



Release - 1Q21



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Key Highlights

Volume Transported
on Mining

24.9

MM Tons

EBITDA

R\$ 489 MM

+72.4% ⁽ⁱ⁾

Leverage
Ratio

0.75x

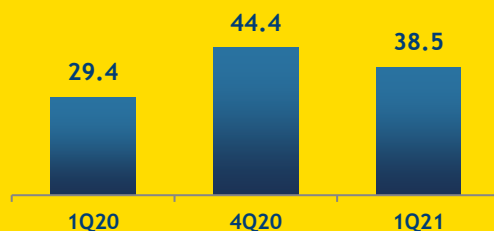
-0.07x ⁽ⁱⁱ⁾

EBITDA Margin

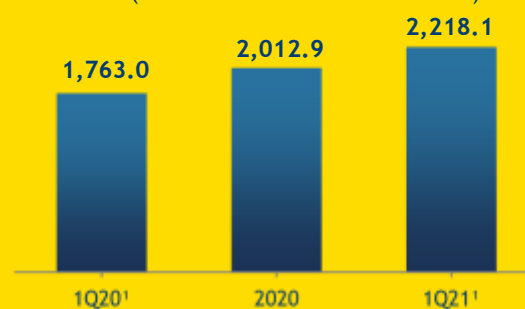
50.6%

+8.6 pp ⁽ⁱ⁾

Volume Transported
(in million TU)



EBITDA
(in millions of Brazilian reais)



¹ cumulative 12 months

Rio de Janeiro, May 13, 2021. MRS Logística S.A. announces its results for 1Q21. Comparisons refer to results from the previous quarter, as indicated. Information directly extracted from the Balance Sheet and the Income Statement was duly reviewed by independent auditors, except for non-financial information.

Note (i): vs 1Q20 / Note (ii): vs 4Q20

Financial and Operational Results - 1Q21

MRS ended the first quarter of 2021 with an EBITDA of R\$ 488.6 million, a 72.4% increase as compared to the same period of the previous year. Another important figure that demonstrates the Company's growth is its Net Revenue, which amounted to R\$965 million, an improvement of 43.0%, resulting from the volume transported, which ended 1Q21 with 38.5 million tons transported, a growth of 31% in relation to the same period of the previous year (29.4Mt).

Virtually all segments served by MRS showed growth in volume as compared to the same period of 2020. The most relevant was the transportation of iron ore to the foreign market, which increased by 7.8Mt in 1Q21, influenced by the price of commodities, an increase in the dollar exchange rate, and the Unmanned Train (TNT), as an important lever to meet the demand of this segment. Ore transportation to the domestic market increased by 16.4%, coal and coke by 10.7%, agricultural products by 6.3%, steel products by 2.7%, civil construction by 8.5%. The exception was Container transportation, which decreased by 5.3% (0.03Mt) and continues to suffer impacts due the deterioration of the economic scenario.

Commercial Results



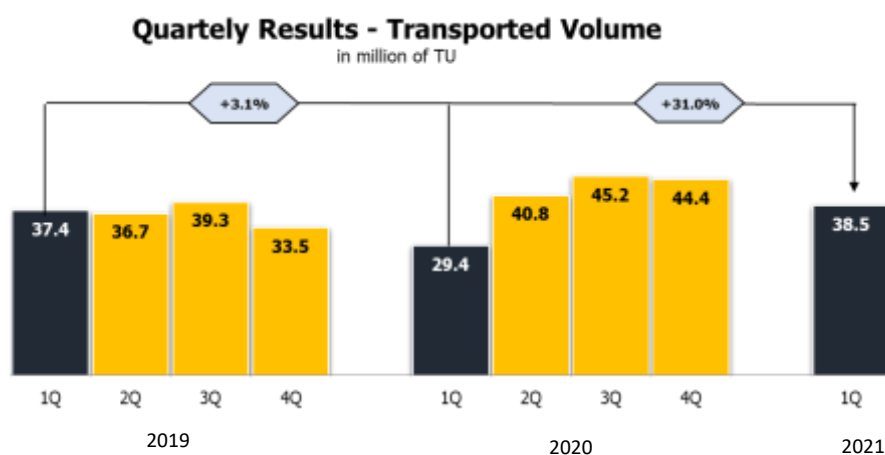
MRS train crossing urban area

Commercial 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, through a railway network of over 1,643 km, crossing the states of Minas Gerais, Rio de Janeiro, and São Paulo.

The total volume transported by the Company in 1Q21 was 38.5 million tons (Mt), an increase of 31.0% when compared to the first quarter of the previous year, as a consequence of an increased volume of iron ore to serve the foreign market, which presented gains of 61.3% on the same basis for comparison. The following table reflects the volume transported in 1Q21 for each segment:

Transported Volume Thousand tons	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Mining	24,940	16,535	50.8%	28,630	-12.9%
Iron Ore	24,236	15,900	52.4%	28,103	-13.8%
Export	20,598	12,773	61.3%	25,266	-18.5%
Domestic Market	3,638	3,127	16.4%	2,837	28.3%
Coal and Coke	704	636	10.7%	528	33.4%
General Cargo	13,584	12,883	5.4%	15,765	-13.8%
Agricultural Products	8,368	7,871	6.3%	10,186	-17.9%
Steel Products	1,806	1,759	2.7%	1,680	7.5%
Container	540	570	-5.3%	620	-12.9%
Construction	502	463	8.5%	488	3.1%
Others	2,368	2,220	6.7%	2,792	-15.2%
Total	38,524	29,418	31.0%	44,395	-13.2%



The results of General Cargo transportation in 1Q21, adding up to 13.6 million tons (Mt), showed an increase of 5.4% against the same period in 2020, evidencing that the recovery of transported volume did not happen only within the Mining group.

While there was perceived growth in the volume of General Cargo transportation, its share in the total volume transported by MRS showed reduction, from 43.8% in 1Q20 to 35.3% in 1Q21. This reduction was mainly due to the increase of 8.4 million tons (Mt) in the volume of Ore transportation, when comparing between 1Q21 and 1Q20, a category that has been showing quarterly recoveries in transported volume.



Mining

The Mining segment (which includes iron ore, coal, and coke) totaled 24.9 Mt in 1Q21, which represents an increase of 50.8% in relation to 1Q20, reflecting a combination of factors, with the positive scenario for exporting iron ore as the most relevant one, impacted by the favorable exchange rate and the high trading price of the commodity, which has been showing the highest value of the last five years.

Transported Volume Thousand tons	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Mining	24,940	16,535	50.8%	28,630	-12.9%
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Export	20,598	12,773	61.3%	25,266	-18.5%
Domestic Market	3,638	3,127	16.4%	2,837	28.3%
Coal and Coke	704	636	10.7%	528	33.4%
SubTotal International Mark	20,598	12,773	61.3%	25,266	-18.5%
SubTotal Domestic Market	4,342	3,763	15.4%	3,364	29.1%

Iron Ore - Export

In 1Q21, the transportation volume of Iron Ore intended for exports showed a growth of 61.3%, when compared to the same period of the previous year. The segment totaled 20.6 Mt transported in 1Q21.

1Q21 was marked by the quotation of the iron ore commodity at much higher levels than those traded in the same period in 2020, which, together with the higher historical dollar rates in 1Q21, when compared to 1Q20, created a favorable environment for Brazilian exports and, consequently, boosted the volume transported by the Company as regards this group.

Another factor that contributed to the percentage of growth in 1Q21 was the level of rainfall, which was more intense in 1Q20, especially in the Southeast region of Brazil, causing a huge impact in the states of Minas Gerais and Rio de Janeiro, with respect to mining and, consequently, a low record of volume transported in 1Q20.

Iron Ore, Coal, and Coke - Domestic Market

Transportation of the Mining Group to serve the domestic market, considering volumes of iron ore, coal, and coke, improved 15.4% versus 1Q20, closing at 4.3 million tons (Mt).

1Q21 also showed growth for mining transportation in the domestic market, due to a favorable scenario in the economic activity of the main consumers of the product and its recovery of steel sales in the national market, especially when compared to the same period of the previous year, marked by the start of the COVID-19 pandemic, in which the main consumption sectors for steel products opted for reductions in their production processes or momentary shutdowns, as observed in the automobile sector in early 2020.

General Cargo

General Cargo transportation, which includes agricultural commodities, steel products, containers, among others, carried out by MRS and other railways through paid right-of-way, presented an increase of 5.4% (13.6 Mt) in 1Q21, in relation to the volume performed in 1Q20, of 12.8Mt. This increase was mainly affected by the Agricultural Products and Other Cargo segments, as detailed below.

The Company regularly monitors new commercial partnerships and possibilities for offering the most complete logistical solutions possible, establishing an extension in serving traditional customers, in addition to retaining new business. Considering the economic scenario as a whole, the results obtained so far in the first quarter of 2021 demonstrate the reach and consolidation of increasing performances in this segment over the last years, despite the troubled economic moment being experienced due to the COVID-19 pandemic.

Agricultural Products

Transported Volume Thousand tons	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Agricultural Products	8,368	7,871	6.3%	10,186	-17.9%
Sugar	1,735	1,782	-2.6%	4,025	-56.9%
Soybean Meal	1,172	810	44.6%	1,198	-2.2%
Soy	5,247	5,157	1.7%	0	-
Corn	214	121	76.3%	4,962	-95.7%

The volume of own and third-party agricultural products (through the paid right-of-way) added up to 8.4 million tons in 1Q21, 6.3% higher than the amount reached in 1Q20. This result is especially justified by the resumption of multimodal transportation, after MRS making efforts in commercial negotiations with the Company's agricultural customers, who faced difficulties with other logistical suppliers upon the interdiction of the waterway and multimodal terminal in 2020.

Steel Products

Transported Volume TU thousand tons	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Steel Products	1,806	1,759	2.7%	1,680	7.5%

MRS recorded 1.8 million tons of steel products transported in 1Q21, an increase of 2.7% as compared to 1Q20. Even with an unstable market, due to variations in sales to the main consumer markets for steel products, such as the automotive sector, caused by the current economic context, there is already a recovery in demand being observed at the beginning of 2021, reinforced by the acquisition of new customer routes that the Company entered into in 2021, especially for products in the production process chain of the steel industry.

Containers

Transported Volume TU thousand tons	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Container	540	570	-5.3%	620	-12.9%

Container transportation showed a decrease in 1Q21, adding up to 0.5 million tons transported, 5.3% lower than what was recorded for 1Q20, also considering the volume of other railways using the paid right-of-way.

In 1Q21, this transportation category continued being impacted by the current economic scenario, and proved itself challenging, especially for the Company's customers serving the foreign market through the Baixada Santista port region, whether on export or import routes. The routes served by the Company at the Port of Santos showed a 10.0% reduction in transportation for 2021, and contributed to the group's overall decline, despite the 14.1% growth observed in transportations for other customers on the export routes along the Rio-Belo Horizonte axis and as in routes to meet the demand of the national market.

Despite the decrease in 1Q21, partly due to the global economic context, the railroad modality provides great operational predictability for customers, and remains showcasing MRS's strengthening and consolidation in this type of logistics solution, through negotiations with new customers and routes, supported by an efficient operational model and now serving several flows in the main economic centers of the Southeast region of the country.

Civil Construction

Transported Volume Thousand tons	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Construction	502	463	8.5%	488	3.1%

Results from products related to Civil Construction (sand, cement, blast furnace slag) remained positive and ended 1Q21 with a volume exceeding 500 thousand tons transported, representing a growth of 8.5% when compared to 1Q20.

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

Others

Transported Volume Thousand tons	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Others	2,368	2,220	6.7%	2,792	-15.2%

The remaining products added up to 2.4 million tons transported. The group, comprising several types of cargoes (pig iron, chemicals, fertilizers, pulp, among others), reported a 6.7% growth as compared to the first quarters of 2021 and 2020.

This result was impacted by the following factors: (i) 15.0% growth in pulp transportation when compared to 1Q20, totaling 0.8 million tons transported in 1Q21. This growth can be explained by the Company's efforts to serve new routes and its pursuit to leverage volumes based on operational improvements to customers; (ii) an increase of 3.0% in 1Q21 vs 1Q20 in the transportation of alternative products to iron ore in the production process of the steel sector, such as pig iron itself and petroleum coke; (iii) the leverage in the volumes of special transportation that the Company provides, such as locomotive transportation to customers or Other Railways, which registered a 54.7% growth in volume in 1Q21 as compared to 1Q20.

Economic and Financial Results



MRS train transporting containers

Financial and Operational Results	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Transported Volume (thousand)	38.5	29.4	31.0%	44.4	-13.2%
Gross Revenues (R\$ million)	1,049.5	748.2	40.3%	1,064.1	-1.4%
Net Revenues (R\$ million)	965.0	674.7	43.0%	990.4	-2.6%
EBITDA (R\$ million)	488.6	283.4	72.4%	680.0	-28.1%
EBITDA Margin ¹ (%)	50.6%	42.0%	8.6pp	68,7%	-18,1pp
Net Income ¹ (R\$ million)	75.5	(91.5)	-	226.8	-66.7%
Gross Debt (R\$ million)	2,623.5	2,995.8	-12.4%	2,873.5	-8.7%
Net Debt (R\$ million)	1,671.8	2,039.5	-18.0%	1,666.3	0.3%
Net Debt/EBITDA ¹ (x)	0.75x	1.16x	-0.40x	0.83x	-0.07x

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

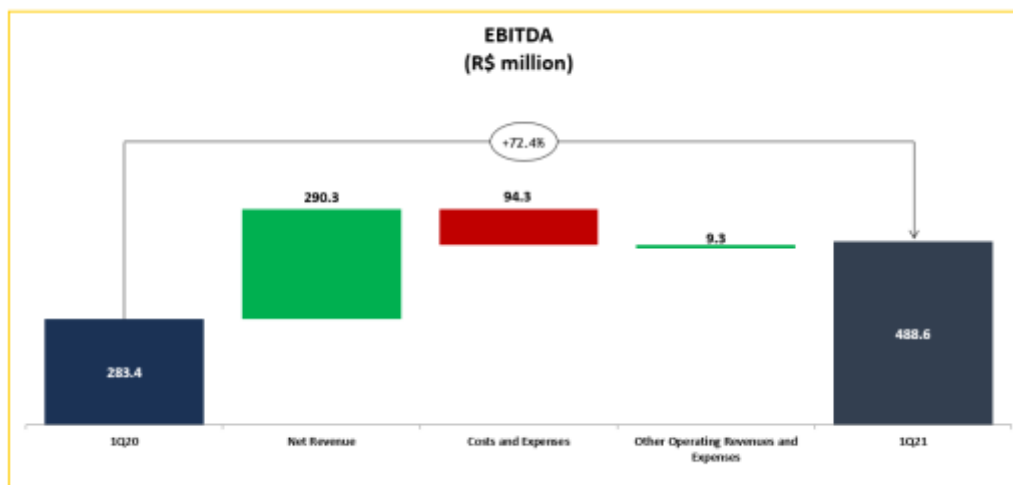
I. Net Revenue: Growth of R\$290.3 million, primarily impacted by iron ore transportation intended for export, which presented an increase of 61.3% in transported volume.

II. Costs and Expenses: R\$94.3 million improvement, as compared to 1Q20. The result can be explained by an increase in fuel consumption, due to the higher volume transported, especially of iron ore intended for export, and by an increase in outsourced maintenance services.

III. Other Operating Revenues and Expenses: the result of other revenues less other operating expenses was R\$9.3 million better in 1Q21 by reason of the lower volume of executions due to procedural losses as compared to the same period in 2020.

EBITDA

1Q21 EBITDA recorded a 72.4% increase when compared to 1Q20, reaching R\$488.6 million, with an EBITDA Margin at 50.6%, 8.6 p.p. above that recorded for 1Q20.



Indebtedness

In R\$ million	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Gross Debt¹	2,623.5	2,995.8	-12.4%	2,873.5	-8.7%
Gross Debt in Reais	2,064.8	2,404.8	-14.1%	2,297.4	-10.1%
Gross Debt in US\$	558.7	591.0	-5.5%	576.1	-3.0%
Cash²	951.2	953.4	-0.2%	1,206.5	-21.2%
Net Debt	1,671.8	2,039.5	-18.0%	1,666.3	0.3%
EBITDA³	2,218.1	1,763.0	25.8%	2,012.9	10.2%
Net Debt/EBITDA³ (x)	0.75x	1.16x	-0.40x	0.83x	-0.07x

¹ The difference in relation to the sum of the Lines of Loans and Financing (Balance Sheet) corresponds to the Transaction Costs. ² Includes restricted cash. ³ EBITDA accumulated in the last 12 months

The Company's Gross Debt registered a decrease of R\$250.0 million in 1Q21 when compared to the immediately preceding period, ending at R\$2,623.5 million, mainly due to the amortization of part of the 1st series of the 7th issue of debentures.

Throughout 1Q21, the Company did not raise any funds, which also justifies such retraction in gross indebtedness.

The leverage indicator, measured by the Net Debt / EBITDA ratio, maintained its downward trend and recorded an improvement of 0.07x as compared to the last quarter of 2020. Such performance reflects the recovery in the volume of business and operating cash generation.

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

Reconciliation EBITDA (R\$ million)	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Net Income	75.5	(91.5)	-	226.8	-66.7%
(+) Taxes on Profit	41.9	(41.5)	-	108.2	-61.3%
(+) Depreciation and Amortization	256.5	303.6	-15.5%	248.0	3.4%
(-) Depreciation Right of Use (lease agreements) ²	(83.6)	(69.2)	20.7%	(74.4)	12.3%
(+) Net Financial Result	114.8	112.9	1.6%	96.9	18.4%
(-) AVP Financial Charges (lease contracts)	(40.5)	(38.1)	6.4%	(40.9)	-0.9%
(=) Adjusted EBITDA ¹	364.5	176.1	107.0%	564.7	-35.5%

¹ More restrictive condition assumed with creditors

² More detailed information can be found on explanatory notes 15.2 and 32

Net Profit (Loss)

MRS presented a Net Profit of R\$75.5 million in 1Q21, against a net loss of R\$91.5 million assessed in 1Q20.

Cash Flow Statement

Cash generation in 1Q21 was R\$335.6 million and the cash balance R\$870.9 million, showing a reduction of R\$82.5 million when compared to 1Q20. This variation was mainly influenced by the receipt of take-or-pay - clauses provided for in long-term contracts - resulting from the reduction in volume of a relevant customer of the Company and the partial settlement of the 7th issue of debentures.

Statement of Cash Flow - R\$ Million	1Q21	1Q20
Cash at beginning of period	1,206.5	668.3
Net Income before IR and CSLL	117.3	(133.1)
Depreciation and Amortization	256.5	303.7
Monetary/Foreign Exchange Variation and Financial Charges	128.6	140.3
Residual Value of Fixed Assets / Invest. Perm.	4.4	3.4
Provision (Reversal)	(5.7)	(21.9)
Others	8.3	4.5
Net Income cash basis	509.4	296.9
Changes in assets and liabilities	(237.8)	244.4
Accounts Receivable and Related Parties	229.5	689.7
Stocks	(24.6)	(0.2)
Restricted Cash	-	2.1
Financial Investments	(80.0)	-
Taxes Recoverable	3.2	(53.9)
Providers	1.3	4.3
Tax liabilities	(19.2)	(28.7)
Taxes on profit	(215.8)	(193.8)
Social and Labor Obligations	(23.1)	(65.6)
Payment of interest on loans and financing	(57.6)	(60.8)
Payment of interest on rights of use	(40.5)	(38.0)
Others	(11.0)	(10.7)
Net Cash provided by operating activities	271.6	541.3
Investment activities	(127.7)	(96.4)
Immobilized	(126.3)	(95.6)
Intangible	(1.4)	(0.8)
Proceeds from the sale of property, plant and equipment	-	-
Financing activities	(479.5)	(159.8)
Borrowing and financing	-	-
Debentures	-	-
Payments	(405.4)	(102.2)
Rights of use	(74.1)	(57.6)
Payments Dividends	-	-
Cash at end of period	870.9	953.4
Cash Flow	335.6	285.1

Investor Relations and Consolidated Tables



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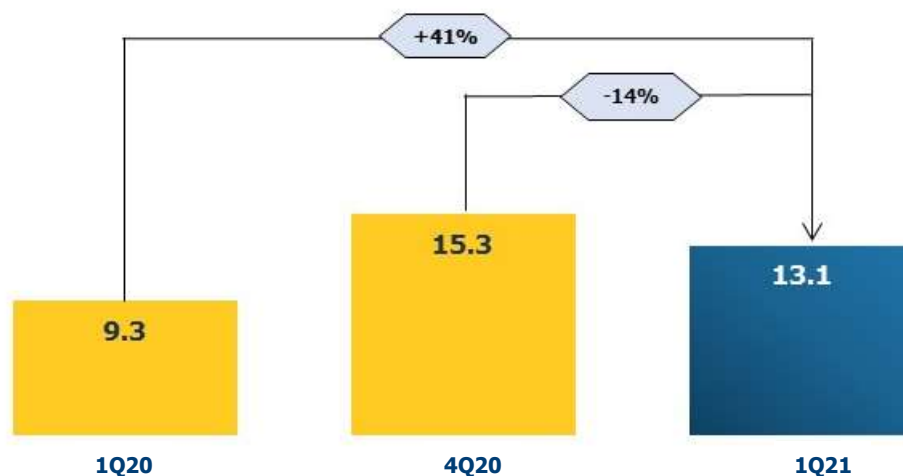
B3 - OTC Market

Investor Relations Website

ri.mrs.com.br

Consolidated Tables

Quarterly Results Transported Volume in millions of TKU



Transported Volume Thousand tons	1Q21			4Q20			1Q20		
	MRS	Others	Total	MRS	Others	Total	MRS	Others	Total
Mining	24,940	-	24,940	28,630	-	28,630	16,535	-	16,535
Iron Ore	24,236	-	24,236	28,103	-	28,103	15,900	-	15,900
Export	20,598	-	20,598	25,266	-	25,266	12,773	-	12,773
Domestic Market	3,638	-	3,638	2,837	-	2,837	3,127	-	3,127
Coal and Coke	704	-	704	528	-	528	636	-	636
General Cargo	4,187	9,397	13,584	4,207	11,558	15,765	4,280	8,603	12,882
Agricultural Products	745	7,622	8,368	715	9,470	10,186	659	7,212	7,871
Corn	0	214	214	237	4,725	4,962	0	121	121
Sugar	503	1,232	1,735	478	3,547	4,025	515	1,267	1,782
Soy	238	5,009	5,247	-	-	0	144	5,014	5,157
Soybean Meal	4	1,167	1,172	-	1,198	1,198	0	810	810
Steel Products	1,800	6	1,806	1,680	-	1,680	1,756	3	1,759
Container	306	234	540	327	293	620	343	227	570
Construction	502	0	502	488	-	488	463	0	463
Others	834	1,535	2,368	997	1,794	2,791	1,058	1,161	2,219
Total	29,127	9,397	38,524	32,837	11,558	44,395	20,815	8,604	29,417

Investments - R\$ million	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20
Chains	165.2	126.0	31.1%	202.7	-18.5%
Expansion	12.4	8.1	53.1%	63.8	-80.6%
Improvement	7.7	1.7	354.6%	9.4	-17.8%
Total	185.3	135.8	36.4%	275.9	-32.8%

Income Statement - R\$ Million	1Q21	4Q20	1Q20
Net Revenue	965.0	990.4	674.7
Costs of Provided Services	(409.2)	(427.5)	(324.3)
(=) Gross Profit	555.8	562.8	350.4
Income (Expenses)	(67.2)	117.1	(67.0)
Sales Expenses	(5.2)	(3.6)	(3.0)
General and Administrative Expenses	(56.5)	(66.2)	(49.3)
Other Operating Income	26.7	296.6	39,0
Other Operating Expenses	(32.2)	(109.6)	(53.8)
(=) EBITDA	488.6	680,0	283.4
Depreciation/Amortization	(256.5)	(248.0)	(303.5)
(=) Operating Income Before Financial Effects	232.1	431.9	(20.2)
Financial Income	61.4	60,0	192.5
Financial Expenses	(176.2)	(156.9)	(305.4)
(=) Income Before Income Tax and Social	117.3	335.1	(133.1)
IR/CS Current/Deferred	(41.9)	(108.2)	41.5
(=) NET INCOME	75.5	226.8	(91.5)

Balance sheet - R\$ Million

ASSETS	1Q21	2020	1Q20
Current			
Cash and Cash Equivalents	870.9	1,206.5	953.4
Restricted Cash	80.2	-	-
Accounts Receivable with Related Part	214.9	382.5	214.7
Others Accounts Receivables	7.1	8.7	7.7
Stocks	156.9	132.4	119.6
Recoverable Taxes	51.6	63.6	138.7
Prepaid Expenses	12.2	16.8	17.7
Derivative Financial Instruments	28.8	27.2	151.4
Other Current Assets	28,0	27.3	17.7
Total Current Assets	1,450.7	1,865.0	1,621.1
Not Current			
Long Term Realizable			
Restricted Cash	230.2	284.7	171.8
Accounts Receivable with Related Part	23.4	30.3	85.8
Others Accounts Receivables	117.5	108.6	99.9
Recoverable Taxes	1.9	1.3	2.6
Prepaid Expenses	68.8	60.9	-
Derivative Financial Instruments	153.6	116.4	93,0
Other Not-Current Assets	124.9	124.6	125.5
Immobilized	6,558.3	6,567.6	6,299.2
Rights of use	1,857.0	1,906.5	1,782.9
Intangible	63,0	63.7	44.3
Total Not-Current Assets	9,198.5	9,264.7	8,704.9
Total Assets	10,649.2	11,129.7	10,325.9

LIABILITIES	1Q21	2020	1Q20
Current Liabilities			
Suppliers	232.1	331.6	172.3
Labor Express	141.0	164.1	112.6
Income Tax and Social Contribution	37.6	207.3	0.9
Others Taxes Obligations	34.8	50.4	45.7
Loans and Financing	809.8	831.6	1,029.8
Leasing to pay	304.1	317.9	257.7
Derivative Financial Instruments	23.5	10.6	17.4
Payable Dividends	102.4	102.4	119.7
Payable Concessions and Lease	4.6	4.7	3.8
Client Advances	4.2	1.9	0.6
Provisions	45.5	53.8	33.9
Others Current Liabilities	43.3	55.3	18.9
Total Current Liabilities	1,782.8	2,131.4	1,813.4
Not Current			
Suppliers	42.3	39.4	37.4
Loans and Financing	1,956.1	2,156.4	2,166.5
Payable Concessions and Lease	2.6	2.7	2.6
Client Advances	-	-	-
Deferred Taxes	-	-	69.1
Provisions	678.4	662.5	567.6
Leasing to pay	1,649.3	1,675.1	1,592.0
Others Current Liabilities	149.3	149.4	66.3
Total Not-Current Liabilities	4,478.0	4,685.5	4,501.4
TOTAL LIABILITIES	6,260.8	6,816.9	6,314.9
Capital Stock	2,151.5	2,151.5	2,047.3
Reserve Allocation for Capital	-	-	-
Profit Reserves	2,151.5	2,151.5	2,047.3
. Legal Reserves	342,0	342,0	320.5
. Investments Reserves	1,809.5	1,809.5	1,726.7
. Proposed Additional Dividend	-	-	-
Accumulated Profit	75.5	-	(91.5)
Equity Valuation Adjustments	9.8	9.7	8.1
Total Stockholders Equity	4,388.4	4,312.8	4,011.1
TOTAL LIABILITIES AND STOCKHOLDERS	10,649.2	11,129.7	10,325.9