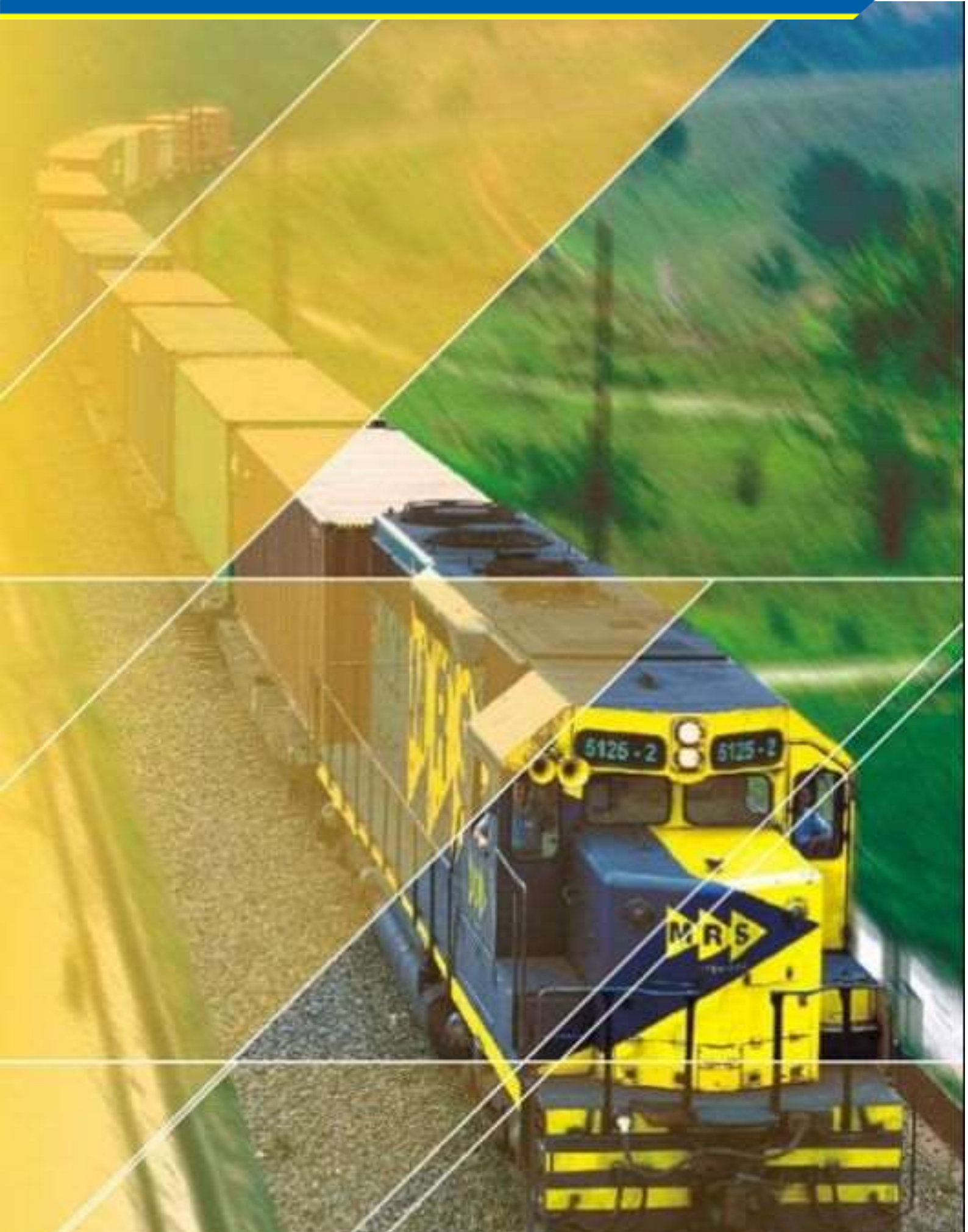


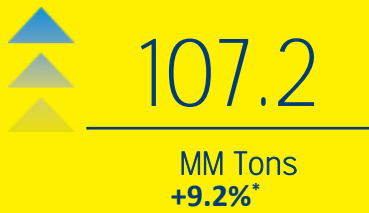


# 2021 Annual Report



Rio de Janeiro, March 23, 2022 - **MRS Logística S.A.** announces its results for year 2021. The Company's Financial Statements, duly reviewed by independent auditors, are presented in reais (R\$), in accordance with the IFRS (International Financial Reporting Standards) and with the accounting practices adopted in Brazil.

### Volume Transported Mining



### Operating Net Revenue



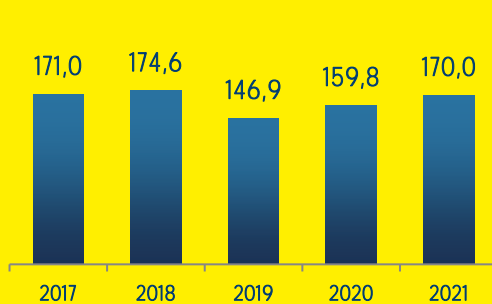
### Leverage Indicator



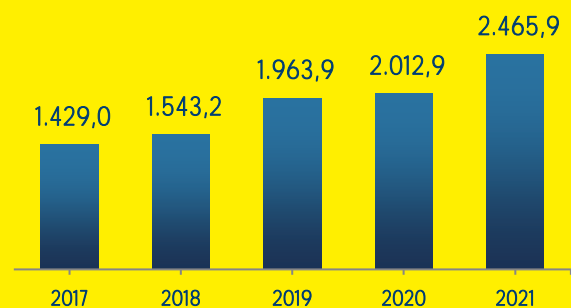
### EBITDA



### Volume Transported in million TU



### EBITDA in million reais



\*In relation to 2020 results

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## 2021 HIGHLIGHTS

Financial and Operational Results	2017	2018	2019	2020	2021	2021 x 2020
Transported Volume (thousands tons)	170,967	174,563	146,866	159,817	169,968	6.4%
Gross Revenues (R\$ million)	3,870.3	4,083.6	3,483.7	3,890.2	4,788.9	23.1%
Net Revenues (R\$ million)	3,492.8	3,726.4	3,200.8	3,605.0	4,427.4	22.8%
EBITDA (R\$ million)	1,429.0	1,543.2	1,963.9	2,012.9	2,465.9	22.5%
EBITDA Margin (%)	40.9%	41.4%	61.4%	55.8%	55.7%	-0.1pp
Net Income (R\$ million)	434.5	521.6	503.4	430.3	699.6	62.6%
Gross Debt (R\$ million)	2,695.9	2,474.9	3,006.9	2,873.5	4,304.4	49.8%
Net Debt (R\$ million)	2,209.2	2,128.9	2,336.6	1,667.0	2,467.8	48.0%
Net Debt/EBITDA <sup>1</sup> (x)	1.50x	1.38x	1.19x	0.83x	1.00x	0.17x

MRS ends 2021 with an important milestone for the national logistics system, at record time of seven months it was the construction and conclusion the project of Pederneiras Mixed-Mode Complex (SP), a rail terminal dedicated to cellulose transport. The complex, in operation since September, has represented another initiative of the Company, which consolidates its presence in the general cargo transport industry.

In 2021, the macroeconomic scenario started with a positive outlook, despite of some uncertainties primarily related to the Covid-19 pandemic. Iron ore, MRS core business, which, until the first nine months of 2021, showed strong demand and an increase in the price, ended the year in a market downturn and price reduction scenario.

Faced with these challenges, MRS ended 2021 with growing results. The transported volume was 170.0 million tons (Mt), when compared to 2020, their represents an increase of 6.4%, due, mainly, to the growth in the iron ore transport to the foreign market, with the consolidation of the new traffic model at Andaime terminal by means of the Unmanned Train and the volume recovery in the domestic market. The General Cargo segment was a record, reaching the milestone of 62.8 Mt.

**The Company's Net Revenue in 2021 was R\$4,427.4 million, an increase of R\$822.4 million (+22.8%)** compared to 2020. Iron ore transportation, which is the segment that contributes the most to MRS revenue, reached the milestone of 107.2 Mt, a 9.2% growth compared to 2020. **The Company's EBITDA amounted to R\$2,465.9 million, a 22.5% increase compared to 2020.**

Underlining the cash management discipline and the increasing EBITDA generation, MRS's **Net Debt/EBITDA** indicator reached 1.00x in 2021. In the period, the Company raised funds for R\$ 1.5 billion through the 10<sup>th</sup> issuance of debentures and R\$500 million by issuing Promissory Notes.

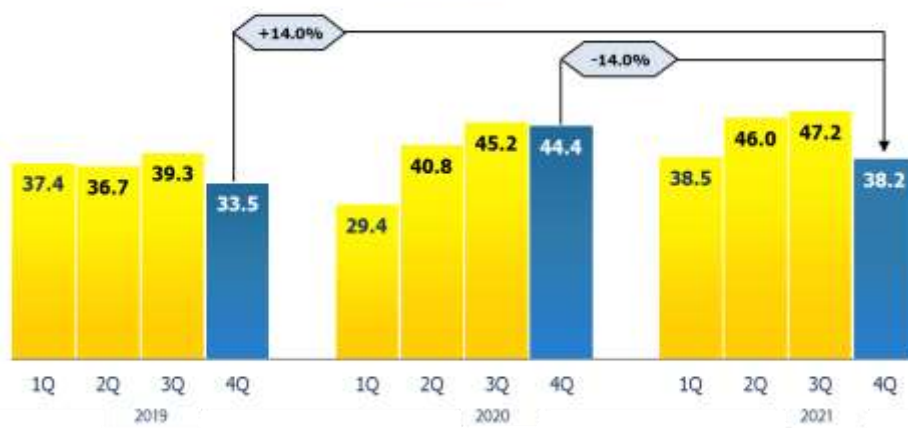
## OPERATING COMMERCIAL PERFORMANCE

MRS Logística operates, mainly, in the transport of inputs and products related to the steel industry, such as iron ore, coal, and coke, to serve the domestic and export markets, and in the General Cargo transport, which includes agricultural commodities, steel products, containers, among others, in a railway network with 1,640+ km, in the Brazilian states of Minas Gerais, Rio de Janeiro and São Paulo.

Transported Volume Thousand tons	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
<b>Mining</b>	<b>22,818</b>	<b>28,630</b>	<b>-20.3%</b>	<b>30,846</b>	<b>-26.0%</b>	<b>107,176</b>	<b>98,167</b>	<b>9.2%</b>
Iron Ore	22,168	28,103	-21.1%	30,158	-26.5%	104,478	95,674	9.2%
Export	18,575	25,266	-26.5%	26,348	-29.5%	89,607	84,129	6.5%
Domestic Market	3,593	2,837	26.7%	3,811	-5.7%	14,871	11,545	28.8%
Coal and Coke	650	528	23.2%	688	-5.5%	2,698	2,493	8.2%
<b>General Cargo</b>	<b>15,372</b>	<b>15,765</b>	<b>-2.5%</b>	<b>16,387</b>	<b>-6.2%</b>	<b>62,792</b>	<b>61,651</b>	<b>1.9%</b>
Agricultural Products	9,162	10,186	-10.1%	10,077	-9.1%	39,632	40,960	-3.2%
Steel Products	1,855	1,680	10.5%	2,026	-8.4%	7,504	6,097	23.1%
Pulp	1,201	784	53.2%	970	23.8%	3,885	3,077	26.3%
Container	527	620	-14.9%	583	-9.5%	2,259	2,226	1.5%
Construction	538	488	10.4%	502	7.3%	2,015	2,025	-0.5%
Others	2,087	2,008	4.0%	2,230	-6.4%	7,495	7,266	3.2%
<b>Total</b>	<b>38,190</b>	<b>44,395</b>	<b>-14.0%</b>	<b>47,234</b>	<b>-19.1%</b>	<b>169,968</b>	<b>159,818</b>	<b>6.4%</b>

In 2021, the total volume transported by the Company was 170.0 Mt, a 6.4% increase compared to 2020. When comparing 4Q21 vs. 4Q20, the volume was 14.0% lower, especially due to the drop in ore transport, which will be detailed in this report.

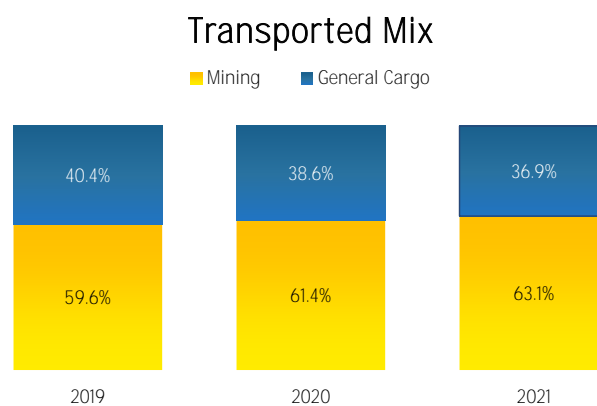
**Quarterly Results - Transported Volume**  
in million of TU



The segment of General Cargo presented, once again, registered an annual record, reaching 62.8Mt, 1.9% up compared to the last all-time high posted in 2020. The numbers achieved by this group on 4Q20 were

also significant, making it the second best result compared to the fourth quarter of other previous years, totaling 15.4 Mt transported.

Regarding to the Transported Mix, despite the repercussions and impacts caused by Covid-19, which was unprecedented in recent history and other impacts caused by the water crisis, the General Cargo group keeps being fairly represented, corresponding to 36.9% of the results for 2021. The share of the Mining group increased from the previous year, which is primarily explained by the continued high demand for iron ore in the foreign market, the greater availability of ore for purchases in the domestic market, and the continuous improvement in the price of the commodity in the international market.



## Mining

The transport of iron ore, coal, and coke grew 9.2% in 2021 in relation to 2020, due to the partial recovery of the transport demand from a large Customer, with the maturing of solutions for transport of material from mines impacted by the closures resulting from the Brumadinho accident in 2019, and the increase in the international iron ore price in 2021 and 3Q21.

Although growth can be seen in 2021, 4Q21 showed a 20.3% decrease compared to 4Q20, mainly due to the slowdown on demand and the commodity price reduction in the international market.

Transported Volume Thousand tons	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
<b>Mining</b>	<b>22,818</b>	<b>28,630</b>	<b>-20.3%</b>	<b>30,846</b>	<b>-26.0%</b>	<b>107,176</b>	<b>98,167</b>	<b>9.2%</b>
Iron Ore	22,168	28,103	-21.1%	30,158	-26.5%	104,478	95,674	9.2%
Export	18,575	25,266	-26.5%	26,348	-29.5%	89,607	84,129	6.5%
Domestic Market (A)	3,593	2,837	26.7%	3,811	-5.7%	14,871	11,545	28.8%
Coal and Coke (B)	650	528	23.2%	688	-5.5%	2,698	2,493	8.2%
Market + Coal and Coke = (A) + (B)	4,243	3,364	26.1%	4,499	-5.7%	17,569	14,038	25.2%

## Iron ore | Export

In 2021, the iron ore cargo volume intended for export, which represents 83.6% of the Mining group and 63.1% of the total volume transported by MRS, was 89.6 million tons (Mt), 6.5% up as compared to the previous year. This growth was primarily due to: (i) the partial recovery of the volume from mines that were closed after the Brumadinho incident; (ii) leveraging the market conditions with the increased demand and the commodity price in the international market in 2021 and 3Q21; and (iii) reduced rainfall in 1Q21 compared to 1Q20, which contributed to the increased demand for transportation from the key customers, due to the improvement in operating conditions related to iron ore production in the state of MG and to the port operations.

The 4Q21 results decreased 26.5% when compared to 4Q20, due to improvements in the following variables: (i) market pressure, in view of the drop observed in the international price of the commodity due to steel demand restrictions in China; (ii) penalties on the contaminant content (silica and alumina content); (iii) sea freight as of September 2021; and (iv) rainfall in the Southeast region, given the beginning of the rainy season, limiting the ore production, loading, and unloading operations.

## Domestic market | Ore, coal and coke

The transport of iron ore, coal, and coke in the domestic market, with a transported volume of 17.6Mt in 2021, grew by 25.2% compared to 2020. This increase is particularly due to: (i) the development of solutions oriented to the transport of materials from important mines injecting raw material supply to the domestic steel mills closed due to the Brumadinho accident in 2019; (ii) the total resumption of operations and the consequent market recovery after the shutdown of a blast furnace of a key customer, which took place between June and November 2020, resulting from the pandemic, (iii) the leverage due to the ore purchase from third parties for blending, in Ouro Branco-MG.

## General cargo

The transport of General Cargo, which includes agricultural commodities, steel products, pulp, containers, among others, was up 1.9% in 2021, compared to the volume transported in 2020, totaling 62.8 Mt transported.

### Agricultural products

Transported Volume Thousand tons	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
<b>Agricultural Products</b>	<b>9,162</b>	<b>10,186</b>	<b>-10.1%</b>	<b>10,077</b>	<b>-9.1%</b>	<b>39,632</b>	<b>40,960</b>	<b>-3.2%</b>
Corn	3,987	4,962	-19.7%	4,505	-11.5%	8,822	12,161	-27.5%
Sugar	2,802	4,025	-30.4%	3,432	-18.4%	10,671	12,008	-11.1%
Soy	952	0	-	551	72.7%	14,399	12,053	19.5%
Soybean Meal	1,421	1,198	18.6%	1,588	-10.5%	5,741	4,739	21.1%

The agricultural products transported by MRS include corn, sugar, soybeans, and soybean meal, accounting for 63.1% of the General Cargo segment. The soy and soybean meal commodities registered an increase of 19.5% and 21.1%, respectively, and corn and sugar, a decreased of 27.5% and 11.1%, in 2021 compared to 2020, as detailed below.

The favorable performance of soy and soybean meal is primarily due to the volumes of Other Railways, driven by: (i) the growth in soy production and exports in Brazil; and (ii) a key customer starting its operations, which resulted in the railroad gaining share by transporting volumes from the soybean complex to the Port of Santos. Further, in February 2021, MRS resumed the operations with key grain customers with the waterway operator. However, the Company was impacted by the waterway stoppage due to the reduction in the dam levels by the ONS (National Operator of the System) as of August 2021.

The drop in sugar transport in relation to **MRS' own cargo was due to the following factors: (i) the supply of sugar up to 2020 was higher than the contracted demand; the input was due to the higher transport capacity migrated from grain flows, due to the stoppage of the waterway operator; (ii) with the return of grain operations in 2021, the supply of additional capacity for sugar was eliminated, keeping the transported volumes in line with the contractual commitments, and (iii) due to the corn harvest loss on 2H21, there the supply of the sugar cargo to MRS was reduced.** With regard to sugar volumes from other railroads, the 9-percent drop in 2021 was basically due to the drop in the recorded harvest due to weather factors, namely the drought during the production cycle and excessive cold in certain months of the year,



which caused frosts, impacting the sugarcane crops productivity. The drop in the sugar transport volume followed the freight performance of this product in the Port of Santos, which posted a 14.6% decrease in 2021.

## Steel products

Transported Volume TU thousand tons	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
Steel Products	1,855	1,680	10.5%	2,026	-8.4%	7,504	6,097	23.1%

Transport of steel products increased 23.1% in 2021 when compared to the volume transported in 2020, impacted by the following factors (i) development of new inbound transport flows in the steel industry; (ii) capture of the steel product transport volumes with the recovery of steel consumption and sales in the domestic and international markets; (iii) new customers attracted; and (iv) resumption of the steel sector with a higher demand than in recent years, reflected by companies announcing investments in expansion, restarting plants and large-scale equipment that were halted, producing at a faster pace than that seen in the period prior to the beginning of the pandemic.

In 4Q21, the transportation of steel products grew 10.5% when compared to 4Q20, primarily driven by the increase in volumes intended for export.

## Containers

Transported Volume TU thousand tons	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
Container	527	620	-14.9%	583	-9.5%	2,259	2,226	1.5%

In the General Cargo transport segment, the container transport group includes cargo transported by MRS and cargo from other railroads (paid for the right of way). This transport segment increased by 1.5% in 2021 compared to 2020, due to the 12-percent growth posted in the volumes of other railroads due to the increased export flow from the country and the volume recovery of a key customer, a result that also followed the performance of the Port of Santos, which posted a 14.2-percent growth in the handling of this type of cargo (in TEU<sup>1</sup>).

<sup>1</sup> *Twenty-foot Equivalent Unit*: a unit equivalent to a 20-ft. container

Regarding MRS's own cargo, the highlights are on the following routes: (i) RJ x Vale do Paraíba: volume gain on an alternative route created in mid-2020 for maritime shipment; (ii) RJ x RJ: increase in the volume of regular customers, entry of new cargo with high added value, ensuring reliability and low transit time, favoring the just-in-time service for automakers in the Resende-RJ hub; (iii) RJ x BH: maintenance with increased volume, achieving good performance with new customers attracted in a partnership with shipowners. On the other hand, certain events have had a negative impact on the result, such as the lack of containers in the market, overcrowding of ships, and high sea freight rates - such factors were unrelated to the railroad.

## Pulp

Transported Volume TU thousand tons	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
Pulp	1,201	784	53.2%	970	23.8%	3,885	3,077	26.3%

The pulp transportation segment grew 26.3% in 2021 when compared to 2020, due to: (i) the investments that MRS has been making, seeking to expand its operating capacity and diversify its operation areas, especially for the general cargo transport, with the largest transported volume of pulp consisting of its own cargo; (ii) increased volume of Other Railways, mainly driven by operating gains created by the new pulp terminal opened in the third quarter of 2020, in Ilha Barnabé, in Santos, as a result of a partnership between two relevant customers. This terminal **is equipped with a "railway pear"** (a circular-shaped yard that allows cargo transshipment without the need to dismember the train). This result meant an important share gain for the railroad for this type of cargo, since the Port of Santos sustained a 3.3-percent retraction in pulp handling in 2021; and (iii) commodity price and the exchange rate for the foreign market, boosting sales.

MRS highlights that, in September 2021, operations began at its new mixed-mode complex in Pederneiras (SP). This Complex, built throughout 2021 and with an investment of R\$ 58.8 million, included the construction of the rail yard and the first terminal of the complex, dedicated to the transport of pulp. Cargo arrives at Pederneiras (SP) by road or waterway and proceeds by rail to the Port of Santos through a railway route of approx. 500 km (310 mi.) Additional details are available at: <https://www.mrs.com.br/post-blog-mrs/esta-oficialmente-inaugurado-o-complexo-intermodal-pederneiras/>

## Construction

Transported Volume Thousand tons	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
Construction	538	488	10.4%	502	7.3%	2,015	2,025	-0.5%

In 4Q21, the construction transport segment increased by 10.4% compared to 4Q20, mainly impacted by the cement volume, which grew 7.3%, due to: (i) prospecting for new customers; (ii) renegotiation of inoperative routes; (iii) improvement in the operating performance; and (iv) increase in the share with current customers. However, there was a 19-percent drop in the Sand group, which was impacted by **MRS customers' share loss in São Paulo Metro Area market - the Company's main service route.**

Additionally, the 4Q21 results compared to 3Q21 and 4Q20 posted an improvement of 7.3% and 10.4% respectively, due to the volume gained with the negotiation of slag vessels for export, completed in the last quarter of 2021.

## Miscellaneous

Transported Volume Thousand tons	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
Others	2,087	2,008	4.0%	2,230	-6.4%	7,495	7,266	3.2%

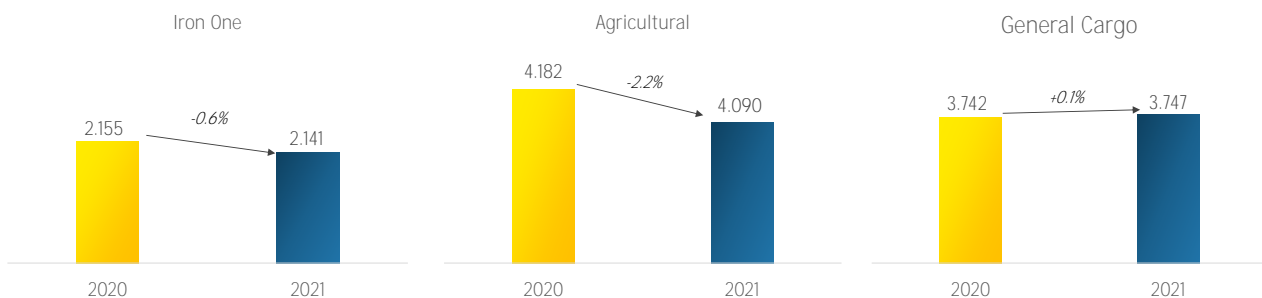
**In 2021, MRS transported 7.5 Mt in the "Miscellaneous Cargo" segment, representing a 3.2-percent growth** compared to 2020, especially due to: (i) the 25-percent increase in the transport of compost and fertilizers from other railroads, following the positive signs from the Port of Santos, which posted substantial growth in imports of this type of product and, above all, benefited from the reduced pressure for export cargo transport in the second half of the year, due to issues with the corn and sugar crops, which facilitated addressing this return cargo; (ii) the 250-percent increase in the transport of mineral coal, with an increase in vessel trading; (iii) 24% bauxite due to the increased consumption of the product resulting from the global resumption of aluminum production, with the commissioning of another furnace room of a specific customer, (iv) 172% pig iron for domestic consumption, due to an improvement in the sales price and market growth, and (v) 1,312% limestone for the steel industry, with the development of a mixed-mode solution between the states of MG and RJ, where we have implemented a commercially- and operationally-suitable alternative for both the customer and MRS.

The Company stresses that the pulp transport volume that - until 3021 - was presented within the Miscellaneous Cargo segment, was segregated beginning in of 2021, as previously highlighted in this Annual Report.

## Energy efficiency

MRS, committed to the sustainability of its operations and the preservation of natural resources, monitors its energy efficiency indicator by measuring the amount of liters used to transport 1,000 gross tons per kilometer (liters per thousand TKB). The global indicator determines the combined efficiency of all three main cargo groups, which have different service characteristics: ore, agricultural, and miscellaneous general cargo.

In 2021, the energy efficiency indicator for locomotives reached the milestone of 2,468 L/kTKB, the same level as in 2020. This result was derived from the Ore and Agricultural segments, which decreased by 0.6% and 2.2%, respectively, offset by Miscellaneous General Cargo, which increased by 0.1%, as detailed below.



### I - Iron Ore

- Fuel consumption reduction due to the insulation/switch-off strategy for driven locomotives at points where the section profile allows the train to maintain its speed driven by the lead locomotive only;
- Increase in the size of certain train compositions, taking advantage of the drive capacity that locomotives provide, based on detailed analysis and studies;
- Change of stopping points for ore trains to carry out the pacing operation in sections where the impact on fuel consumption is lower (sections on a descending ramp).

## II - Agricultural

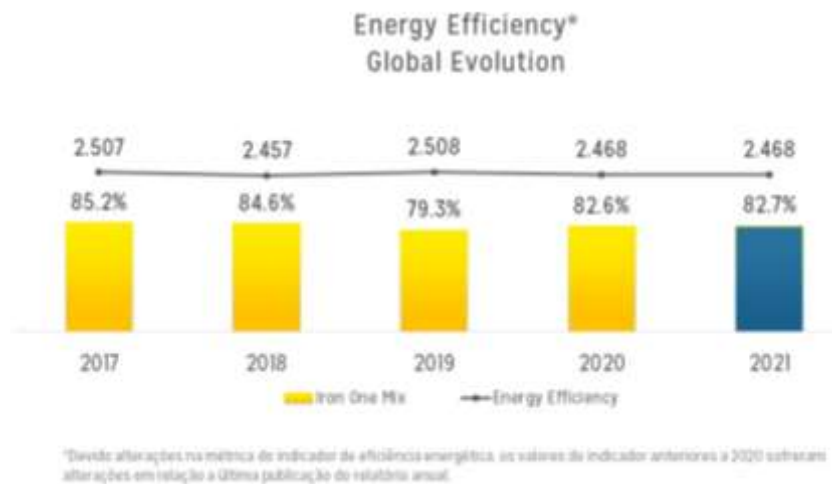
- Increase in the maximum weight of the agricultural train compositions, optimizing the use of the **locomotives' driving force due to improved track conditions at the sections where these trains circulate.**

## III - Miscellaneous General Cargo

- Installation of a Remote Insulation Control (RIC) on the locomotives that circulate in this flow. This equipment essentially allows the driven locomotives in the train to be remotely switched off when drive is not required;

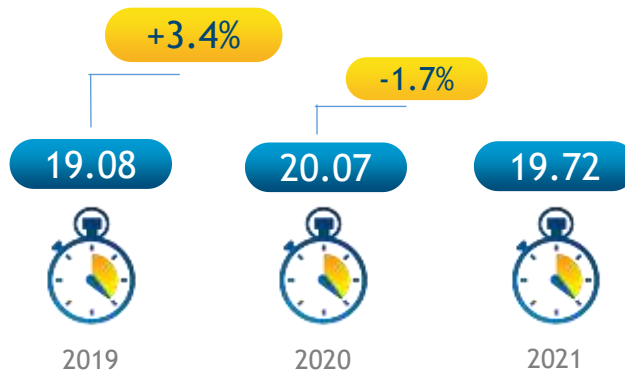
Despite the above improvements, a determining factor for the overall energy efficiency result is the representativeness of the ore volume, since this cargo group is the one with the best energy efficiency among all others, and any representativeness reduction directly impacts the global indicator. As of 2020, the representativeness of this segment has recovered, although it still suffers the direct impacts of the incident in Brumadinho, where one of the key MRS ore terminals was closed, leading to a reduction in the transported volume of this cargo.

The graph below shows the evolution of the global efficiency:



The iron ore Transit Time - which calculates the time it takes to transport the cargo from origin to destination - in 2021 was reduced due to greater efficiency of the Unmanned Train (UT) operation. The train traffic still suffers the impact of the traffic model used since 2020 to serve the Andaime terminal through the UT operation. Under this model, for a train to cross the Self-Rescue Zone (SRZ) of the Forquilha III Dam

in an unmanned way, compliance with a technical and safety protocol that reduces the average speed of the composition is required. Reduction in other regions was also observed, due to operating gains.



## ECONOMIC AND FINANCIAL PERFORMANCE

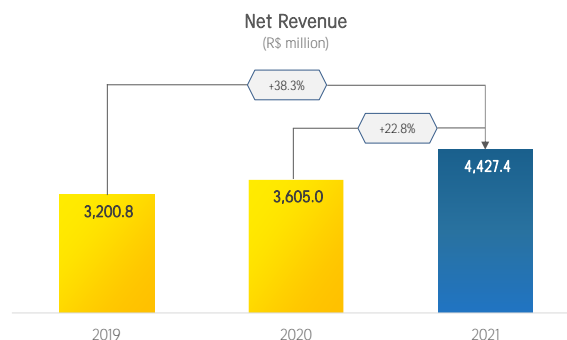
Results	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
Gross Revenues (R\$ million)	1,163.5	1,064.1	9.3%	1,321.1	-11.9%	4,788.9	3,890.2	23.1%
Gross Average Tariff (R\$/ton)	30.5	24.0	27.1%	28.0	8.9%	28.2	24.3	15.7%
Net Revenues (R\$ million)	1,071.6	990.4	8.2%	1,227.4	-12.7%	4,427.4	3,605.0	22.8%
Net Average Tariff (R\$/ton)	28.1	22.3	25.8%	26.0	8.0%	26.0	22.6	15.5%
EBITDA (R\$ million)	500.9	680.0	-26.3%	637.9	-21.5%	2,465.9	2,012.9	22.5%
EBTIDA Margin (%)	46.7%	68.7%	-22.0pp	52.0%	-5.3pp	55.7%	55.8%	-0.1pp
Net Income (R\$ million)	66.2	226.8	-70.8%	137.4	-51.8%	699.6	430.3	62.6%
Net Debt/EBITDA <sup>1</sup> (x)	1.00x	0.83x	0.17x	0.72x	0.28x	1.00x	0.83x	0.17x

<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 Revenue: Increase of R\$ 822.4 million, reflecting particularly the volume recovery, especially in the mining segment, with a 9.2-percent increase compared to the volume in 2020.

II. Costs and expenses: A R\$440.5 million increase, compared to 2020. This result is primarily due to: (i) the increase in the transport volume; (ii) inflation pressure, especially on diesel costs; (ii) (ii) higher asset maintenance costs.

III. Other operating income and expenses: The result of other operating income minus other operating expenses improved by R\$ 71.1 million in 2021, mainly impacted by the recognition of tax credits, resulting from a favorable decision, related to the removal of the ICMS<sup>2</sup> (VAT) from the PIS<sup>3</sup> and COFINS<sup>4</sup> calculation basis. On the other hand, the Company recognized in 2021 an indemnity revenue for the amount of R\$ 44.4 million, arising from the review of contractually-provided minimum transported volumes, and the amount recognized in 2020 was R\$ 239.1 million.



<sup>2</sup> Imposto sobre Circulação de Mercadorias e Serviços - ICMS acronym in Portuguese

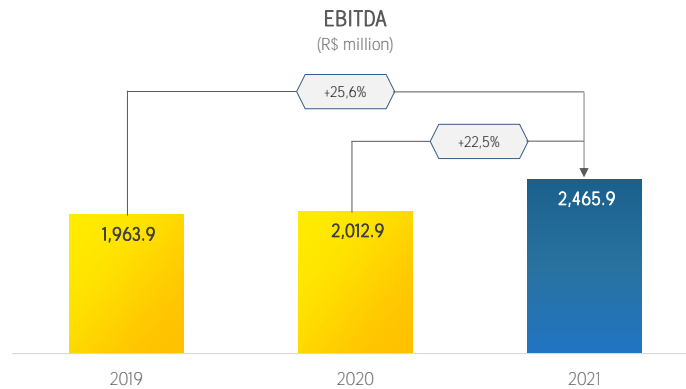
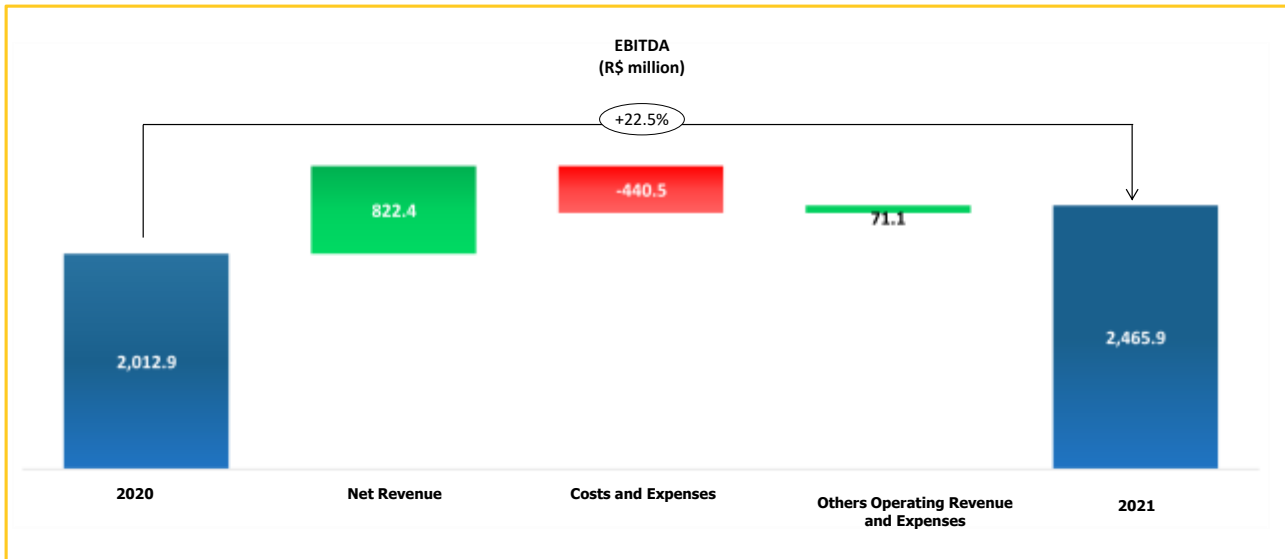
<sup>3</sup> Programa de Integração Social: PIS acronym in Portuguese

<sup>4</sup> Contribuição para o Financiamento da Seguridade Social - COFINS acronym in Portuguese

## EBITDA

The 2021 EBITDA grew by 22.5% when compared to 2020, reaching R\$2,465.9 million, with an EBITDA Margin of 55.7%, 0.1 p.p. down compared to the previous year.

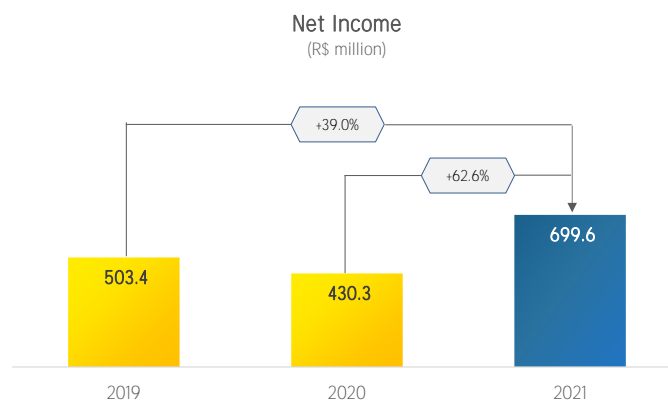
EBITDA evolution in more detail, below:



## Net Income

MRS reported net income of R\$699.6 million in 2021, a gain of 62.6% (R\$269.3 million) against 2020. The result reflects, in addition to the business volume growth - especially in the iron ore transportation segment -, the recognition of tax credits related to the favorable decision to remove the ICMS (VAT) from the PIS and COFINS calculation basis, which positively impacted the result for the period.





## Indebtedness

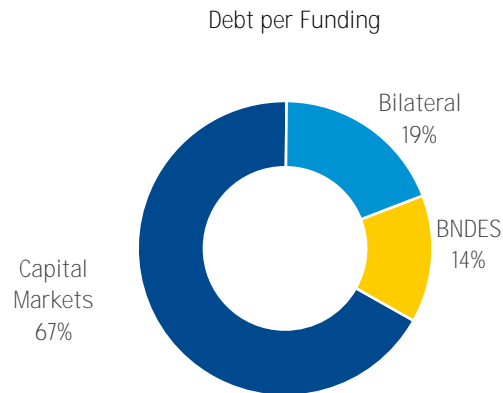
In R\$ million	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21
Gross Debt <sup>1</sup>	4,304.4	2,873.5	49.8%	3,964.9	8.6%
Gross Debt in Reais	3,940.7	2,297.4	71.5%	3,603.0	9.4%
Gross Debt in US\$	363.7	576.1	-36.9%	361.9	0.5%
Cash	1,836.6	1,206.5	52.2%	2,061.6	-10.9%
Net Debt	2,467.8	1,667.0	48.0%	1,903.3	29.7%
EBITDA <sup>2</sup>	2,465.9	2,012.9	22.5%	2,645.0	-6.8%
Net Debt/EBITDA <sup>3</sup> (x)	1.00x	0.83x	0.20x	0.72x	0.39x

<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> EBITDA accumulated in the last 12 months

**The Company's Gross Debt** closed 2021 with a balance of R\$4,304.4 million, R\$1,430.9 million up compared to 2020.

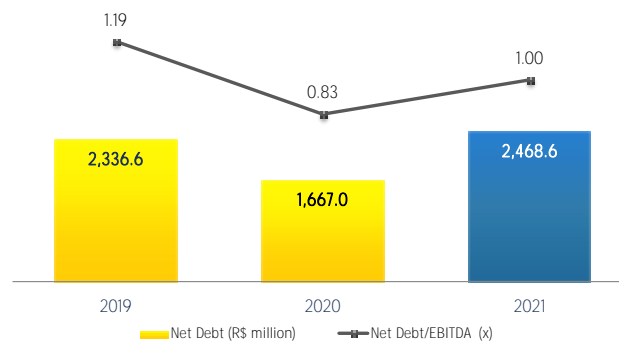
In 2021, MRS raised funds amounting to R\$2,061.0 million, through: (i) the 10<sup>th</sup> issue of debentures for the amount of R\$1,500.0 million; (ii) issue of Promissory Notes, for the amount of R\$500 million and (iii) financing of R\$61.0 million from BNDES (National Economic and Social Development Bank). These funds were raised to reinforce **the Company's cash position and to lengthen the debt profile. On the other hand, amortizations and prepayments of bilateral transactions were made in the period, totaling R\$781.9 million.**

At the end of 2021, most of the debt was indexed to the CDI (Interbank Deposit Certificate), with an important share of Capital Market instruments, in addition to bilateral lines and credit lines with BNDES.



As of December 31, 2021, net debt was R\$2,467.8 million, against R\$1,667.0 million in 2020, reflecting the schedule of new cash inflows and outflows.

The financial leverage ratio measured by the net debt/EBITDA ratio was 1.00x as of December 31, 2021 against 0.83x on December 31, 2020. This increase was mainly due to the raising of funds in the period.



The table below shows the reconciliation of Recurring EBITDA used for the calculation of covenants:

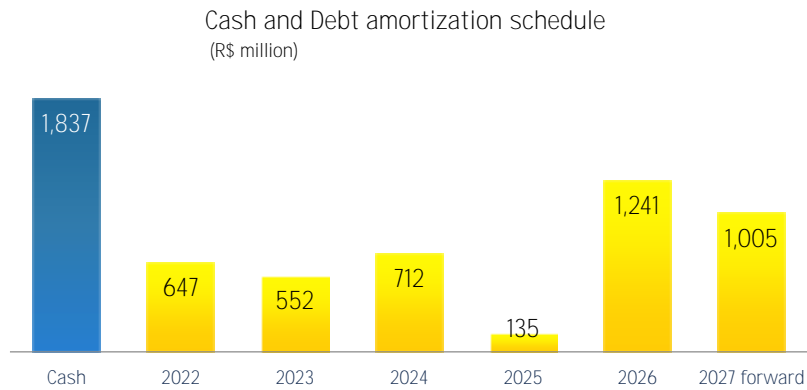
Reconciliation EBITDA (R\$ million)	4Q21	4Q20	4Q21 x 4Q20	3Q21	4Q21 x 3Q21	2021	2020	2021 x 2020
<b>Net Income</b>	<b>66.2</b>	<b>226.8</b>	<b>-70.8%</b>	<b>137.4</b>	<b>-51.8%</b>	<b>699.6</b>	<b>430.3</b>	<b>62.6%</b>
(+) Taxes on Profit	21.3	108.2	-80.3%	70.2	-69.6%	346.3	216.3	60.1%
(+) Depreciation and Amortization	280.4	248.0	13.0%	262.1	6.9%	1,056.7	1,049.9	0.6%
(-) Depreciation Right of Use (lease agreements) <sup>2</sup>	(98.2)	(74.4)	32.0%	(84.4)	16.3%	(351.1)	(281.6)	24.7%
(+) Net Financial Result	(133.0)	(96.9)	37.3%	(168.1)	-20.9%	(363.2)	(316.4)	14.8%
(-) AVP Financial Charges (lease contracts)	(43.6)	(40.9)	6.7%	(37.3)	16.8%	(159.8)	(152.0)	5.1%
<b>(-) Adjusted EBITDA<sup>1</sup></b>	<b>359.1</b>	<b>564.7</b>	<b>-36.4%</b>	<b>516.1</b>	<b>-30.4%</b>	<b>1,955.0</b>	<b>1,579.3</b>	<b>23.8%</b>

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

<sup>2</sup> More detailed information can be found on explanatory notes 16.2 and 34

## Amortization schedule

The chart below shows the debt principal maturity schedule as of December 31, 2021. The average term of MRS's debt as of December 2021 was 4.67 years, representing a lengthening of the group's debt profile against December 2020, which was 2.10 years.



## Rating

Agency	Local Rating	Global Rating	Outlook
Standard & Poor's	AAA	BB-	Estável
Fitch	AAA	BB	Estável

## CASH FLOW STATEMENT

Cash generation in 2021 was R\$630.1 million. The cash balance at the end of 2021 was BRL 1,836.6 million, a result above the BRL 1,206.5 million posted at the end of 2020. This variation was influenced by the receipt of a contractual protection mechanism (“take or pay”) and indemnification with related parties.

Statement of Cash Flow - R\$ Million	2021	2020
<b>Cash at beginning of period</b>	<b>1,206.5</b>	<b>668.3</b>
<b>Net Income before IR and CSLL</b>	<b>1,045.9</b>	<b>646.6</b>
Depreciation and Amortization	1,056.7	1,049.9
Monetary/Foreign Exchange Variation and Financial Charges	603.0	363.7
Residual Value of Fixed Assets / Invest. Perm.	40.6	41.4
Taxable Credit Provision	(338.0)	-
Deferred Tax	7.1	-
Provision (Reversal)	(28.6)	47.6
Others	98.5	19.4
<b>Net Income cash basis</b>	<b>2,485.2</b>	<b>2,168.6</b>
<b>Changes in assets and liabilities</b>	<b>(914.4)</b>	<b>(166.6)</b>
Accounts Receivable and Related Parties	(8.3)	460.0
Stocks	(73.2)	(18.1)
Restricted Cash	-	2.1
Financial Investments	-	-
Taxes Recoverable	(149.5)	28.5
Providers	36.5	(34.2)
Tax liabilities	(3.9)	(109.2)
Taxes on profit	(371.9)	(288.9)
Social and Labor Obligations	44.3	(14.1)
Payment of interest on loans and financing	(146.3)	(135.0)
Payment of interest on rights of use	(159.8)	(152.0)
Others	(82.3)	94.3
<b>Net Cash provided by operating activities</b>	<b>1,570.8</b>	<b>2,002.0</b>
<b>Investment activities</b>	<b>(1,515.4)</b>	<b>(822.4)</b>
Immobilized	(1,472.7)	(795.3)
Intangible	(45.3)	(27.1)
Proceeds from the sale of property, plant and equipment	2.6	-
<b>Financing activities</b>	<b>574.7</b>	<b>(641.4)</b>
Borrowing and financing	561.9	511.7
Debentures	1,500.0	-
Payments	(1,049.2)	(667.0)
Rights of use	(335.9)	(247.1)
Payments Dividends	(102.1)	(239.0)
<b>Cash at end of period</b>	<b>1,836.6</b>	<b>1,206.5</b>
<b>Cash Flow</b>	<b>630.1</b>	<b>538.2</b>

## PROJECTS AND INVESTMENTS

In 2021, MRS invested BRL 1,761.8 million, 61% of which in initiatives associated with the rolling stock package.

Investments - R\$ million	2021
Permanent Way <sup>1</sup>	564.4
Undercarriage <sup>2</sup>	1,074.6
Electronic System	24.2
SMS Programa <sup>3</sup>	25.9
Others	72.7
<b>Total</b>	<b>1,761.8</b>

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

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

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

The macro groups of investments made in 2021 are detailed below:

Expansion of the permanent track and yards: the progress of the works started in 2020 is worth mentioning, with focus on General Cargo flows: (i) construction - in an all-time low seven-month period - of the new terminal in Pederneiras. For more information about the project, visit: <https://youtu.be/2jLI0I2TNss>; (ii) signaling of the Jurubatuba-Ilha de Barnabé section of Santos Left Bank and (iii) upgrading of the permanent track on the Itirapina-Pederneiras section, thus enabling the traffic of 120-ton trains.

Infrastructure reliability: maintenance of the preventive plan of interventions along the track, with the execution of 31 containment works and 4 bridge interventions/replacements, aiming at minimizing the risks associated with the reliability of the section.

Rolling stock, procurement: In 2021, assets were procured to address the forecast volume and provide operational improvements. The procurement included 28 AC44 locomotives, 864 GDT INOX cars, and 23 PCT cars.

Modernization of assets: the strategy of carrying out interventions on locomotives, cars and the railway network was maintained, aiming at increasing the reliability and availability levels of the assets, allowing for improved efficiency and optimization of our railway operations.

Technology projects: the progress in the implementation of the new ERP system (SAP), the continued **development of IT systems with a focus on the Company's operating processes, and the expansion in the scope of the use of remote controls for locomotive maneuvering at yards** are worth mentioning. In addition, we highlight the start of the project aimed at assessing the possibilities and impacts of increasing the train size.

## STRATEGIES AND OUTLOOK

The year 2021 was very unstable in many ways. The pandemic control has progressed, but the emergence of new variants and the still unsatisfactory vaccination rate did not allow an effective recovery of the economy. Compounding the scenario, we have faced the increase of inflation and interest rates, affecting the costs of inputs, raw materials and financing.

All this context brought several challenges throughout the year. Each segment had a specific response to **the scenario in which it operated. The mining business (“Heavy Haul”) grew until the third quarter**, compared to the previous year, benefiting from the still heated market demand, the price of iron ore – which reached successive historical all-time peaks –, and a favorable export exchange rate.

Even with the uncertainties of the global scenario, 2022 is expected to be a very consistent year for Heavy Haul customers, and the volume to be transported is expected to grow in the coming years. In order to **provide even more competitiveness to the customers’ value chain, MRS has been ensuring operating sustainability**, including in restricted-traffic areas, with new solutions that ensure an increase in transport capacity and excellence. We are also seeking and implementing strategies to ensure operations with optimized costs and high safety levels.

In the General and Agricultural cargo segments, MRS has been increasingly solidifying its operations. We have started transporting pulp, with loading at the new Pederneiras terminal. On the other hand, the water crisis has momentarily reduced the transport of other agricultural commodities. Next year, the river transport is expected to resume the normal conditions; volumes in this segment are expected to resume, and pulp operations are expected to increase.

Expectations for 2022 include a more favorable world economic scenario, with more expressive growth compared to 2021. This context tends to increase the demand, and, consequently, favor growth in the General Cargo segments.

For the first half of next year, the execution of the contract for renewal of the MRS concession is expected, thus completing the entire process and ensuring the start of the planned investment projects, which will bring several benefits to society as a whole, the company, and the competitiveness of our country.

The investments related to the early extension of MRS concession are included in the IPP (Investment Partnership Program). This process for early extension of the Concession Agreement started in March 2015. The Company has been keeping an ongoing relationship with the technical areas of the Ministry of Infrastructure to **understand the Government’s strategy regarding the definition of investments arising from public policy.**

## REGULATORY GOALS

The production and accident prevention targets defined and verified by the National Road Transport Agency (ANTT) for the year 2021 are being consolidated by the Institution.

In 2019 and 2020, the accident target was met. This result reflects primarily the investments made in operating safety and the ongoing prevention and population awareness campaigns developed by the Company to reduce the number and severity of railway accidents.

The production targets per stretch agreed in the years 2018, 2019, and 2020 were fully met.

Finally, MRS reports that it has agreed with ANTT the production and safety goals for the 2018-2022 period. Due to the extraordinary events that took place in Brumadinho-MG, in January 2019, which impacted the **railway transport of iron ore in the “Iron Quadrangle” region of Minas Gerais state, the production targets** for years 2019 and 2020 were adjusted (Decisions No. 728, of June 25, 2019, and No. 974, of November 5, 2019), pursuant to the terms of the Concession Agreement entered into with the Federal Government, and to ANTT Resolution No. 5,831/2018.

## ESG AGENDA

### Organizational Climate

In 2021, MRS achieved 86.38% of favorable responses among employees, according to the climate survey, which was supported by 91% of respondents. The result remained high, even in the face of the worsening Covid-19 scenario during the year.

The Contemporary Scenario factor yielded the best result in the survey, with a 91.87-percent satisfaction rate. The issues addressed in this topic refer to the actions taken by the Company in the pandemic context and **ESG-related issues, with focus on two questions that are among the Company’s top-5 results.**

### Diversity

The actions focused on the Diversity topic have advanced at MRS Logística. In November/2021, the Company launched its Organizational Guideline on Diversity and Non-Discrimination, aimed at introducing the guidelines that underpin its Diversity Program, general principles, and institutional commitments. The Guideline is available at our institutional website: <https://www.mrs.com.br/empresa/diversidade-e-inclusao/>.

The Company closed the year 2021 with 6,148 employees, 84% connected to the railway operation. Of the total workforce - which includes, in addition to employees, interns and apprentices - the average age was 37 years, highlighting the growth in female share, which accounted for 12.9%. Further, as a result of the **Company’s efforts to foster a diverse and inclusive environment, 5.09% of the workforce were people with**

disabilities, which represents a 4.45-percent increase in this group compared to 2020, when MRS already exceeded the quota provided for in law.

### Intellectual capital

MRS continues to invest in the training, qualification, improvement, specialization of its employees. In 2021, operating and personnel safety training courses were provided by MRS Academy, in addition to courses for qualification and improvement of the activities carried out by the most diverse positions. These training courses were made available to most employees, with an average workload of 42.5 class hours for each student/employee.

MRS employees also have the Education Incentive Program at their disposal, where MRS pays a part of the monthly fees for training and improvement courses, such as undergraduate, graduate, technical education, and language courses. In 2021, 428 employees graduated or continued their studies through this program.

Reaffirming its commitment to the professional development of its employees, MRS started, in 2021, the Leadership Training Program for 86 employees, in a partnership with the FIA Business School, enabling **employees to make decisions in an agile way and in line with the Company's business strategies**. MRS Academy, in a partnership with SETA, trained 15 specialists in the Strategy Module on the creativity, collaboration, critical thinking, and complex problem solving topics, in addition to starting the Specialist Training Program for 20 employees with 17 different topics, including: Agile Methods, Lean Six Sigma, Communication, Corporate Finance, and Emotional Intelligence.

In addition, the MRS Academy provided training courses on Railway Operation to 346 students, together with the SENAI Industrial Teaching and Learning System in the states of MG/RJ/SP (through FIEMG/FIRJAN/FIESP).

### Health

MRS is constantly concerned with our human potential, and continuously supports it in the pursuit of comprehensive health, with actions to promote health, physical, mental and emotional well-being, and **prevent illness, reaching the employees' dependent family members**. And the Covid-19 pandemic reinforced this care. With this in mind, MRS developed several actions, during 2021, including:

Quality of Life Campaigns: 122 actions were carried out by the work occupational medicine and nursing teams at each of the seven MRS Healthcare Centers, located in MG, RJ and SP, sometimes augmented with **the involvement of specialists in the topic addressed**. The actions taken by the Company include: "Healthy eating habits"; "Heart disease"; "Fights against the elevated cholesterol"; "Diabetes mellitus"; "Prevention of Sexually Transmitted Diseases"; "Pink October"; "Blue November"; "Kidney Nutrition"; "Voice Care"; "Women's Health"; "Labor Gymnastics"; "First-Aid Notions"; "Mental Health"; "General Hygiene Guidelines"; "Physical Activity"; "Hearing Care"; "Tetanus Vaccination"; "Blood Donation".

Covid-19: The Company carried out initiatives against Covid-19, with 24/7 medical on-call service and nursing



assistance. MRS provided guidance on the importance of vaccination, and ended the year with 99.39% of its employees immunized with the first dose, and 92.68% already immunized with both doses or a single dose.

Flu Vaccination Campaign: 6,283 people were immunized with the quadrivalent flu vaccine (up-to-date, more powerful vaccine), including employees and legal dependents.

Prevention and Guidance Programs: MRS clinical staff continued to provide assistance for the prevention of cardiovascular disease and related consequences, as well as the prevention of the Alcohol and Drug Abuse (PPAD), in order to ensure the work environment. The Company has the Hearing Conservation Program (PCA) in place, whose objective is to permanently monitor employees exposed to noise by means of a cross-functional team (doctors and speech therapists) who work on a preventive basis. The **“Baby on Board” Project promoted the exchange of experiences between pregnant couples at MRS, their families, and supporters, through specialized guidance on pregnancy, childbirth, breastfeeding, infant first aid, among others.**

Occupational examinations: 100% of MRS employees are submitted to a periodic occupational health examination every year, regardless of the occupational risk or age. A total of 2,007 examinations were carried out at remote points, through mobile in-company service. The remaining was provided in company. In addition to these examinations, another 2,194 occupational examinations were carried out, including at hiring, return to work, role change, and termination.

In addition to all actions mentioned above, MRS employees were involved in 2021, on a remote basis, in an important initiative to encourage a mindset change focused on quality of life and well-being, especially **with regard to adaptation to the “New Normality” and the work-from-home model.** Also, the Mental Health topic was given priority by MRS. The Company promoted a number of actions, including lectures, providing content and Company Health Weeks, as well as emotional care services for employees and their dependents for quick emotional support when necessary, aiming at fullness of health as a whole to improve the quality of life and well-being.

MRS also provides benefits that encourage prevention and health treatments, such as: medical and dental insurance, offered to employees and legal dependents, and agreements for discounts on medicines and products at pharmacies.

### Workplace safety

When it comes to safety, MRS goes all out. During 2021, R\$ 7.4 million were invested in projects and works for improvement and comfort at the facilities. Also, important actions were carried out this year, including Safety Workshops, SIPATMA (Internal Week for Prevention of Occupational Accidents and the Environment), in addition to campaigns, production of podcasts, and lectures. MRS highlights the implementation of the **“Escolinha de Via Permanente” (Permanent Track School)**, a space dedicated to the training of maintenance

staff, especially on vacation returns; to promote improvements in the Track Tour Officer<sup>5</sup> work; and to hold **workshops with safety technicians from the Company's partners who are allocated** along its railway network.

The result of these actions and MRS continuous are reflected in the low rate of accidents with and without lost time. In 2021, the Company reached the 0.63 rate, the second best historical result, only behind the year 2020, when the rate was 0.51. The Company emphasizes that, in the past 11 years, the reduction was 92%.

### Operating Safety

MRS has rail safety rates at the same level as the major American Class #1 railroads<sup>6</sup>, which confirms our operating reliability and **commitment to ensuring the integrity of our customers' transported cargo**. This pattern is reflected in the 37-percent reduction, in the past 11 years, in the rate of occurrences per billion TKB (gross ton x km), a rate that shows accidents with direct involvement of MRS and accidents caused by neighboring communities and other railroads/concessionaires. Despite this good performance over the years, the year 2021 ended with a 1.76 rate, a result above the year 2020, which was 1.64.

The biggest challenge for MRS refers to accidents caused by the community. Aiming at preserving the railway domain strip, the Company invested R\$ 8 million in 2021, and carries out permanent awareness programs with the communities in a pedagogical way, in addition to task forces with ostensible surveillance.

Additionally, MRS has processes and activities in place aimed at preventing accidents. The Company has in **place behavioral audits ("Task Observation") methods, inspection of the physical and permanent track conditions at the terminals owned by our customers and partners ("Terminal Safety Program"), particular attention focused on the reliability of the maneuvering yards ("Network Safety Program"), and predictive indicators related to risks to the maintenance of our assets and the railroad operation ("Risk Semaphore")**.

### Environment

Respect for the environment is one of the pillars that moves MRS towards the evolution of a sustainability **culture within the Company**. For this purpose, an **Environmental Management System ("EMS") is in place**, aimed at allowing the adoption of best practices for management of environmental programs carried out by MRS, control of environmental risks, and optimization of operating costs. Acting in a preventive manner, the EMS is intended to report the environmental performance of processes, eliminate and minimize potential environmental impacts, reduce events, prepare employees adequately to respond to emergencies, and increase the assertiveness in carrying out the environmental strategy and commitments undertaken with the competent bodies.

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<sup>5</sup> An employee dedicated to visual inspection of the railway network

<sup>6</sup> CSX Transportation, BNSF Railway, and Norfolk Southern Railway.

In 2021, the Company carried out its activities ensuring full compliance with the applicable standards and other requirements for environmental preservation, fully complying with all environmental programs related to the requirements of the Operation Permit for the railway network and workshops.

Throughout the year, among the programs offered, the Company highlights the Solid Waste Management Program, Liquid Effluents Management Program, Erosive Processes Management Program, Greenhouse Gas Emissions and Climate Management Program, Environmental Education Program (EEP), and Environmental Licensing Program.

MRS acted on several fronts of the environmental licensing processes and their compliance with requirements. These include the renewal, with IBAMA (Brazilian Environmental Agency), of the environmental licenses for Horto Florestal workshop complexes in Belo Horizonte, Jeceaba, and Conselheiro Lafaiete, consolidating the licensing with the railway network until 2027. In addition, a new environmental operating license was obtained for the pulp terminal in Pederneiras, which will be operated by a partner company. As a result, the Company is able to transport more cargo in its portfolio and strictly comply with its operating licenses, requirements thereof, and the environmental quality required for the business.

MRS has also launched the Greenhouse Gas Emissions Management Program as a strategic tool. In 2021, the Company prepared its first greenhouse gas emissions inventory related to the years 2019 and 2020, covering the scopes No. 1 and No. 2. Seeking even more transparency with the market, MRS answered the CDP climate change questionnaire, and participated as a signatory of the São Paulo Agreement, an organization oriented to define strategies for the business sector in favor of the climate.

## Institutional Relations

### Relationship with the Government and the Community

In 2021, MRS sustained its relationship actions with the communities surrounding the railway, through partnerships established with leaders and Municipal Governments, respecting the social distancing recommendations - extremely necessary due to the persistent pandemic scenario.

This way, the processes intended to deal with potential impacts of the railway on the communities and developed partnerships were carried out on a remote basis by the regional teams, which act in a systemic way under a process known as “Dialog Methodology”. This process - which relies on formal and informal structures at various management levels - aims at promoting solutions for the most diverse demands of the community and the Government, and ensuring tools to strengthen the relationship. In this context, in addition to meeting the demands, partnerships were established that resulted in 28 initiatives, such as construction and revitalization of leisure areas; urban mobility actions; lighting of public areas around the railway, construction and implementation of waste segregation and treatment centers, in addition to the installation of dozens of waste collectors, in municipalities in the states of Minas Gerais, São Paulo, and Rio de Janeiro. For these actions and donations, MRS made available, in 2021, R\$ 2.8 million of own resources.

As an example of an initiative to facilitate relationships, MRS annually holds the “Espaço Aberto: MRS e Comunidade” (“Open Space: MRS and Community”) event, which introduces to the key regional leaders the most important actions and investments made in order to reduce the operation impacts and improve the coexistence with the railroad. In 2021, considering the restrictions posed by the pandemic, all events were canceled because it was a meeting oriented to encouraging interpersonal relationships and face-to-face contact. However, the key community leaders and Government representatives kept their direct access (by phone, email and messaging applications) to the Institutional Relations teams; so, the teams remained accessible as usual in the event of demands, complaints or other needs.

The meetings with internal managers to address demands and occasional meetings intended to strengthen the relationship, stimulating dialog, and seeking shared solutions - either in person (observing the safety recommendations), or virtually - were not called off. In 2021, ninety-four meetings were held with community leaders, Government representatives, and representatives from the City Councils of municipalities in Minas Gerais, São Paulo, and Rio de Janeiro.

#### Accident Prevention Actions

In 2021, accident-prevention actions directly related to communities, in face-to-face activities, were deeply compromised by the pandemic scenario and the need to take social distancing measures. The primary strategy used by MRS during this period was to carry out digital campaigns and newsletters through social media and messaging applications. The actions carried out with a focus on communities with the highest accident rates added up to the participation of 9,900 people, including adults, children, and adolescents, covering seven municipalities.

#### Social, Cultural and Sports Projects

Through the Childhood and Adolescence Fund (FIA), MRS supported 16 Municipal Councils for the Rights of Children and Adolescents, benefiting numerous projects, in addition to nine Municipal Councils for the Rights of the Elderly. The Company also sponsored 12 cultural projects through the Federal Culture Incentive Law, and 3 sports projects through the Sports Incentive Law. In 2021, MRS continued to use the funds obtained under the laws instituting the PRONON (National Program for Support to Oncology Care) and PRONAS (National Program for Support to the Healthcare for People with Disabilities), which were directed to three projects. Sociocultural and sports investments totaled R\$ 11.7 million in 2021. Also, as a way of reiterating our commitment to the Railway History, MRS joined the largest program for preservation of **memory and historical heritage ever carried out in Brazil, “Resgatando a História” (Rescuing History)**, in partnership with BNDES and other companies from the private sector, whose total contribution forecast amounts to R\$ 200 million for the next 3 years.

#### Partnerships and Donations

In addition to all the initiatives already mentioned, which constitute a structured program focused on actions related to the railway activity, MRS promotes numerous small donations on an assistance basis every year, which contribute to a better relationship with the communities. In 2021, the demand for

donations for Children's Day and Christmas community events was intense, and resulted in the delivery of 17,000+ items, including chocolate boxes, toys, milk cartons, and school supply kits, distributed to 24 interface municipalities.

#### Population Displacement

Over the years, MRS has shown ongoing attention to the well-being of communities, especially those close to its domain strip. Outstanding initiatives of the Company in 2021, with own resources, included actions targeted to best practices related to the displacement of vulnerable populations. This way, MRS has played a leading role in cases of displacement of families settled in the municipalities of Ibité (MG), Suzano (SP), Mangaratiba (RJ), Três Rios (RJ), and Guarujá (SP), with the goal of ensuring the safety of populations and of the railway operation. In line with this policy, the Land Management was also established in 2021, designed to set up procedures, negotiation flows, and solutions for community displacement issues, among other activities.

#### Covid-19

In line with its Community Relationship Policy, and considering that the social role of companies should go beyond creating of jobs and paying taxes, MRS promoted a solidarity action in support of people in vulnerable situations, through a joint initiative with municipal bodies and charitable institutions, aimed at donating food items and rapid tests to detect infection by the SARS-CoV-2 virus. The actions resulted in the delivery of 7,569 food baskets to 35 interface municipalities in the states of RJ, MG and SP. The donations, planned together with the Social Assistance Departments and partner institutions, amounted to 80 tons of food and approximately 150 thousand items, distributed according to the criteria adopted by the partners. With regard to rapid tests for detection of infection by the SARS-CoV-2 virus, 2,000+ thousand tests were donated in 2021, covering seven municipalities.

Detailed information will be available in MRS Sustainability Report:

<https://www.mrs.com.br/sustentabilidade/relatorio-de-sustentabilidade-mrs/>

## INDEPENDENT AUDITORS

In fiscal year 2021, KPMG Auditores Independentes provided audit services for the annual financial statements and reviews of the quarterly information.

In compliance with CVM Instruction 381/2003, which addresses the provision of other services by independent auditors, the Company reports that no other services are provided by this audit firm in addition to those mentioned above

## INVESTOR RELATIONSHIPS

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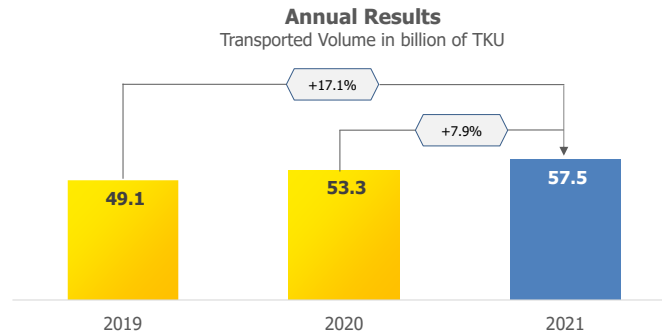
B3 - Over-the-Counter Market

Investor Relations Website

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

## APPENDICES

### Appendix 1 I – Operating Table and Chart



Transported Volume Thousand tons	4Q20			3Q21			4Q21			2020			2021		
	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>30,846</b>	-	<b>30,846</b>	<b>22,818</b>	-	<b>22,818</b>	<b>98,167</b>	-	<b>98,167</b>	<b>107,176</b>	-	<b>107,176</b>
Iron Ore	28,103	-	28,103	30,158	-	30,158	22,168	-	22,168	95,674	-	95,674	104,478	-	104,478
Export	25,266	-	25,266	26,348	-	26,348	18,575	-	18,575	84,129	-	84,129	89,607	-	89,607
Domestic Market	2,837	-	2,837	3,811	-	3,811	3,593	-	3,593	11,545	-	11,545	14,871	-	14,871
Coal and Coke	528	-	528	688	-	688	650	-	650	2,493	-	2,493	2,698	-	2,698
<b>General Cargo</b>	<b>4,207</b>	<b>11,558</b>	<b>15,765</b>	<b>4,901</b>	<b>11,486</b>	<b>16,387</b>	<b>4,716</b>	<b>10,655</b>	<b>15,372</b>	<b>17,270</b>	<b>44,381</b>	<b>61,651</b>	<b>18,568</b>	<b>44,223</b>	<b>62,792</b>
Agricultural Products	715	9,471	10,186	881	9,195	10,077	476	8,687	9,162	3,595	37,365	40,960	3,204	36,428	39,632
Corn	237	4,725	4,962	133	4,372	4,505	-	3,987	3,987	557	11,604	12,161	133	8,689	8,822
Sugar	478	3,547	4,025	673	2,759	3,432	476	2,327	2,802	2,628	9,380	12,008	2,176	8,495	10,671
Soy	-	0	0	8	543	551	-	952	952	411	11,642	12,053	737	13,662	14,399
Soybean Meal	-	1,198	1,198	67	1,521	1,588	-	1,421	1,421	-	4,739	4,739	159	5,582	5,741
Steel Products	1,680	-	1,680	2,019	8	2,026	1,855	-	1,855	6,079	18	6,097	7,482	22	7,504
Pulp	158	626	784	284	686	970	587	614	1,201	854	2,223	3,077	1,316	2,569	3,885
Container	327	293	-	301	281	583	295	232	527	1,311	915	2,226	1,238	1,022	2,259
Construction	488	-	488	502	-	502	538	-	538	2,025	-	2,025	2,015	-	2,015
Others	839	1,168	2,008	914	1,316	2,230	964	1,123	2,087	3,406	3,860	7,266	3,313	4,182	7,495
<b>Total</b>	<b>32,837</b>	<b>11,558</b>	<b>44,395</b>	<b>35,748</b>	<b>11,486</b>	<b>47,234</b>	<b>27,534</b>	<b>10,655</b>	<b>38,190</b>	<b>115,436</b>	<b>44,381</b>	<b>159,817</b>	<b>125,745</b>	<b>44,223</b>	<b>169,968</b>

Investments R\$ million	4Q20	3Q21	4Q21	2020	2021
Chains	202.7	209.8	283.8	667.7	844.8
Expansion	63.8	346.6	336.7	97.2	857.7
Improvement	9.4	38.6	11.1	20.1	59.3
<b>Total</b>	<b>275.9</b>	<b>595.0</b>	<b>631.5</b>	<b>785.0</b>	<b>1,761.8</b>

## Appendix II - Income Statement

Income Statement - R\$ Million	4Q21	3Q21	4Q20	2021	2020
<b>Net Revenue</b>	<b>1,071.6</b>	<b>1,227.4</b>	<b>990.4</b>	<b>4,427.4</b>	<b>3,605.0</b>
Costs of Provided Services	(515.1)	(491.2)	(427.5)	(1,876.4)	(1,487.4)
<b>(=) Gross Profit</b>	<b>556.5</b>	<b>736.2</b>	<b>562.8</b>	<b>2,551.0</b>	<b>2,117.5</b>
<b>Income (Expenses)</b>	<b>(55.6)</b>	<b>(98.3)</b>	<b>117.1</b>	<b>(85.0)</b>	<b>(104.6)</b>
Sales Expenses	(4.6)	(3.9)	(3.6)	(16.1)	(13.4)
General and Administrative Expenses	(88.1)	(70.0)	(66.2)	(276.5)	(227.6)
Other Operating Income	217.5	36.0	296.6	518.5	395.4
Other Operating Expenses	(180.4)	(60.4)	(109.6)	(311.1)	(259.0)
<b>(=) EBITDA</b>	<b>500.9</b>	<b>637.9</b>	<b>680.0</b>	<b>2,465.9</b>	<b>2,012.9</b>
Depreciation/Amortization	(280.4)	(262.2)	(248.0)	(1,056.7)	(1,050.0)
<b>(=) Operating Income Before Financial Effects</b>	<b>220.5</b>	<b>375.7</b>	<b>431.9</b>	<b>1,409.2</b>	<b>963.0</b>
Financial Income	65.8	61.4	60.0	389.4	498.9
Financial Expenses	(198.8)	(229.4)	(156.9)	(752.7)	(815.3)
<b>(=) Income Before Income Tax and Social</b>	<b>87.6</b>	<b>207.7</b>	<b>335.1</b>	<b>1,045.9</b>	<b>646.6</b>
IR/CS Current/Deferred	(21.3)	(70.2)	(108.2)	(346.3)	(216.3)
<b>(=) NET INCOME</b>	<b>66.3</b>	<b>137.4</b>	<b>226.8</b>	<b>699.6</b>	<b>430.3</b>

## Appendix III - Balance Sheet

Balance sheet - R\$ Million							
ASSETS	2021	3Q21	2020	LIABILITIES	2021	3Q21	2020
<b>Current</b>				<b>Current Liabilities</b>			
Cash and Cash Equivalents	1,836.6	2,061.6	1,206.5	Suppliers	487.5	396.7	331.6
Accounts Receivable with Related Parties	424.2	171.2	382.5	Labor Express	208.4	176.8	164.1
Others Accounts Receivables	15.0	7.7	8.7	Income Tax and Social Contribution	188.5	180.8	207.3
Stocks	202.8	206.9	132.4	Others Taxes Obligations	50.7	37.7	50.4
Recoverable Taxes	109.5	86.3	63.6	Loans and Financing	770.1	856.6	831.6
Prepaid Expenses	32.7	33.7	16.8	Leasing to pay	383.3	312.0	317.9
Derivative Financial Instruments	14.6	17.4	27.2	Derivative Financial Instruments	85.3	65.2	10.6
Other Current Assets	44.0	42.2	27.3	Payable Dividends	166.3	102.4	102.4
<b>Total Current Assets</b>	<b>2,679.5</b>	<b>2,627.1</b>	<b>1,865.0</b>	Payable Concessions and Lease	5.6	5.6	4.7
				Client Advances	5.8	6.5	1.9
<b>Not Current</b>				Provisions	21.0	40.7	53.8
Long Term Realizable				Others Current Liabilities	25.4	23.5	55.3
Restricted Cash	247.5	244.5	284.7	<b>Total Current Liabilities</b>	<b>2,398.1</b>	<b>2,204.5</b>	<b>2,131.4</b>
Accounts Receivable with Related Parties	23.0	22.5	30.3				
Others Accounts Receivables	550.3	524.8	108.6	<b>Not Current</b>			
Recoverable Taxes	1.9	2.3	1.3	Suppliers	39.4	39.9	39.4
Prepaid Expenses	65.1	29.3	60.9	Loans and Financing	3,551.3	3,147.6	2,156.4
Derivative Financial Instruments	131.5	131.4	116.4	Payable Concessions and Lease	2.8	2.9	2.7
Other Not-Current Assets	121.8	126.8	124.6	Client Advances	0.0	0.0	0.0
Immobilized	7,518.4	7,211.2	6,567.6	Diferred Taxes	-	-	-
Rights of use	1,995.2	1,710.8	1,906.5	Provisions	741.1	724.4	662.5
Intangible	100.5	81.6	63.7	Leasing to pay	1,718.4	1,497.6	1,675.1
<b>Total Not-Current Assets</b>	<b>10,755.3</b>	<b>10,085.3</b>	<b>9,264.7</b>	Others Current Liabilities	136.2	149.1	149.4
<b>Total Assets</b>	<b>13,434.8</b>	<b>12,712.4</b>	<b>11,129.7</b>	<b>Total Not-Current Liabilities</b>	<b>6,189.2</b>	<b>5,561.5</b>	<b>4,685.5</b>
				<b>TOTAL LIABILITIES</b>	<b>8,587.3</b>	<b>7,766.0</b>	<b>6,816.9</b>
				Capital Stock	2,151.5	2,151.5	2,151.5
				Reserve Allocation for Capital	1,809.5	-	-
				Profit Reserves	875.5	2,151.5	2,151.5
				Legal Reserves	377.0	342.0	342.0
				Investments Reserves	498.5	1,809.5	1,809.5
				Accumulated Profit	-	633.4	-
				Equity Valuation Adjustments	11.0	10.0	9.7
				<b>Total Stockholders Equity</b>	<b>4,847.5</b>	<b>4,946.4</b>	<b>4,312.8</b>
				<b>TOTAL LIABILITIES AND STOCKHOLDERS</b>	<b>13,434.7</b>	<b>12,712.4</b>	<b>11,129.7</b>



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