



# Press Release - 3Q20



Logística S.A.

# Summary

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# Key Highlights

Volume Transported

**15.0%**

45.2 MM Tons

Volume Transported  
Mining

**23.6%**

27.9 MM Tons

Leverage  
Ratio

**1.01x**

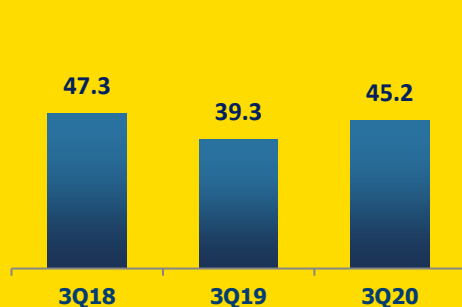
-0.05x

EBITDA

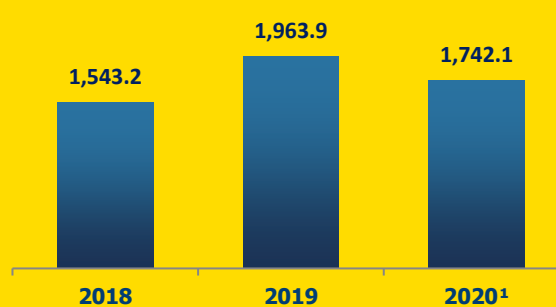
**R\$ 553 MM**

-7.2%

Volume Transported  
(in TU million)



EBITDA  
(In millions of Brazilian reais)



<sup>1</sup> Last 12 months

Rio de Janeiro, November 11, 2020. MRS Logística S.A. announces its results for 3Q20. Comparisons refer to results for the previous quarter and the same periods in 2019. Information directly extracted from the Balance Sheet and the Income Statement was duly reviewed by independent auditors, except for non-financial information.

## COVID-19

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MRS' actions throughout 2020 showcases that the company understands its social role, its importance to society and its leading role. The company made efforts to guarantee a continuous and safe railway operation and ensured that its employees were able to carry out their activities safely. The Federal Government defined, through Decree No. 10.282, dated March 20, 2020, the essential and indispensable activities for Brazilian society. Railroad cargo transportation services fall into this group, as well as support activities and supply of inputs or raw materials for the proper functioning of the railroad.

MRS promoted - and continues to promote - several internal actions related to COVID-19, such as publishing and disclosing contents with guidelines on prevention and combat to the novel coronavirus; reinforcement of hygiene in the work environment, including locomotives, with 70% isopropyl alcohol available across all the company's facilities; supply of safety masks to employees who continue to work on-site at the facilities; in addition to establishing a series of guidelines to direct all employees' routine, for example, regarding the displacements. MRS has, of course, also been following all the protocols recommended by the World Health Organization (WHO).

A series of measures adopted in March are still maintained, such as the adoption of remote work for its administrative areas and rotation of on-site work for employees unable to develop their activities remotely. Situations such face-to-face meetings, non-essential trips, trips abroad and participation in seminars, fairs and events are still suspended.

In its relationship with the external audience, MRS allocated R\$ 3 million to support a number of actions to mitigate the effects of the pandemic, such as the delivery of basic baskets and hygiene items to people in situation of social vulnerability; purchase of medical equipment by the Federation of Industries of the State of Minas Gerais (FIEMG); donation of resources to Fiocruz for the development of quick tests for the diagnosis of Covid-19; and food vouchers for public school students in partnership with other railways and the NGO Comunitas. The company also provided qualified employees to work on projects for the recovery of defective respirators with the National Service for Industrial Training (SENAI). The collaboration and the feeling of partnership are values that we seek to express with these actions.

## Financial and Operating Results - 3Q20

Financial and Operational Results	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20	9M20	9M19	9M20 x 9M19
Transported Volume (thousands tons)	45,165	39,288	15.0%	40,840	10.6%	115,422	113,358	1.8%
Gross Revenues (R\$ million)	1,081.8	927.0	16.7%	996.1	8.6%	2,826.1	2,711.3	4.2%
Net Revenues (R\$ million)	1,011.4	856.5	18.1%	928.5	8.9%	2,614.6	2,499.1	4.6%
EBITDA (R\$ million)	552.7	597.5	-7.5%	496.9	11.2%	1,333.0	1,554.7	-14.3%
EBITDA Margin <sup>1</sup> (%)	54.6%	69.8%	-15.2pp	53.5%	1.1pp	51.0%	62.2%	-11.2pp
Net Income <sup>1</sup> (R\$ million)	148.6	181.0	-17.9%	146.4	1.5%	203.4	416.2	-51.1%
Gross Debt (R\$ million)	3,039	3,072	-1.1%	3,165	-4.0%	3,039	3,072	-1.1%
Net Debt (R\$ million)	1,758	2,066	-14.9%	1,784	-1.4%	1,758	2,066	-14.9%
Net Debt/EBITDA <sup>1</sup> (x)	1.01x	1.06x	-0.05x	1.00x	0.01x	1.01x	1.06x	-0.05x

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

The results for the third quarter of 2020 brought a considerable recovery in the Company's operating performance, returning to historical performance levels.

The Company ended the third quarter with 45.2 million tons transported, recording a 10.6% increase versus 2Q20. In the Mining group, we highlight the main factors that have been contributing to the achievement of this result, such as the consolidation of the operation with the unmanned train (Terminal do Andaime-MG), the continued high demand for iron ore and the increased commodity price in foreign market.

The General Cargo group (group composed of agricultural products, steel, cement, containers, among others) ended the period with a 9.6% increase versus 2Q20, amounting to 17.3 million tons, representing the best group's result in any quarter.

EBITDA in the period grew 11.2% as compared to 2Q20, and ended the quarter at R\$ 552.7 billion, with a 54.6% margin. In comparison with the same period of the previous year, EBITDA decreased by 7.5%.

# Commercial Results



MRS train crossing urban area

## Commercial Results

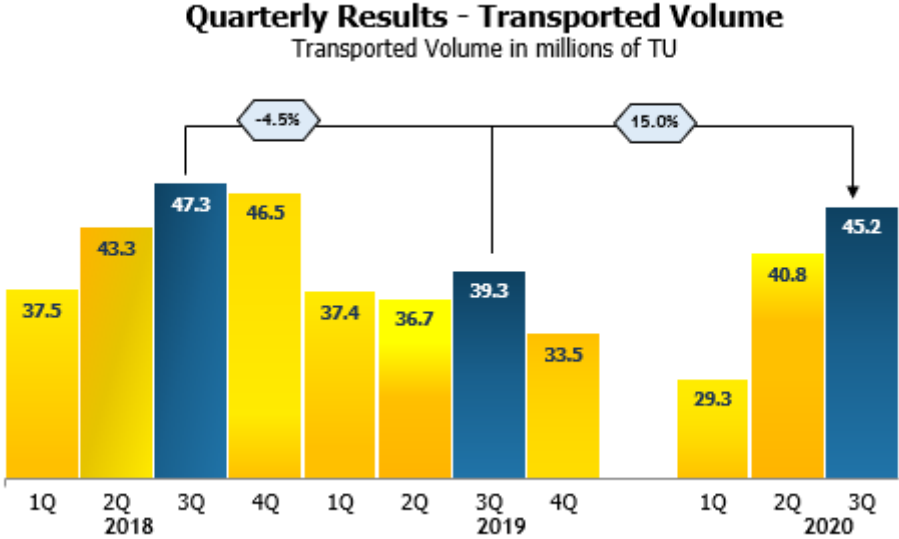
Transported Volume Thousand tons	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20	9M20	9M19	9M20 x 9M19
<b>Mining</b>	<b>27,908</b>	<b>22,580</b>	<b>23.6%</b>	<b>25,093</b>	<b>11.2%</b>	<b>69,536</b>	<b>69,016</b>	<b>0.8%</b>
Iron Ore	27,354	22,092	23.8%	24,318	12.5%	67,571	67,207	0.5%
Export	24,683	19,918	23.9%	21,407	15.3%	58,863	59,049	-0.3%
Domestic Market	2,671	2,174	22.9%	2,911	-8.2%	8,708	8,158	6.7%
Coal and Coke	554	488	13.5%	776	-28.6%	1,965	1,809	8.6%
<b>General Cargo</b>	<b>17,257</b>	<b>16,708</b>	<b>3.3%</b>	<b>15,746</b>	<b>9.6%</b>	<b>45,886</b>	<b>44,342</b>	<b>3.5%</b>
Agricultural Products	11,915	11,371	4.8%	10,988	8.4%	30,774	28,852	6.7%
Steel Products	1,485	1,845	-19.5%	1,173	26.6%	4,418	5,458	-19.1%
Container	528	634	-16.7%	508	3.9%	1,606	1,774	-9.5%
Construction	566	563	0.5%	508	11.4%	1,537	1,537	0.0%
Others	2,761	2,296	20.3%	2,570	7.4%	7,551	6,721	12.3%
<b>Total</b>	<b>45,165</b>	<b>39,288</b>	<b>15.0%</b>	<b>40,840</b>	<b>10.6%</b>	<b>115,423</b>	<b>113,358</b>	<b>1.8%</b>

The total volume transported by the Company in 3Q20 was 45.2 million tons (Mt), a significant improvement in results both in relation to 2Q20 and 3Q19, with a 10.6% and 15% increase, respectively. Comparing 3Q20 with 2Q20, we highlight positively the iron ore, corn, sugar and steel product commodities.

In relation to 9M20, the volume exceeded the same period of 2019, with a growth of 1.8%, slightly offsetting the losses that occurred in 1Q20, due to climatic issues (heavy rainfall in the Southeast Re-

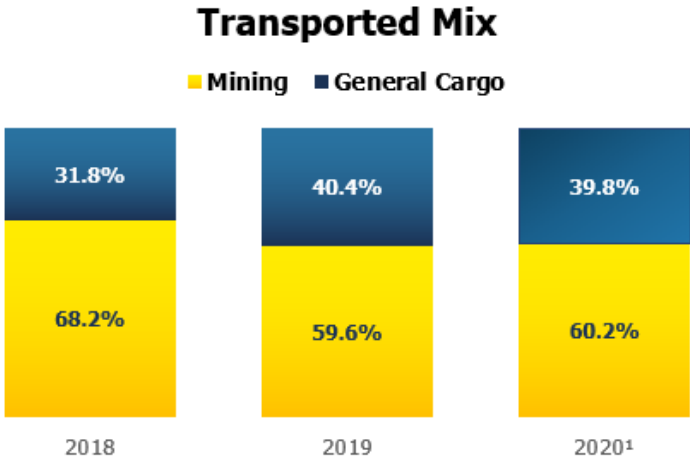
gion of Brazil), which mainly affected the mining group.

In addition, there was a significant increase in the volumes of soybean and sugar in the general cargo group.



In the third quarter of 2020, despite the difficulties experienced and the need to adapt to the new reality, in addition to overcoming challenges, the Company demonstrated once again that it is possible to earn consistent results.

In this context, General Cargo Group recorded a 39.8% share in the total volume transported by the Company, with the Mining group reaching 60.2% of the total.



## Mining

The Mining segment (iron ore, coal and coke) amounted to 27.9 Mt in 3Q20, representing a significant improvement in results as compared to 2Q20 and the same period in 2019.

### Iron Ore - Export

Transported Volume Thousand tons	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20	9M20	9M19	9M20 x 9M19
<b>Mining</b>	<b>27,908</b>	<b>22,580</b>	<b>23.6%</b>	<b>25,093</b>	<b>11.2%</b>	<b>69,536</b>	<b>69,016</b>	<b>0.8%</b>
Iron Ore	27,354	22,092	23.8%	24,318	12.5%	67,571	67,207	0.5%
Export	24,683	19,918	23.9%	21,407	15.3%	58,863	59,049	-0.3%
Domestic Market	2,671	2,174	22.9%	2,911	-8.2%	8,708	8,158	6.7%
Coal and Coke	554	488	13.5%	776	-28.6%	1,965	1,809	8.6%
SubTotal Iron Ore	27,354	22,092	23.8%	24,318	12.5%	67,571	67,207	0.5%
SubTotal Domestic Market	3,225	2,662	21.1%	3,687	-12.5%	10,673	9,967	7.1%

In the third quarter of 2020, Iron Ore volume intended for exports recorded a 23.9% growth when compared to the same period of 2019 and 15.3% when compared to the second quarter of 2020. The segment amounted to 24.7 Mt transported in 3Q20, showing its best performance since 1Q19 (after the failure of Brumadinho-MG dam).

In this period, the pace of growth in volume transported was maintained due to the valuation of the commodity in foreign market and the reduction in the rainfall rate observed in 1Q20, which contributed to the increase in the demand for transport from the main customers and an improvement in the operating conditions related to the production of iron ore in MG and port operations.

It is also important to highlight the continuity of efforts by the company and customers related to the feasibility of the solutions adopted to promote productivity in railway operations, in view of the restrictions imposed in 2019.

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

Mining Group's transportation to the domestic market, considering volumes of iron ore, coal and coke, showed a 21.1% increase versus 3Q19, closing at 3.2 million tons (Mt) in 3Q20.

Comparing the result of 3Q20 with the immediately previous period, we noticed a decrease of 12.5%, which can be explained by some factors, among which the decreased volume of the steel mills in view of the economic context deteriorated by the pandemic, which resulted into the shut-down of large equipment from customers in the sector.



The YTD 2020 compared to the same period of 2019 highlighted a growth percentage of 7.1% due to the shutdown of the Blast Furnace (for maintenance) of an important customer of the Company in 3Q19.

## General Cargo

In 3Q20, transported volume in General Cargo (other products not covered by the Mining group), which includes transportation by MRS and further railways, through paid right of way, reached 17.3 million tons (Mt). When compared to 3Q19, this represents a 3.3% increase.

The Company monitors on a daily basis new commercial partnerships and possibilities for offering the most complete logistical solutions possible, and for establishing an extension in serving traditional customers, in addition to obtaining new business. In view of the entire economic scenario (domestic and abroad), under strong impact of COVID-19 pandemic, the result obtained so far evidences the reach and the consolidation of growing performances in this segment over the last few years. 3Q20 result as compared to 2Q20 reached a 9.6% growth.

## Agricultural products

Transported Volume Thousand tons	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20	9M20	9M19	9M20 x 9M19
<b>Agricultural Products</b>	<b>11,915</b>	<b>11,371</b>	<b>4.8%</b>	<b>10,988</b>	<b>8.4%</b>	<b>30,774</b>	<b>28,852</b>	<b>6.7%</b>
Corn	6,455	7,232	-10.7%	622	-	7,198	9,119	-21.1%
Sugar	3,636	2,491	46.0%	2,565	41.8%	7,983	5,988	33.3%
Soy	466	495	-5.9%	6,429	-92.8%	12,053	10,143	18.8%
Soybean Meal	1,358	1,153	17.8%	1,372	-1.0%	3,540	3,602	-1.7%

The volume of owned and third-party agricultural products (through the paid right of way) amounted to 11.9 million tons in 3Q20, an increase of 8.4% over the immediately previous period, reaching its best historical quarterly performance. This result is mainly justified by the high demand for corn transportation and the best quarter for the volume of sugar, both from other railways.

The determining factor for the favorable performance of the volume transported of corn is the seasonality of the second crop of the product (safrinha), targeted to export, which harvest starts in mid-June, being full from mid-July.

Regarding the positive transport of sugar, the main cause is the inversion of the destination matrix of sugarcane for the production of sugar and ethanol. Over the past few years, the sugarcane crop has been used in greater quantities for the production of ethanol, which was changed this

year due to social isolation measures, which have made fuel consumption drop quite drastically. The depreciation of Real is added to that, which made the price of sugar on foreign market very competitive for the Brazilian producer.

The growth in the volume of soybean meal in relation to the previous year was caused by the greater demand for agricultural commodities by the foreign market, and the incentive of the producer to export these products, basically due to the increase in the US Dollar exchange rate.

In relation to 3Q19, the growth was 4.8%, driven by the increased transportation of soybean by other railways, and of sugar, both on other railways as well as on own cargo. In this case, the calculation of sugar by own cargo was the result of a renegotiation of volumes, taking advantage of our operational capacity.

## Steel Products

Transported Volume TU thousand tons	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20	9M20	9M19	9M20 x 9M19
Steel Products	1,485	1,845	-19.5%	1,173	26.6%	4,418	5,458	-19.1%

MRS recorded 1.5 million tons transported of steel products in 3Q20, a 26.7% increase as compared to the second quarter of 2020 and a 19.5% decrease as compared to 3Q19.

We may say that the increase compared to 2Q20 comes from the civil construction sector, which has continued to grow, increased demand for white goods, in addition to improved sales in the auto industry, after months of pandemic in which some of our customers resumed part of their activities/operation. We also highlight the development of new logistical solutions, with a gain in competitiveness compared to the traditional road modality, in addition to new terminals to serve our customers.

The significant reduction in volume, in view of the accrued period from 2020 to 2019, continues to be a part of the effects caused by COVID-19 pandemic, leveraged by the social isolation actions that also culminated in the stoppage of large equipment such as Blast Furnaces and Rolling Mills of important Company's Customers, which has been resuming their operations little by little.

## Containers

Transported Volume TU thousand tons	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20	9M20	9M19	9M20 x 9M19
Container	528	634	-16.7%	508	4.1%	1,606	1,774	-9.5%

Comparing the 3Q20 result with the immediately previous period, we recorded a 4.1% growth, main-

ly related to (i) the volume from other railways, through the right of way, due to the loosening of social isolation measures in several countries, including Brazil, which increased the demand for products manufactured in global trade and (ii) volume leverage on the Santos-Vale do Paraíba route, proving the consolidation of the investments made by the Company to boost new cargoes/customers.

In 9M20 versus 9M19, we noticed a performance improvement of 6.0% in own cargo and a drop of 26.5% in the volume from other railways, with the main reasons being discussed below:

Own Load: (i) 63% increase in volumes on the Santos-Vale do Paraíba route, (ii) although routes such as Santos-Campinas and Santos-São Paulo have been negatively impacted by the retraction of the automotive industry, commercial actions have been implemented to the diversification of the customer portfolio (new products transported as consumer goods) which reflected positively on other routes such as Santos-Jundiaí, with an increase of 44.5%, also optimizing volumes previously carried out on the Santos-Campinas route, (iii) route RJ-RJ with an expressive growth of 220%, which is explained by the negotiation of new volumes to serve the assemblers in the region of Porto Real and Resende-RJ and, by the service to new customers through the consolidation of multimodality both in the ports of RJ and Itaguaí.

The volume from other railways in 9M20, as compared to 9M19, showed a retraction due to marketing conditions due to the pandemic.

## Construction

Transported Volume Thousand tons	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20	9M20	9M19	9M20 x 9M19
Construction	566	563	0.5%	508	11.4%	1,537	1,537	0.0%

The results of products related to Civil Construction (sand, cement, blast furnace slag), remain positive as compared to 2Q20, representing a 11.4% growth and a total of 0.6 million tons. In the annual balance, even with the growth in the sector, the volume 2020 is equivalent to 2019 balanced by some losses related to the breakdown of equipment (production) and competitiveness.

The good performance is due to the Company's strategy in prospecting new customers, renegotiating non-operating routes, improving operating performance and increasing the share with current customers, within the scope of a movement started in previous years and still providing good results for the Company in this segment.

## Others

Transported Volume Thousand tons	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20	9M20	9M19	9M20 x 9M19
Others	2,761	2,296	20.3%	2,570	7.4%	7,551	6,721	12.3%

The remaining products totaled 2.8 million tons transported. The group, which is comprised of several types of cargoes (pig iron, pulp, manures/fertilizers, chemicals, sulfur, among others), reported a 7.4% growth as compared to the second quarter of 2020.

The following factors have corroborated for this growth in comparing 3Q20 and 3Q19: (i) the transportation of pig iron for export, recording 29.8% increase amounting 0.5 million tons transported in 3Q20. This growth can be explained by the Company's Commercial and Operational efforts to attract new customers, increase the capacity of terminals, develop new terminals, increase the railway fleet and export logistics, as well as the unloading capacity in the Port of Rio de Janeiro, allowing customers to negotiate extra vessels. In addition to the increase in the Market Share of MG production, two new customers were attracted in MS for export via Rio de Janeiro. The marketing conditions of price, exchange rate and consumption in the domestic market that remained favorable for the export market, which is currently mostly shipped to the Chinese market, (ii) increase in the transportation from other cargo railways, such as manures, fertilizers, pulp and sulfur, (iii) a 97.4% increase in pulp volume, as a result of the higher productivity of the new closed contract, with more productive wagons and unloading terminals.

## Pulp Transportation reaches its best results in 2020

The strengthening of Brazilian agribusiness exports reinforces the sector's importance in the domestic economy, particularly in the current scenario due to the pandemic. In this sector, pulp appears as one of the five most exported products. The full article may be found at: <https://www.mrs.com.br/post-newsletter/transporte-de-celulose-atinge-seus-melhores-resultados-em-2020/>



# Economic and Financial Results

MRS train transporting containers

Results	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20
Gross Revenues (R\$ million)	1,081.8	927.0	16.7%	996.1	8.6%
Gross Average Tariff (R\$/ton)	23.9	23.6	1.4%	24.6	-2.7%
Net Revenues (R\$ million)	1,011.4	856.5	18.1%	928.5	8.9%
Net Average Tariff (R\$/ton)	22.4	21.8	2.7%	22.9	-2.2%
EBITDA (R\$ million)	552.7	597.5	-7.5%	496.9	11.2%
EBITDA Margin (%)	54.6%	69.8%	-15.2pp	53.5%	1.1pp
Net Income (R\$ million)	148.6	181.0	-17.9%	146.4	1.5%
Net Debt/EBITDA <sup>1</sup> (x)	0.89x	1.06x	-0.17x	1.00x	-0.11x

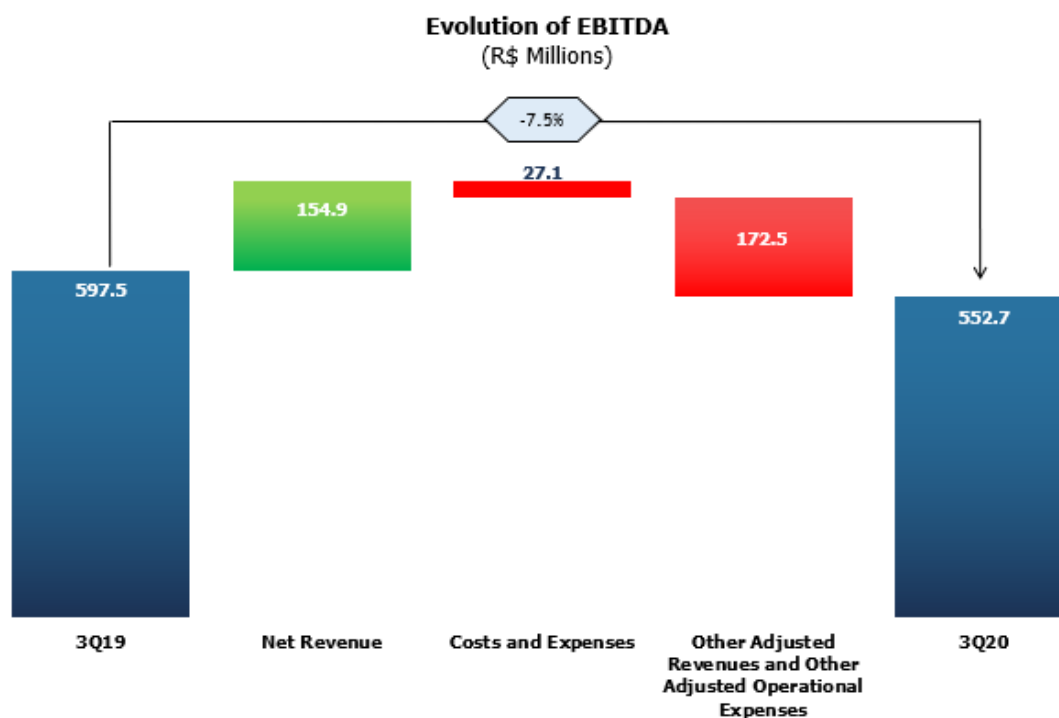
<sup>1</sup> EBITDA accumulated over the past 12 months. The covenant adopted towards some creditors was detailed in the debt chapter of this release

## Net Revenues

In 3Q20, MRS recorded net revenue of R\$ 1,011.4 million, a 18.1% increase versus 3Q19. The improved result is a reflection of the resumption of transported volume, especially in Mining.

## EBITDA

3Q20 EBITDA recorded a 7.5% decrease when compared to the second quarter of 2019, reaching R\$ 552.7 million, with EBITDA Margin at 54.6%, 15.2 p.p. lower than 3Q19.



**I. Net Revenues:** Increase of R\$ 154.9 million, which reflects, in particular, the recovery in volume transported, mainly in the Mining segment, which was sensitized in 2019 by the consequences of the dam failure in Brumadinho (MG), and which has been benefiting from a favorable economic scenario for exports.

**II. Costs and Expenses:** R\$ 27.1 million increase as compared to 3Q19. This result can be explained by the increase in diesel expenses and higher maintenance expenses, due to the recovery of the volume transported, by the growth in third-party services due to the actions performed by the Company in the combat against COVID-19, in addition to the expenses with the operation in self-rescue zone.

**III. Other Operating Revenues and Expenses:** The impact of R\$ 172.5 million in 3Q20, when compared to the same period in 2019, is mainly due to the difference in the provision of the clauses provided for in the Company's long-term contracts (take or pay) occurred in 3Q19, in addition to the reductions in legal provisions altogether, with the payment of agreements of labor nature.

## Indebtedness

In R\$ million	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20
<b>Gross Debt<sup>1</sup></b>	<b>3,038.8</b>	<b>3,072.0</b>	<b>-1.1%</b>	<b>3,040.4</b>	<b>-0.1%</b>
Gross Debt in Reais	2,463.3	2,513.3	-2.0%	2,466.7	-0.1%
Gross Debt in US\$ <sup>2</sup>	575.5	558.7	3.0%	573.7	0.3%
<b>Cash<sup>3</sup></b>	<b>1,492.7</b>	<b>1,023.8</b>	<b>45.8%</b>	<b>1,255.2</b>	<b>18.9%</b>
<b>Net Debt</b>	<b>1,758.3</b>	<b>2,066.1</b>	<b>-14.9%</b>	<b>1,784.1</b>	<b>-1.4%</b>
<b>EBITDA<sup>4</sup></b>	<b>1,742.1</b>	<b>1,950.7</b>	<b>-10.7%</b>	<b>1,786.9</b>	<b>-2.5%</b>
<b>Net Debt/EBITDA (x)<sup>4</sup></b>	<b>1.01x</b>	<b>1.06x</b>	<b>-0.05x</b>	<b>1.00x</b>	<b>0.01x</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 3Q20 remained flat as compared 2Q20, closing the period at R\$ 3,038.8 million.

In this quarter, we remain comfortable with the current level of indebtedness, in view of our short and medium term schedule of obligations.

A reflection of that is our level of covenants, which closed the third quarter of 2020 at 1.01x.

The result of the leverage ratio, measured by the Net Debt/EBITDA ratio, is 0.05x lower than the second quarter of 2020, and represents one of the most positive quarterly results in recent years, influenced by the sustainable focus on resource management and, particularly in effective control of low leverage.

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

Reconciliation EBITDA (R\$ million)	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20
<b>Net Income</b>	<b>148.6</b>	<b>181.0</b>	<b>-17.9%</b>	<b>146.3</b>	<b>1.5%</b>
(+) Taxes on Profit	76.1	92.4	-17.6%	73.5	3.7%
(+) Depreciation and Amortization	246.7	230.8	6.9%	251.6	-2.0%
(-) Depreciation Right of Use (lease agreements) <sup>2</sup>	(69.8)	(65.4)	6.8%	(68.3)	2.2%
(+) Net Financial Result	81.3	93.3	-12.9%	25.4	220.6%
(-) AVP Financial Charges (lease contracts)	(36.0)	(39.3)	-8.5%	(37.1)	-3.2%
<b>(=) Adjusted EBITDA<sup>1</sup></b>	<b>446.9</b>	<b>492.8</b>	<b>-9.3%</b>	<b>391.3</b>	<b>14.2%</b>

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

<sup>2</sup> More detailed information can be found on explanatory notes 14.2 and 32

## Net Profit

Net Profit was R\$ 148.6 million at the end of 3Q20, which represented a slight increase of 1.5% compared to the immediately previous period. That result mainly reflects the improvement in the volume transported by the Company.

## Cash Flow Statement

The Company ended 9M20 with R\$ 1,279.5 million in cash and cash equivalents, with positive cash generation in the amount of R\$ 611.2 million. The positive result was mainly motivated by the increase in fundraising in the period, in addition to the receipt of take or pay - clauses provided for in the Company's long-term contracts - and better operating performance.

Statement of Cash Flow - R\$ Million	9M20	9M19
<b>Cash at beginning of period</b>	<b>668.3</b>	<b>276.7</b>
<b>Net Income before IR and CSLL</b>	<b>311.5</b>	<b>631.8</b>
Depreciation and Amortization	801.9	684.4
Monetary/Foreign Exchange Variation and Financial Charges	254.0	292.4
Provision (Reversal)	(25.3)	43.3
Others	33.3	85.7
<b>Net Income cash basis</b>	<b>1,375.4</b>	<b>1,778.4</b>
<b>Changes in assets and liabilities</b>	<b>(38.5)</b>	<b>(857.3)</b>
Accounts Receivable and Related Parties	750.7	(412.3)
Stocks	(13.2)	(17.5)
Restricted Cash	(211.1)	67.9
Taxes Recoverable	15.8	14.8
Providers	23.3	(13.7)
Tax liabilities	(105.1)	(7.0)
Taxes on profit	(245.0)	(230.9)
Social and Labor Obligations	(7.2)	(24.9)
Payment of interest on loans and financing	(106.5)	(101.8)
Payment of interest on rights of use	(111.1)	(120.7)
Others	(29.1)	(11.2)
<b>Net Cash provided by operating activities</b>	<b>1,336.9</b>	<b>921.1</b>
<b>Investment activities</b>	<b>(500.2)</b>	<b>(501.8)</b>
Immobilized	(482.3)	(495.9)
Intangible	(17.9)	(7.7)
Proceeds from the sale of property, plant and equipment	-	1.8
<b>Financing activities</b>	<b>(225.5)</b>	<b>325.9</b>
Borrowing and financing	511.7	280.5
Debentures	-	650.0
Payments	(562.9)	(443.4)
Rights of use	(174.3)	(161.1)
<b>Cash at end of period</b>	<b>1,279.5</b>	<b>1,021.8</b>
<b>Cash Flow</b>	<b>611.2</b>	<b>745.2</b>



# Investor Relations and Consolidated Tables



## Investor Relations

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Douglas Coutinho

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### B3 - OTC Market

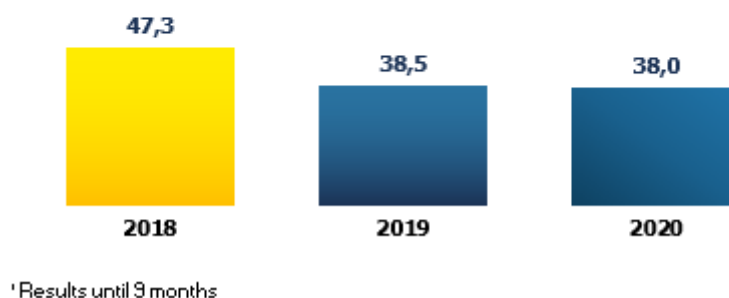
### Investor Relations Website

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

# Consolidated Tables

## Results

Transported Volume in billions of TKU  
(cargo weight x distance)



\* Results until 9 months

Transported Volume Thousand tons	3Q20			3Q19			2Q20			9M20			9M19		
	MRS	Others	Total	MRS	Others	Total	MRS	Others	Total	MRS	Others	Total	MRS	Others	Total
<b>Mining</b>	<b>27,908</b>	-	<b>27,908</b>	<b>22,580</b>	-	<b>22,580</b>	<b>25,093</b>	-	<b>25,093</b>	<b>69,536</b>	-	<b>69,536</b>	<b>69,016</b>	-	<b>69,016</b>
Iron Ore	27,354	-	27,354	22,092	-	22,092	24,318	-	24,318	67,571	-	67,571	67,207	-	67,207
Export	24,683	-	24,683	19,918	-	19,918	21,407	-	21,407	58,863	-	58,863	59,049	-	59,049
Domestic Market	2,671	-	2,671	2,174	-	2,174	2,911	-	2,911	8,708	-	8,708	8,158	-	8,158
Coal and Coke	554	-	554	488	-	488	776	-	776	1,965	-	1,965	1,809	-	1,809
<b>General Cargo</b>	<b>4,551</b>	<b>12,706</b>	<b>17,257</b>	<b>5,070</b>	<b>11,639</b>	<b>16,708</b>	<b>4,233</b>	<b>11,513</b>	<b>15,746</b>	<b>13,063</b>	<b>32,823</b>	<b>45,886</b>	<b>14,235</b>	<b>30,107</b>	<b>44,342</b>
Agricultural Products	1,016	10,900	11,915	1,306	10,065	11,371	1,205	9,783	10,988	2,880	27,894	30,774	3,338	25,514	28,852
Corn	298	6,157	6,455	595	6,636	7,232	-	600	621	319	6,879	7,199	638	8,480	9,119
Sugar	717	2,919	3,636	689	1,732	2,491	917	1,648	2,565	2,150	5,633	7,363	1,740	4,249	5,988
Soy	-	466	466	-	495	495	-	6,162	6,429	411	11,642	12,053	765	9,378	10,143
Soybean Meal	-	1,358	1,358	-	1,141	1,153	-	1,372	1,372	-	3,540	3,540	195	3,407	3,602
Steel Products	1,479	-	1,485	1,845	-	1,845	1,164	-	1,173	4,399	-	4,418	5,446	-	5,458
Container	314	0,214	528	325	309	634	327	181	508	984	622	1,606	928	846	1,774
Construction	566	-	566	563	-	563	508	-	508	1,537	-	1,537	1,537	-	1,537
Others	1,176	1,585	2,761	1,031	1,265	2,296	1,029	1,541	2,570	3,263	4,288	7,551	2,986	3,735	6,721
<b>Total</b>	<b>32,459</b>	<b>12,706</b>	<b>45,165</b>	<b>27,650</b>	<b>11,639</b>	<b>39,288</b>	<b>29,326</b>	<b>11,513</b>	<b>40,840</b>	<b>82,599</b>	<b>32,823</b>	<b>115,423</b>	<b>83,251</b>	<b>30,107</b>	<b>113,358</b>

Investments - R\$ million	3Q20	3Q19	3Q20 x 3Q19	2Q20	3Q20 x 2Q20	9M20	9M19	9M20 x 9M19
Chains	172.3	146.5	17.6%	166.6	3.4%	465.0	443.5	4.8%
Expansion	11.8	1.5	-	13.5	-12.5%	33.5	3.5	-
Improvement	5.7	30.1	-81.1%	3.4	69.7%	10.8	110.4	-90.2%
<b>Total</b>	<b>189.8</b>	<b>178.1</b>	<b>6.5%</b>	<b>183.5</b>	<b>3.4%</b>	<b>509.2</b>	<b>557.4</b>	<b>-8.6%</b>

<b>Income Statement - R\$ Million</b>	<b>3Q20</b>	<b>2Q20</b>	<b>3Q19</b>	<b>9M20</b>	<b>9M19</b>
<b>Net Revenue</b>	<b>1,011.4</b>	<b>928.5</b>	<b>856.5</b>	<b>2,614.6</b>	<b>2,499.1</b>
Costs of Provided Services	(385.0)	(350.6)	(366.7)	(1,059.9)	(1,113.9)
<b>(=) Gross Profit</b>	<b>626.4</b>	<b>577.9</b>	<b>489.8</b>	<b>1,554.7</b>	<b>1,385.2</b>
<b>Income (Expenses)</b>	<b>(73.7)</b>	<b>(81.0)</b>	<b>107.8</b>	<b>(221.7)</b>	<b>169.5</b>
Sales Expenses	(3.7)	(3.2)	(3.5)	(9.8)	(9.6)
General and Administrative Expenses	(56.9)	(55.1)	(48.2)	(161.3)	(141.2)
Other Operating Income	37.2	22.6	288.3	98.8	561.2
Other Operating Expenses	(50.3)	(45.3)	(128.9)	(149.4)	(240.9)
<b>(=) EBITDA</b>	<b>552.7</b>	<b>496.9</b>	<b>597.5</b>	<b>1,332.9</b>	<b>1,554.7</b>
Depreciation/Amortization	(246.7)	(251.7)	(230.7)	(801.9)	(684.7)
<b>(=) Operating Income Before Financial Effects</b>	<b>306.0</b>	<b>245.2</b>	<b>366.8</b>	<b>530.9</b>	<b>869.9</b>
Financial Income	86.7	159.7	89.1	438.9	219.8
Financial Expenses	(168.0)	(185.1)	(182.4)	(658.5)	(457.9)
<b>(=) Income Before Income Tax and Social</b>	<b>224.7</b>	<b>219.8</b>	<b>237.4</b>	<b>311.4</b>	<b>631.7</b>
IR/CS Current/Deferred	(76.1)	(73.4)	(92.4)	(108.1)	(215.6)
<b>(=) NET INCOME</b>	<b>148.6</b>	<b>146.4</b>	<b>181.0</b>	<b>203.4</b>	<b>416.2</b>

**Balance sheet - R\$ Million**

ASSETS	3Q20	2Q20	3Q19
<b>Current</b>			
Cash and Cash Equivalents	1,279.6	1,255.2	1,021.9
Restricted Cash	213.1	0.3	2.0
Accounts Receivable with Related Part	177.2	225.7	667.0
Others Accounts Receivables	8.3	7.9	41.3
Stocks	132.7	128.1	127.0
Recoverable Taxes	58.9	58.1	91.1
Prepaid Expenses	18.9	16.3	8.6
Derivative Financial Instruments	40.4	13.5	62.2
Other Current Assets	22.4	22.5	19.8
<b>Total Current Assets</b>	<b>1,951.5</b>	<b>1,727.7</b>	<b>2,040.9</b>

**Not Current**

Long Term Realizable			
Restricted Cash	-	-	-
Accounts Receivable with Related Part	149.8	171.8	198.8
Others Accounts Receivables	84.4	85.3	117.1
Recoverable Taxes	109.0	111.0	43.3
Prepaid Expenses	2.0	2.5	2.1
Derivative Financial Instruments	125.5	133.2	41.7
Other Not-Current Assets	126.7	125.0	122.0
Immobilized	1,663.9	1,718.8	1,833.5
Rights of use	6,322.4	6,318.7	6,432.0
Intangible	56.7	50.7	40.4
<b>Total Not-Current Assets</b>	<b>8,640.3</b>	<b>8,716.9</b>	<b>8,830.7</b>
<b>Total Assets</b>	<b>10,591.8</b>	<b>10,444.7</b>	<b>10,871.7</b>

LIABILITIES	3Q20	2Q20	3Q19
<b>Current Liabilities</b>			
Suppliers	177.3	200.6	172.7
Labor Express	171.0	154.6	155.2
Income Tax and Social Contribution	79.9	-	55.7
Others Taxes Obligations	55.3	86.0	30.7
Loans and Financing	780.6	665.7	695.4
Leasing to pay	270.3	261.5	247.5
Derivative Financial Instruments	13.1	15.8	12.9
Payable Dividends	119.7	119.7	124.0
Payable Concessions and Lease	4.6	3.8	3.8
Client Advances	1.1	1.6	5.1
Provisions	39.7	39.6	41.2
Others Current Liabilities	23.5	20.7	31.6
<b>Total Current Liabilities</b>	<b>1,736.2</b>	<b>1,569.7</b>	<b>1,575.8</b>

**Not Current**

Suppliers	36.4	37.0	36.4
Loans and Financing	2,390.2	2,483.1	2,458.4
Derivative Financial Instruments	-	-	-
Payable Concessions and Lease	2.2	2.5	2.7
Client Advances	-	-	-
Diferred Taxes	1.5	15.2	295.2
Provisions	579.9	577.7	456.4
Leasing to pay	1,482.7	1,535.6	1,662.0
Others Current Liabilities	56.7	66.2	79.3
<b>Total Not-Current Liabilities</b>	<b>4,549.4</b>	<b>4,717.3</b>	<b>4,990.5</b>
<b>TOTAL LIABILITIES</b>	<b>6,285.6</b>	<b>6,287.1</b>	<b>6,566.3</b>

Capital Stock	2,047.3	2,047.3	1,917.3
Reserve Allocation for Capital	-	-	-
Profit Reserves	2,047.2	2,047.3	1,917.3
. Legal Reserves	320.5	320.5	295.4
. Investments Reserves	1,726.7	1,726.7	1,621.9
. Proposed Additional Dividend	-	-	-
Accumulated Profit	203.4	54.9	460.9
Equity Valuation Adjustments	8.2	8.2	9.8
<b>Total Stockholders Equity</b>	<b>4,306.2</b>	<b>4,157.6</b>	<b>4,305.3</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS</b>	<b>10,591.8</b>	<b>10,444.7</b>	<b>10,871.7</b>