

1Q20 INVESTOR RELATIONS REPORT

São Paulo, May 14, 2020 – BRADESPAR [B3: BRAP3 (ON), BRAP4 (PN); LATIBEX: XBRPO (ON), XBRPP (PN)] announces its results for 1Q20.

Investment Structure – 03.31.2020

Since 2017, BRADESPAR's investments have exclusively focused on VALE, a company in which BRADESPAR has representatives at the Advisory Committee and Board of Directors, which is a differentiation in terms of investment management.

At March, 2020, the market value of BRADESPAR's assets, minus net debt, totaled R\$ 12.7 billion.

%V = % Voting Capital
%T = % Total Capital

BRADESPAR

5.73% V/T



BALANCE SHEET

| ASSETS | (R\$ thousand) | |
|---|-------------------|-------------------|
| | 03/31/2020 | 03/31/2019 |
| CURRENT | 553,142 | 328,790 |
| Cash and Cash Equivalents | 199,618 | 328,606 |
| Interest on Equity and Dividends Receivable | 353,338 | - |
| Others | 186 | 184 |
| NON-CURRENT ASSETS | 10,478,545 | 9,784,526 |
| Long Term | 171,247 | 238,941 |
| Recoverable Taxes | 163,389 | 231,360 |
| Judicial Deposits | 7,858 | 7,581 |
| Investments | 10,306,259 | 9,544,619 |
| Fixed Assets | 98 | 5 |
| Intangible | 941 | 961 |
| TOTAL | 11,031,687 | 10,113,316 |

| LIABILITIES | (R\$ thousand) | |
|--|-------------------|-------------------|
| | 03/31/2020 | 03/31/2019 |
| CURRENT | 276,072 | 230,634 |
| Interest on Equity and Dividends Payable | 248,000 | 204,178 |
| Taxes and Contributions Payable | 194 | 300 |
| Leases - Right of Use | 68 | 56 |
| Other Liabilities | 27,810 | 26,100 |
| NON-CURRENT LIABILITIES | 233,261 | 220,837 |
| Debentures Payable | 225,395 | 213,196 |
| Provision and Legal Obligations | 6,943 | 6,727 |
| Leases - Right of Use | 923 | 914 |
| SHAREHOLDERS' EQUITY | 10,522,354 | 9,661,845 |
| Capital Stock | 4,100,000 | 4,100,000 |
| Profit Reserve | 2,106,573 | 2,779,080 |
| Adjustment to Equity Evaluation | 4,262,025 | 3,137,856 |
| Results of the Period | 53,756 | (355,091) |
| TOTAL | 11,031,687 | 10,113,316 |

COMMENTS ON THE COMPANY'S PERFORMANCE

The table below shows the Consolidated Income Statement, in accordance with accounting practices adopted in Brazil.

| Income Statement | (R\$ thousand) | | |
|---|----------------|------------------|----------|
| | 1Q20 | 1Q19 | Chg % |
| Equity Income | 54,748 | (357,175) | - |
| Operating Results | 54,748 | (357,175) | - |
| Payroll Expenses | (2,241) | (1,514) | 48.0% |
| Tax Expenses | (190) | (452) | -58.0% |
| General and Administrative Expenses | (751) | (1,161) | -35.3% |
| Other Operational Expenses | - | (38) | - |
| Financial Revenues (Expenses) | 2,190 | 6,078 | -64.0% |
| Operational Result before Income Tax/Social Contribution | 53,756 | (354,262) | - |
| Income Tax/Social Contribution | - | (829) | - |
| Results for the Period | 53,756 | (355,091) | - |

Operating Revenue

As an Investment Company, BRADESPAR has its operating income generated from the equity equivalence result and interest on VALE's equity.

In the first quarter of 2020, BRADESPAR recorded operating income of R\$54.7 million.

It should be noted that VALE, in the same period, was affected by lower production volumes due to the shutdown of its Brucutu plant and scheduled and unscheduled maintenance, impacting sales of ferrous minerals, in addition to the decrease in realized prices of nickel and copper and in sales volumes of basic metals, which were partially offset by the positive effect of the depreciation of the Real.

Financial Results

In the quarter, BRADESPAR's financial results reached a positive amount of R\$2.2 million, resulting from financial investments and remuneration on taxes to be recovered. This result reflects the fact that, with the total early redemption of the Third Issue of Promissory Notes in the amount of R\$2.458 billion and the partial early amortization of the Seventh Public Issue of Simple Debentures in the amount of R\$512.7 million, which occurred in previous years, the company's net debt is currently virtually null.

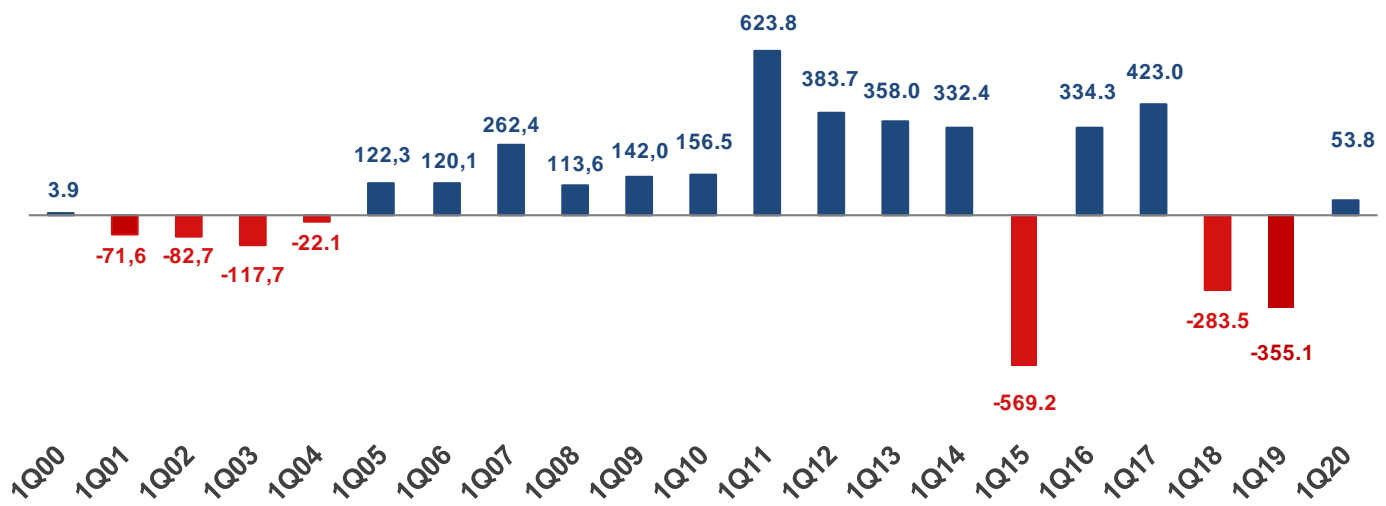
Payroll, General and Administrative Expenses

In the first quarter of 2020, BRADESPAR's payroll, general and administrative expenses totaled R\$3.0 million compared to R\$2.7 million in the same period of prior year.

Results of the Quarter

In the first quarter of 2020, BRADESPAR reported a net profit of R\$53.8 million against a loss of R\$355.1 million recorded at the end of the first three months of 2019, reflecting the result presented by VALE in that period.

Result Performance (R\$ million)



COMMENTS ON INVESTEE

VALE

A private Brazilian company, VALE is present in about 30 countries and is one of the largest mining companies in the world in the production of iron ore, iron ore pellets and nickel. The company also produces manganese ore, ferroalloys, thermal and metallurgical coal, copper, platinum group metal by-products, gold, silver and cobalt. It also operates large logistics systems in Brazil and other regions of the world, including railroads, maritime terminals and ports, integrated to its operations.

Regarding the COVID-19 pandemic, it should be noted that, in general, the VALE suffered a limited impact on its operations in the first quarter of 2020.

However, three restrictive measures were disclosed in business:

- Iron ore - temporary suspension of operations at the Teluk Rubiah shipping terminal in Malaysia, with no impact on production;
- Base Metals - reduction of mining operation in Voisey's Bay, Canada, and its placement in care and maintenance for up to 4 months; and
- Coal - postponement of plans for corrective maintenance in the processing plant in Mozambique.

The impact of COVID-19 on VALE operations may be more significant in the future, especially: (a) by the potential increase in the absence levels at its production sites, if it is necessary to intensify security measures to protect its employees in the event of an escalation of contagion in the locations where it operates; (b) by the postponement of scheduled maintenance stoppages at Basic Metal plants due to security restrictions; and (c) due to potentially more severe restrictions imposed by the authorities to combat the pandemic, which may restrict its minimum workforce contingent.

The main aspects of VALE's performance, in the first quarter of 2020, were the following:

- Adjusted EBITDA of R\$ 3.0 billion; and
- Net income of R\$ 239.0 million;
- Total investments of US\$1.1 billion, consisting of US\$145.0 million in project execution and US\$979.0 million in operations maintenance;

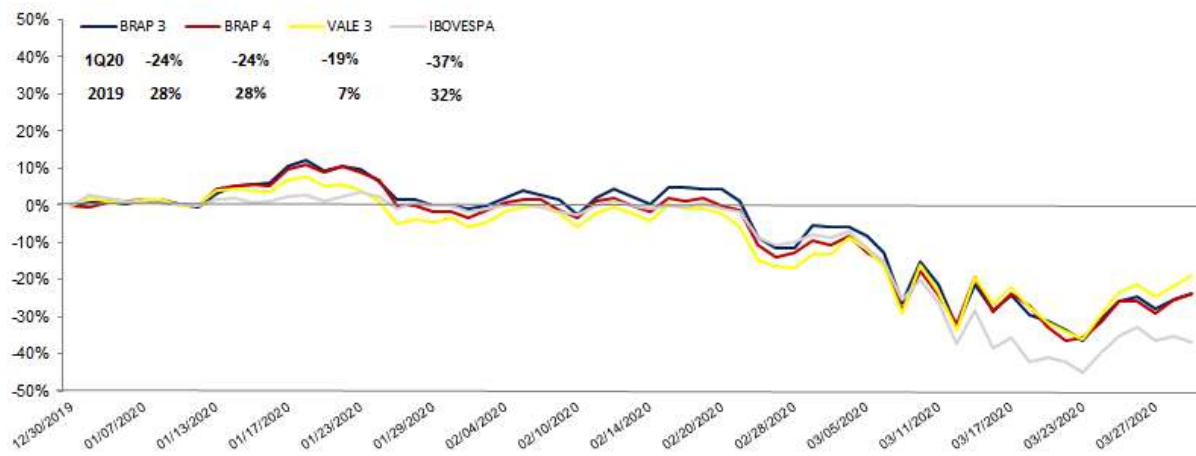
Capital Market

Since its inception, BRADESPAR's shares are listed on B3 under tickers BRAP3 (ON) and BRAP4 (PN), and its securities are traded on LATIBEX, the Madrid Stock Exchange's Latin American Companies Market, in Spain, in Euros, through the Depositary Receipt Program (GDRs).

Moreover, BRADESPAR's shares participate in two leading indexes: IBOVESPA, which includes the most liquid companies in the Brazilian market, and the Corporate Governance Index (IGC), composed of the companies that have committed to high standards of corporate governance, since 2001, when it adhered to B3's Level I of Corporate Governance.

In 1Q20, the Company's shares fell by 24.0% (BRAP4) and fell by 24.0% (BRAP3), while IBOVESPA decreased 37.0% decreased and the shares of its investee, VALE, decreased 19.0%.

Shares Performance on B3 in 1Q20

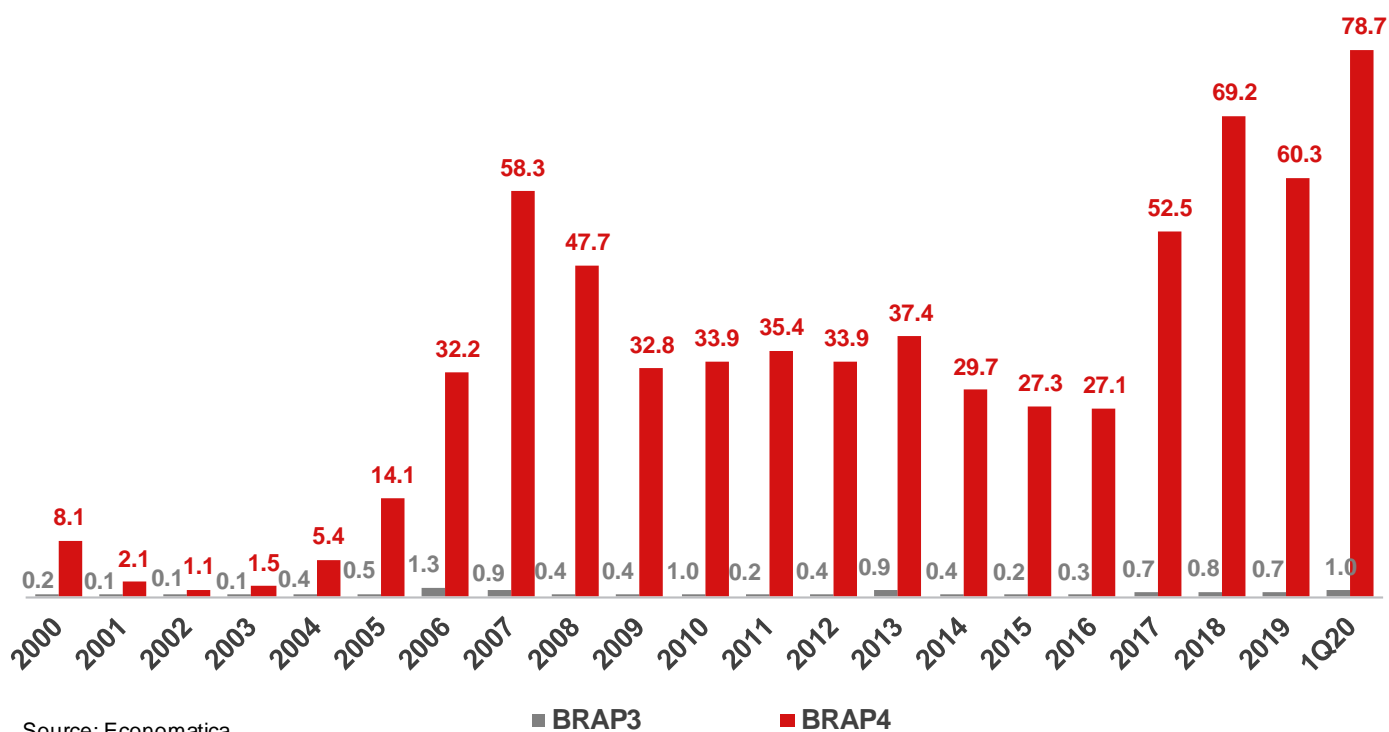


Prices adjusted for shareholder payments, including Dividends and/or Interest on Equity.
Source: Economatica.

Liquidity

The average daily trading volume of BRADESPAR preferred shares (BRAP4), traded in 1Q20, was R\$ 78.7 million. The average number of trades for BRAP4 on B3 was 10,983 in the same period.

Financial Volume Average Daily Traded Shares (R\$ million)



Source: Economática.

Premium / Discount

At the end of 1Q20, the market value of BRADESPAR's interest in VALE reached R\$12.7 billion. The market value of BRADESPAR, in relation to VALE, was a discount of 22.0%, that is, BRADESPAR's market capitalization corresponds to 78.0% of the net value of its assets.

BRADESPAR's Net Asset Value vs. Market Cap (closing prices on March 29, 2019)

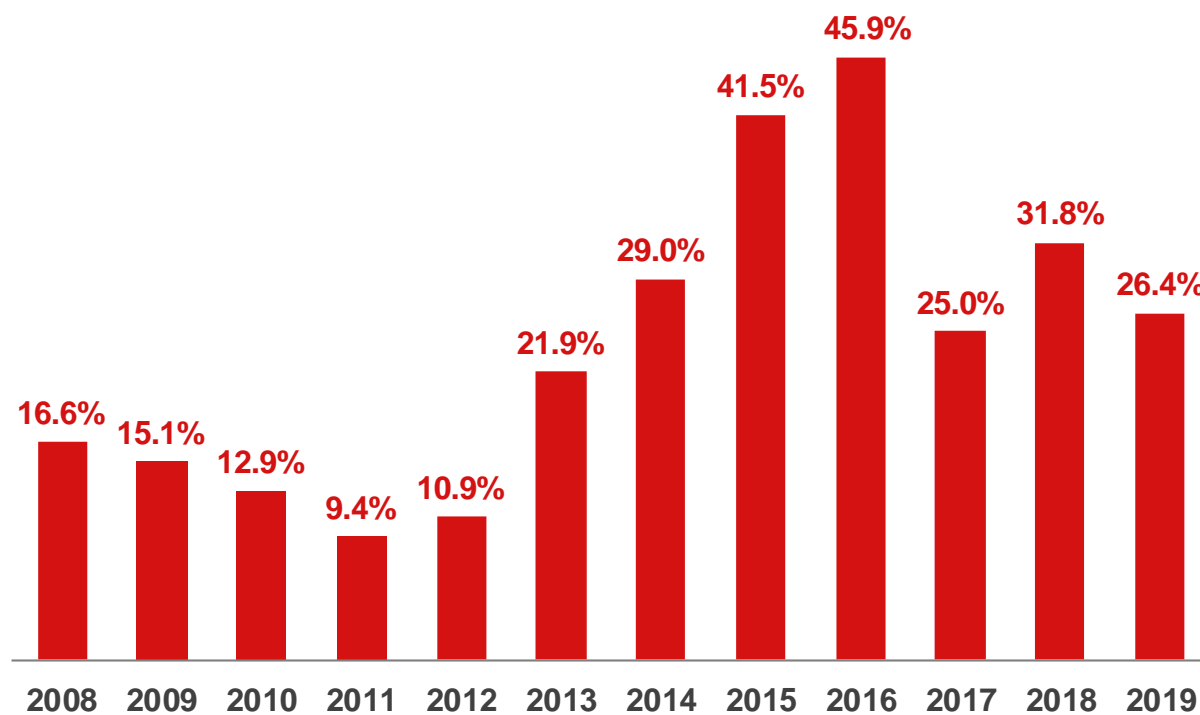
| Companies | BRADESPAR's stake | | | | | |
|---|----------------------|----------------------|-------------------------------------|----------------------|----------------------|-------------------|
| | Price (R\$/share) | Price (R\$/share) | Price (R\$/share) ⁽³⁾ | Price (R\$/share) | Price (R\$/share) | Price (R\$/share) |
| VALE ON | 43.22 | 293,907,266 | 5.73% | 12,702,672 | 2,449,133 | 2,232,064 |
| Bradespar's Total Assets Value (A) | | | | 12,702,672 | 2,449,133 | 2,232,064 |
| Bradespar's Net Debt (B) ⁽¹⁾ | | | | (28,751) | (5,543) | (5,052) |
| Bradespar's Cash and Cash Equivalents | | | | 196,645 | 37,914 | 34,554 |
| Bradespar's Gross Debt | | | | (225,396) | (43,457) | (39,606) |
| Bradespar's Net Asset Value (C) = (A) + (B) | | | | 12,673,921 | 2,443,590 | 2,227,012 |
| Bradespar's Market Capitalization (D) | | | | 9,884,782 | 1,905,831 | 1,736,915 |
| Common Shares (BRAP3) | 27.00 | 122,171,449 | | 3,298,629 | 635,991 | 579,622 |
| Preferred Shares (BRAP4) | 29.16 | 225,862,596 | | 6,586,153 | 1,269,840 | 1,157,293 |
| Difference between net asset value and market capitalization (C) - (D) | | | | 2,789,139 | 537,759 | 490,097 |
| DISCOUNT ⁽²⁾ | | | | 22.0% | | |

(1) Net Debt on 03/31/2020

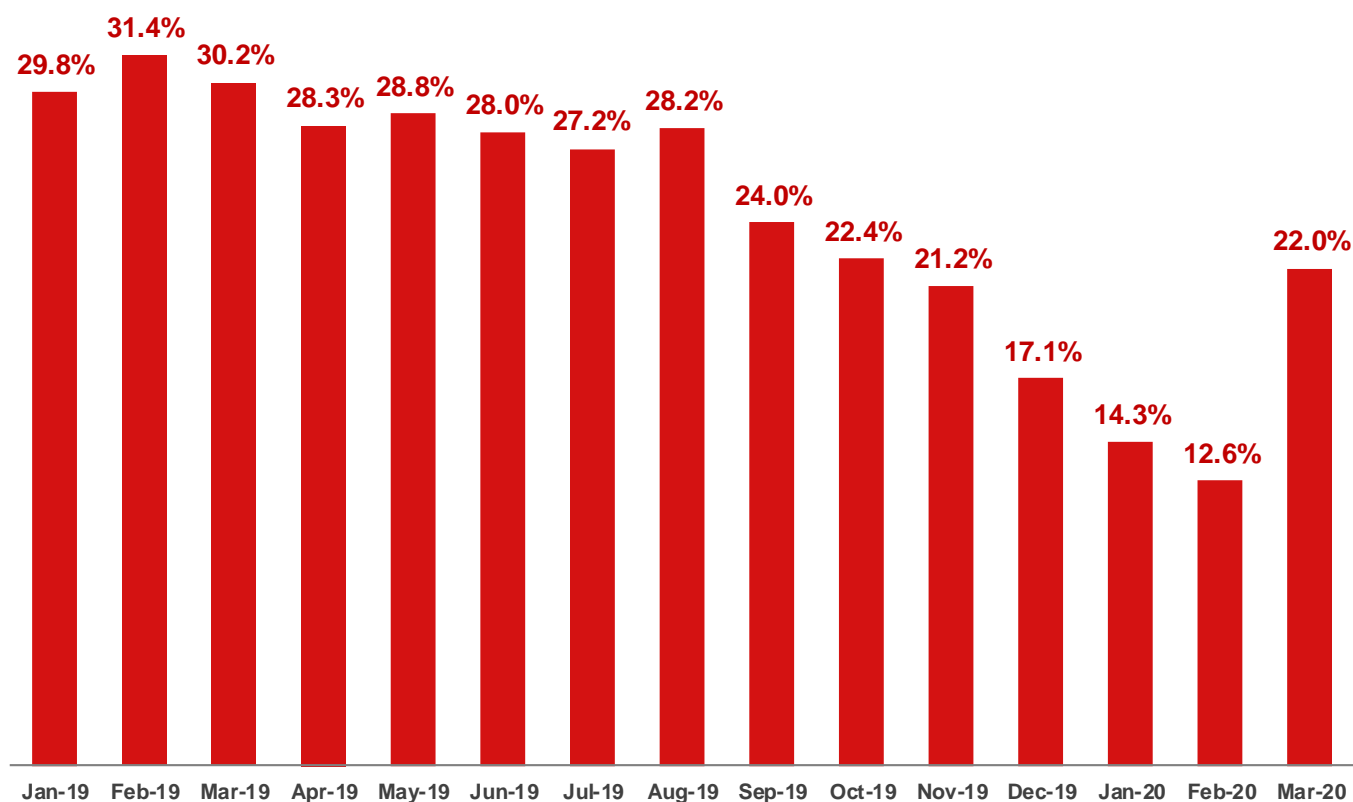
(2) ((BRADESPAR's Market Cap)/(Asset Value + Net Debt)) - 1

(3) Excluding treasury shares

Historical Discount between BRADESPAR's Net Asset Value and Market Capitalization



Note: Average discount at the end of each month.



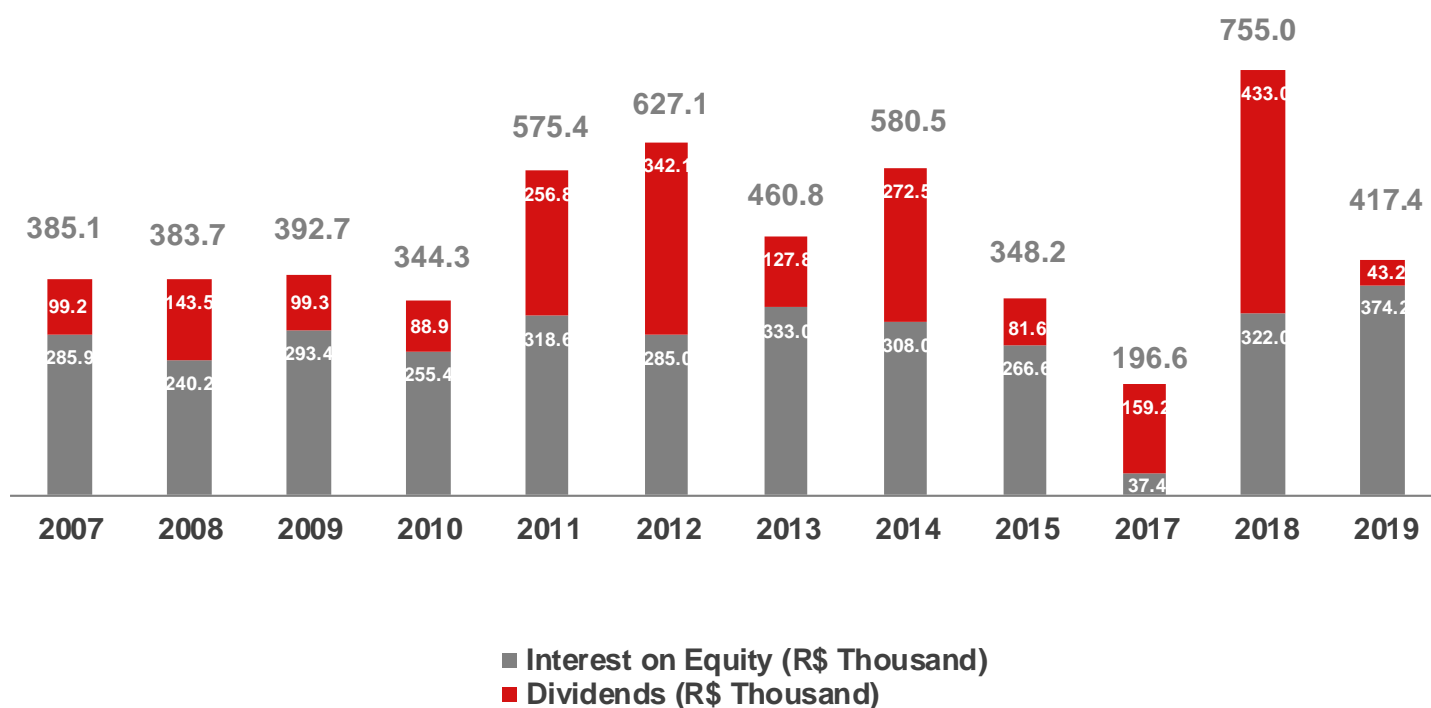
Note: Discount on last business day of the month

DIVIDENDS AND INTEREST ON EQUITY

In accordance with its Indicative Annual Shareholder Remuneration Policy, BRADESPAR announced on December 20, 2019, the payment of interest on shareholders' equity in the amount of R\$269.3 million, of which R\$0.726619662 per common share and R\$0.799281628 per preferred share, intended for shareholders enrolled in the Company's records on December 27, 2019.

He also informed that the payment date will be decided in due time, according to its cash flow, and will be made for the net amount of R\$0.617626713 per common share and R\$0.679389384 per preferred share, already deducting withholding income tax of 15% (fifteen percent), except for the legal entity shareholders that are exempt from the referred taxation.

Payment History of Interest on Equity and Dividends



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