

# Annual Report 2020





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# Key Highlights

## Mining Volume Transported

12.2%

98.2 MM Tons

## Net Revenues

R\$ 3.6 bi

+12.6%

## Leverage Ratio

0.83x

-0.36x

## EBITDA

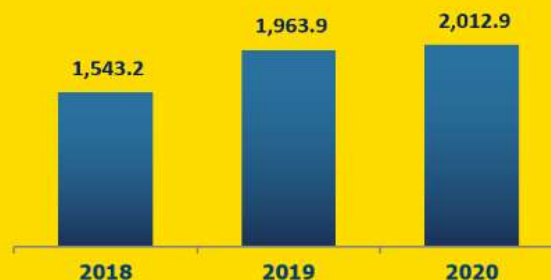
R\$ 2.0 bi

+2.5%

## Volume Transported (in TU million)



## EBITDA (In millions of Brazilian reais)



Rio de Janeiro, March 24, 2021. MRS Logística SA announces its results for 4Q20 and 2020. Comparisons refer to results for the previous quarter and the same periods in 2019, as indicated. Information directly extracted from the Balance Sheet and the Income Statement was duly reviewed by independent auditors, except for non-financial information.

## 2020 Highlights

Financial and Operational Results	2018	2019	2020	2020 x 2019
Transported Volume (thousands tons)	174.6	146.9	159.8	8.8%
Gross Revenues (R\$ million)	4,083.6	3,483.7	3,890.2	11.7%
Net Revenues (R\$ million)	3,726.4	3,200.8	3,605.0	12.6%
EBITDA (R\$ million)	1,543.2	1,963.9	2,012.9	2.5%
EBITDA Margin <sup>‡</sup> (%)	41.4%	61.4%	55.8%	-5.6pp
Net Income <sup>‡</sup> (R\$ million)	521.6	503.4	430.3	-14.5%
Gross Debt (R\$ million)	2,474.9	3,006.9	2,872.8	-4.5%
Net Debt (R\$ million)	2,128.9	2,336.6	1,666.4	-28.7%
Net Debt/EBITDA <sup>‡</sup> (x)	1.38x	1.19x	0.83x	-0.36x

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

In a year with significant challenges as 2020, due to the effects caused by the Covid-19 pandemic, MRS maintained its growth path.

In view of the sustainability strategy of its business, MRS ended 2020 with 159.8 million tons transported, recording an 8.8% increase as compared to the previous year. This improvement is mainly due to the growth of ore transportation to the foreign market, recovery of the domestic market and the Unmanned Train (UT), as an important lever to meet the ore demand.

With the new terminal circulation model in Andaime through the operation of the Unmanned Train (UT), the Transit Time of iron ore, an indicator that calculates the transportation time (from origin to destination) of the Company's main cargo, reached 20.07 hours, an increase versus 2019.

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 3.75% lower than 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 2.5% when compared to 2019 result, and amounted to R\$2.0 billion, with a 55.8% margin.



# Commercial and Operational Results



MRS train crossing urban area

## Commercial and Operational Results

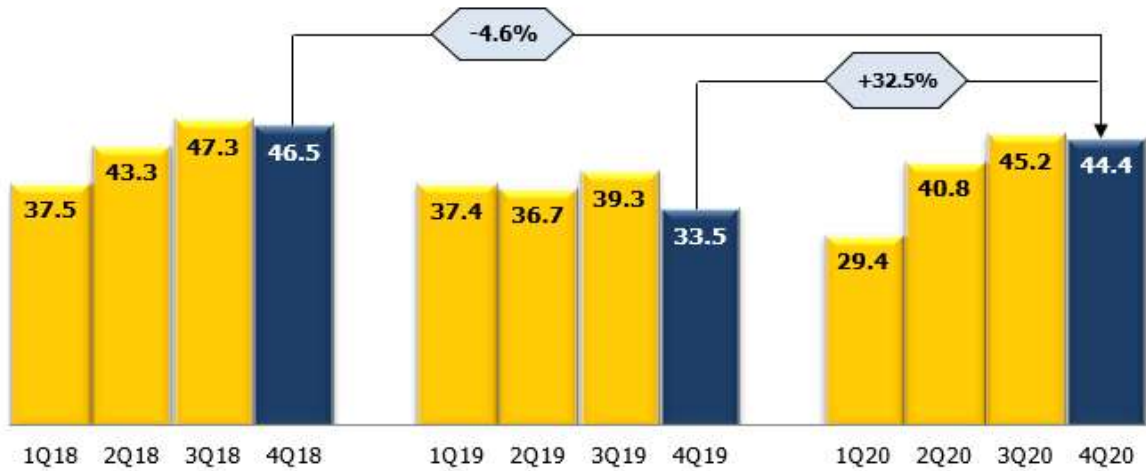
MRS Logística operates mainly in the transportation of inputs and products related to the steel industry, such as iron ore, coal and coke, both for serving the domestic market and for exports, and in the transportation of General Cargo, including agricultural commodities, steel products, containers, among others, on a railway network of over 1,643 km, in the states of Minas Gerais, Rio de Janeiro and São Paulo.

Transported Volume Thousand tons	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20	2020	2019	2020 x 2019
<b>Mining</b>	<b>28,630</b>	<b>18,448</b>	<b>55.2%</b>	<b>27,908</b>	<b>2.6%</b>	<b>98,167</b>	<b>87,464</b>	<b>12.2%</b>
Iron One	28,103	17,957	56.5%	27,354	2.7%	95,674	85,164	12.3%
Export	25,266	15,081	67.5%	24,683	2.4%	84,129	74,130	13.5%
Domestic Market	2,837	2,876	-1.3%	2,671	6.2%	11,545	11,034	4.6%
Coal and Coke	528	492	7.3%	554	-4.7%	2,493	2,301	8.3%
<b>General Cargo</b>	<b>15,765</b>	<b>15,059</b>	<b>4.7%</b>	<b>17,257</b>	<b>-8.6%</b>	<b>61,651</b>	<b>59,402</b>	<b>3.8%</b>
Agricultural Products	10,186	9,686	5.2%	11,916	-14.5%	40,960	38,538	6.3%
Steel Products	1,680	1,631	3.0%	1,485	13.1%	6,097	7,089	-14.0%
Container	620	631	-1.8%	528	17.4%	2,226	2,406	-7.5%
Construction	488	513	-4.8%	566	-13.8%	2,025	2,049	-1.2%
Others	2,791	2,598	7.4%	2,761	1.1%	10,343	9,320	11.0%
<b>Total</b>	<b>44,395</b>	<b>33,508</b>	<b>32.5%</b>	<b>45,165</b>	<b>-1.7%</b>	<b>159,817</b>	<b>146,866</b>	<b>8.8%</b>

In 2020, the total volume transported by the Company was 159.8 Mt, an 8.8% increase as compared to 2019. When analyzing the 4Q20x3Q20, the volume was 1.7% lower, mainly impacted by the drop in the transportation of agricultural products.

## Quarterly Results - Transported Volume

in millions of TU



For one more year, MRS reached an annual record in the transported volume in General Cargo, reaching 61.7 Mt, a 3.8% growth when compared to the last record, in 2019. The figures achieved by this group in 4Q20 are the best for a fourth quarter, reaching 15.8 Mt, a 4.7% increase when compared to the same period last year.

As for the Transported Mix, General Cargo Group continues to have a good representation, accounting for 38.6% of the final result of 2020, despite the impacts suffered by various segments resulting from the Covid-19 pandemic. Mining group share has grown versus the previous year, thanks to the consolidation of the operation with the Unmanned Train (Andaime-MG Terminal), the continued high iron ore demand and the continuous price increase of the commodity in foreign market.

## Transported Mix

■ Mining ■ General Cargo



## Mining

Iron ore, coal and coke transportation recorded a 12.2% growth in 2020, as compared to 2019, as well as a 55.2% performance improvement when comparing 4Q20 versus 4Q19 and 2.6% when comparing 4Q20 with the immediately previous period.

Volume Transportado TU Milhares	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20	2020	2019	2020 x 2019
<b>Mining</b>	<b>28,630</b>	<b>18,448</b>	<b>55.2%</b>	<b>27,908</b>	<b>2.6%</b>	<b>98,167</b>	<b>87,464</b>	<b>12.2%</b>
Iron Ore	28,103	17,957	56.5%	27,354	2.7%	95,674	85,164	12.3%
Export	25,266	15,081	67.5%	24,683	2.4%	84,129	74,130	13.5%
Domestic Market (A)	2,837	2,876	-1.3%	2,671	6.2%	11,545	11,034	4.6%
Coal and Coke (B)	528	492	7.3%	554	-4.7%	2,493	2,301	8.3%
Subtotal Domestic Market (A) + (B)	3,365	3,367	-0.1%	3,225	4.3%	14,038	13,335	5.3%

### Iron Ore – Export

4Q20 result proven to be the best quarter of 2020, showing a 2.4% increase compared to 3Q20. In line with the progress seen, the annual volume recorded a 13.5% increase when compared to the previous year, mainly driven by: (i) recovery of part of the volume from mines shut down after Brumadinho tragedy; (ii) taking advantage of the market conditions with the high demand and the commodity appreciation in the international market and (iii) reduction in the rainfall rate as compared to 1Q20, which contributed to the increase in demand for transportation by the main customers and to the improvement of operating conditions related to the production of iron ore in MG, in addition to port operations.

The total volume transported in this segment in 2020 was 84.1 Mt, representing 85.7% of the Mining Group and 52.6% of the total volume transported by MRS.

### Iron Ore, Coal and Coke - Domestic Market

The transportation of iron ore, coal and coke in domestic market recorded a 5.3% growth, with volume transported in the year of 14.0 Mt, compared to 13.3 Mt in 2019. Despite the year being marked by the crisis, in addition to the stoppage of a major customer's blast furnace (Jun-Nov/20), full operations were resumed in mid-November/20, as a result of the market recovery. Consequently, MRS ended the year with a positive balance. It is worth mentioning that this customer stopped its biggest blast furnace for the purpose of maintenance in 2019, a fact that also impacted the 2019 volumes.

## General Cargo

General cargo transportation, which includes agricultural commodities, steel products, containers, among others, showed a 3.8% increase in 2020, versus the volume shown in 2019, of 61.7Mt. This increase was mainly impacted by the Agricultural Products and Other Cargo segments, detailed below.

### Agricultural products

Transported Volume Thousand tons	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20	2020	2019	2020 x 2019
<b>Agricultural Products</b>	<b>10,186</b>	<b>9,686</b>	<b>5.2%</b>	<b>11,916</b>	<b>-14.5%</b>	<b>40,960</b>	<b>38,538</b>	<b>6.3%</b>
Corn	4,962	5,393	-8.0%	6,455	-23.1%	12,161	14,512	-16.2%
Sugar	4,025	2,417	66.5%	3,636	10.7%	12,008	8,405	42.9%
Soy	-	590	-	466	-	12,053	10,733	12.3%
Soybean Meal	1,198	1,286	-6.8%	1,358	-11.8%	4,738	4,888	-3.1%

Agricultural products transported by MRS are: sugar, soybean meal, soybeans and corn. The growing result of this segment has been constant over the past few years. Comparing 2020 versus 2019 result, a 6.3% increase can be seen, representing 66.4% of the total volume transported by the General Cargo Group in 2020, mainly fueled by other railways.

Sugar transportation had a 42.9% growth in 2020, mainly due to the inversion of the allocation matrix for sugarcane to produce sugar and ethanol. Over the past few years, sugarcane crop has been used in greater quantities to produce ethanol, which was changed in 2020 due to social isolation measures, which caused a dramatic drop in fuel consumption. The depreciation of Real is added to that, which made the price of sugar on foreign market very competitive for the Brazilian producer.

The favorable performance of soybean is particularly due to the record harvest of this commodity and the depreciation of the Brazilian real against other currencies, which made production attractive, in addition to the high external demand (China) for this grain, considering its food security strategy in view of the potential risks of global shortages that could be caused by COVID-19 pandemic.

### Steel Products

Transported Volume TU thousand tons	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20	2020	2019	2020 x 2019
Steel Products	1,680	1,631	3.0%	1,485	13.1%	6,097	7,089	-14.0%

Steel products transportation decreased 14.0% in 2020 (6.1 Mt) as compared to 2019 (7.1 Mt). Impacted by the Covid-19 pandemic, this sector remained idle, with the stoppage of large equipment and reduced working hours, leveraged by social isolation actions.

In 4Q20, the transportation of steel products recorded 3% and 13% growth, respectively, as compared to 4Q19 and 3Q20, due to the recovery of the civil construction sector, the increase in demand for white goods, in addition to the improvement in sales the automotive industry by 2020-year end and, with less restrictive measures for social isolation, with a good part of MRS customers resuming their activities/operations.



## Container

Transported Volume TU thousand tons	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20	2020	2019	2020 x 2019
Container	620	631	-1.8%	528	17.4%	2,226	2,406	-7.5%

Also, in the general cargo transportation group, container transportation segment includes cargo transported by MRS and cargo from other railways (paid through the right of way). This transportation segment showed a 7.5% reduction in 2020 compared to 2019, due to the market conditions resulting from the pandemic, and a 17.4% recovery between 4Q20x3Q20 periods, reflecting the recovery of the economy.

The breakdown related to the volume transported of own cargo containers continued to outperform 2019 results in each quarter of 2020, ending the year with a growth of 4.1%, driven by the main initiatives: (i) 65.4% increase in Santos-Vale do Paraíba route volumes, together with the development of RJ-Vale do Paraíba route, which reinforce the consolidation of the investments made by MRS in the application of multimodal solutions aimed at both the ports of RJ and Santos, (ii) RJ-RJ route with an expressive growth of 88.2%, explained by the negotiation of new volumes to serve the industrial hub of the regions of Porto Real and Resende-RJ and, (iii) the service to new customers through the consolidation of multimodality both in the ports of RJ and in Itaguaí.

## Construction

Transported Volume Thousand tons	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20	2020	2019	2020 x 2019
Construction	488	513	-4.8%	566	-13.8%	2,025	2,049	-1.2%

Civil construction transportation segment declined between 2020 and 2019, by -1.2%, impacted by the drop in sales in the first months of the pandemic and instability in cement production. This reduction was mitigated by the efforts made by MRS, with the prospecting of new customers, renegotiation of inoperative routes, the improvement of operational performance and the share increase in current customers.

## Others

Transported Volume Thousand tons	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20	2020	2019	2020 x 2019
Others	2,791	2,598	7.4%	2,761	1.1%	10,343	9,320	11.0%

In 2020, MRS transported 10.3 Mt in Other segment, representing an increase of 11.0% versus 2019. This result as mainly corroborated by: (i) the transportation of pig iron for export, with a 30.8% increase, totaling 1.9 Mt transported. This growth is explained by MRS commercial and operational efforts in attracting new customers, with the increase in the capacity of the terminals, the development of new terminals, the increase in the railway fleet, as well as the unloading capacity in the Port of Rio de Janeiro, allowing customers to negotiate extra vessels; (ii) the market conditions of price, foreign exchange and low consumption in the domestic market positively impacted the export market, which

is currently largely destined for Chinese market; (iii) the 71.3% growth in the transportation of fertilizers by other railways and; (iv) the 29.9% increase in sulfur transportation by MRS and other railways.

## Operating Results

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MRS monitors its energy efficiency indicator by measuring the quantity of liters consumed in transporting 1,000 real gross tons per kilometer (liters per thousand TKB). The global indicator measures the combined efficiency of the three main load groups, which have different service characteristics: Ore, Agricultural and Other General Cargo.

In 2020, the energy efficiency indicator for locomotives reached the mark of 2,468 L/kTKB, representing an improvement of 0.7% as compared to 2019, impacted by the main factors:

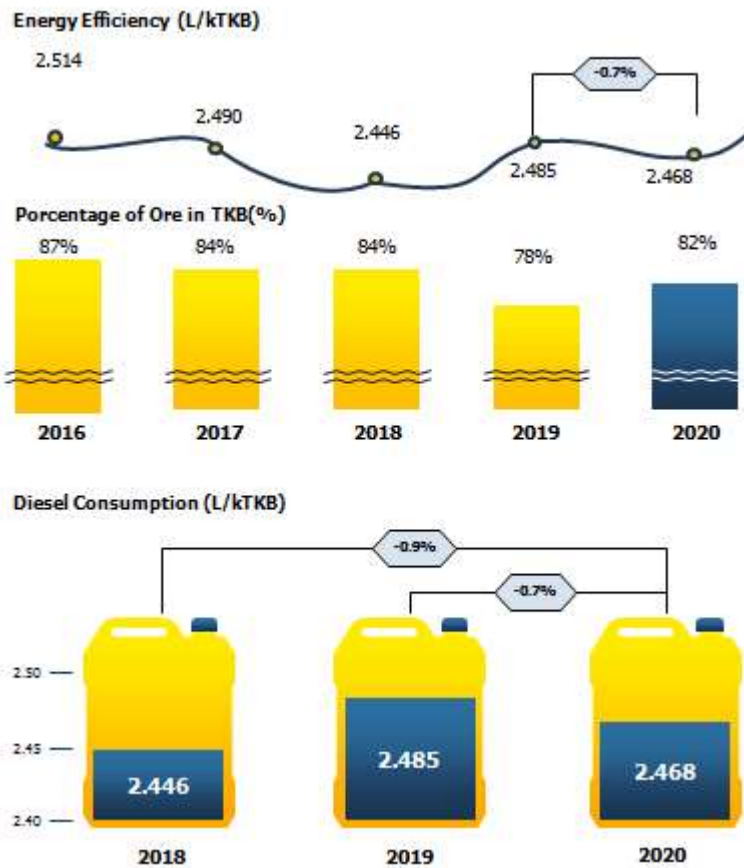
- reduction of fuel consumption in ore trains, due to the increase in train speed at key points on the railroad (reducing the complementation of train energy through combustion) and the improvement of driving by train drivers, making it more standardized;
- improvements implemented in general cargo trains, increasing the weight of agricultural products trains through the use of more efficient locomotives (model AC-44) and reduction in diesel consumption in other trains by combining ore composition with general cargo, leading to a more cost-effective operation of the locomotives.

Despite the indicator improvement, we had some events that limited a better performance:

- increase in diesel consumption for the resumption of operations at the Andaime terminal, inaccessible since Brumadinho event in 2019. The resumption the traffic of trains to Andaime requires a differentiated operation with the circulation of the Unmanned Train in a region where there is a risk of dam rupture.
- lower representativeness of the volume of ore in 2020 (compared to 2018, a pre-Brumadinho record energy efficiency) also burdens the indicator, as the ore load group is the one with the best energy efficiency.

The graph below shows the evolution of global efficiency:

## Energy Efficiency X Percentage of Ore



Transit Time in iron ore - calculates the time it takes to transport cargo from the origin to the destination - in 2020, the result increased mainly due to the impact of the new circulation model to serve Andaime terminal through the operation of the Unmanned Train. Under this new model, for the train to cross the Self-Rescue Zone (SRZ) of the Forquilha III Dam in an unmanned manner, it is necessary to comply with a technical and safety protocol that reduces the average speed of the train.





# Economic and Financial Results



MRS train transporting containers

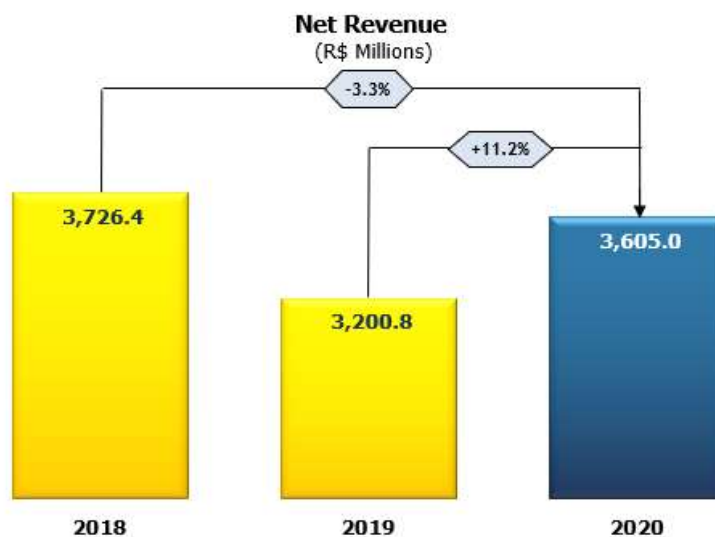
Results	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20	2020	2019	2020 x 2019
Gross Revenues (R\$ million)	1,064.1	772.4	37.8%	1,081.8	-1.6%	3,890.2	3,483,7	11.7%
Gross Average Tariff (R\$/ton)	24.0	23.1	3.8%	23.9	0.2%	24.0	23,7	1.1%
Net Revenues (R\$ million)	990.4	701.7	41.1%	1,011.4	-2.1%	3,605.0	3,200,8	12.6%
Net Average Tariff (R\$/ton)	22.3	20.9	6.7%	22.4	-0.4%	22.6	21,8	3.5%
EBITDA (R\$ million)	680,0	409.2	66.2%	552.7	23.0%	2,012.9	1,963,9	2.5%
EBITDA Margin (%)	68.7%	58.3%	10.4pp	54.6%	14.1pp	55.8%	61.4%	-5.6pp
Net Income (R\$ million)	226.8	87.1	160.4%	148.6	52.7%	430.3	503,4	-14.5%
Net Debt/EBITDA <sup>1</sup> (x)	0.83x	1.19x	-0,36x	1.01x	-0.18x	0.83x	1.19x	-0.36x

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

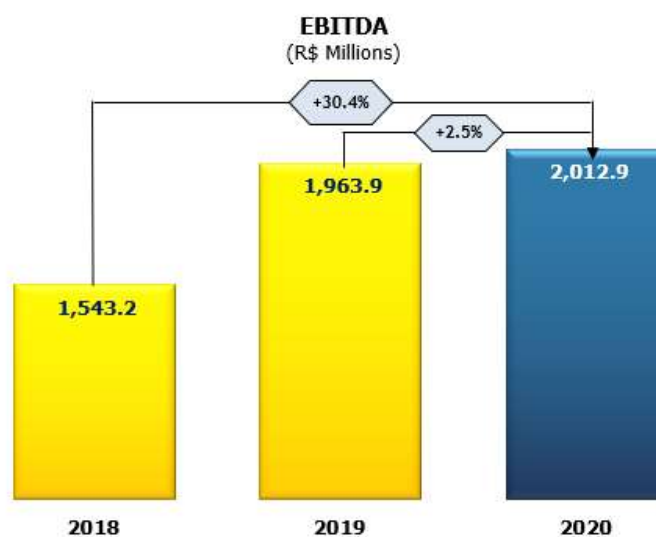
**I. Net Revenues:** R\$404.2 million improvement, mainly reflecting the volume recovery, especially in the mining segment for export, with an increase of 13.5% as compared to 2019 volume.

**II. Costs and Expenses:** R\$35.4 million increase as compared to 2019. This result is mainly due to: (i) the increase in the volume transported, (ii) the actions to combat Covid-19, (iii) in addition to the expenses with the differentiated operation of the Unmanned Train in the self-rescue area, however, mitigated by the reduction in diesel price, due to the drop in demand for fuels caused by the global pandemic.

**III. Other Operating Revenues and Expenses:** The R\$319.8 million decrease in 2020 is mainly due to the reduction in the amount of revenue related to the clauses provided for in the Company's long-term agreements (*take or pay*) compared to 2019, and lower legal provisions in the labor scope.

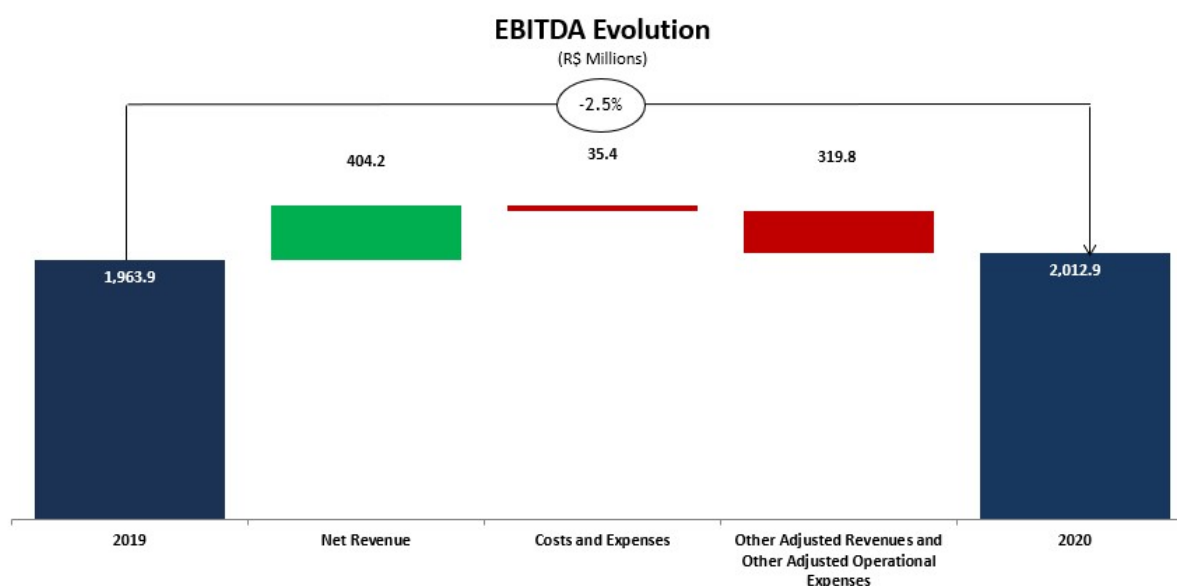


## EBITDA



2020 EBITDA grew 2.5% when compared to 2019, reaching R\$2,012.9 million, with EBITDA Margin of 55.8%, 5.6 p.p. lower versus 2019.

Below, we show a detailed EBITDA evolution:



## Indebtedness

In R\$ million	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20
<b>Gross Debt <sup>1</sup></b>	<b>2,873.4</b>	<b>3,006.9</b>	<b>-4.4%</b>	<b>3,038.7</b>	<b>-5.4%</b>
Gross Debt in Reais	2,297.4	2,445.1	-6.0%	2,463.3	-6.7%
Gross Debt in US\$ <sup>2</sup>	5,76.09	5,61.76	2.6%	5,75.49	0.1%
<b>Cash<sup>3</sup></b>	<b>1,206.4</b>	<b>6,70.29</b>	<b>80.0%</b>	<b>1,492.7</b>	<b>-19.2%</b>
<b>Net Debt</b>	<b>1,667.0</b>	<b>2,336.6</b>	<b>-28.7%</b>	<b>1,758.2</b>	<b>-5.2%</b>
<b>EBITDA<sup>4</sup></b>	<b>2,012.9</b>	<b>1,963.8</b>	<b>2.5%</b>	<b>1,742.1</b>	<b>15.5%</b>
<b>Net Debt/EBITDA (x)<sup>4</sup></b>	<b>0.83x</b>	<b>1.19x</b>	<b>0.36x</b>	<b>1.01x</b>	<b>-0,18x</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 2020 showed a slight decrease compared to 2019, ending the period at R\$2,873.5 million. This retraction can be explained by the lower volume of funding in 2020.

In 2020, the Company raised funds, in the total amount of R\$511.7 million, through: (i) the issuance of the Bank Credit Note (CCB) in the amount of R\$150.0 million, and (ii) BNDES financing in the amount of R\$11.7 million. Such proceeds were raised to reinforce the Company's cash and extend the debt profile. On the other hand, two transactions were settled with Banco MUFG in the period, in a total amount of R\$335.5 million.



### Net Debt/EBITDA (x)



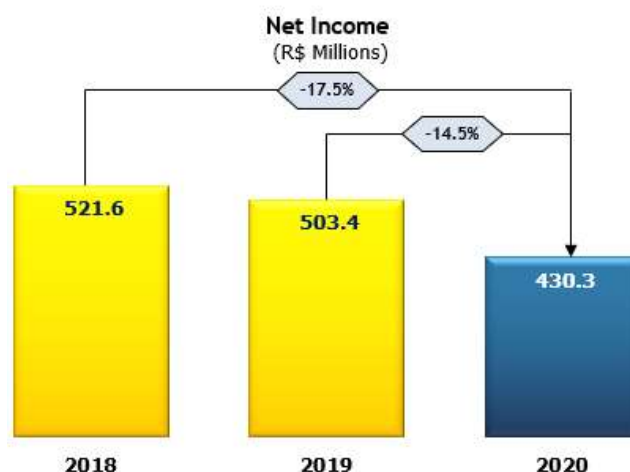
The leverage indicator, measured by the Net Debt/EBITDA ratio, decreased 0.36x compared to 2019, ending 2020 period at 0.83x. The good performance of the indicator reflected the sustainable focus on the management of resources, low leverage, and good operational performance.

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

Reconciliation EBITDA (R\$ million)	4Q20	4Q19	4Q20 x 4Q19	3Q20	4Q20 x 3Q20	2020	2019	2020 x 2019
<b>Net Income</b>	<b>226.8</b>	<b>87.1</b>	<b>160.3%</b>	<b>148.6</b>	<b>52.6%</b>	<b>430.3</b>	<b>503.4</b>	<b>-14.5%</b>
(+) Taxes on Profit	108.2	38.8	178.9%	76.1	42.1%	216.3	254.4	-15.0%
(+) Depreciation and Amortization	248.0	236.5	4.9%	246.7	0.5%	1,049.9	921.2	14.0%
(-) Depreciation Right of Use (lease agreements) <sup>2</sup>	(74.4)	(69.6)	6.8%	(69.8)	6.5%	(281.6)	(265.3)	6.1%
(+) Net Financial Result	96.9	46.8	107.1%	81.3	19.1%	316.4	284.9	11.1%
(-) AVP Financial Charges (lease contracts)	(40.9)	(39.3)	4.0%	(36.0)	13.6%	(152.0)	(167.6)	-9.3%
<b>(=) Adjusted EBITDA<sup>1</sup></b>	<b>564.7</b>	<b>300.2</b>	<b>88.1%</b>	<b>446.9</b>	<b>26.4%</b>	<b>1,579.3</b>	<b>1,531.0</b>	<b>3.2%</b>

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

### Net Income



In addition to EBITDA, Net Income was also impacted by the change in the economic useful life of the main groups of the Company's assets. With this change in 2020, there was an increase of R\$129 million in the depreciation cost.

## Cash Flow Statement

Cash generation in 2020 amounted to R\$538.2 million. Cash balance at the end of 2020 was R\$1,206.5 million, higher when compared to the end of 2019, at R\$668.3 million. This increase was influenced by the proceeds from the contractual protection mechanism (*take or pay*) with related parties.

<b>Statement of Cash Flow - R\$ Million</b>	<b>2020</b>	<b>2019</b>
<b>Cash at beginning of period</b>	<b>668.3</b>	<b>276.7</b>
<b>Net Income before IR and CSLL</b>	<b>646.6</b>	<b>757.7</b>
Depreciation and Amortization	1,049.9	921.2
Monetary/Foreign Exchange Variation and Financial Charges	363.7	382.9
Residual Value of Fixed Assets / Downloaded Invest. Perm.	41.4	56.5
Provision (Reversal)	47.6	121.3
Others	19.4	13.7
<b>Net Income cash basis</b>	<b>2,168.6</b>	<b>2,253.3</b>
<b>Changes in assets and liabilities</b>	<b>(166.6)</b>	<b>(1,147.4)</b>
Accounts Receivable and Related Parties	460.0	(591.8)
Stocks	(18.1)	(10.0)
Restricted Cash	2.1	67.9
Taxes Recoverable	28.5	(25.6)
Providers	(34.2)	(19.3)
Tax liabilities	(109.2)	67.2
Taxes on profit	(288.9)	(280.0)
Social and Labor Obligations	(14.1)	(2.0)
Payment of interest on loans and financing	(135.0)	(144.1)
Payment of interest on rights of use	(152.0)	(160.0)
Others	94.3	(49.7)
<b>Net Cash provided by operating activities</b>	<b>2,002.0</b>	<b>1,105.9</b>
<b>Investment activities</b>	<b>(822.4)</b>	<b>(656.8)</b>
Immobilized	(795.3)	(645.7)
Intangible	(27.1)	(13.3)
Proceeds from the sale of property, plant and equipment	-	2.2
<b>Financing activities</b>	<b>(641.4)</b>	<b>(57.5)</b>
Borrowing and financing	511.7	280.5
Debentures	-	650.0
Payments	(667.0)	(521.8)
Rights of use	(247.1)	(218.5)
Dividends paid	(239.0)	(247.7)
<b>Cash at end of period</b>	<b>1,206.5</b>	<b>668.3</b>
<b>Cash Flow</b>	<b>538.2</b>	<b>391.6</b>



# Projects and Investments



*MRS train set in transit*

In 2020, MRS invested a total of R\$785.0 million, prioritizing investment initiatives essential for maintaining production and business sustainability.

Investments 2020	R\$ Millions
Permanent Way <sup>1</sup>	433.0
Undercarriage <sup>2</sup>	253.5
Electronic System	15.8
SMS Program <sup>3</sup>	16.1
Others	66.7
<b>Total</b>	<b>785.0</b>

<sup>1</sup> Infrastructure expansion, reliability and modernization of permanent tracks

<sup>2</sup> Acquisition, reliability and modernization of rolling stock

<sup>3</sup> Investments in Healthy, Environment and Safety

The major investment groups made in 2020 are detailed below:

- **Expansion of the permanent road and yards:** the strategy of prioritizing investments aimed at General Cargo flows was maintained, highlighting the completion of the definitive signaling of TIPLAM and the beginning of the signaling of Santos Left Bank. Investments to rehabilitate the permanent road both in Baixada and in Itirapina-Pederneiras stretch and the progress of initiatives to meet new general cargo loads, with emphasis on the beginning of the construction of a new cargo terminal in Pederneiras.
- **Infrastructure reliability:** continuation of the plan of preventive interventions along the railroad with the execution of 23 containment works, 11 interventions/replacements of bridges and recovery of 1 tunnel, aimed to minimize the risks associated with the reliability of the stretch.
- **Undercarriage:** 2020, studies and in-depth analyses were carried out on the asset models available on the market, and the purchase (with delivery scheduled for 2021) of GDT and PCT wagons and other models of wagons for prototypes was started. In addition, we highlight the acquisition of 5

locomotives from *Progress Rail* to meet 2021 volume and carry out tests with this new locomotive model. In addition to these fronts, adjustments were made to HAT wagons to increase the volume per wagon (171 adapted wagons).

- **Modernization of assets:** interventions were carried out on locomotives, wagons, and on the railway network, aiming to increase the reliability and availability levels of assets, allowing efficiency improvement and optimization of railway operations.
- **Technological projects:** the highlights are (i) the start of the project for the new ERP system (SAP) implementation and development of IT systems with a focus on the Company's operating processes, (ii) investment in technology to improve the operation and maintenance in the self-rescue region in Minas Gerais (close to dams with risk of rupture) and (iii) start of the development of remote control for maneuvering locomotives in yards.

*MRS train in railway tunnel*





# Human Resources

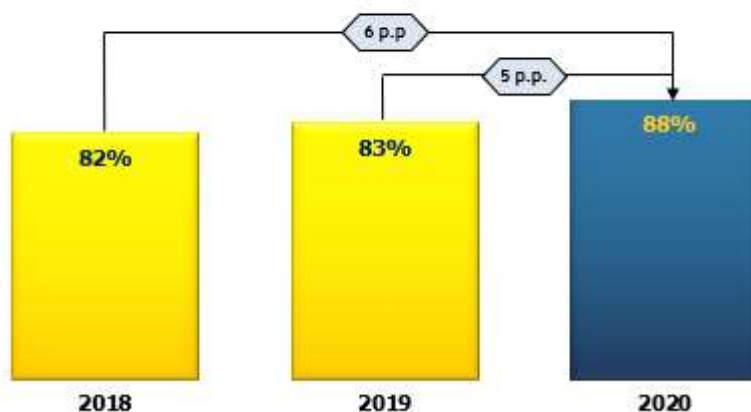


## Organizational Climate

Regarding the Organizational Climate Management process, the Company sustains its continuous efforts to implement improvements in the work environment, providing positive results in “Climate Favorability” item, which reached the 87.6% in 2020.

In 2020, a fifth factor was included, called “Contemporary Scenario”, comprising 9 additional questions that assess the employee perception regarding the attitudes of the Company and its managers, on topics such as harassment, diversity and inclusion and the current scenario of Covid-19 pandemic.

### Evolution of the Organization 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 2020, MRS relied on the dedication of 5,851 employees, 86% linked to the railway operation. Of this number, 56% were based in Minas Gerais State, 22% in São Paulo State and 22% in Rio de Janeiro State. The average age of employees is 37 years old and women share has been increasing,



currently, accounting for 11.6% of the Company's total workforce. A 16.7% increase was seen in 2020 in the number of persons with disabilities (PwC) in the Company's workforce. 896 promotions were carried out during the year, representing an 81% increase as compared to 2019, reinforcing the policy of valuing employees.

## HR Development

MRS continues to invest in training, qualification, improvement, and specialization of its employees. In 2020, 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 36.6 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 2020, 444 employees graduated or continued their studies through this program.

Reiterating its commitment with the professional development of the employees, MRS started the Leadership Training Program with 89 employees in 2020 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, MRS Academy also provided training courses in Railway Operation to 98 students, along with SENAI education system, and Industrial Learning, which offered 89 new enrollments in the states of MG/RJ/SP, FIEMG/FIRJAN/FIESP.

## Occupational Health

MRS is constantly concerned with its human potential and continuously supports it in the pursuit of comprehensive health, with actions to promote health, physical and emotional well-being, and to prevent illness, as well as to their family members. And the Covid-19 pandemic reinforced that care.

The Company developed several actions during 2020, including:

- **Quality of Life Campaigns:** monthly actions, targeted to all MRS employees that aim to improve the quality of life. 103 actions were carried out in 2020, 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"; "Heart diseases"; "Combat cholesterol increase"; "Diabetes mellitus"; "Sexually Transmitted Diseases Prevention"; "Pink October - Breast Cancer Prevention"; "Blue November - Prostate Cancer Prevention"; "Kidney Nutrition"; "Voice Care"; "Women's Health"; "Occupational Gymnastics"; "First Aid Basics"; "Mental Health"; "General Hygiene Guidelines"; "Physical Activity Practice"; "Hearing Care", among others.

- **Initiatives to confront Covid-19:** 24/7 medical and nursing assistance on duty, allocating employees whose duties allowed them to work from home, directing employees of the risk group to home distancing, testing protocol for identifying those infected, implementation of the Roda de Saúde (Health

Circle) program for medical explanations/guidance, provision of masks to all employees, adaptation of the physical spaces seeking to ensure social distance, among others.

- **Flu Vaccination Campaign for Employees and Dependents:** in 2020, MRS immunized the quadrivalent flu vaccine (updated and higher-coverage vaccine) to 6,863 people, including employees and legal dependents, a 32.23% increase compared to 2019.
- **Prevention of cardiovascular disease and its consequences:** the clinical staff of MRS, in outpatient care and, through tele-guidance, continued to provide assistance to employees with chronic diseases such as diabetes mellitus, dyslipidemia and systemic arterial hypertension.
- **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. 5,839 periodic examinations were carried out in 2020.

In compliance the guidelines of the Ministry of Health on measures of social distance to prevent Covid-19, MRS maintained the service for conducting periodic examinations within its own sites through *In Company Periodical* Project, which led to several points, far from large health centers, a mobile team to carry out complementary, ophthalmological and clinical examinations.

- **Other occupational examinations:** 1,868 examinations executed in addition to the periodic exams.

In addition to all the actions mentioned, in 2020, under a remote model, MRS' employees participated in an important work to encourage a change in mindset focused on quality of life and well-being, especially with regard to adapting to the New Normal and the model of working from home.

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

- **Health care plan:** The benefit includes hospital and medical care for employees and legal dependents;
- **Dental plan:** Service is offered to employees and 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.



*Railroad Day in Barra do Pirai*



# Institutional Relations



*Social project to encourage sports supported by MRS*

## **Relationship with Government and the Community**

In the midst of an atypical year like 2020, due to the Covid-19 pandemic, MRS maintained its relationship actions with the communities surrounding the railroad, through partnerships established with leaders and Municipal Governments, while abiding by the recommendations of social distancing.

Thus, the process for addressing possible impacts of the railroad on communities, as well as for developing partnerships, were carried out at distance, by the 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 purpose of promoting solutions for the most diverse demands of the community and Governments. In 2020, these actions resulted in the construction and refurbishment of leisure areas, urban mobility actions and lighting of public areas around the railway and installation of dozens of waste containers, in several municipalities in the states of Minas Gerais, São Paulo and Rio de Janeiro, among other initiatives.

Annually, MRS holds the event called “Espaço Aberto: MRS e Comunidade” (Open Space: MRS and Community), in which it presents to the main regional leaders a set of actions and investments made with the purpose of reducing the impacts of the railway operation, in addition to improving the coexistence with the railway. In 2020, considering the pandemic context, all events were canceled. The Open Space Event is about a meeting that aims at interpersonal relationships and face-to-face contact. Thus, it was assessed that adaptations for online platforms would not be effective. The main community leaders and Government representatives have direct access (by phone, email and messaging application) to the Institutional Relations teams in charge of this relationship, so that, in the event of demands, complaints or other needs, the teams are accessible, as usual.

Meetings held with the managers to deal with demands and the occasional meetings aimed at strengthening the relationship, encouraging dialogue and seeking shared solutions were held, in person, always in compliance with the safety recommendations, or virtually. In 2020, 118 meetings were held with community

leaders, Government representatives and the City Council of Minas Gerais, São Paulo and Rio de Janeiro.

### **Accident Prevention Actions**

In 2020, actions to prevent accidents, directly related to communities, in face-to-face activities, were deeply hindered by the pandemic scenario and the need to adopt measures of social distancing. The main strategy adopted by MRS in this period was to carry out digital campaigns and newsletters, through social media and messaging applications. 6,200 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 20 municipalities.

In addition, as an alternative strategy for addressing safety recommendations with communities, ensuring social distancing, MRS delivered educational materials for children, along with Christmas donations. It is estimated that the action directly benefited 3,790 children and adolescents, and potentially more than 16,000 people, considering family members.

### **Social, Cultural and Sports Projects**

Through the Childhood and Adolescence Fund (FIA), MRS supported 12 Municipal Councils of Rights of the Child and Adolescent, benefiting numerous projects, in addition to 6 Municipal Councils of Rights of the Elderly. The Company also sponsored 17 cultural projects through the Federal Culture Incentive Law and 3 sports projects through the Sports Incentive Law. In 2020, 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 2 projects. Social and cultural and sporting investments amounted to R\$ 7.8 million in 2020.

### **Covid-19**

In order to support the municipalities within its area of influence in combating the social impacts of the pandemic, MRS donated 15 thousand basic food baskets and 15 thousand hygiene kits for 39 municipalities in the states of Minas Gerais, Rio de Janeiro and São Paulo, between the months of April and June 2020, under a solidary action to support people in situations of vulnerability. All donations, which included the distribution of 720 thousand items, including food and personal hygiene and cleaning products, were planned with the Municipal Governments and Social Institutions, and the deliveries were personally monitored by the MRS teams.

## Regulatory Goals

The accident prevention goal agreed with the National Land Transport Agency - ANTT was duly met by MRS and closed the year 3.75% below the rate set out for 2020 (8.22 accidents/million.train.km versus the goal of 8.54). 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.

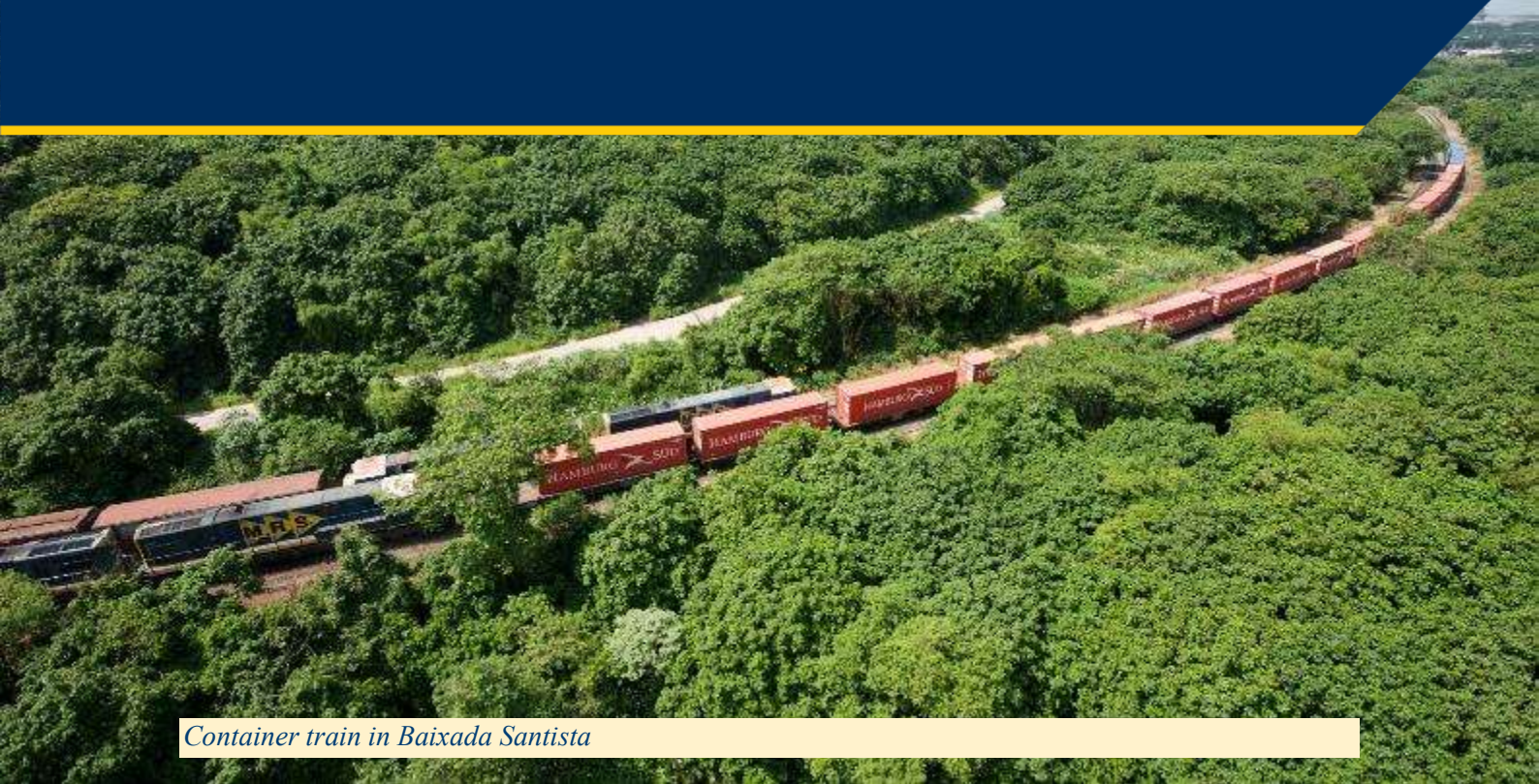
The accident rate set out for 2019 (8.76) was also met, at 8.28 (5.48% below the goal set).

The results of the production goal for the years 2018, 2019 and 2020 were met in all stretches of the agreed goals.

Finally, 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 railroad 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

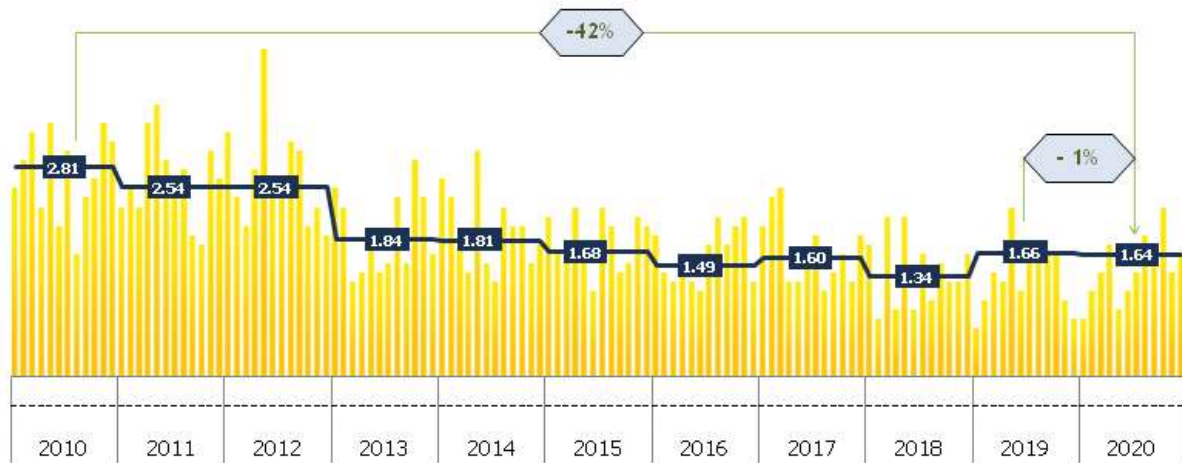
### Operational Safety

The result of the continuous search for Safety in Railway Operation carried out by MRS is reflected in the drop of the accident rate. The Company recorded, between 2010 and 2020, a 42% reduction in the rate of occurrences per billion TKB (ton x gross km). These accidents refer to the direct participation of MRS (related to failures in operation and maintenance) or those involving other railways and communities (mainly run overs and collisions of railway trains with vehicles).

In 2020, MRS had the third best year in historical number of railway occurrences, with a reduction of 1% as compared to 2019 accident/billion TKB rate.

## Historical Evolution of Railway Events

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



### Programs focused on occupational safety:

Aiming to strengthen its own internal security, its customers and the surrounding communities, MRS carries out several actions, as described below:

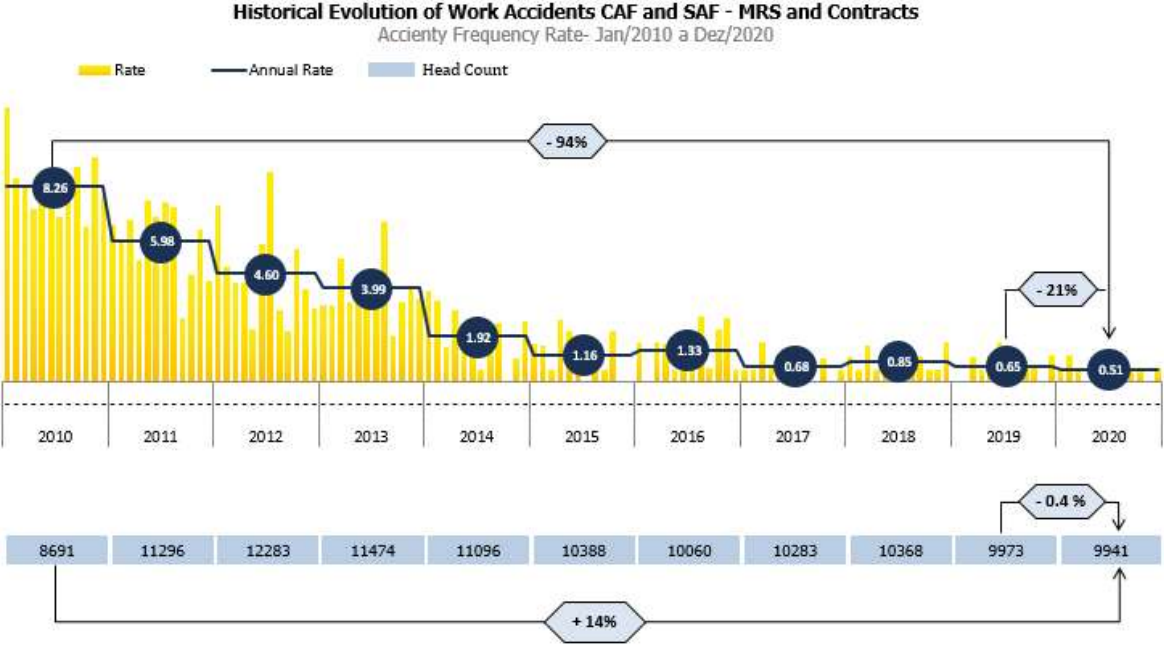
- **Task Observation Program:** Behavior audit program for control of risks due to operating failures. This is a prevention tool with focused on identifying conduct deviations of safety when performing procedural activities and in training through feedbacks for identified deviations. The purpose of the 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 the Company's assets.
- **Safety Program in Terminals (PST):** Audit program focusing on operating routines and permanent road condition in client terminals where MRS operates. In 2020, approximately 1,300 inspections were performed at over 130 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 2020, approximately 3,345 audits were performed in approximately 100 yards.
- **Communities Committee:** It is a group comprising professionals of several areas of MRS, whose work is focused on the fight against run overs and collisions involving the community. In 2020, approximately R\$ 5 million was invested in 22 work fronts for the preservation of the right of way area of the railroad, sealing, active signaling and revitalization of Level Crossing (PN) and Pedestrian Crossing (PP).
- **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.

# Work Safety

Safety is a value of MRS and, over the years, the Company has been achieving increasingly improved results. MRS relies on practices that consist of identifying, assessing and controlling the risks inherent in the activities of its employees, with the purpose of promoting the health and safety of all, by reducing deviations, incidents, accidents and occupational diseases.

The accident frequency rate with and without lost time, including regular and outsourced employees, closed at 0.5 in 2020, the best historic result for MRS. The previous record was in 2019, with a 0.65 rate. In 2020, 3 less personal accidents were recorded as compared to 2019, which represents a 21% reduction in the rate of frequency of personal accidents.

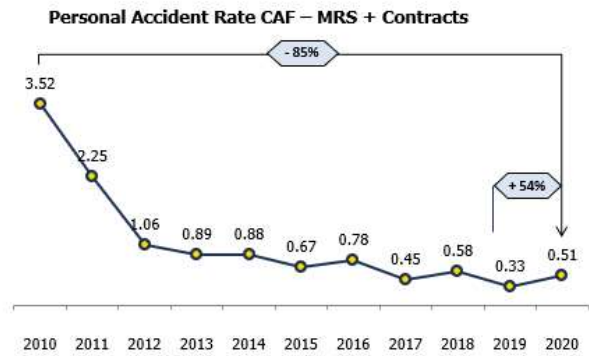
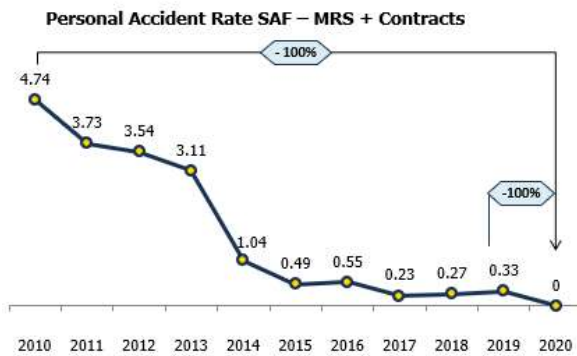
MRS points out that: (i) the months of April, June and November of 2020 had no accidents and (ii) the 94% reduction in the rate of typical personal accidents between 2010 and 2020.



The result of the actions for Safety carried out by MRS is reflected in the reduction of accidents, over the years. In 2020, the annual rate of personal accidents was 0.51, while in 2010, it was 8.26, as shown in the graph below. In 2020, all recorded accidents, considering own employees and third parties, were lost-time incidents (LTI), however none of them caused serious injuries and 64% of the occurrences were classified as "non-critical"; that is, with no chance of resulting in permanent injury or death. During 2020, no work accidents without lost time were recorded (SAF).







## Programs focused on occupational safety:

With the constant search to ensure the safety of its employees, MRS carries out several actions:

- **Risk and Loss Report (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 2020, more than 12,000 CRP's were recorded.
- **Safety Workshops:** Despite the difficulties imposed by the pandemic scenario (Covid-19), in order to promote a culture of safety in the organizational environment, MRS carried out several online actions in 2020. The Company redesigned the format of the Internal Week for the Prevention of Accidents at Work and the Environment - SIPATMA, through interactive live broadcasting for the administrative audience, and on-site meetings for the operational audience in more than 82 sites, which raised awareness of around 1,100 employees, following all the care and recommendations of the World Health Organization - WHO.
- **Preliminary Risk Analysis (APR):** It is a tool that aims to analyze the risks before the beginning of the activity, identifying and pointing out 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 846 DDS carried out throughout 2020, 219 were practical DDS.
- **Planned inspections:** Audits aiming to assess the environment and workspace conditions and documents related to safety processes. In 2020, around 2,500 inspections were performed, leading to approximately 2,400 improvement measures.
- **Meetings with contractors:** The objective is to present the indicators, the results of audits, investigations of accidents and best practices of critical service providers of MRS. In 2020, a compliance percentage of 93% was obtained in the audited agreements.



# Environment

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In 2020, 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:

- Risk Assessment Study Management, Risk Management Program and Emergency Action Plan
- Management of Mitigation of Social and Environmental Impacts
- Air Quality Management
- Erosive Process Management
- Noise Management
- Flora Handling Management
- Fauna Run Over Management
- Waste management
- Effluent Management
- Management of Diagnosis, Monitoring and Good Standing of the Right of Way area
- Legal Compliance Management
- Environmental Management of Works
- Management of Contaminated Areas
- Water Resources Management
- Environmental Licensing Management

The Company uses the Environmental Management System (“SGA”), which aims to ensure the adoption of best practices for the management of environmental programs carried out by MRS, the control of environmental risks and the optimization of operating costs. Acting on a preventive basis, SGA aims to inform the environmental performance of processes, eliminate and minimize possible environmental impacts, reduce occurrences, proper training of employees to respond to emergencies, as well as obtain higher assertiveness in the conduct of the environmental strategy and commitments assumed with the relevant bodies. Thus, in order to fulfill its environmental obligations and commitments, MRS relies on procedures and human resources to plan, implement, control and improve the Company's actions.

The main environmental programs taught in 2020 are listed below:

- **Solid waste management program:** This program aims to guarantee the adequate final destination of the waste generated by the maintenance activities of MRS. In 2020, approximately 2,397 tonnes of waste were generated, of which 71% are classified as non-hazardous waste (Class II) and 29% as hazardous waste (Class I). Throughout the year, relevant actions were carried out within the program, which aims to reduce the generation of waste and increase its reuse, through the reuse of part of wood scraps in maintenance activities and reuse by third parties of the remainder not reused; the continuity of the process of reuse and sale of crossties; dry cleaning of rail wheel sets, minimizing the generation of industrial effluents; sale of used lubricating oil for re-refining activities; reuse of welding residue by third parties; continuity of recycling by third parties of all waste paper, cardboard and plastic generated by the Company; among other initiatives that help to reduce the discharge of waste in industrial landfills.
- **Liquid waste management program:** Aimed at the proper handling of industrial waste derived

from locomotive maintenance activities carried out in the workshops, MRS owns 6 Industrial Wastewater Treatment Plants (IWTP). Thus, liquid waste is collected, treated and disposed of in compliance with the relevant legislation. In addition, the internal management of this program includes the monitoring and assessment of the performance of the treatment devices, ensuring the system efficiency and minimizing the risks of negative impacts.

• **Environmental Education Program (PEA):** MRS carries out various activities aimed at raising environmental awareness among communities bordering the railroad and its employees through lectures, door-to-door activities, distribution of printed materials and educational blitz. The Company also has the Environmental Education Program for Workers (PEAT), which includes the Company's employees mainly from the maintenance areas.

Due to Covid-19, in 2020, on-site meetings with employees and the community were suspended, but some relevant actions were carried out:

Accordingly, the following campaigns were developed:

- **In the city of Pinheiral:** MRS carried out the railway safety action in Parque Maira with truck drivers through the program called “letter to the driver” which aims to raise awareness among adult drivers through the railway safety message designed and written by children. In addition, the Company released the MRS magazine with historical, social and environmental content developed for the city of Pinheiral with a sound car and accessible by QR code and physical medium.
- **In the city of Barra do Piraí:** MRS carried out railway safety actions with driving school trainers in order to create replicators of the prevention message. In addition, banners were placed in driving schools and clinics accredited by Detran, containing messages on railway safety, defensive driving and vehicle maintenance. The Company also carried out an itinerant campaign to raise awareness of railway risks to drivers in order to avoid collisions, by means of a sound car spreading railway safety messages and featuring a winch carrying a collapsed car and a banner containing a railway accident prevention message, as shown in the figure below.



- **Caminhos Verdes (Green roads) program:** In 2020, around 13,000 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 7.8 hectares of planting which is equivalent to a planted area of approximately 7 official soccer fields.

# Strategies and Perspectives



*Detail of cargo wagon in MRS railway set*

2020 was undoubtedly one of the most surprising years in history, in many ways. The pandemic has drastically affected the main institutions: banks, industries, companies and governments, causing a strong economic downturn worldwide.

The consumer market was reshaped, significantly hurting most segments, but, on the other hand, boosting others. In this context, we had our mining business (HH - Heavy Haul) positively affected by the growth in apparent steel consumption in the domestic and foreign markets - despite the immediate slowdown in the first months of 2020, due to the pandemic - and by the faster and more intense resumption of consumption by the Chinese industry that triggered the iron ore price increase worldwide.

Other positive side effect, which also affected us, was the growth in the volume transported to other exporting customers of ore, driven by the hike in the commodity price and the favorable exchange rate of Brazilian real against the U.S. dollar.

The global expectation for all Heavy Haul customers is bullish for 2021. Therefore, the expectation of a faster recovery of the volume transported for the next years remains. In this sense, MRS has developed operational solutions for the restricted areas due to the rupture of Brumadinho dam, modernizing its fleet and maintaining the cost optimization strategy, always keeping the highest safety standards.

The improvement of the economic background is admitted worldwide, with the consequent resump-



tion of growth due to the return of relative normality after the pandemic. This context is of paramount importance for the growth of General Cargo.

For 2021, according to the Government's schedule, it is also expected the completion of the remaining steps for the fulfillment of the entire process of renewal of the concession and the effective execution of the agreement and, finally, the beginning of the execution of the planned investment schedule.

# Independent Auditors



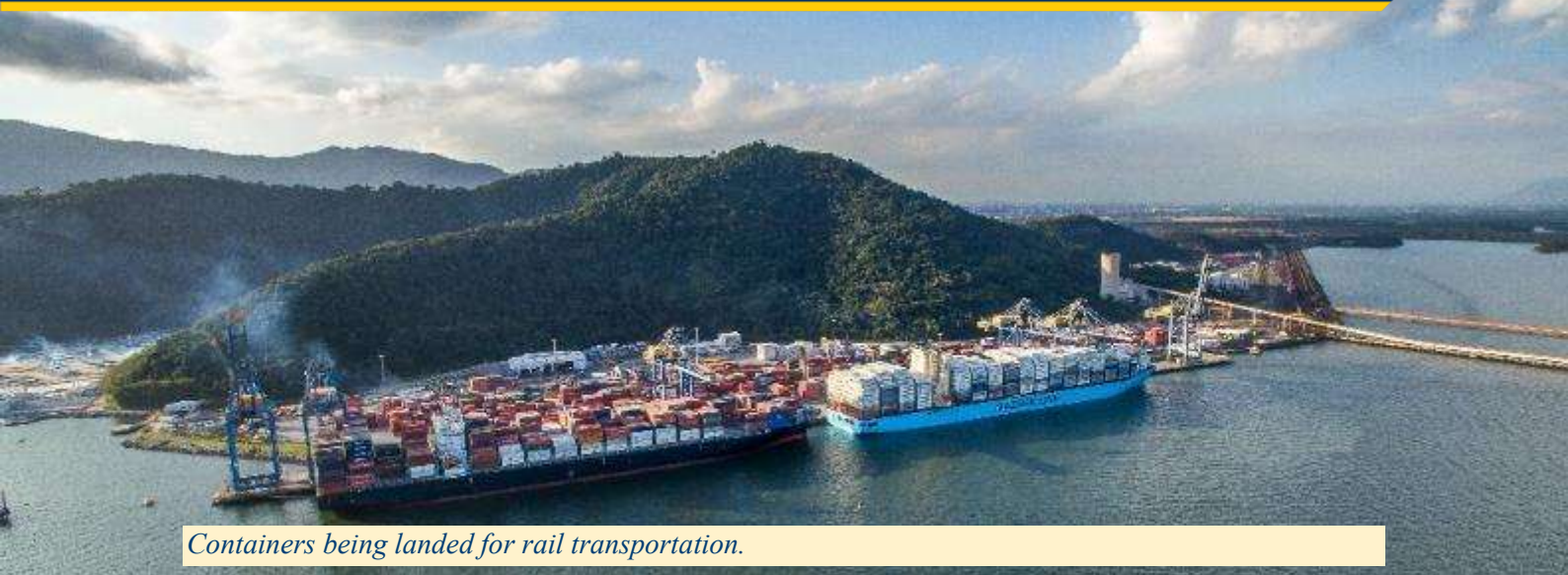
*Detail of wheels lined up at the train maintenance center*

## Independent Auditors

In 2020, KPMG Auditores Independientes provided auditing services for the annual financial statements and reviews on the quarterly information.

In compliance with CVM Instruction 381/2003, which addresses 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 transportation.*

## Investor Relations

### General Finance Manager

Douglas Coutinho

[douglas.coutinho@mrs.com.br](mailto:douglas.coutinho@mrs.com.br)

### Financial Operations and Investor Relations Manager

Diogo Rocha

[diogo.rocha@mrs.com.br](mailto:diogo.rocha@mrs.com.br)

(21) 2559-4660

### Bookkeeper

Banco Bradesco S.A.

Phone: (11) 3684-3749

Email: [4010.acoes@bradesco.com.br](mailto:4010.acoes@bradesco.com.br)

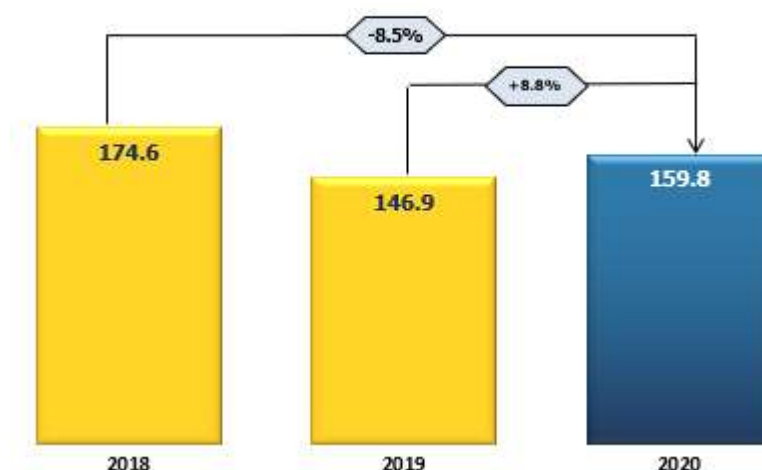
### B3 - OTC Market

### Investor Relations Website

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

# Consolidated Tables

## Annual Results Transported Volume in millions of TU



Transported Volume Thousand Tons	4Q20			4Q19			3Q20			2020			2019		
	MRS	Others	Total	MRS	Others	Total	MRS	Others	Total	MRS	Others	Total	MRS	Others	Total
<b>Mining</b>	<b>28,630</b>	-	<b>28,630</b>	<b>18,448</b>	-	<b>18,448</b>	<b>27,908</b>	-	<b>27,908</b>	<b>98,167</b>	-	<b>98,167</b>	<b>87,464</b>	-	<b>87,464</b>
Iron Ore	28,103	-	28,103	17,957	-	17,957	27,354	-	27,354	95,674	-	95,674	85,164	-	85,164
Export	25,266	-	25,266	15,081	-	15,081	24,683	-	24,683	84,129	-	84,129	74,130	-	74,130
Domestic Market	2,837	-	2,837	2,876	-	2,876	2,671	-	2,671	11,545	-	11,545	11,034	-	11,034
Coal and Coke	528	-	528	492	-	492	554	-	554	2,493	-	2,493	2,301	-	2,301
<b>General Cargo</b>	<b>4,207</b>	<b>11,558</b>	<b>15,765</b>	<b>4,508</b>	<b>10,550</b>	<b>15,059</b>	<b>4,551</b>	<b>12,706</b>	<b>17,257</b>	<b>17,270</b>	<b>44,381</b>	<b>61,651</b>	<b>18,744</b>	<b>40,658</b>	<b>59,402</b>
Agricultural Products	715	9,471	10,186	902	8,784	9,686	1,016	10,900	11,916	3,595	37,365	40,960	4,240	34,298	38,538
Corn	237	4,725	4,962	273	5,119	5,393	238	6,157	6,455	557	11,604	12,161	912	13,600	14,512
Sugar	478	3,547	4,025	628	1,788	2,417	717	2,319	3,636	2,628	9,380	12,008	2,368	6,037	8,405
Soy	-	-	-	-	530	530	-	466	466	411	11,642	12,053	765	9,368	10,733
Soybean Meal	-	1,198	-	1,286	1,286	-	1,358	1,358	-	4,738	4,738	195	4,633	4,888	
Steel Products	1,680	-	1,680	1,631	-	1,631	1,479	-	1,485	6,079	-	6,097	7,077	-	7,089
Container	327	293	620	330	301	631	314	214	528	1,311	915	2,226	1,259	1,147	2,406
Construction	488	-	488	513	-	513	566	-	566	2,025	-	2,025	2,049	-	2,049
Others	997	1,794	2,791	1,132	1,466	2,598	1,176	1,585	2,761	4,260	6,083	10,343	4,118	5,201	9,320
<b>Total</b>	<b>32,837</b>	<b>11,558</b>	<b>44,395</b>	<b>22,956</b>	<b>10,550</b>	<b>33,508</b>	<b>32,459</b>	<b>12,706</b>	<b>45,165</b>	<b>115,436</b>	<b>44,381</b>	<b>159,817</b>	<b>106,208</b>	<b>40,658</b>	<b>146,866</b>
Gross Average Tariff (R\$/ton)		24.0		23.3		23.9		22.9		23.7					

Investments - R\$ million	4Q20	4Q19	3Q20	2020	2019
Chains	202.7	168.9	172.3	667.7	612.4
Expansion	63.8	11.0	11.8	97.2	14.5
Improvement	9.4	10.2	5.7	20.1	120.6
<b>Total</b>	<b>275.8</b>	<b>190.1</b>	<b>189.8</b>	<b>785.0</b>	<b>747.5</b>



<b>Income Statement - R\$ Million</b>	<b>4Q20</b>	<b>3Q20</b>	<b>4Q19</b>	<b>2020</b>	<b>2019</b>
<b>Net Revenue</b>	<b>990.4</b>	<b>1,011.4</b>	<b>701.7</b>	<b>3,605.0</b>	<b>3,200.8</b>
Costs of Provided Services	(427.5)	(385.0)	(367.2)	(1,487.4)	(1,481.2)
<b>(=) Gross Profit</b>	<b>562.8</b>	<b>626.4</b>	<b>334.5</b>	<b>2,117.5</b>	<b>1,719.7</b>
<b>Income (Expenses)</b>	<b>117.1</b>	<b>(73.7)</b>	<b>74.7</b>	<b>(104.6)</b>	<b>244.2</b>
Sales Expenses	(3.6)	(3.7)	(4.3)	(13.4)	(14.0)
General and Administrative Expenses	(66.2)	(56.9)	(56.8)	(227.6)	(197.9)
Other Operating Income	296.6	37.2	271.1	395.4	832.3
Other Operating Expenses	(109.6)	(50.3)	(135.3)	(259.0)	(376.2)
<b>(=) EBITDA</b>	<b>680.0</b>	<b>552.7</b>	<b>409.2</b>	<b>2,012.9</b>	<b>1,963.9</b>
Depreciation/Amortization	(248.0)	(246.7)	(236.4)	(1,050.0)	(921.2)
<b>(=) Operating Income Before Financial Effects</b>	<b>431.9</b>	<b>306.0</b>	<b>172.7</b>	<b>962.9</b>	<b>1,042.7</b>
Financial Income	60,0	86.7	92.6	498.9	312.4
Financial Expenses	(156.9)	(168.0)	(139.5)	(815.3)	(597.4)
<b>(=) Income Before Income Tax and Social</b>	<b>335.1</b>	<b>224.7</b>	<b>125.9</b>	<b>646.5</b>	<b>757.7</b>
IR/CS Current/Deferred	(108.2)	(76.1)	(38.8)	(216.3)	(254.4)
<b>(=) NET INCOME</b>	<b>226.8</b>	<b>148.6</b>	<b>87,0</b>	<b>430.3</b>	<b>503.4</b>

Balance sheet - R\$ Million

ASSETS	2020	3Q20	2019
<b>Current</b>			
Cash and Cash Equivalents	1,206.5	1,279.6	668.3
Restricted Cash	-	213.1	2.0
Accounts Receivable with Related Par	382.5	177.2	899.7
Others Accounts Receivables	8.7	8.3	8.4
Stocks	132.4	132.7	119.5
Recoverable Taxes	63.6	58.9	90.9
Prepaid Expenses	16.8	18.9	18.0
Derivative Financial Instruments	27.2	40.4	51.6
Other Current Assets	27.3	22.4	20.1
<b>Total Current Assets</b>	<b>1,865.0</b>	<b>1,951.5</b>	<b>1,878.5</b>

**Not Current**

Long Term Realizable	-	-	-
Restricted Cash	-	-	-
Accounts Receivable with Related Pa	284.7	149.8	175.2
Others Accounts Receivables	30.3	84.4	85.2
Recoverable Taxes	108.6	109.0	92.8
Prepaid Expenses	1.3	2.0	4.8
Derivative Financial Instruments	60.9	-	-
Derivative financial instruments	116.4	125.5	44.7
Other Not-Current Assets	124.6	126.7	126.9
Immobilized	1,906.5	1,663.9	1,852.6
Rights of use	6,567.6	6,322.4	6,417.6
Intangible	63.7	56.7	45.8
<b>Total Not-Current Assets</b>	<b>9,264.7</b>	<b>8,640.3</b>	<b>8,845.7</b>
<b>Total Assets</b>	<b>11,129.7</b>	<b>10,591.8</b>	<b>10,724.2</b>

LIABILITIES	2020	3Q20	2019
<b>Current Liabilities</b>			
Suppliers	331.6	177.3	197.3
Labor Express	164.1	171.0	178.2
Income Tax and Social Contribution	207.3	79.9	209.0
Others Taxes Obligations	50.4	55.3	106.4
Loans and Financing	831.6	780.6	714.5
Leasing to pay	317.9	270.3	256.0
Derivative Financial Instruments	10.6	13.1	12.3
Payable Dividends	102.4	119.7	119.7
Payable Concessions and Lease	4.7	4.6	3.8
Client Advances	1.9	1.1	0.4
Provisions	53.8	39.7	39.8
Others Current Liabilities	55.3	23.5	31.4
<b>Total Current Liabilities</b>	<b>2,131.4</b>	<b>1,736.2</b>	<b>1,868.8</b>

**Not Current**

Suppliers	39.4	36.4	37.0
Loans and Financing	2,156.4	2,390.2	2,351.0
Derivative Financial Instruments	-	-	-
Payable Concessions and Lease	2.7	2.2	2.7
Client Advances	-	-	-
Diferred Taxes	-	1.5	63.6
Provisions	662.5	579.9	581.4
Leasing to pay	1,675.1	1,482.7	1,650.8
Others Current Liabilities	149.4	56.5	66.4
<b>Total Not-Current Liabilities</b>	<b>4,685.5</b>	<b>4,549.4</b>	<b>4,752.9</b>
<b>TOTAL LIABILITIES</b>	<b>6,816.9</b>	<b>6,285.6</b>	<b>6,621.7</b>

Capital Stock	2,151.5	2,047.3	1,917.3
Reserve Allocation for Capital	-	-	130.0
Profit Reserves	2,151.5	2,047.2	2,047.2
. Legal Reserves	342.0	320.5	320.5
. Investments Reserves	1,809.5	1,726.7	1,726.7
. Proposed Additional Dividend	-	-	-
Accumulated Profit	-	203.4	-
Equity Valuation Adjustments	9.7	8.2	8.0
<b>Total Stockholders Equity</b>	<b>4,312.8</b>	<b>4,306.2</b>	<b>4,102.5</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS</b>	<b>11,129.7</b>	<b>10,591.8</b>	<b>10,724.2</b>