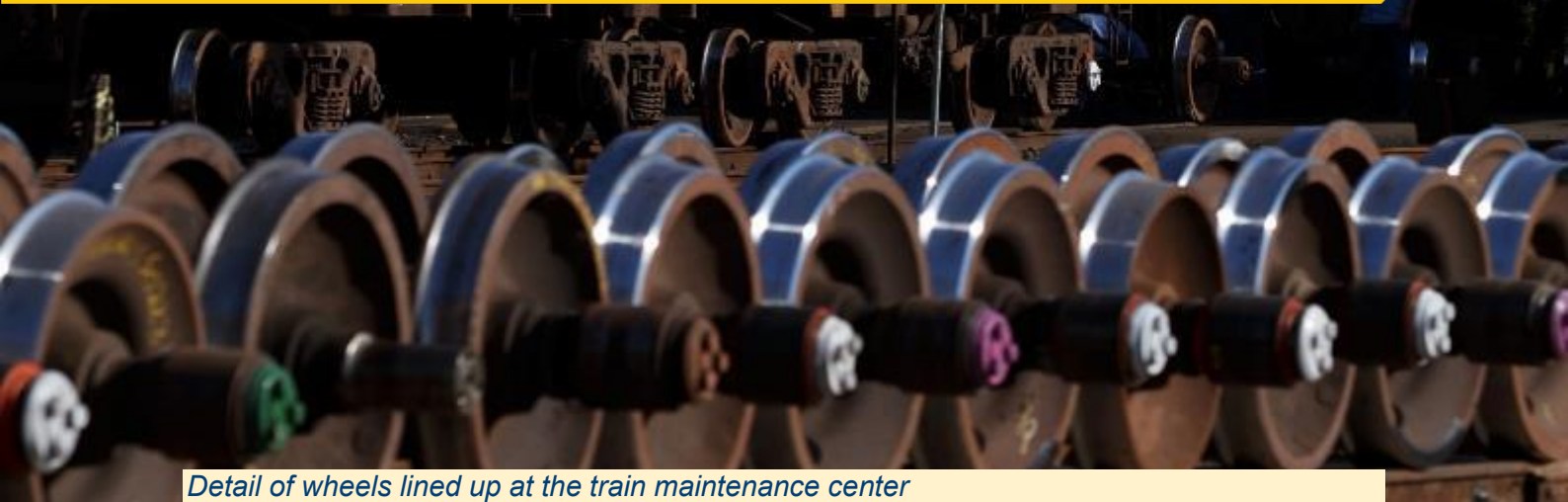
The country's economic situation in 2019 was marked by timid growth, still under the effect of the new government and economic policy. In addition, internally, we had a year totally atypical in iron ore transport, as a result of the event in Brumadinho (MG) as its consequences are present up to the present day. Even in this scenario, MRS ended the year with better leverage indicators than 2018, as a result of our operational flexibility, financial health and long-term contractual instruments with our customers.

Within this context, it is important to highlight a recovery in ore production that is more optimistic than the scenario initially forecast and the positive outlook for recovery in the coming years. In this sense, MRS has been intensifying its focus on cost efficiency, optimizing the use of assets and maximizing investments without jeopardizing our sustainability in the short-, mid- and long-term and, above all, keeping the highest safety standards.

In general cargo, the Company maintains its positioning for growth and increase of its relative share in general results. This is evident in the results of the main segments, such as civil construction, steel and containers, in addition to the exchange flows with other railways.

The process of early renewal of the current concession agreement opens up perspectives for new structural investments in the Company. Throughout 2019, we had several Public Hearings, a step required before the execution of the agreement. The outlook for 2020 is that the project shall progress within the schedule set by government agencies.

Independent Auditors and Other Matters



Detail of wheels lined up at the train maintenance center

Independent Auditors

In 2019, KPMG Auditores Independentes provided auditing services for the annual financial statements and reviews on the quarterly information.

In addition to the audit services, KPMG Consultoria Ltda., was hired in September 2019 for a 4-month period to provide additional services related to technical analysis in the selection and negotiation process of a new management system for the Company - ERP (Enterprise Resource Planning) - representing approximately 12% of the contracted amount, when compared to audit services. Such services do not affect the autonomy of independent auditors.

In compliance with CVM Instruction 381/2003, which address the provision of other services by independent auditors, the Company informs that there are no other services provided by this audit company other than those mentioned above.

Investor Relations and Consolidated Tables



Containers being landed for rail transport.

Investor Relations

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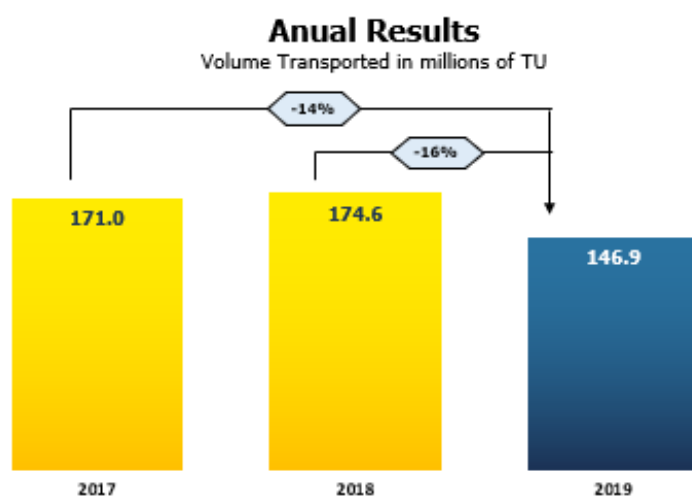
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Email: 4010.acoes@bradesco.com.br

B3 - OTC Market

Investor Relations Website

ri.mrs.com.br

Consolidated Tables



Volume Transportado TU Million	4Q19			4Q18			3Q19			2019			2018	
	MRS	Outras Ferrovias	Total	MRS	Outras Ferrovias	Total	MRS	Outras Ferrovias	Total	MRS	Outras Ferrovias	Total	MRS	Outras Ferrovias
Mining	18,400	-	18,400	31,900	-	31,900	22,580	-	22,580	87,464	-	87,464	118,996	-
Iron Ore	18.0	-	18.0	31.3	-	31.3	22,092	-	22,092	85.2	-	85.2	115.9	-
Export	15.1	-	15.1	27.5	-	27.5	19,918	-	19,918	74.1	-	74.1	101.3	-
Domestic Market	2.9	-	2.9	3.8	-	3.8	2,174	-	2,174	11.0	-	11.0	14.6	-
Coal and Coke	0.5	-	0.5	0.7	-	0.7	488	-	488	2.3	-	2.3	3.0	-
General Cargo	4,508	10,600	15,059	4,700	9,900	14,600	5,070	11,639	16,708	18,744	40,700	59,402	17,790	37,800
Agricultural Products	0.9	8.8	9.7	1.1	8.4	9.5	1,306	10,065	11,371	4.2	34.3	38.5	4.3	32.9
Corn	0.3	5.1	5.4	0.3	5.1	5.4	595	6,636	7,232	0.9	13.6	14.5	0.6	10.7
Sugar	0.6	1.8	2.4	0.7	1.6	2.3	699	1,792	2,491	2.4	6.0	8.4	2.4	6.6
Soy	-	0.6	0.6	-	0.7	0.8	-	495	495	0.8	10.0	10.7	1.1	11.7
Soybean Meal	-	1.3	1.3	0.1	1.0	1.0	12	1,141	1,153	0.2	4.7	4.9	0.2	36.9
Steel Products	1.6	-	1.6	1.8	-	1.8	1,845	-	1,845	7.1	-	7.1	6.85	-
Container	0.3	0.3	0.6	0.3	0.2	0.6	325	309	634	1.3	1.1	2.4	1.2	0.8
Cement	0.5	-	0.5	0.5	-	0.5	563	-	563	2.0	-	2.0	1.7	-
Others	1.1	1.5	2.6	1	1.3	2.3	1,030.9	1,264.7	2,295.6	4.1	5.2	9.3	3.8	4.1
Total	22,908	10,600	33,508	36,600	9,900	46,522	27,670	11,639	39,288	106,208	40,700	146,866	136,786	37,800

Investments - R\$ Million	4Q19	4Q18	3Q19	2019	2018
Chains	168.9	195.6	146.5	612.4	607.7
Improvement	11.0	33.8	1.5	14.5	184.8
Expansion	10.2	22.8	30.1	120.6	26.5
Total	190.1	252.3	178.1	747.5	819.1

Income Statement - R\$ Million	4Q19	3Q19	4Q18	2019	2018
Net Revenue	701.7	856.45	992.7	3.200.8	3.726.4
Costs of Provided Services	(367.2)	(366.7)	(496.4)	(1481.1)	(1887.8)
(=) Gross Profit	334.4	489.7	496.2	1719.7	1838.6
Income (Expenses)	74.7	107.8	(100.2)	244.2	(295.4)
Sales Expenses	(4.3)	(3.5)	(4.8)	(14.0)	(14.5)
General and Administrative Expenses	(56.7)	(48.2)	(55.5)	(197.9)	(196.9)
Other Operating Income	271.1	288.3	35.9	832.3	99.8
Other Operating Expenses	(135.3)	(128.9)	(75.8)	(376.2)	(183.8)
(=) EBITDA	409.2	597.5	396.0	1963.9	1543.2
Depreciation/Amortization	(236.4)	(230.7)	(155.6)	(921.2)	(604.6)
(=) Operating Income Before Financial Effects	172.7	366.8	240.4	1042.7	938.6
Financial Income	92.6	89.1	51.1	312.4	270.64
Financial Expenses	(139.5)	(182.4)	(79.5)	(597.4)	(424.8)
(=) Income Before Income Tax and Social	125.9	273.4	212.0	757.7	784.4
IR/CS Current/Deferred	(38.8)	(92.4)	(67.4)	(254.4)	(262.8)
(=) NET INCOME	87.0	181.0	144.6	503.4	521.6

Balance sheet - R\$ Million

ASSETS	2019	3Q19	2018	LIABILITIES	2019	3Q19	2018
CURRENT				CURRENT LIABILITIES			
Cash and Cash Equivalents	668.2	1,021.9	276.7	Suppliers	197.3	172.7	269.9
Restricted Cash	2.0	2.0	69.3	Labor Express	178.2	155.2	180.2
Accounts Receivable with Related Parties	899.6	667.0	247.2	Income Tax and Social Contribution	209.0	55.7	112.3
Other Accounts Receivables	8.3	41.3	16.0	Others Taxes Obligations	106.3	30.7	24.4
Stocks	119.4	127.0	107.6	Loans and Financing	714.5	695.4	419.5
Recoverable Taxes	90.8	91.1	108.4	Leasing to pay	256.0	247.5	11.1
Prepaid Expenses	18.0	8.6	24.0	Derivative Financial Instruments	12.3	12.9	20.2
Derivative Financial Instruments	51.6	62.2	34.6	Payable Dividends	119.7	124.0	124
Other Current Assets	20.1	19.8	17.7	Payable Concessions and Lease	3.8	3.8	74.1
Total Current Assets	1,878.4	2,040.9	901.5	Client Advances	0.4	5.1	2.5
				Provisions	39.8	41.2	40.8
				Others Current Liabilities	31.3	31.6	33.7
				Total Current Liabilities	1,868.9	1,575.8	1,312.9
NOT CURRENT				NOT CURRENT			
Long Term Realizable				Suppliers	37.0	36.4	34.9
Accounts Receivable with Related Parties	175.2	198.8	224.0	Loans and Financing	2,351.0	2,458.4	2,057.6
Other Accounts Receivables	85.2	117.1	52.1	Derivative Financial Instruments	-	-	4.2
Recoverable Taxes	92.8	43.3	40.8	Payable Concessions and Lease	2.7	2.7	59.4
Prepaid Expenses	4.8	2.1	155.9	Client Advances	-	-	-
Derivative Financial Instruments	44.7	41.7	48.4	Diferred Taxes	63.6	295.2	201.1
Other Not-Current Assests	126.9	122.0	114.2	Provisions	581.4	456.4	406.7
Rights os use	1,852.6	1,833.5	-	Leasing to pay	1,650.7	1,662.0	18.6
Immobilized	6,417.5	6,432.0	6,437.7	Others Obrigations	66.3	79.3	79.6
Intangible	45.8	40.4	44.5	Total Not-Current Liabilities	4,752.8	4,990.5	2,862.1
Total Not-Current Assets	8,845.7	8,830.7	7,117.7	TOTAL LIABILITIES	6,621.7	6,566.3	4,175.0
TOTAL ASSETS	10,724.2	10,871.7	8,019.2				
				STOCKHOLDERS EQUITY			
				Capital Stock	1,917.3	1,917.3	1,718.4
				Reserve Allocation for Capital	130	-	198.9
				Profit Reserves	2,047.2	1,917.3	1,917.3
				Legal Reserves	320.5	295.3	295.3
				Investiments Reserves	1,726.7	1,621.9	1,621.9
				Accumulated Profit	-	460.9	-
				Equity Valuation Adjustments	8	9.8	9.6
				Total Stockholders Equity	4,102.5	4,305.3	3,844.2
				TOTAL LIABILITIES AND STOCKHOLDERS	10,724.2	10,871.7	8,019.2