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Independent auditor's report on individual and consolidated financial statements

To the Shareholders, Board of Directors and Officers of
Rumo S.A.
Curitiba - PR

Opinion

We have audited the individual and consolidated financial statements of Rumo S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2022, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2022, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an individual opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Capitalization of assets related to the concession infrastructure

As disclosed in Notes 5.12.2 to the financial statements, as at December 31, 2022, the Company has recorded in its property and equipment certain assets directly related to the Company’s concession infrastructure, including wagons, locomotives, structure track, construction in progress and rail and port infrastructure, totaling R\$17,049,188 thousand. The amounts invested in assets related to the concession infrastructure are significant and essential for the maintenance of the infrastructure used in the transportation service. In the year ended December 31, 2022, the Company recognized R\$2,900,369 thousand of additions to costs in these concession infrastructure assets.

We considered this a key audit matter due to the amount involved, the materiality of the additions in the period, and the risk that such assets may be improperly capitalized.

How our audit addressed this matter

Our audit procedures included, among others: i) a general understanding of the internal control environment, including the criteria adopted to determine the applicability of capitalization; ii) assessment of the nature of capitalized expenditures; iii) extensive testing, on a sampling basis, of materials and services applied to the construction works; iv) monitoring of the progress of construction works through on-site physical inspections; v) evaluation of the policies established by the Company for such accounting and their applicability to current accounting standards; vi) interest capitalization, when applicable; and vii) use of substantive analytical procedures to assess the additions of fixed assets.

As a result of these procedures, we identified an audit adjustment indicating the need to write off a determined item added in the fixed assets; this adjustment was not recorded by Management due their immateriality to the financial statements taken as a whole.

Based on the result of audit procedures performed, which is consistent with management's assessment, we consider that the criteria and capitalization policies of these concession infrastructure assets, prepared by the management, as well as the related disclosures in Note 5.12.2 are acceptable in the context of the financial statements taken as a whole.

Realization of deferred income and social contribution taxes

As disclosed in Note 5.14 to the financial statements, deferred tax assets refer to income and social contribution tax losses and/or temporary differences. The estimated probable future taxable income is based on subjective judgments on prospective assumptions, such as transported volume, operating costs and administrative expenses; being the deferred income taxes recorded to the extent that the Company considers probable that future taxable income will be generated against which the deferred tax assets will realized.

The recoverable amount of the recognized deferred tax asset may vary significantly if different assumptions are applied in relation to the future taxable income projection and in the ability to use tax losses, which may impact the amount of the deferred tax asset recognized in the financial statements.

Due to the materiality of the amounts involved, the complexity of the measurement process of future income recoverability projections, which are based on estimates and assumptions whose realization may be affected by uncertain market conditions and economic scenarios, as well as the complexity of the Brazilian tax legislation, this was considered to be a key audit matter in our audit.

How our audit addressed this matter

Our audit procedures included, among others: i) a general understanding of the internal control environment related to the preparation and review of future taxable income projection; (ii) the involvement of tax experts to assist us in the assessment of the tax impacts involved; (iii) review of the significant assumptions used to support the future taxable income projection, including; (iii.i) expected growth in the volume of transportation related to the production of sugar, grains and others; (iii.ii) expectation regarding future road freight prices; (iii.iii) availability of transportation and port capacity; (iii.iv) realization of stress testing with alternative scenarios for reducing future taxable income; and (iii.v) independent future taxable income projections, considering market assumptions and other macroeconomic conditions available on the valuation base date. We also reviewed the information disclosed by the Company in Note 5.14, the source of the amounts booked as deferred taxes, and the assumptions used in relation to estimates of future profitability and of realization of the referred to deferred credits.

Based on the result of the audit procedures performed, which is consistent with management's assessment, we consider that the amount of the deferred income and social contribution taxes as well as the related disclosures in Note 5.14 are acceptable in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2022, prepared under the responsibility of Company management, and presented as supplementary information for IFRS purposes, were subjected to audit procedures conducted jointly with the audit of the Company's financial statements. To form our opinion, we evaluate if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined under Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in referred to Accounting Pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the report is significantly inconsistent with the individual and consolidated financial statements or with our knowledge obtained in the audit, or otherwise seems to contain material misstatements. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Brazilian and International Standards on Auditing will always detect material misstatements when they exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed risks of material misstatements of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit and, consequently, for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 15, 2023.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP - 034519/O

Leonardo Lucas Heron Rebelo da Silva
Contador CRC PR - 057007/O

Balance sheets
(In thousands of Brazilian Reals - R\$)

	Note	Parent Company		Consolidated	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Assets					
Cash and cash equivalents	5.2	2,169,335	791,802	7,385,421	9,448,193
Marketable securities	5.3	88,934	109,664	840,061	1,425,897
Trade receivables	5.4	52,644	16,850	561,641	482,112
Derivative financial instruments	5.8	-	47,527	17,545	48,813
Inventories	5.10	1,606	1,576	225,813	228,923
Receivables from related parties	4.1	125,978	140,082	49,995	36,697
Income tax and social contribution recoverable		-	4,957	195,436	177,652
Other recoverable taxes	5.9	21,230	35,570	363,416	421,156
Dividends and interest on own capital receivable		921	682	1,057	42
Other assets		13,570	12,318	114,510	111,759
Current		2,474,218	1,161,028	9,754,895	12,381,244
Trade receivables	5.4	-	-	16,682	21,204
Restricted cash	5.3	79	87	92,770	27,809
Income tax and social contribution recoverable		152,857	85,004	309,237	285,931
Deferred income tax and social contribution	5.14	-	-	1,869,764	1,662,572
Receivables from related parties	4.1	1,003,326	1,010,045	96,658	112,222
Other recoverable taxes	5.9	-	-	741,367	764,987
Judicial deposits	5.15	61,124	31,330	237,167	304,033
Derivative financial instruments	5.8	384,224	327,341	857,298	1,626,008
Other assets		1,755	2,877	38,660	39,552
Investments in subsidiaries and associates	5.11	18,721,831	19,470,074	381,469	57,844
Investment properties	5.12.1	174,422	180,534	-	-
Property, plant and equipment	5.12.2	153,295	152,280	17,049,188	15,974,562
Intangible assets	5.12.3	270,748	308,515	6,774,306	7,131,645
Right-of-use	5.12.4	48,103	-	7,732,284	7,784,941
Non-current		20,971,764	21,568,087	36,196,850	35,793,310
Total assets		23,445,982	22,729,115	45,951,745	48,174,554

The accompanying notes are an integral part of these financial statements.

Balance sheets
(In thousands of Brazilian Reals - R\$)

	Note	Parent Company		Consolidated	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Liabilities					
Loans, financing and debentures	5.5	99,769	251,255	1,357,026	1,222,674
Lease liabilities	5.6	11,597	-	483,397	382,836
Derivative financial instruments	5.8	391,938	294,571	1,020,726	576,749
Trade payables	5.7	64,155	63,429	746,430	618,658
Salaries payable		4,490	9,595	296,833	255,963
Current income and social contribution taxes		146	197	6,710	40,430
Other taxes payable	5.13	16,645	1,728	50,080	56,046
Dividends and interest on own capital payable		127,569	41,003	132,044	43,780
Installment Leases and concessions under litigation	5.16	-	-	256,759	160,771
Payables to related parties	4.1	62,184	60,627	297,791	201,660
Deferred income		2,802	2,802	5,400	6,560
Other financial liabilities	5.1	76	-	787,884	576,786
Other payables		70,699	35,317	249,341	298,079
Current		852,070	760,524	5,690,421	4,440,992
Loans, financing and debentures	5.5	4,893,120	4,948,212	15,401,062	19,956,074
Lease liabilities	5.6	38,067	-	2,770,613	2,724,044
Derivative financial instruments	5.8	-	-	392,219	-
Other taxes payable	5.13	-	-	169	396
Provision for judicial demands	5.15	93,605	103,119	724,622	681,079
Installment Leases and concessions under litigation	5.16	-	-	3,094,651	2,893,477
Provision for capital deficiency	5.11	2,204,666	1,986,962	-	-
Payables to related parties	4.1	37,344	39,611	-	-
Other financial liabilities	5.1	-	-	29,985	-
Deferred income tax and social contribution	5.14	113,247	66,351	2,368,137	2,359,665
Deferred income		10,507	13,308	32,200	36,440
Other payables		12,187	15,607	37,216	63,824
Non-current		7,402,743	7,173,170	24,850,874	28,714,999
Total liabilities		8,254,813	7,933,694	30,541,295	33,155,991
Equity	5.17				
Share capital		12,547,842	12,547,842	12,547,842	12,547,842
Treasury shares		(30,186)	(15,995)	(30,186)	(15,995)
Capital reserve		2,604,262	2,223,031	2,604,262	2,223,031
Equity valuation adjustments		35,977	33,016	35,977	33,016
Profit reserve		33,274	7,527	33,274	7,527
		15,191,169	14,795,421	15,191,169	14,795,421
Equity attributable to:					
Owners of the Company		15,191,169	14,795,421	15,191,169	14,795,421
Non-controlling interests	5.11	-	-	219,281	223,142
Total equity		15,191,169	14,795,421	15,410,450	15,018,563
Total liabilities and equity		23,445,982	22,729,115	45,951,745	48,174,554

The accompanying notes are an integral part of these financial statements.

Statements of income
(In thousands of Brazilian Reals - R\$)

	Note	Parent Company		Consolidated	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net revenue from services	6.1	984,597	772,714	9,841,508	7,439,632
Cost of services	6.2	(803,005)	(666,587)	(6,695,148)	(5,352,040)
Gross profit		181,592	106,127	3,146,360	2,087,592
Selling expenses	6.2	416	60	(30,619)	(38,959)
General and administrative expenses	6.2	(23,266)	(38,106)	(468,574)	(472,739)
Other incomes (expenses), net	6.3	549,623	278	348,543	(69,017)
Operating expenses		526,773	(37,768)	(150,650)	(580,715)
Result before equity in earnings of investees and net financial results		708,365	68,359	2,995,710	1,506,877
Equity income on investments	5.11	437,953	370,437	40,462	12,857
Equity result on investments		437,953	370,437	40,462	12,857
Result before financial results and income tax and social contribution		1,146,318	438,796	3,036,172	1,519,734
Financial expenses		(731,235)	(785,260)	(2,906,092)	(2,712,877)
Financial incomes		294,805	209,165	1,108,620	399,134
Foreign exchange, net		10,033	(42,910)	374,859	(489,952)
Derivatives		(86,757)	378,448	(906,422)	1,443,755
Financial results, net	6.4	(513,154)	(240,557)	(2,329,035)	(1,359,940)
Results before income tax and social contribution		633,164	198,239	707,137	159,794
Income tax and social contribution	5.14				
Current		(71,328)	-	(411,436)	(550,528)
Deferred		(46,896)	(47,701)	218,320	546,475
		(118,224)	(47,701)	(193,116)	(4,053)
Result for the year		514,940	150,538	514,021	155,741
Total result attributable to:					
Owners of the Company		514,940	150,538	514,940	150,538
Non-controlling interests		-	-	(919)	5,203
Earnings per share from:	6.6				
Basic				R\$0.27800	R\$0.08124
Diluted				R\$0.27724	R\$0.08104

The accompanying notes are an integral part of these financial statements.

Statements of comprehensive income
(In thousands of Brazilian Reais - R\$)

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Result for the year	514,940	150,538	514,021	155,741
Items that will not be reclassified to profit and loss				
Actuarial gains with pension plan	863	960	862	1,032
Taxes on actuarial (gains)	(36)	-	(36)	(72)
	827	960	826	960
Items that may subsequently be reclassified to profit or loss				
Result on cash flow hedge accounting	445	(445)	445	(445)
Foreign currency translation adjustment effect	1,689	2,925	1,689	2,925
	2,134	2,480	2,134	2,480
Other comprehensive result, net of income tax and social contribution	2,961	3,440	2,960	3,440
Total comprehensive result	517,901	153,978	516,981	159,181
Comprehensive result attributable to:				
Owners of the Company	517,901	153,978	517,901	153,978
Non-controlling interest	-	-	(920)	5,203

The accompanying notes are an integral part of these financial statements.

Statements of changes in equity
(In thousands of Brazilian Reais - R\$)

	Attributable to shareholders of the Company						Non-controlling interest	Total equity
	Share capital	Treasury share	Capital reserve	Profit reserve	Equity valuation adjustments	Retained earnings (loss)		
At January 1, 2022	12,547,842	(15,995)	2,223,031	7,527	33,016	-	223,142	15,018,563
Result for the year	-	-	-	-	-	514,940	(919)	514,021
Other comprehensive income:								
Foreign currency translation effects	-	-	-	-	1,689	-	-	1,689
Actuarial gain on defined benefit plan	-	-	-	-	827	-	(1)	826
Result on cash flow hedge accounting	-	-	-	-	445	-	-	445
Total comprehensive income, net of taxes	-	-	-	-	2,961	514,940	(920)	516,981
Contributions and distributions to shareholders								
Share-based payment transactions	-	-	35,852	-	-	-	596	36,448
Stock option exercised	-	10,893	(18,566)	-	-	-	-	(7,673)
Capital reserve	-	-	366,895	-	-	(366,895)	-	-
Legal reserve	-	-	-	25,747	-	(25,747)	-	-
Effect of dividend distribution to non-controlling shareholders	-	-	(111)	-	-	(111)	111	-
Treasury shares acquired	-	(25,084)	-	-	-	(25,084)	-	(25,084)
Dividends	-	-	-	-	-	(122,298)	(4,070)	(126,368)
Total of contributions and distributions to shareholders	-	(14,191)	384,070	25,747	-	(514,940)	(3,363)	(122,677)
Transactions with owners of the Company								
Contribution (reduction) of non-controlling in subsidiary	-	-	-	-	-	-	(2,204)	(2,204)
Aquisition of shareholding interest in subsidiary by a non-controlling	-	-	(2,839)	-	-	-	2,626	(213)
Total of transactions with owners of the Company	-	-	(2,839)	-	-	-	422	(2,417)
At December 31, 2022	12,547,842	(30,186)	2,604,262	33,274	35,977	-	219,281	15,410,450

The accompanying notes are an integral part of these financial statements.

Statements of changes in equity
(In thousands of Brazilian Reais - R\$)

	Attributable to shareholders of the Company							Non-controlling interest	Total equity
	Share capital	Treasury share	Profit reserve	Profit reserve	Equity valuation adjustments	Retained earnings (loss)	Total		
At January 1, 2021	16,054,906	(10,005)	2,416,193	253,599	29,576	(3,760,663)	14,983,606	312,721	15,296,327
Result for the year	-	-	-	-	-	150,538	150,538	5,203	155,741
Other comprehensive income:									
Foreign currency translation effects	-	-	-	-	2,925	-	2,925	-	2,925
Actuarial gain on defined benefit plan	-	-	-	-	960	-	960	-	960
Result on cash flow hedge accounting	-	-	-	-	(445)	-	(445)	-	(445)
Total comprehensive income, net of taxes	-	-	-	-	3,440	150,538	153,978	5,203	159,181
Contributions and distributions to shareholders									
Share-based payment transactions	-	-	34,119	-	-	-	34,119	579	34,698
Stock option exercised	-	23,761	(33,936)	-	-	-	(10,175)	-	(10,175)
Capital decrease	(3,507,064)	-	-	(253,599)	-	3,760,663	-	-	-
Capital reserve	-	-	107,258	-	-	(107,258)	-	-	-
Legal reserve	-	-	-	7,527	-	(7,527)	-	-	-
Effect of dividend distribution to non-controlling shareholders	-	-	(120)	-	-	-	(120)	120	-
Treasury shares acquired	-	(29,751)	-	-	-	-	(29,751)	-	(29,751)
Dividends	-	-	-	-	-	(35,753)	(35,753)	(7,156)	(42,909)
Total of contributions and distributions to shareholders	(3,507,064)	(5,990)	107,321	(246,072)	-	3,610,125	(41,680)	(6,457)	(48,137)
Transactions with owners of the Company									
Acquisition of shareholding interest in subsidiary with a reduction in non-controlling interest	-	-	(300,483)	-	-	-	(300,483)	(88,325)	(388,808)
Total of transactions with owners of the Company	-	-	(300,483)	-	-	-	(300,483)	(88,325)	(388,808)
At December 31, 2021	12,547,842	(15,995)	2,223,031	7,527	33,016	-	14,795,421	223,142	15,018,563

The accompanying notes are an integral part of these financial statements.

Statements of cash flows
(In thousands of Brazilian Reais - R\$)

		Parent Company		Consolidated	
	Note	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Cash flow from operating activities					
Result before income taxes and social contribution		633,164	198,239	707,137	159,794
Adjustments for:					
Depreciation and amortization		105,089	105,041	1,966,945	1,830,683
Equity pick-up from controlled and associated companies	5.11	(437,953)	(370,437)	(40,462)	(12,857)
Provision for profit sharing and bonuses		(4,463)	12,207	175,299	180,899
Result on disposal of fixed and intangible assets	6.3	990	63	1,906	(30,325)
Provision for legal proceedings	6.3	21,387	36,632	238,703	152,185
Allowance for doubtful accounts		(416)	(60)	(245)	(159)
Share-based payment transactions		26,141	22,632	28,775	24,522
Reversal of lease and concession under litigation	6.3	(955,584)	-	(955,584)	-
Extemporaneous tax credits	6.3	910	(988)	(97,765)	(49,894)
Provision for take or pay		-	-	26,692	(53,858)
Interest, indexation charges and exchange variations, net		612,523	269,762	3,099,768	1,589,342
Other		341,414	(2,802)	342,416	(4,412)
		343,202	270,289	5,493,585	3,785,920
Changes in:					
Trade receivables		(35,726)	4,291	(84,120)	8,266
Related parties, net		(11,360)	(203,641)	72,085	(6,672)
Other taxes, net		(119,728)	(89,633)	(322,828)	(254,425)
Inventories		(30)	(474)	6,686	(5,348)
Salaries payable		(478)	2,122	(115,980)	(54,717)
Trade payables		(3,623)	(11,667)	6,841	(22,743)
Installment payable of leases and concessions under litigation		-	-	(110,577)	(52,160)
Provision for legal proceedings		(52,546)	(15,788)	(219,012)	(102,826)
Other financial liabilities		(8)	-	103,913	47,216
Other assets and liabilities, net		(25,181)	23,399	400	(2,496)
		(248,680)	(291,391)	(662,592)	(445,905)
Net cash generated by operating activities		94,522	(21,102)	4,830,993	3,340,015
Cash flow from investing activities					
Capital increase in subsidiary	5.11	(92,820)	(2,385,529)	-	-
Capital decrease in subsidiary		10,200	-	-	-
Sales (purchases) of marketable securities		35,556	(26,136)	535,012	29,517
Restricted cash		9	(8)	(66,054)	57,494
Dividends received from controlled and associated companies		1,046,869	1,034,402	153,011	8,052
Additions to property, plant and equipment and intangible assets		(9,922)	(253,682)	(2,717,745)	(3,453,407)
Receipt of interest on loans granted		134,138	161,075	-	-
Net cash on disposal of investments		1,394,669	-	1,208,463	-
Cash received on disposal of other fixed assets		-	-	1,000	3,090
Net cash generated (used in) by investing activities		2,518,699	(1,469,878)	(886,313)	(3,355,254)
Cash flow from financing activities					
Loans, financing and debentures raised	5.5	-	2,137,343	693,086	7,891,131
Repayment of principal on loans, financing and debentures	5.5	(588,695)	(1,036,835)	(4,106,479)	(6,631,342)
Payment of interest on loans, financing and debentures	5.5	(267,656)	(416,787)	(1,189,903)	(1,106,024)
Repayment of principal on financing leases	5.6	(2,383)	-	(353,373)	(443,096)
Payment of interest on financing leases	5.6	(3,905)	-	(195,080)	(156,372)
Acquisition of non-controlling interests		(151)	-	(151)	(388,739)
Additional paid-in capital, net of stock issuance costs		-	-	(8,824)	-
Settlement costs for loans and financing		-	-	(94,196)	-
Purchase of treasury shares		(25,084)	(29,751)	(25,084)	(29,751)
Payment derivative financial instruments		(345,593)	(914)	(709,450)	(507,514)
Receiving derivative financial instruments		33,512	61,059	45,053	2,676,669
Dividends paid		(35,733)	-	(39,321)	(7,084)
Net cash generated (used in) by financing activities		(1,235,688)	714,115	(5,983,722)	1,297,878
Impact of exchange variation on cash and cash equivalents		-	-	(23,730)	386,948
Increase in cash and cash equivalents, net		1,377,533	(776,865)	(2,062,772)	1,669,587
Cash and cash equivalents at beginning of the exercise		791,802	1,568,667	9,448,193	7,778,606
Cash and cash equivalents at end of the exercise		2,169,335	791,802	7,385,421	9,448,193
Additional information:					
Income tax and social contribution paid		87,292	640	137,433	73,649

The accompanying notes are an integral part of these financial statements.

Statements of cash flows
(In thousands of Brazilian Reals - R\$)

- **Transactions that did not involve cash**

The Company presents its statements of cash flows using the indirect method. During the period ended on December 31, 2021, the Company carried out the following transaction that did not involve cash and, therefore, it is not reflected in the parent Company and consolidated cash flow statement:

- (i) Recognition of right-of-use assets with offsetting entry to the lease liability for R\$ 228,196 (R\$ 57,507 on December 31, 2021), related to new contracts covered by the lease standard (Note 5.12.4).
- (ii) Acquisition of assets with payment in installments of R\$ 185,229 on December 31, 2022 (R\$ 115,069 on December 31, 2021).
- (iii) In the year ended December 31, 2022, the Company carried out a capital increase in the total amount of R\$ 47,906 (Note 5.11), of which R\$ 42,820 was realized through cash and R\$ 5,086 through investment in fixed assets. In the previous year, R\$ 2,385,529 were fully totally realized via cash.

- **Presentation of interest and dividends**

The Company classifies dividends and interest on equity received as cash flow from investment activities, in order to avoid distortions in its operating cash flows due to the cash from these operations.

Interest, received or paid is classified as cash flow in financing activities, as it considers that they refer to the costs of obtaining financial resources for application in fixed and intangible assets.

Statements of value added
(In thousands of Brazilian Reals - R\$)

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenue				
Sales of products and services net of returns	1,048,879	826,317	10,417,807	7,900,613
Other operating revenue, net	959,653	1,028	1,022,519	115,349
Gain due to reduction in the recoverable amount of accounts receivable	416	60	12,164	159
	2,008,948	827,405	11,452,490	8,016,121
Raw materials acquired from third parties				
Cost of services rendered	(673,901)	(523,373)	(3,467,726)	(2,832,634)
Materials, energy, third party services, others	(420,116)	(78,058)	(1,127,611)	(629,102)
	(1,094,017)	(601,431)	(4,595,337)	(3,461,736)
Gross value added	914,931	225,974	6,857,153	4,554,385
Retention				
Depreciation and amortization	(105,089)	(105,041)	(1,966,945)	(1,830,683)
	(105,089)	(105,041)	(1,966,945)	(1,830,683)
Net value added	809,842	120,933	4,890,208	2,723,702
Value added transferred in				
Equity in subsidiaries and associates	437,953	370,437	40,462	12,857
Rentals received	21,479	39,202	479	-
Financial incomes	294,805	209,165	1,108,620	399,134
	754,237	618,804	1,149,561	411,991
Value added to be distributed	1,564,079	739,737	6,039,769	3,135,693
Distribution of value added				
Employee and social charges	50,783	77,450	1,044,674	1,029,430
Remuneration	41,738	68,686	776,997	758,716
Benefits	8,635	8,186	235,042	234,337
Severance Indemnity Fund - FGTS	410	578	32,635	36,377
Taxes and contributions	188,735	60,485	900,660	52,686
Federal	185,225	56,679	637,785	194,858
State	1,698	1,685	200,373	(196,924)
Municipal	1,812	2,121	62,502	54,752
Third party capital remuneration	809,621	451,264	3,580,414	1,897,836
Interest	807,959	449,722	3,437,655	1,759,074
Concession contract leases and leases	1,662	1,542	142,759	138,762
Equity capital remuneration	514,940	150,538	514,021	155,741
Dividends	122,298	35,753	122,298	35,753
Non-controlling interests	-	-	(919)	5,203
Result for the year	392,642	114,785	392,642	114,785
	1,564,079	739,737	6,039,769	3,135,693

The accompanying notes are an integral part of these financial statements.

1 Company and group information

1.1 Operations

Rumo S.A. ("Company" or "Rumo S.A."), is a publicly traded Company with its shares traded on B3 S.A. – Brasil, Bolsa, Balcão ("B3") under the ticker RAIL3, and its headquarters in the city of Curitiba, State of Paraná, Brazil.

The Company is a service provider in the logistics sector (rail and multimodal transport), mainly for the export of commodities, offering an integrated solution for transportation, handling, storage and shipping from the production centers to the main ports in the south and southeast of Brazil, and also holds interests in other companies and ventures related to logistic.

The Company operates in the rail transportation segment in Southern Brazil through its subsidiary Rumo Malha Sul S.A. ("Rumo Malha Sul"), and the in Midwest region and State of São Paulo through its subsidiaries Rumo Malha Paulista S.A. ("Rumo Malha Paulista"), Rumo Malha Norte S.A. ("Rumo Malha Norte") and Rumo Malha Oeste S.A. ("Rumo Malha Oeste"). It will also reach the states of Goiás and Tocantins through the subsidiary Rumo Malha Central S.A. ("Rumo Malha Central"). In addition, the subsidiary Brado Logística e Participações S.A. ("Brado") operates in the container segment.

On November 14, 2022, the Company ceased to hold control of Elevações Portuárias S.A., due to the sale of 80% stake, as shown in note 4.7.

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

1.2 The concession of railway operations and port terminals

The Company holds, through subsidiaries or affiliates, concession of railway services and port terminals, whose scope and concession terms are as follows:

Companies	Concession ending	Coverage areas
Rumo S.A.	September 2066	Mato Grosso State
Subsidiaries		
Rumo Malha Paulista S.A.	December 2058	São Paulo State
Rumo Malha Sul S.A.	February 2027	South and São Paulo State
Rumo Malha Oeste S.A.	June 2026	Midwest and São Paulo State
Rumo Malha Norte S.A.	May 2079	Midwest
Rumo Malha Central S.A.	July 2049	North, Midwest and São Paulo State
Portofer Ltda.	June 2025	Port of Santos-SP
Associates		
Elevações Portuárias S.A.	March 2036	Port of Santos-SP
Terminal XXXIX S.A.	October 2050	Port of Santos-SP
TGG - Terminal de Granéis do Guarujá S.A.	August 2027	Port of Santos-SP
Termag - Terminal Marítimo de Guarujá S.A.	August 2027	Port of Santos-SP

The above subsidiaries and affiliates are subject to the fulfillment of certain conditions set out in the privatization notices and in the concession contracts for railway networks and port terminals. To the extent that there is no substantive control over who should provide the service and there is no substantive price control, IFRIC 12 / ICPC 01 (R1) is not applicable to the Company and therefore the assets acquired by it are treated under IFRS 16 / CPC 06 (R2) – Leases and IAS 16 / CPC 27 - Property, plant, and equipment.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

1.3 Group information

a) Subsidiaries:

The Company's consolidated financial statements include:

Subsidiaries	Directly and indirectly subsidiaries	
	December 31, 2022	December 31, 2021
Logisport Armazéns Gerais S.A.	51.00%	51.00%
Elevações Portuárias S.A. ⁽ⁱⁱⁱ⁾	20.00%	100.00%
Rumo Luxembourg Sarl	100.00%	100.00%
Rumo Intermodal S.A.	100.00%	100.00%
Rumo Malha Oeste S.A.	100.00%	100.00%
Rumo Malha Paulista S.A.	100.00%	100.00%
Rumo Malha Sul S.A.	100.00%	100.00%
Rumo Malha Norte S.A.	99.74%	99.74%
Rumo Malha Central S.A.	100.00%	100.00%
Boswells S.A.	100.00%	100.00%
ALL Argentina S.A.	100.00%	100.00%
Paranaguá S.A.	100.00%	100.00%
ALL Armazéns Gerais Ltda.	100.00%	100.00%
Portofer Transporte Ferroviário Ltda.	100.00%	100.00%
Brado Logística e Participações S.A. ⁽ⁱ⁾	77.14%	77.65%
Brado Logística S.A. ⁽ⁱ⁾	77.14%	77.65%
ALL Mesopotâmica S.A.	70.56%	70.56%
Terminal São Simão S.A.	51.00%	51.00%
ALL Central S.A.	73.55%	73.55%
Servicios de Inversión Logística Integrales S.A	100.00%	100.00%
Rumo Energia ⁽ⁱⁱ⁾	100.00%	-

(i) The reduction in shareholding interest is due to 105,820 common shares fully paid in favor of the shareholder Fundo de Investimento do Fundo de Garantia do Tempo de Serviço – FI-FGTS, with the express agreement and waiver of the other shareholders.

(ii) Company created on August 2, 2022 to operate in the solar energy generation sector.

(iii) On November 14, 2022, the Company sold its 80% stake in Elevações Portuárias, which ceased to be a subsidiary and became an associate (Note 4.7).

b) Associates:

The Company has a 30% interest in Rhall Terminais Ltda. (30% in 2021), 19.85% at Termag S.A. (19.85% in 2021), 9.92% at TGG S.A. (9.92% in 2021) and 49.62% at Terminal XXXIX S.A. (49.62% in 2021) and 20% in Elevações Portuárias S.A. after sale of 80% stake. Management understands that there is significant influence arising from: (i) the percentages of interest held; (ii) the participation of a Company's representative on the associate's board; and or (iii) the relevance of the logistics services provided by the Company to the Associates.

c) Group control:

The Company is a direct subsidiary of Cosan SA ("Cosan"), which holds 30.34% of its capital, including treasury shares, listed on B3 and the New York Stock Exchange, or "NYSE" (ticker - CSAN).

2 Basis of preparation and general accounting policies

This section provides information on general bases of preparation, which Management deems useful and relevant to the understanding of these financial statements.

2.1 Declaration of conformity

These individual and consolidated financial statements were prepared in accordance with the accounting policies adopted in Brazil, which comprise the Brazilian Corporate Law, the rules of the Securities and Exchange Commission (CVM) and the pronouncements of the Accounting Pronouncements Committee (CPC), which comply with international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB).

The relevant information in the financial statements, and only them, are being disclosed and correspond to those used by Management in its management.

The presentation of the Statements of Value Added (DVA), individual and consolidated, is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly held companies CPC 09 - Statement of Added Value. IFRS does not require the presentation of this statement. As a consequence, under IFRS, this statement is presented as supplementary information, without prejudice to the set of financial statements.

These consolidated financial statements are prepared based on historical cost, unless otherwise stated.

These individual and consolidated financial statements were authorized for issue by the Board of Directors on February 15, 2023.

2.2 General accounting policies

Specific accounting policies are included in the explanatory notes, while general practices are described below:

a) Use of judgments and estimates

The preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continuously reviewed and recognized prospectively, when applicable.

Information on critical judgments, assumptions and estimates of uncertainties in the application of accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the individual notes.

Judgments:

The judgments made in the application of accounting policies that, in Management's understanding, have significant effects on the amounts recognized in the financial statements involve the following topics:

- **Note 5.1 – Other financial liabilities:** The settlement flow of the balance of credits assigned by suppliers to financial agents is classified in the Statement of cash flows in operating or investment activities, according to the classification of the object of the purchase, as it better represents the cash expenditure from the perspective of the Company's operation.
- **Note 5.6 - Lease liabilities:** Term of the lease if the Company is reasonably sure of exercising extension options.
- **Note 5.12.1 – Investment property:** In the classification of the leasing of the parent's property as a lessor.

Uncertainties about assumptions and estimates:

The uncertainties related to assumptions and estimates as of December 31, 2022 that have a significant risk of resulting in a material adjustment to the accounting balances of assets and liabilities in the next year involve the following topics:

- **Note 5.4 – Trade receivables:** Measurement of expected credit loss for accounts receivable and contractual assets: main assumptions in determining the weighted average rate of expected loss;
- **Note 5.6 – Lease liabilities:** In the estimate of the incremental rate on loans, prepared using observable data (such as market interest rates), when available, and considering in this estimate aspects that are specific to the Company (such as the credit rating);
- **Notes 5.12.2 and 5.12.3 - Property, plant, equipment and intangible assets:** Impairment test for intangible assets and goodwill: main assumptions regarding recoverable amounts;
- **Note 5.14 - Income tax and social contribution:** Recognition of deferred tax assets: availability of future taxable income against which deductible temporary differences and tax losses can be used;
- **Note 5.15 - Provision for legal claims:** Recognition and measurement of provisions and contingencies: main assumptions about the probability and magnitude of outflows;
- **Note 6.5 - Share-based payments:** Estimated loss of instruments during the vesting period;
- **Note 2.3 - Fair values:** Measurement of the fair values of financial assets and liabilities based on observable market data.

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

b) Functional and presentation currency

The individual and consolidated financial statements are presented in Brazilian Reais, which is the functional currency of the Company and its subsidiaries located in Brazil since it is the currency of the primary economic environment in which they operate, generate, and consume resources. The main functional currencies of subsidiaries located outside Brazil are the U.S. dollar and the Argentinian peso.

Foreign currency transactions are translated into the respective functional currencies of each subsidiary, using the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated and calculated in foreign currencies on the presentation date are converted into the functional currency at the exchange rate determined on the presentation date.

Assets and liabilities arising from operations abroad, including goodwill and fair value adjustments resulting from the acquisition, are converted into Brazilian Reais using the exchange rates on the balance sheet date. Income and expenses from operations abroad are converted into Brazilian Reais using the exchange rates on the dates of the transactions.

Foreign currency differences are recognized and presented in other comprehensive income in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the conversion difference is allocated to the interests of non-controlling interests. When an operation abroad is sold or control loss occurs, the amount accumulated in the conversion reserve related to that operation abroad is reclassified to the result as part of the gain or loss on the sale.

The exchange rates of the Brazilian Real (R\$) for the functional currencies of its subsidiaries as of December 31, 2022 and 2021 are:

Currency	December 31, 2022	December 31, 2021
U.S. Dollar	5.2177	5.5805
Argentinian Peso	0.0296	0.0544

2.3 Measurement of fair value

The Company has a control structure established in relation to the measurement of fair values. This includes an assessment team that has overall responsibility for overseeing all significant measurements of fair value and reports directly to the Board.

Management regularly reviews significant unobservable assumptions and valuation adjustments. If third party information, such as brokerage quotes or pricing services, is used to measure fair values, the treasury assesses evidence obtained from third parties to support the conclusion that these assessments meet the requirements of the Company's policy, including the level of hierarchy.

Significant evaluation issues are reported to the Board. When measuring the fair value of an asset or liability, the Company uses observable market data as much as possible. Fair values are categorized at different levels in a fair value hierarchy based at the origin of the data used in the valuation techniques as follows:

- **Level 1:** The data used originates from unadjusted quoted prices for identical instruments exchanged in active markets.
- **Level 2:** The data used include data that can be observed directly or indirectly (except for Level 1), such as prices quoted for similar financial instruments traded in active markets, prices quoted for identical or similar financial instruments exchanged in inactive markets and other observable market data.
- **Level 3:** Valuation techniques are used for which significant information for the lowest level fair value measurement is not available (unobservable inputs). Management is required to use its own assumptions about unobservable inputs, as there is little market activity in these instruments or related observable data that can be corroborated on the measurement date.

All estimates resulting from the Company's fair value are included in level 2.

If the data used to measure the fair value of an asset or liability falls at different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety at the level of the fair value hierarchy with more subjectivity.

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

Additional information on the assumptions used to measure fair values is included in the following notes:

- i. **6.5** - Share-based payment transactions;
- ii. **5.8** - Derivative financial instruments.

The fair value of the Senior Notes is quoted on the Luxembourg Stock Exchange ("LuxSE") and is based on the quoted market price as follows:

Loans	Company	December 31, 2022	December 31, 2021
Senior Notes Due 2025 ⁽ⁱ⁾	Rumo Luxembourg	-	103.04%
Senior Notes Due 2028	Rumo Luxembourg	95.04%	103.32%
Senior Notes Due 2032	Rumo Luxembourg	80.36%	94.37%

- (i) On January 14, 2022, the Company prepaid the debt, as per Note 4.4.

The book values and fair value of financial assets and liabilities are as follows:

	Book value		Fair value	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
			Level 2	Level 2
Assets				
Cash and cash equivalents	7,385,421	9,448,193	7,385,421	9,448,193
Marketable securities	840,061	1,425,897	840,061	1,425,897
Trade receivables	578,323	503,316	578,323	503,316
Derivative financial instruments	874,843	1,674,821	874,843	1,674,821
Receivables from related parties	146,653	148,919	146,653	148,919
Restricted cash	92,770	27,809	92,770	27,809
Total	9,918,071	13,228,955	9,918,071	13,228,955
Liabilities				
Loans, financing and debentures	(16,758,088)	(21,178,748)	(16,633,229)	(21,032,073)
Lease liabilities	(3,254,010)	(3,106,880)	(3,254,010)	(3,106,880)
Derivative financial instruments	(1,412,945)	(576,749)	(1,412,945)	(576,749)
Trade payables	(746,430)	(618,658)	(746,430)	(618,658)
Dividends payable	(132,044)	(43,780)	(132,044)	(43,780)
Installment leases and concessions	(1,138,076)	(1,145,450)	(1,138,076)	(1,145,450)
Payables to related parties	(297,791)	(201,660)	(297,791)	(201,660)
Other financial liabilities	(817,869)	(576,786)	(817,869)	(576,786)
Debt payment in installments	(902)	(649)	(902)	(649)
Total	(24,558,155)	(27,449,360)	(24,433,296)	(27,302,685)

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

2.4 New standards and interpretations not yet effective

The Company did not promote changes in accounting policies during the year ended December 31, 2022.

2.4.1 New pronouncements, interpretations and changes

The Company did not adopt, in advance, any pronouncement, interpretation, or amendment issued that is not yet in force. The interpretations and changes that took effect in the year ended December 31, 2022, did not generate significant impacts on the Company's financial statements.

3 Business, operations and management of the Company

3.1 Objectives and policies for risk management of financial instruments

This note explains the Company's exposure to financial risks and how these risks may affect the group's future financial performance. Information on profit and loss for the year was included, when relevant to the context.

Risk	Exposure arising from:	Measurement	Management
Market risk – foreign exchange	(i) Future commercial transactions. (ii) Financial assets and liabilities recognized not denominated in Brazilian Reals.	(i) Future cash flow (ii) Sensitivity analysis	Foreign currency
Market risk - interest	Cash and cash equivalents, securities, restricted cash, loans and debentures, Leases and derivative financial instruments.	(iii) Sensitivity analysis	Interest rate swap
Credit risk	Cash and cash equivalents, marketable securities, restricted cash, accounts receivable, derivatives, accounts receivable from related parties..	(i) Analysis by maturity (ii) Credit ratings	Cash and credit lines
Liquidity risk	Loans, financing and debentures, accounts payable to suppliers, other financial liabilities, other taxes payable, leases, derivatives and accounts payable to related parties.	Future cash flow	Cash and credit lines

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

The Company's risk management is predominantly controlled by a central Treasury department under policies approved by the Board of Directors, which provides principles for global risk management, as well as policies that cover specific areas, such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and excess liquidity investment. It is the Company's policy not to participate in any derivative transactions for speculative purposes.

When all relevant criteria are met, hedge accounting is applied to eliminate the mismatch between the hedge instrument and the covered item.

The Company may opt for the formal designation of new debt operations for which it has swap-type derivative financial instruments for exchange variation and interest, as measured at fair value. The option for fair value ("Fair Value Option") is intended to eliminate or reduce inconsistencies in results arising from differences between the measurement criteria for certain liabilities and their hedging instruments. Thus, both the swaps and the respective debts are now measured at fair value and this option is irrevocable. Such option is irrevocable, and must only be made in the initial accounting record of the operation.

The Company's policy is to maintain a robust capital base to promote the confidence of investors, creditors and the market, and to guarantee the future development of the business.

The use of financial instruments to hedge against areas of volatility is determined through an analysis of the exposure to risk that Management intends to cover.

a) Market risk

The objective of market risk management is to keep exposures to market risk within acceptable parameters, optimizing the return.

The Company uses derivatives to manage market risks. All transactions are carried out within the guidelines established by the risk management policy. The Company generally seeks to apply hedge accounting to manage volatility in profits or losses.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

i. Foreign exchange risk

On December 31, 2022 and 2021, the Company had the following net exposure to the exchange rate variation of assets and liabilities denominated in foreign currency:

	December 31, 2022	December 31, 2021
Cash and cash equivalents	1,540	2,819,027
Trade receivables	-	18,876
Trade payables	(97,259)	(3,365)
Loans, financing and debentures	(4,388,589)	(8,727,064)
Exchange rate derivatives	4,437,823	5,920,072
Lease liabilities	(94,716)	(108,365)
	(141,201)	(80,819)

Based on financial instruments denominated in US dollars and euros, as of December 31, 2022, in the probable scenario, the Company sensitized the positive or negative effect on the result, before taxes, resulting from a reasonably possible strengthening (weakening) of the Real against foreign currencies in the probable scenario, and for increases and decreases of 25% and 50%, as follows:

Instrument	Risk factor	December 31, 2022				
		Probable	25%	50%	-25%	-50%
Cash and cash equivalents	Exchange fluctuation	10	397	784	(378)	(765)
Trade payables	Exchange fluctuation	(602)	(25,067)	(49,532)	23,863	48,328
Exchange rate derivatives	Exchange fluctuation	28,930	1,118,570	2,232,436	(1,116,218)	(2,232,436)
Loans, financing and debentures	Exchange fluctuation	(28,625)	(1,104,304)	(2,208,607)	1,104,304	2,208,607
Lease liabilities	Exchange fluctuation	(586)	(24,412)	(48,238)	23,239	47,065
Impacts on result of the year		(873)	(34,816)	(73,157)	34,810	70,799

The probable scenario uses the U.S. Dollar and euro projected by a specialized consultancy for December 31, 2023. Stressed scenarios were defined by applying variations (positive and negative) of 25% and 50% in the exchange rates used in the probable scenario:

	December 31, 2022	Scenario				
		Probable	25%	50%	-25%	-50%
U.S. Dollar	5.2177	5.2500	6.5625	7.8750	3.9375	2.6250
Euro	5.5694	5.7225	7.1531	8.5838	4.2919	2.8613

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

ii. Interest rate risk

The Company and its subsidiaries have financial instruments that are subject to interest rates, which are largely variable, which exposes the financial result to the risks of interest rate fluctuations.

The sensitivity analysis below shows the projected annual impact on interest expenses on loans and financing and on the remuneration of financial investments (before taxes), keeping the other variables. The scenarios with an increase and decrease in interest rates of 25% and 50% present the incremental effect in relation to the probable scenario:

Exposure interest rate	December 31, 2022				
	Probable	25%	50%	-25%	-50%
Financial investments	1,008,079	1,260,098	1,512,118	756,059	504,039
Marketable securities	112,278	140,348	168,418	84,209	56,139
Restricted cash	12,171	15,213	18,256	9,128	6,085
Loans, financing and debentures	(875,580)	(1,080,369)	(1,285,157)	(670,792)	(466,004)
Interest rate derivatives	(973,596)	(1,282,919)	(1,460,394)	(730,197)	(486,798)
Lease liabilities	(447,011)	(447,729)	(448,451)	(446,296)	(445,585)
Installment Leases and concessions under litigation	(146,467)	(183,084)	(219,700)	(109,850)	(73,233)
Other financial liabilities	(119,769)	(146,869)	(173,969)	(92,668)	(65,568)
Impacts on result of the year	(1,429,895)	(1,725,311)	(1,888,879)	(1,200,407)	(970,925)

The probable scenario considers the estimated interest rate, prepared by a specialized third-party based on information from the Central Bank of Brazil (BACEN) on January 6, 2023, as follows:

	Probable	25%	50%	-25%	-50%
SELIC	13.35%	16.69%	20.03%	10.02%	6.68%
CDI	13.25%	16.57%	19.88%	9.94%	6.63%
TJLP	7.00%	8.75%	10.50%	5.25%	3.50%
IPCA	4.98%	6.23%	7.47%	3.74%	2.49%

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

b) Credit risk

The Company's regular operations expose it to potential defaults when customers, suppliers and counterparties fail to meet their financial or other commitments. The Company seeks to mitigate this risk by carrying out transactions with a diverse set of counterparties. However, the Company remains subject to unexpected financial failures by third parties that could interrupt its operations. The exposure to credit risk was as follows:

	December 31, 2022	December 31, 2021
Cash and cash equivalents ⁽ⁱ⁾	7,385,421	9,448,193
Marketable securities ⁽ⁱ⁾	840,061	1,425,897
Restricted cash ⁽ⁱ⁾	92,770	27,809
Trade receivables ⁽ⁱⁱ⁾	578,323	503,316
Receivables from related parties ⁽ⁱⁱⁱ⁾	146,653	148,919
Derivative financial instruments ⁽ⁱ⁾	874,843	1,674,821
	<u>9,918,071</u>	<u>13,228,955</u>

- (i) The credit risk of balances with banks and financial institutions is managed by the Company's Treasury in accordance with the established policy. The excess resources are invested only in approved counterparties and within the limit established for each one. The credit limit of counterparties is reviewed annually and can be updated throughout the year. These limits are established in to minimize the concentration of risks and, thus, mitigate the financial loss in the event of the potential bankruptcy of a counterparty. The Company's maximum exposure to credit risk in relation to the balance sheet components on December 31, 2022 and December 31, 2021 is the amount recorded.
- (ii) The client's credit risk is managed centrally by each business segment, being subject to the procedures, controls and policy established by the Company in relation to this risk. Credit limits are established for all customers based on an extensive internal credit rating procedure. Receivables from open customers are monitored frequently. The need for a provision for impairment is analyzed at each date reported on an individual basis for the main customers. In addition, a large number of accounts receivable with smaller balances are grouped into homogeneous groups and, in these cases, the recoverable loss is assessed collectively. The calculation is based on effective historical data.

Notes to financial statements

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

The Company is exposed to risks related to its cash management and temporary investment activities.

Net assets are mainly invested in government securities and other investments in banks with a minimum grade of "A". The credit risk of balances with banks and financial institutions is managed by the treasury department, in accordance with the Company's policy.

Excess fund investments are made only with approved counterparties and within the credit limits assigned to each counterparty. Counterparty credit limits are reviewed annually and may be updated throughout the year. The limits are defined to minimize the concentration of risks and, therefore, mitigate the financial loss through the failure of the counterparty to make payments. The credit risk of cash and cash equivalents, marketable securities, restricted cash and derivative financial instruments is determined by rating agencies widely accepted by the market and are arranged as follows:

	December 31, 2022
AA	1,568,910
AAA	7,624,185
Total	9,193,095

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

c) Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries find it difficult to comply with the obligations associated with their financial liabilities that are settled with cash payments or with another financial asset. The approach of the Company and its subsidiaries in managing liquidity is to ensure, as much as possible, that there is always a level of liquidity sufficient to comply with falling due obligations, under normal and stress conditions, without causing unacceptable losses or with the risk of damaging the reputation of the Company and its subsidiaries.

The Company's financial liabilities classified by maturity date (based on contracted undiscounted cash flows) are as follows:

	December 31, 2022				December 31, 2021	
	Up to 1 year	1 - 2 years	3 - 5 years	More than 5 years	Total	Total
Loans, financing and debentures	(1,408,066)	(714,069)	(3,784,726)	(18,130,714)	(24,037,575)	(27,476,555)
Trade payables	(746,430)	-	-	-	(746,430)	(618,658)
Other financial liabilities	(787,884)	(29,985)	-	-	(817,869)	(576,786)
Tax installments	(902)	-	-	-	(902)	(902)
Lease liabilities	(426,671)	(412,708)	(915,008)	(14,621,183)	(16,375,570)	(15,478,234)
Installment Leases and concessions under litigation	(196,384)	(192,639)	(188,331)	(559,819)	(1,137,173)	(1,185,076)
Payables to related parties	(297,791)	-	-	-	(297,791)	(201,660)
Dividends payable	(132,044)	-	-	-	(132,044)	(43,780)
Derivative financial instruments	(1,018,041)	(692,617)	(850,961)	2,023,518	(538,101)	1,098,073
	(5,014,213)	(2,042,018)	(5,739,026)	(31,288,198)	(44,083,455)	(44,483,578)

3.2 Segment information

Management evaluates the performance of its operating segments based on the EBITDA measure (earnings before income tax and social contribution, net financial expense, depreciation and amortization).

In February 2021, Rumo Malha Central began its operational phase, and due to its operation being interconnected to those of Malhas Paulista and Norte, the Company's Management decided to present the effects of the Central operation with those of the North operation.

Operating segments

The Company's management is structured in three segments:

- (i) Northern Operations: comprised of railway, highway and transshipment in the Company's concession areas, Rumo Malha Norte, Rumo Malha Central and Rumo Malha Paulista.
- (ii) Southern Operations: composed of railway operations and transshipment in the concession area of Rumo Malha Sul and Rumo Malha Oeste.
- (iii) Container Operations: composed of the Group's Company that focuses on container logistics, whether by rail or road transport and the results of container operations on the networks.

The segment information was prepared in accordance with the same accounting practices used in the preparation of the consolidated information.

Notes to financial statements

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Exercise:	December 31, 2022				December 31, 2021			
	North Operations	South Operations	Container Operations	Consolidated	North Operations	South Operations	Container Operations	Consolidated
Results by segment								
Net revenue	7,635,242	1,739,391	466,875	9,841,508	5,479,583	1,624,084	335,965	7,439,632
Cost of services	(4,615,075)	(1,644,441)	(435,632)	(6,695,148)	(3,523,822)	(1,499,951)	(328,266)	(5,352,039)
Gross profit	3,020,167	94,950	31,243	3,146,360	1,955,761	124,133	7,699	2,087,593
Gross margin (%)	39.56%	5.46%	6.69%	31.97%	35.69%	7.64%	2.29%	28.06%
Selling, general and administrative expenses	(375,028)	(79,660)	(44,505)	(499,193)	(384,204)	(91,982)	(35,514)	(511,700)
Other operational income (expenses) and equity	480,459	(102,584)	11,130	389,005	(17,912)	(61,569)	23,321	(56,160)
Depreciation and amortization	1,327,094	561,478	78,373	1,966,945	1,254,350	521,847	54,486	1,830,683
EBITDA	4,452,692	474,184	76,241	5,003,117	2,807,995	492,429	49,992	3,350,416
Margin EBITDA (%)	58.32%	27.26%	16.33%	50.84%	51.24%	30.32%	14.88%	45.03%

3.2.1 Main customers

The Company has a client that individually contributed with a share of 9.89%, of net operating revenue in 2022 with an approximate amount of R\$ 858,831. In 2021, the same client contributed 10.04% of net revenue, with an approximate value of R\$ 660,860.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

4 Transactions and significant events

4.1 Related parties

Accounting policy:

Commercial, financial and corporate transactions involving related parties are preferably carried out at market prices and in accordance with established contracts. Outstanding balances at the end of the year are not guaranteed, nor are they subject to interest and are settled in cash. There were no guarantees given or received on any accounts receivable or payable involving related parties. At the end of each period, an analysis of the recovery of amounts and receivables is carried out and in this year no provision was recognized.

a) Summary of balance with related parties

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Current assets				
Commercial operations				
Rumo Malha Norte S.A.	6,372	8,321	-	-
Rumo Malha Paulista S.A.	31,854	20,786	-	-
Rumo Malha Sul S.A.	1,878	1,276	-	-
Rumo Malha Central S.A.	2,508	2,169	-	-
Raízen S.A. and subsidiaries	780	4,793	30,102	22,335
Brado Logística S.A.	-	32	-	-
Elevações Portuárias S.A.	1,406	2,155	5,424	-
Terminal São Simão S.A.	-	162	-	-
ALL Argentina	46,615	48,615	-	-
Termag - Terminal Marítimo de Guarujá S.A.	-	-	14,286	14,286
Other	150	353	183	76
	93,563	88,662	49,995	36,697
Corporate operation / agreements				
Logisport Armazéns Gerais S.A.	7,852	-	-	-
Rumo Maha Central S.A.	24,563	51,420	-	-
	32,415	51,420	-	-
	125,978	140,082	49,995	36,697
Non-current assets				
Commercial operations				
Termag - Terminal Marítimo de Guarujá S.A.	-	-	48,810	64,286
Raízen S.A. and subsidiaries	-	-	47,731	47,731
	-	-	96,541	112,017
Financial operations				
Logisport Armazéns Gerais S.A.	-	6,720	-	-
Rumo Malha Central S.A.	1,000,000	1,000,000	-	-
ALL Argentina	3,326	3,325	-	-
Other	-	-	117	205
	1,003,326	1,010,045	117	205
	1,003,326	1,010,045	96,658	112,222
Total	1,129,304	1,150,127	146,653	148,919

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Current liabilities				
Commercial operations				
Rumo Malha Norte S.A.	1,175	6,333	-	-
Rumo Malha Sul S.A.	12,767	9,298	-	-
Rumo Malha Paulista S.A.	23,363	35,136	-	-
Rumo Malha Oeste S.A.	16	141	-	-
Rumo Malha Central S.A.	17,525	93	-	-
Terminal São Simão S.A.	220	-	-	-
Raízen S.A. and subsidiaries	611	4,589	270,458	187,950
Cosan S.A.	632	1,099	2,976	3,930
Cosan Lubrificantes e Especialidades S.A.	-	-	8,085	5,139
Logisport Armazéns Gerais S.A.	666	1,254	-	-
Elevações Portuárias S.A.	4,200	1,674	4,676	-
Other	1,009	1,010	11,596	4,641
	62,184	60,627	297,791	201,660
Non-current liabilities				
Commercial operations				
Boswells S.A.	32,611	34,878	-	-
ALL - Argentina	4,733	4,733	-	-
	37,344	39,611	-	-
Total	99,528	100,238	297,791	201,660

b) Transactions with related parties

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Operating income				
Raízen S.A. and subsidiaries ⁽ⁱⁱ⁾	400,375	237,484	805,655	536,950
Rumo Malha Norte S.A.	48,634	34,781	-	-
Rumo Malha Paulista S.A. ⁽ⁱⁱ⁾	293,915	273,152	-	-
Elevações Portuárias S.A.	19,379	25,200	2,463	-
Other	-	9,711	6,910	21,923
	762,303	580,328	815,028	558,873
Purchases of products / inputs / services				
Raízen S.A. and subsidiaries ⁽ⁱⁱⁱ⁾	-	-	(2,496,143)	(1,542,612)
Logisport Armazéns Gerais S.A.	(2,945)	(3,620)	-	-
Rumo Malha Norte S.A.	(45,757)	-	-	-
Rumo Malha Paulista S.A. ^(iv)	(69,122)	(204,557)	-	-
Cosan Lubrificantes e Especialidades S.A. ^(v)	(22)	(27)	(62,271)	(56,652)
Rumo Malha Sul S.A.	(51,249)	(26,810)	-	-
Other	-	-	(637)	(439)
	(169,095)	(235,014)	(2,559,051)	(1,599,703)
Shared expenses				
Cosan S.A. ^(vi)	(850)	(2,486)	(4,365)	(3,571)
Elevações Portuárias S.A.	2,147	2,594	96	-
Rumo Malha Oeste S.A.	590	807	-	-
Rumo Malha Paulista S.A.	16,435	17,217	-	-
Rumo Malha Sul S.A.	10,508	11,392	-	-
Rumo Malha Norte S.A.	3,075	11,844	-	-
Rumo Malha Central S.A.	4,129	868	-	-
Terminal São Simão S.A.	-	110	-	-
Raízen S.A. and subsidiaries ^(vi)	-	-	(30,803)	(30,454)
	36,034	42,346	(35,072)	(34,025)
Financial result				
COMGAS - Companhia de Gás de São Paulo	-	-	(12,105)	-
Rumo Malha Central S.A.	130,953	176,153	-	-
Boswells S.A.	2,268	-	-	-
Rumo Malha Norte S.A.	-	(17,794)	-	-
Other	817	(1,867)	(94)	136
	134,038	156,492	(12,199)	136

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

- (i) The provision of services in the year ended December 31, 2022 and 2021 for Raízen S.A. and its subsidiaries refers mainly to transportation, storage and port elevation, contracted under market conditions.
- (ii) Remuneration for investment in assets related to the contract for rail transportation services of sugar with Rumo Malha Paulista (see item v).
- (iii) Acquisition of fuels (diesel for use in locomotives) during the years ended December 31, 2022 and 2021 from Raízen S.A. and its subsidiaries, under market conditions.
- (iv) Rail transportation service provided by Rumo Malha Paulista. The service contract involved investments made by the Company in railway assets of Rumo Malha Paulista, signed under market conditions.
- (v) Acquisition of lubricants in the years ended December 31, 2022 and 2021 from Cosan Lubrificantes, under market conditions.
- (vi) Apportionment of the cost of corporate activities and the Raízen shared services center.

c) Remuneration of directors and officers

The fixed and variable remunerations of key persons, including directors and board members, are recorded in the consolidated result for the year, including taxes, as follows:

	December 31, 2022	December 31, 2021
Short-term benefits to employees and managers	33,146	31,607
Transactions with share-based payments	16,110	23,571
	49,256	55,178

4.2 COVID-19 pandemic

The Company continues to monitor the COVID 19 pandemic in the global and local scenario, and at the moment there are no restrictive measures in force or impacts on operations. In the year ended December 31, 2022, the pandemic did not create circumstances that could indicate an impairment loss.

4.3 Impacts of the war in Ukraine

4.3.1 General Context

The Company continues to monitor the impacts of the war in Ukraine that started on February 24, 2022 as it constitutes a far-reaching event in the global economy and, therefore, in the financial reports of the companies. It is currently not possible to estimate the duration of the geopolitical crisis, which could also be intensified by actions by Russia and other countries.

4.3.2 Impacts on the preparation of financial statements

Rumo's operations did not suffer major impacts due to the conflict between Russia and Ukraine in the period ended December 31, 2022. The Company daily monitors possible impacts that may have a direct effect on operations.

The main items monitored by the Company are:

- **Fertilizers:** Russia and Belarus account for 30.5% of exports of potassium fertilizers and Brazil is the world's largest importer not only of total fertilizers but also of each one of them (nitrogenated, phosphated and potassium). The company understands that there was no impact on the Corn crop in 2022, nor on the Soybean crop for 2023, due to the market agreements signed between Brazil and Russia for the demand for fertilizers.

- **Commodities:** The Brazilian corn crop for 2021/2022, despite the drop in production in the south of the country, should be above the previous crop. With the increase in the price of the commodity, Brazil has room to expand its productive area. What can happen is an increase in the dispute between Brazil and North America for the purchase of fertilizers, even with high prices, since the return derived from the negotiation of commodities by producers in Brazil makes them more capitalized to compete with American producers/ Europeans.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

- **Fuels:** As Brazilian oil follows the international price list, it will continue to adjust prices according to the quotation practiced outside Brazil, even if there is no direct purchase from Russia, the reduction in the supply of oil in the world will impact the price for the Brazilian consumer. As diesel increases, Rumo's operating costs may increase, but there is a pass-through policy to the tariff that neutralizes the effects on the result.

The Company evaluated the circumstances that could indicate the impairment of its non-financial assets and concluded that there were no changes motivated by the conflict that would indicate an impairment loss. As there was no interruption in the Company's operations, the financial impact resulting from the conflict in the cash generating units ("CGU") was limited. Therefore, the main long-term assumptions applied in the preparation of cash flow models did not have significant changes for the assessment of impairment indicators. Our deferred tax recovery projections are based on the same scenarios and assumptions above.

So far, the Company has not identified impacts on customer credit risk, discount rate, inventory, financial instruments, accounts receivable, among other items analyzed.

4.4 Senior Notes Prepayment 2025

On January 14, 2022, the Company prepaid the Senior Notes 2025, in the amount of USD 500,000, equivalent to R\$ 2,848,332, with original maturity in January 2025, in accordance with the conditions established in the transaction agreement signed in January 2018. The derivatives contracted to hedge the operation were settled in the same period.

4.5 Assignment of tax credit

On March 31, 2022, the Company, through its subsidiary Rumo Malha Paulista S.A. started the transfer of ICMS credits to the related party Companhia de Gás do Estado de São Paulo – COMGAS, pursuant to the operation approved on November 30, 2021, by the Secretary of the State of São Paulo – SEFAZ. R\$ 99,395 of ICMS credits are being transferred in 13 installments, the first of which will amount to R\$ 9,395 and the others in the amount of R\$ 7,500.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

A new transfer of credits to Companhia de Gás do Estado de São Paulo – COMGAS, in the amount of R\$ 29,152, was granted by SEFAZ on July 6, 2022. The amount was transferred in two installments.

As of December 31, 2022, R\$ 121,047 in transfers have been completed and registered, by applying a discount under market conditions.

4.6 Ordinary review of the Malha Paulista concession agreement

On May 25, 2022, the annual review of the Malha Paulista concession took place, leading to the modification of specific annexes of the 2nd Addendum to the Concession Agreement. The main impacts on the financial statements were: (i) R\$ 32,490 of review of grants, amount recorded in other income and expenses; (ii) R\$ 60,309 of remeasurement of the grant for the postponement of investments with determined dates (Explanatory Note 5.12.4); and (iii) R\$ 8,484 in research and preservation of railway memory, provisioned during the year. All amounts were computed in the remaining quarterly installments of the grant, subject to IPCA correction and interest of 11.04% per year.

4.7 Sale of shares Elevações Portuárias S.A.

On July 15, 2022, the Company entered into a share purchase and sale agreement, providing for the sale of 80% (eighty percent) of its equity interest in the wholly-owned subsidiary Elevações Portuárias S.A. (“EPSA”), which operates and controls terminals T16 and T19 in the Port of Santos (SP), to Corredor Logística e Infraestrutura Sul (“CLI SUL”), a company wholly owned by Corredor Logística e Infraestrutura (“CLI”), in line with the strategy of forming long-term partnerships and focusing on rail logistics and the execution of strategic expansion projects.

The conclusion of the sale operation took place on November 14, 2022, when the Company netly received the amount of R\$ 1,394,669, generating a result of R\$ 955,584 as per note 6.3.

4.8 Judicial settlement – Farovia S.A.

Rumo Malha Norte, Rumo Malha Sul, Rumo Malha Paulista and Rumo S.A. were parties to a confidential arbitration proceeding, the total amount of the claims amounting to R\$ 1,281,084. The procedure was initiated by the opposing party on the grounds that the Companies would have caused the termination of the rail transport and investment service contract, in view of which it requested compensation.

On November 22, 2022, the Company signed an agreement to end the arbitration procedure, through the acquisition of all shares of the company Farovia, against which it litigated, subsequently merged. The agreement involved a net cash amount of R\$ 51,132 and the assumption of a bank debt totaling R\$ 396,818, as per note 6.3.

In January 2023, the arbitration procedure was terminated based on an agreement entered into between the parties.

5 Detailed information about assets and liabilities

5.1 Financial assets and liabilities

Accounting policy:

The initial measurement of financial assets and liabilities is at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets are written off when the rights to receive cash flows from these assets have expired or when the Company has substantially transferred all the risks and benefits of ownership.

The Company writes off a financial liability when its contractual obligations are withdrawn, cancelled or expired and when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

Financial assets and liabilities consist of:

	Note	December 31, 2022	December 31, 2021
Assets			
Fair value through profit or loss			
Marketable securities	5.3	840,061	1,425,897
Derivate financial instruments	5.8	874,843	1,674,821
		1,714,904	3,100,718
Amortized cost			
Cash and cash equivalents	5.2	7,385,421	9,448,193
Trade receivables	5.4	578,323	503,316
Related parties receivable	4.1	146,653	148,919
Restricted cash	5.3	92,770	27,809
		8,203,167	10,128,237
Total		9,918,071	13,228,955
Liabilities			
Amortized cost			
Loans, financing and debentures	5.5	4,576,705	8,852,896
Lease liabilities	5.6	3,254,010	3,106,880
Trade payables	5.7	746,430	618,658
Other financial liabilities ⁽ⁱ⁾		817,869	576,786
Related parties payable	4.1	297,791	201,660
Dividends payable		132,044	43,780
Installment Leases and concessions under litigation	5.16	1,138,076	1,145,450
Debt payment in installments	5.13	902	649
		10,963,827	14,546,759
Fair value through profit or loss			
Derivate financial instruments	5.8	1,412,945	576,749
Loans and financing	5.5	12,181,383	12,325,852
		13,594,328	12,902,601
Total		24,558,155	27,449,360

- (i) On December 31, 2022, the consolidated balance advanced by our suppliers with financial agents was R\$ 817,869 (R\$ 576,786 on December 31, 2021). These operations had first class funds and banks as counterparties, at an average rate of 14.53% p.a. (10.60% p.a. on December 31, 2021). The average term of these operations is around 109 days (90 days on December 31, 2021).

The accounting transfer of amounts from the supplier account to this item is a transaction that does not involve cash and is not presented in the Statement of Cash Flows. The balance settlement flow, in turn, is classified into operating or investment activities, according to the classification of the purchase object. Financial charges included in the transaction are recorded in "Interest on contingencies and commercial contracts" of the financial result, amounting to R\$ 96,752 in the year ended December 31, 2022 (R\$ 27,155 in 2021).

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

5.2 Cash and cash equivalents

Accounting policy:

They are measured and classified at fair value through profit or loss and amortized cost, being highly liquid, with maturity of up to three months, which are subject to an insignificant risk of change in value.

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Cash and bank accounts	1,912	1,264	28,410	946,000
Financial Investments	2,167,423	790,538	7,357,011	8,502,193
	2,169,335	791,802	7,385,421	9,448,193

Financial investments are composed as follows:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Bank investments				
Repurchase Agreements	-	-	15,095	145,761
Bank certificate of deposits - CDB ⁽ⁱ⁾	2,167,423	790,538	7,341,916	6,434,419
Other investments ⁽ⁱⁱ⁾	-	-	-	1,922,013
	2,167,423	790,538	7,357,011	8,502,193

- (i) The Company's financial investments are remunerated at rates around 102.9% of the Brazilian interbank offer rate (Interbank Deposit Certificate), or CDI, on December 31, 2022 (101.6% of the CDI on December 2021). The sensitivity analysis of interest rate risks is presented in note 3.1.
- (ii) Basically refers to time deposits at Bradesco Cayman and Banco do Brasil London for the amounts of Rumo Luxemburgo, for the raising of Senior Notes (Bond) maturing in 2032, with a weighted remuneration of 49 bps (0.47% p.a.) on December 31, 2021.

5.3 Securities and restricted cash**Accounting policy:**

They are measured and classified at fair value through profit or loss, with an average maturity of government bonds between two and five years.

Marketable securities

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Government bonds ⁽ⁱ⁾	50,456	109,057	475,936	1,416,958
Bank certificate of deposits - CDB ⁽ⁱⁱ⁾	38,250	-	361,972	1,052
Financial letters ⁽ⁱⁱⁱ⁾	228	607	2,153	7,887
	88,934	109,664	840,061	1,425,897

(i) Government securities classified as fair value through profit or loss have an interest rate linked to SELIC and mature between two and five years.

(ii) Bank deposit certificates have an interest rate linked to the CDI and maturity between two and five years.

(iii) Financial bills have an interest rate linked to the CDI, and daily liquidity, according to the Company's liquidity policy.

Restricted cash

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Investments linked to loans	-	-	84,969	20,000
Securities pledged as collateral	79	87	7,801	7,809
	79	87	92,770	27,809

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

5.4 Trade receivables

Accounting policy:

Accounts receivable from customers are initially recognized at the amount of the consideration, which is unconditional, unless they contain significant financial components, when they are recognized at fair value. The Company maintains accounts receivable from customers for the purpose of receiving contractual cash flows, subsequently measuring them at amortized cost using the effective interest method.

To measure expected credit losses, receivables were grouped based on credit risk characteristics and overdue days.

The expected loss rates are based on the corresponding historical credit losses suffered. Historical rates of loss can be adjusted to reflect current and prospective information on macroeconomic factors that affect customers' ability to settle receivables.

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Domestic – Brazilian Reais	52,848	17,470	570,524	462,301
Export – Foreign currency	-	-	13,598	46,979
	52,848	17,470	584,122	509,280
Allowance for doubtful accounts	(204)	(620)	(5,799)	(5,964)
	(204)	(620)	(5,799)	(5,964)
Total	52,644	16,850	578,323	503,316
Current	52,644	16,850	561,641	482,112
Non-current	-	-	16,682	21,204
Total	52,644	16,850	578,323	503,316

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

The analysis of the maturity of trade receivables from customers is as follows:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Not overdue	48,737	9,771	530,804	436,778
Overdue:				
From 1 to 30 days	2,160	6,692	34,873	22,816
From 31 to 60 days	1,151	42	3,492	1,283
From 61 to 90 days	643	-	832	18,323
More than 90 days	157	965	14,121	30,080
Allowance for doubtful accounts	(204)	(620)	(5,799)	(5,964)
	52,644	16,850	578,323	503,316

The change in the estimated allowance for loan losses is shown as follows:

	Parent Company	Consolidated
At January 1, 2021	(680)	(5,679)
Provision	(126)	(4,218)
Reversal and write-off	186	3,933
At December 31, 2021	(620)	(5,964)
Provision	(207)	(5,147)
Reversal and write-off	623	5,312
At December 31, 2022	(204)	(5,799)

5.5 Loans, financing and debentures

Accounting policy:

Initially measured at fair value, net of costs incurred in the transaction and, subsequently, at amortized cost. If the transaction is designated at fair value through profit or loss, the initial and subsequent recording is at fair value.

They are derecognized when the obligation specified in the contract is paid, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any transferred non-monetary assets or assumed liabilities, is recognized in profit or loss as other financial income or expenses.

Classified as current liabilities, unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

Description	Financial charges		Parent Company		Consolidated		Maturity date	Goal
	Index	Average interest rate ⁽ⁱ⁾	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021		
Secured								
Finame	Pre-fixed	5.86%	137,737	214,134	280,919	461,756	Jan/2025	Investment
Finem	Pre-fixed	3.50%	-	-	378	727	Jan/2024	Investment
	URTJLP	9.29%	-	511	2,221,900	2,598,623	Jul/2031	Investment
NCE	CDI + 0.80%	14.56%	-	-	355,770	515,928	Dec/2023	Working capital
	CDI + 1.03%	14.84%	-	-	98,003	86,707	Feb/2023	Working capital
	CDI + 2.07%	16.33%	-	-	50,467	-	Mar/2025	Working capital
	CDI + 2.25%	16.81%	-	-	62,760	60,700	May/2026	Working capital
Senior Notes 2025	Pre-fixed (US\$) ⁽ⁱⁱ⁾	5.88%	-	-	-	2,981,335	Jan/2022	Investment
Senior Notes 2028	Pre-fixed (US\$) ⁽ⁱⁱⁱ⁾	5.25%	-	-	2,196,083	2,700,621	Jan/2028	Investment
Senior Notes 2032	Pre-fixed (US\$) ^(iv)	4.20%	-	-	2,124,051	2,800,716	Jan/2032	Investment
ECA	Euribor + 0.58%							
	(EUR) ^(v)	1.94%	-	-	68,455	95,460	Sep/2026	Investment
CCB	IPCA ^(vi)	6.59%	-	-	806,028	646,624	Jan/2048	Working capital
Loan 4131	Pre-fixed (US\$) ^(vii)	0.90%	-	148,932	-	148,932	Nov/2022	Working capital
			137,737	363,577	8,264,814	13,098,129		
Debentures			-					
Non-convertible debentures	IPCA + 3.60% ^(viii)	9.39%	367,476	361,862	367,476	361,862	Dec/2030	Investment
	IPCA + 3.90% ^(ix)	9.71%	1,048,252	1,018,844	1,048,252	1,018,844	Oct/2029	Investment
	IPCA + 4.00% ^(x)	9.81%	941,203	952,671	941,203	952,671	Dec/2035	Investment
	IPCA + 4.50% ^(xi)	10.34%	1,523,382	1,483,873	1,523,383	1,483,873	Jun/2031	Investment
	IPCA + 4.54% ^(xii)	10.38%	80,987	126,668	80,987	126,668	Jun/2036	Investment
	IPCA + 4.68% ^(xiii)	10.53%	-	-	518,680	543,752	Feb/2026	Investment
	IPCA + 4.77% ^(xiv)	10.63%	-	-	632,440	694,898	Jun/2031	Investment
	IPCA + 5.73% ^(xv)	11.64%	-	-	537,261	505,584	Oct/2033	Investment
	IPCA + 5.99% ^(xvi)	11.91%	-	-	435,780	-	Jun/2032	Investment
	IPCA + 6.80% ^(xvii)	12.77%	893,852	891,972	893,852	891,972	Apr/2030	Investment
	CDI + 1.30%	15.13%	-	-	759,175	746,725	Oct/2027	Investment
	CDI + 1.79%	15.68%	-	-	754,785	753,770	Jun/2027	Investment
			4,855,152	4,835,890	8,493,274	8,080,619		
Total			4,992,889	5,199,467	16,758,088	21,178,748		
Current			99,769	251.255	1,357,026	1.222.674		
Non-current			4,893,120	4.948.212	15,401,062	19.956.074		

(i) TJLP refers to the Long Term Interest Rate, which is defined as the basic cost of financing granted by BNDES (National Bank for Economic and Social Development). SELIC refers to the overnight rate of the Special Settlement and Custody System. It is the average rate weighted by the volume of financing operations for one day, backed by federal public securities in the form of repo operations. The CDI or DI Over Rate (CDI Over) is obtained by calculating the weighted average of all transaction fees made at Cetip between different financial institutions. IPCA is the Broad Consumer Price Index and aims to measure the inflation of a set of products and services.

(ii) This debt had swap contracts for 127% of the CDI, which represented an average rate of 15.85%.

(iii) Debt with swap to 115% of the CDI, which represented an average rate of 14.28% in 2022.

(iv) Debt with swap to 114% of the CDI, which represented an average rate of 14.21% in 2022.

(v) Debt with swap to 108% of the CDI, which represented an average rate of 13.46% in 2022.

(vi) Debt with swap for 61% of the CDI, which represented an average rate of 7.59% in 2022.

(vii) This debt had swap contracts for 118% of the CDI, which represented an average rate of 14.68%.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

- (viii) Debt with swap for 104% of the CDI, which represented an average rate of 12.97% in 2022.
- (ix) Debt with swap for 102% of the CDI, which represented an average rate of 12.71% in 2022.
- (x) Debt with swap for 107% of the CDI, which represented an average rate of 13.33% in 2022.
- (xi) Debt with swap for 106% of the CDI, which represented an average rate of 13.13% in 2022.
- (xii) Debt with swap for 109% of the CDI, which represented an average rate of 13.25% in 2022.
- (xiii) Debt with swap for 107% of the CDI, which represented an average rate of 13.31% in 2022.
- (xiv) Debt with swap for 112% of the CDI, which represented an average rate of 13.88% in 2022.
- (xv) Debt with swap for 109% of the CDI, which represented an average rate of 13.53% in 2022.
- (xvi) Debt with swap for 100% of the CDI, which represented an average rate of 12.38% in 2022.
- (xvii) Debt with swap for 118% of the CDI, which represented an average rate of 14.64% in 2022.

Non-current loans have the following maturities:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
13 to 24 months	49,035	57,735	701,720	1,100,449
25 to 36 months	-	18,657	734,043	654,268
37 to 48 months	-	-	830,066	3,327,224
49 to 60 months	719,256	-	2,202,439	768,035
61 to 72 months	1,217,382	707,800	3,709,931	2,123,463
73 to 84 months	1,173,021	1,149,964	1,785,577	4,115,472
85 to 96 months	623,782	1,198,666	1,002,205	1,730,170
Thereafter	1,110,644	1,815,390	4,435,081	6,136,993
	4,893,120	4,948,212	15,401,062	19,956,074

The carrying amounts of the Company's loans and financing are denominated in these currencies:

	Consolidated	
	December 31, 2022	December 31, 2021
Brazilian Reais (R\$)	12,369,499	12,451,684
Dollar (US\$) ⁽ⁱ⁾	4,320,134	8,631,604
EUR ⁽ⁱ⁾	68,455	95,460
Total	16,758,088	21,178,748

- (i) As of December 31, 2022, all debt denominated in foreign currency, in the subsidiaries, are protected against foreign exchange risk through derivatives (Note 5.8) or through financial investments in the same currency.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

Below the movement of loans, financing and debentures for the year ended December 31, 2022 and 2021:

	Parent Company	Consolidated
At January 1, 2021	4,416,542	19,912,038
Proceeds from debts	2,137,343	7,891,131
Interest, monetary and exchange correction	99,204	1,112,945
Repayment of principal	(1,036,835)	(6,631,342)
Payments of interest from debts	(416,787)	(1,106,024)
At December 31, 2021	5,199,467	21,178,748
Proceeds from debts	-	693,086
Interest, monetary and exchange correction	300,970	(166,167)
Assumption of agreement (note 4.8)	348,803	348,803
Repayment of principal	(588,695)	(4,106,479)
Payments of interest from debts	(267,656)	(1,189,903)
At December 31, 2022	4,992,889	16,758,088

a) Warranties

Some financing contracts with development banks, destined for investments, are also guaranteed, according to each contract, by bank guarantee, with an average cost of 0.66% per year or by real guarantees (assets) and guarantee account. As of December 31, 2022, the balance of bank guarantees contracted was R\$ 3,037,453 (R\$ 3,328,076 as of December 31, 2021).

To calculate the average rates, the annual average CDI of 12.44% (4.45% as of December 31, 2021) and TJLP of 6.79% (4.80% as of December 31, 2021) were considered on an annual basis.

b) Unused credit lines

As of December 31, 2022, the Company had lines of credit in banks with AA rating, which were not used, in the total amount of R\$ 1,409,490 (R\$ 898,023 on December 31, 2021).

The use of these credit lines is subject to certain contractual conditions.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

c) Restrictive clauses (“financial covenants”)

The Company's main loan lines are subject to restrictive clauses, based on financial and non-financial indicators, which vary from contract to contract. The following table lists debts and financial indicators. The contracts have slightly different wording on the definition of covenant indicators and, among them, the reported ratios use the most conservative interpretation of the adjustments provided for in the formulas:

Indicators	Company	Debt	Goal	Index
Leverage = Net debt ⁽ⁱ⁾ / EBITDA ⁽ⁱⁱ⁾	Rumo S.A.	Senior Notes 2028		
		Senior Notes 2032		
		ECA	≤ 3.5x	2.25x
		NCE		
		Debentures ^(vi)		
	Brado	NCE	≤ 3.3x	1.72x
		BNDES FINAME	≤ 3.0x	1.72x
ICJ = EBITDA / Financial result ⁽ⁱⁱⁱ⁾	Rumo S.A.	Debenture (11 ^a , 12 ^a , 13 ^a e 14 ^a)	≥ 2.0x	2.87x
		ECA		
ICSD = Cash generation ^(iv) / Debt service ^(v)	Brado	BNDES FINAME	≥ 2.0x	2.84x

(i) Net financial debt comprises bank debts, debentures, leasing considered as financial leasing minus cash and cash equivalents, marketable securities, restricted cash from financial investments linked to loans and derivative instruments.

(ii) As defined in note 3.2 to the financial statements, deducting extraordinary results.

(iii) The consolidated financial result is represented by the cost of consolidated net debt, shown in note 6.4.

(iv) EBITDA, minus the amounts due for income tax and social contribution, minus the distribution of dividends.

(v) Sum of payments referring to interest, commissions, taxes on financial operations and principal amortizations.

(vi) The 11th, 12th and 13th issues of Debentures have a contractual leverage covenant of 3.0x (three times). However, they have a prior consent (waiver) that allows the issuing Company to extrapolate this index up to the limit of 3.5x until December 31, 2027.

As of December 31, 2022, the Company and its subsidiaries were complying with all restrictive financial covenants.

d) ESG commitments

Senior Notes 2028 was the first Green issuance by the freight rail industry in Latin America. The Company is committed to using the funds to fully or partially finance ongoing and future projects that contribute to the promotion of a low-carbon transport sector with efficient use of resources in Brazil. Eligible projects are distributed in the areas of “Acquisition, replacement and upgrade of rolling stock”, “Infrastructure for duplication of railway sections, new yards and yard extensions”, and “Modernization of the railroad”. The company annually issues a report showing the progress of projects, which can be accessed directly on the investor relations website.

Senior Notes 2032 was an issue in Sustainability-Linked Bonds (SLBs), with the following sustainable targets: reduction of 17.6% by 2026 and 21.6% by 2030 of greenhouse gas emissions per ton of useful kilometer (TKU), having as a starting point the base date of December 2020. The company is subject to a step-up of 25 basis points if it does not reach these targets, which would increase the interest rate to 4.45% pa.

Malha Paulista's 2nd Debenture is linked to the sustainable goal of reducing greenhouse gas emissions per useful ton kilometer (TKU) by 15% by 2023, starting with the base date of December 2019. benefited from a step-down of 25 basis points in each series if it reaches this target, which would reduce the rate from 2024 to CDI + 1.54% in the 1st series and IPCA + 4.52% in the 2nd series.

5.6 Lease liabilities

Accounting policy:

At the beginning or in the modification of a contract, the Company assesses whether a contract is or contains a lease.

The lease liability is initially measured at the present value of lease payments that are not made on the start date, discounted at the interest rate implicit in the lease or, if that rate cannot be determined immediately, by the Group's incremental loan rate. The Group generally uses its incremental loan rate as a discount rate.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including fixed payments in essence;
- variable lease payments that depend on index or rate, initially measured using the index or rate on the start date;
- amounts expected to be paid by the lessee, in accordance with the residual value guarantees; and
- the exercise price of the call option if the lessee is reasonably certain to exercise that option, and payment of fines for terminating the lease, if the lease term reflects the lessee exercising the option to terminate the lease.

Subsequent valuation of the lease liability is at amortized cost, using the effective interest method. It is remeasured when there is a change in future leases payments resulting from a change in index or rate, if there is a change in the amounts that are expected to be paid according to the residual value guarantee, if the Company changes its valuation, an option of purchase, extension or termination will be exercised or if there is an essentially fixed revised lease payment.

When the lease liability is remeasured in this way, an adjustment corresponding to the carrying amount of the right-of-use asset is made or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

	Consolidated leases			
	Financial	Operational - concessions	Operating Others	Total
At January 1, 2021	416,122	2,328,924	167,272	2,912,318
Additions	-	15,108	42,399	57,507
Interest appropriation and exchange variation	38,775	343,585	26,668	409,028
Repayment of principal on financing leases	(283,908)	(119,812)	(39,376)	(443,096)
Payment of interest on financing leases	(4,655)	(132,767)	(18,950)	(156,372)
Contractual adjustment	12,192	282,497	86,945	381,634
Transfers between liabilities ⁽ⁱ⁾	-	(54,139)	-	(54,139)
At January 1, 2022	178,526	2,663,396	264,958	3,106,880
Additions ⁽ⁱ⁾	-	111,458	116,738	228,196
Interest appropriation	23,072	324,122	15,367	362,561
Repayment of principal on financing leases	(81,134)	(206,069)	(66,170)	(353,373)
Payment of interest on financing leases	-	(162,720)	(32,360)	(195,080)
Contractual adjustment	-	184,896	30,034	214,930
Write-off ⁽ⁱⁱ⁾	-	(105,131)	-	(105,131)
Transfers between liabilities ⁽ⁱ⁾	-	(4,973)	-	(4,973)
At December 31, 2022	120,464	2,804,979	328,567	3,254,010
Current	43,916	350,719	88,762	483,397
Non-current	76,548	2,454,260	239,805	2,770,613
	120,464	2,804,979	328,567	3,254,010

- (i) Transfer of the installments in litigation to the lease and concessions under litigation item (Note 5.16).
- (ii) The movement represents the write-off of the balances of lease liabilities of Companhia Elevações Portuárias, which was deconsolidated in the process of transfer of control effective on November 14, 2022.

The lease agreements have different terms, with the last due date occurring in December 2058 (an opening per due date is shown in Note 3.1). The amounts are updated annually by inflation indexes (such as IGPM and IPCA) or may incur interest calculated based on the TJLP or CDI and some of the contracts have renewal or purchase options that were considered in determining the classification as a finance lease.

In addition to the amortization and appropriation of interest and exchange variation highlighted in the previous tables, was recorded for other lease agreements that were not included in the measurement of lease liabilities:

	Consolidated	
	December 31, 2022	December 31, 2021
Variable lease payments not included in the measurement of lease liabilities	55,629	35,482
Expenses relating to short-term leases	14,639	30,507
Expenses relating to leases of low-value assets, excluding short-term leases	1,329	978
	71,597	66,967

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

Additional Information

The Company, in full compliance with the rules, in the measurement and remeasurement of its lease liabilities and the right of use, proceeded to discount the present value of future lease installments without considering future projected inflation in the installments to be discounted.

The incremental interest rate (nominal) used by the Company was determined based on the interest rates to which the Company has access, adjusted to the Brazilian market and the terms of its contracts. Rates between 10.9% and 14.8% were used, according to the term of each contract.

In compliance with CVM Instruction Circular Official Letter 2/2019, if, in transactions where the incremental rate is used, the measurement was made at the present value of expected installments plus projected future inflation, the balances of lease liabilities, the right to use, financial expense and depreciation expense, would be those presented in the "Official note" column:

Accounts	2021			2020		
	Registered	Official note	% Variation	Registered	Official note	% Variation
Lease liabilities	(2,104,904)	(2,286,389)	9%	(2,121,577)	(2,287,777)	8%
Residual right of use	6,469,852	6,482,038	0%	6,743,631	6,755,661	0%
Financial expense	(257,936)	(272,775)	6%	(253,446)	(265,511)	5%
Depreciation expense	(284,907)	(290,531)	2%	(280,462)	(285,462)	2%

The balances recorded by the Company include the Malha Central contract and the renewal addendum to the Malha Paulista contract, which have an implicit rate identified, so that their appreciation does not generate distortions in the liabilities and usage rights covered by the CVM Circular Letter. As of December 31, 2022, the lease liability of these contracts was R\$ 2,065,002 (R\$ 1,185,207 as of December 31, 2021).

The Company recorded lease liabilities at the present value of the installments due, that is, including any tax credits to which it will be entitled at the time of the lease payments. The potential PIS / COFINS credit included in liabilities as of December 31, 2022 is R\$ 6,318 (R\$ 6,154 as of December 31, 2021).

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

5.7 Trade payables

Accounting policy:

The carrying amounts of suppliers are the same as their fair values, due to their short-term nature and are generally paid within 45 days of recognition.

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Material and services suppliers	47,633	52,276	732,039	602,215
Fuels and lubricants suppliers	-	-	1,086	118
Other	16,522	11,153	13,305	16,325
Total	64,155	63,429	746,430	618,658

5.8 Derivative financial instruments

Accounting policy:

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedge instrument and, if so, the nature of the hedged item. The Company designates certain derivatives as hedges of the fair value of recognized assets or liabilities or of a firm commitment (fair value hedge);

At the beginning of the fair value hedge relationship, the Company documents the economic relationship between the hedge instruments and the hedged items, including changes in the cash flows of the hedge instruments, which should offset the changes in the cash flows of the hedged items. The Company documents its risk management objective and strategy for carrying out its hedge operations. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the income statement and are included in other gains / (losses).

The fair values of the derivative financial instruments designated in the hedge relationships are disclosed below. The total fair value of a hedge derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is greater than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

The Company makes an assessment, both at the beginning of the hedge relationship and on an ongoing basis, as to whether the hedge instruments should be highly effective in offsetting changes in fair value or the cash flows of the respective attributable hedged items.

The Company uses swap instruments, the fair value of which is determined based on discounted cash flows based on market curves, to protect exposure to exchange risk and interest and inflation risk. Consolidated data is presented below:

	Notional		Fair value	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Foreign exchange and interest rate derivatives				
Swap contracts (interest and exchange)	5,151,173	6,084,673	(532,192)	1,020,158
Swap contracts (interest and inflation)	7,831,254	6,590,408	(5,910)	77,914
	12,982,427	12,675,081	(538,102)	1,098,072
Current			17,545	48,813
Non-current			857,298	1,626,008
Assets			874,843	1,674,821
Current			(1,020,726)	(576,749)
Non-current			(392,219)	-
Liabilities			(1,412,945)	(576,749)
			(538,102)	1,098,072

The Company contracted interest and exchange swap operations, to be active in USD + fixed interest and passive in percentage of CDI. For interest and inflation swap operations, the Company is active at IPCA + fixed interest and passive as a percentage of the CDI.

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Hedge strategies

a) Hedge of fair value

Currently, the Company adopts fair value hedges for some of its operations, both hedging instruments and items protected by hedge are accounted for at fair value through profit or loss. The operational and accounting effects of this adoption are as follows:

Exchange rate hedge		Notional	Book value (R\$)		Result Fair value adjustment	
			December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Debt						
Senior Notes 2025	US\$ + 5.90%	-	-	-	-	355,409
Senior Notes 2028	US\$ + 5.30%	(2,791,600)	(2,196,083)	(2,700,621)	(336,161)	108,756
Senior Notes 2032	US\$ + 4.20%	(2,259,375)	(2,124,051)	(2,800,716)	(629,220)	(14,775)
Total		(5,050,975)	(4,320,134)	(5,501,337)	(965,381)	449,390
Derivative instruments						
Foreign exchange and interest swap	BRL + 115% do CDI	2,791,600	(418,674)	266,526	685,200	277,542
Foreign exchange and interest swap	BRL + 117% do CDI	2,259,375	(128,986)	675,572	804,558	675,572
Total		5,050,975	(547,660)	942,098	1,489,758	953,114
Total net		-	(4,867,794)	(4,559,239)	524,377	1,402,504

Interest rate hedge		Nocional R\$	Book value R\$		Result Fair value adjustment	
			December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Debt						
Debentures	IPCA + 3.87%	(1,200,000)	(1,065,088)	(1,073,505)	(88,823)	179,462
Debentures	IPCA + 3.90%	(914,751)	(1,048,252)	(1,018,844)	2,162	138,695
Debentures	IPCA + 4.00%	(234,045)	(243,591)	(241,028)	(13,163)	45,092
Debentures	IPCA + 4.77%	(750,000)	(632,440)	(694,898)	(76,893)	70,578
Debentures	IPCA + 4.50%	(784,619)	(818,428)	(807,074)	(51,842)	93,506
Debentures	IPCA + 4.54%	(258,815)	(80,987)	(126,668)	(10,533)	41,741
Debentures	IPCA + 6.80%	(909,045)	(893,852)	(891,972)	(55,374)	2,962
Debentures	IPCA + 5.73%	(500,000)	(537,261)	(505,584)	(34,565)	16,861
Debentures	IPCA + 5.99%	(434,000)	(435,780)	-	1,741	-
Finem	TLP + 5.90%	(29,641)	(28,115)	-	(1,644)	-
CCB	IPCA + 0.95%	(796,338)	(785,366)	-	(4,418)	-
Total		(6,811,254)	(6,569,160)	(5,359,573)	(333,352)	588,897
Derivative instruments						
Inflation and interest swaps	107% do CDI	1,200,000	(83,792)	(69,068)	14,724	(76,276)
Inflation and interest swaps	104% do CDI	914,751	74,408	76,570	2,162	(59,219)
Inflation and interest swaps	108% do CDI	234,045	13,871	14,541	670	(16,195)
Inflation and interest swaps	112% do CDI	750,000	(49,482)	(17,887)	31,595	(22,287)
Inflation and interest swaps	108% do CDI	784,619	(46,218)	(49,657)	(3,439)	(55,296)
Inflation and interest swaps	109% do CDI	258,815	(30,883)	(27,283)	3,600	(29,193)
Inflation and interest swaps	118% do CDI	909,045	(9,193)	5,322	14,515	5,322
Inflation and interest swaps	109% do CDI	500,000	(19,045)	(8,344)	10,701	(8,344)
Inflation and interest swaps	99.5% do CDI	434,000	1,672	-	(1,672)	-
Inflation and interest swaps	95.9% do CDI	29,641	(558)	-	558	-
Inflation and interest swaps	71% do CDI	796,338	(6,976)	-	6,976	-
Total		6,811,254	(156,196)	(75,806)	80,390	(261,488)
Total net		-	(6,725,356)	(5,435,379)	(252,962)	327,409

Notes to financial statements

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

b) Fair value options

Certain derivative instruments have not been linked to documented hedging structures. The Company chose to designate the hedged liabilities for recording at fair value through profit or loss.

Interest risk		Nocional R\$	Book value R\$		Result Fair value adjustment	
			December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Debt						
Debentures	IPCA + 4.68%	(420,000)	(518,680)	(543,752)	(6,070)	82,474
Debentures	IPCA + 4.50%	(600,000)	(704,954)	(676,798)	(34,745)	131,153
Total		(1,020,000)	(1,223,634)	(1,220,550)	(40,815)	213,627
Derivative instruments						
Inflation and interest swaps	107% do CDI	420,000	76,194	71,375	(4,819)	(11,682)
Inflation and interest swaps	103% do CDI	600,000	74,092	82,344	8,252	(41,468)
Total		1,020,000	150,286	153,719	3,433	(53,150)
Total net		-	(1,073,348)	(1,066,831)	(37,382)	160,477

Foreign exchange risk		Nocional R\$	Book value R\$		Result Fair value adjustment	
			December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Debt						
ECA	EUR + 0.58%	(100,198)	(68,455)	(95,460)	377	(1,337)
Loan 4131	USD + 2.20%	-	-	(148,932)	247	4,412
Total		(100,198)	(68,455)	(244,392)	624	3,075
Derivative instruments						
Foreign exchange and interest swap	BRL + 108% do CDI	100,198	15,468	30,535	15,067	(3,096)
Foreign exchange and interest swap	BRL + 118% do CDI	-	-	47,527	47,527	20,019
Total		100,198	15,468	78,062	62,594	16,923
Total net		-	(52,987)	(166,330)	63,218	19,998

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

5.9 Other taxes recoverable

Accounting Policy:

Tax assets are measured at cost and include mainly: (i) tax effects that are recognized when the asset is sold to a third party or recovered through the amortization of the asset's remaining economic life; and (ii) tax receivables that are expected to be recovered as refunds from tax authorities or as a reduction for future tax obligations.

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
COFINS - Social security financing contribution	16,361	26,523	264,125	307,077
PIS - Social integration program	2,752	6,026	116,165	109,822
ICMS - State VAT ⁽ⁱ⁾	-	-	616,081	662,945
ICMS - CIAP ⁽ⁱⁱ⁾	-	-	88,404	83,178
Other	2,117	3,021	20,008	23,121
	21,230	35,570	1,104,783	1,186,143
Current	21,230	35,570	363,416	421,156
Non-current	-	-	741,367	764,987
	21,230	35,570	1,104,783	1,186,143

(i) ICMS credit related to the purchase of inputs and diesel used in transportation.

(ii) ICMS credit from acquisitions of property, plant and equipment.

5.10 Inventories

Accounting policy:

Inventories are stated at the lower of cost and net realizable value (it is the estimated selling price in the normal course of business, less estimated completion costs and estimated costs necessary to make the sale).

The provision for obsolete inventories is made for the risks associated with the realization and sale of inventories due to obsolescence and measured at the net realizable value or the cost, whichever is less.

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Parts and accessories	1,446	1,412	168,777	180,286
Fuels and lubricants	27	23	30,027	17,143
Warehouse and other	133	141	27,009	31,494
	1,606	1,576	225,813	228,923

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

The balances are presented net of the provision for obsolete inventories of R\$ 2,645 as of December 31, 2022 (R\$ 3,407 as of December 31, 2021).

5.11 Investments in associates and provision for unsecured liabilities

(a) Subsidiaries and associates

Accounting policy:

a) Subsidiaries

Subsidiaries are all entities over which the Company has control, are fully consolidated from the date of acquisition of control and are not consolidated when control no longer exists.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the parent Company, using consistent accounting policies. Adjustments are made to the subsidiaries' financial statements to adapt their accounting policies to the Company's accounting policies.

Related party transactions are eliminated in full on consolidation. Unrealized gains arising from transactions with investees recorded under the equity method are eliminated against the investment in proportion to the Company's interest in the investee. Unrealized losses are eliminated in the same way, but only to the extent that there is no evidence of impairment.

b) Associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over financial and operating policies.

Intragroup balances and transactions, and any unrealized income or expenses arising from intragroup transactions, are eliminated in the preparation of the consolidated financial statements.

In accordance with the equity method, the participation of associates attributable to the Company in the profit or loss for the period of such investments is recorded in the income statement, under "Equity in results". Unrealized gains and

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

losses arising from transactions between the Company and the investees are eliminated based on the percentage of participation of these investees. The other comprehensive income of subsidiaries, associates and jointly controlled entities are recorded directly in the Company's shareholders' equity, under "Other comprehensive income".

Below are investments in subsidiaries and associates that are material for the Company on December 31, 2022:

i. **Parent Company**

	Total shares of the investee	Shares held by the Company	Percentage of participation
Rumo Intermodal S.A.	91,064,313	91,064,313	100.00%
Rumo Malha Central S.A.	4,470,908,744	4,470,908,744	100.00%
Rumo Malha Norte S.A.	1,189,412,363	1,186,299,005	99.74%
Boswells S.A.	3,265,000	3,265,000	100.00%
Brado Participações S.A.	12,962,963	10,000,000	77.65%
Paranaguá S.A.	6,119,802	6,113,851	99.90%
Logisport Armazéns	2,040,816	1,040,816	51.00%
Terminal São Simão S.A.	78,000,000	39,780,000	51.00%
Rumo Malha Sul S.A.	6,677,710,494,907	6,677,710,494,907	100.00%
ALL Argentina S.A.	9,703,000	8,826,110	90.96%
Rumo Luxembourg Sarl	500,000	500,000	100.00%
Rumo Malha Paulista	5,032,794,458,529	5,032,794,458,529	100.00%
ALL Amazéns Gerais	376,560,990	376,560,990	100.00%
Rumo Malha Oeste S.A.	478,460,074	478,460,074	100.00%

Notes to financial statements

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	At January 1, 2022	Equity pick-up	Capital increase / AFAC ⁽ⁱ⁾	Dividends and Interest on own capital receivable	Comprehensive income	Amortization of the concession right	Stock option plan	Aquisition of shareholding in subsidiary ⁽ⁱⁱ⁾	Disposal of investment	Other	At December 31, 2022
Elevações Portuárias S.A.	725,944	114,652	-	(146,768)	-	-	-	-	(552,479)	155,397	296,746
Rumo Intermodal S.A.	1,606	30,042	-	-	912	-	-	-	-	(1,894)	30,666
Rumo Malha Central S.A.	2,607,547	(14,010)	-	-	444	-	-	-	-	-	2,593,981
Rumo Malha Norte S.A.	8,595,025	1,292,104	-	(898,492)	(7)	(29,879)	-	151	-	(92)	8,958,810
Boswells S.A.	34,893	-	-	-	(2,268)	-	-	-	-	-	32,625
Brado Participações S.A.	378,841	(17,904)	-	(262)	-	-	1,632	-	-	(2,812)	359,495
Paranaguá S.A.	17,272	(744)	-	-	(7,653)	-	-	-	-	-	8,875
Logisport Armazéns Gerais S.A.	71,947	2,159	-	(1,297)	-	-	-	-	-	-	72,809
Rumo Luxembourg Sarl S.A.	9,521	41,183	-	-	-	-	-	-	-	-	50,704
Rumo Malha Paulista S.A.	4,301,529	(460,032)	-	-	132	(19,735)	-	-	-	-	3,821,894
Terminal São Simão S.A.	39,979	633	(2,294)	(338)	-	-	-	-	-	-	37,980
Rumo Malha Sul S.A.	2,595,913	(225,944)	-	-	602	-	-	-	-	-	2,370,571
ALL Armazéns Gerais Ltda.	90,057	(3,789)	-	-	-	-	407	-	-	-	86,675
Total investment in associates	19,470,074	758,350	(2,294)	(1,047,157)	(7,838)	(49,614)	2,039	151	(552,479)	150,599	18,721,831
ALL Argentina S.A.	(64,035)	(1,877)	-	-	10,704	-	-	-	-	1,894	(53,314)
Rumo Malha Oeste S.A.	(1,922,927)	(318,520)	90,000	-	95	-	-	-	-	-	(2,151,352)
Total investment in unsecured liability	(1,986,962)	(320,397)	90,000	-	10,799	-	-	-	-	1,894	(2,204,666)
Total	17,483,112	437,953	87,706	(1,047,157)	2,961	(49,614)	2,039	151	(552,479)	152,493	16,517,165

(i) During the year ended December 31, 2021, ALL Argentina reclassified the balance of R\$ 48,615 from AFAC (contribution for future capital increase) to liabilities, due to the impossibility of capitalization. The other amounts refer to the capital increase carried out via cash.

(ii) Portion of the amount paid in the acquisition of interest in Brado by ALL Armazéns Gerais Ltda. that exceeds the historical cost, recorded in capital reserve in shareholders' equity. See note 4.7 for additional details.

Notes to financial statements

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	At January 1, 2021	Equity pick- up	Capital increase (reduction) / AFAC	Dividends and Interest on own capital receivable	Comprehensive income	Amortization of the concession right	Stock option plan	Aquisition of shareholding in subsidiary	Other	At December 31, 2021
Elevações Portuárias S.A.	723,802	80,151	-	(78,029)	20	-	-	-	-	725,944
Rumo Intermodal S.A.	23,926	(17,956)	-	-	29	-	-	-	(4,393)	1,606
Rumo Malha Central S.A.	2,872,691	(264,699)	-	-	(445)	-	-	-	-	2,607,547
Rumo Malha Norte S.A.	8,284,811	1,128,857	-	(788,676)	34	(29,877)	(2)	-	(122)	8,595,025
Boswells S.A.	32,973	(513)	-	-	2,433	-	-	-	-	34,893
Brado Participações S.A.	376,986	1,978	-	(1,300)	-	-	1,177	-	-	378,841
Paranaguá S.A.	20,821	(1,034)	-	-	(2,515)	-	-	-	-	17,272
Logisport Armazéns Gerais S.A.	74,490	1,792	-	(4,335)	-	-	-	-	-	71,947
Rumo Luxembourg Sarl	4,406	5,115	-	-	-	-	-	-	-	9,521
Rumo Malha Paulista S.A.	3,365,796	(244,618)	1,200,000	-	87	(19,736)	-	-	-	4,301,529
Terminal São Simão S.A.	39,797	246	-	(64)	-	-	-	-	-	39,979
Rumo Malha Sul S.A.	1,895,905	(100,704)	800,000	-	712	-	-	-	-	2,595,913
ALL Armazéns Gerais Ltda.	-	4,876	385,529	-	-	-	135	(300,483)	-	90,057
Total investment in associates	17,716,404	593,491	2,385,529	(872,404)	355	(49,613)	1,310	(300,483)	(4,515)	19,470,074
ALL Argentina S.A.	(21,538)	(1,253)	(48,615)	-	2,978	-	-	-	4,393	(64,035)
Rumo Malha Oeste S.A.	(1,701,233)	(221,801)	-	-	107	-	-	-	-	(1,922,927)
Total investment in unsecured liability	(1,722,771)	(223,054)	(48,615)	-	3,085	-	-	-	4,393	(1,986,962)
Total	15,993,633	370,437	2,336,914	(872,404)	3,440	(49,613)	1,310	(300,483)	(122)	17,483,112

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Financial information of subsidiaries and associates:

	December 31, 2022				December 31, 2021			
	Assets	Liabilities	Net equity and (unsecured liabilities)	Profit (loss) of the year	Assets	Liabilities	Net equity and (unsecured liabilities)	Profit (loss) of the year
Elevações Portuárias S.A.	-	-	-	-	925,490	199,547	725,943	80,151
Rumo Intermodal S.A.	45,034	14,375	30,659	30,042	33,836	32,232	1,604	(17,956)
Rumo Malha Central S.A.	7,079,577	4,485,595	2,593,982	(14,010)	6,872,692	4,265,146	2,607,546	(264,699)
Rumo Malha Norte S.A.	8,769,694	4,181,140	4,588,554	1,319,381	9,123,392	4,953,300	4,170,092	1,157,996
Boswells S.A.	32,625	-	32,625	-	34,893	-	34,893	(513)
Brado Participações S.A.	1,065,757	518,848	546,909	(27,853)	1,039,813	467,268	572,545	1,770
Paranaguá S.A.	9,024	139	8,885	(744)	17,493	203	17,290	(1,035)
Logisport Armazéns Gerais S.A.	54,119	27,853	26,266	5,622	53,453	30,268	23,185	4,540
ALL Argentina S.A.	8,415	67,024	(58,609)	(2,064)	6,610	77,004	(70,394)	(1,377)
Rumo Luxembourg Sarl	5,338,936	5,288,233	50,703	41,183	8,481,108	8,471,588	9,520	5,115
Rumo Malha Paulista S.A.	14,366,934	10,510,030	3,856,904	(482,368)	14,085,618	9,746,480	4,339,138	(267,610)
Rumo Malha Oeste S.A.	88,035	2,239,391	(2,151,356)	(318,520)	133,336	2,056,267	(1,922,931)	(221,802)
Rumo Malha Sul S.A.	87,211	536	86,675	(3,789)	6,219,436	3,635,342	2,584,094	(115,668)
ALL Armazéns Gerais Ltda.	5,822,715	3,479,768	2,342,947	(241,749)	90,593	536	90,057	4,856
Terminal São Simão S.A.	109,402	34,929	74,473	1,240	99,218	20,824	78,394	483

ii. Consolidated

	Total shares of the investee	Shares held by the Company	Percentage of participation
Rhall Terminais Ltda.	28,580	8,574	30.00%
Termag - Terminal Marítimo de Guarujá S.A.	500,000	99,246	19.85%
TGG - Terminal de Granéis do Guarujá S.A.	79,747,000	7,914,609	9.92%
Elevações Portuárias S.A.	672,397,254	134,479,451	20.00%
Terminal XXXIX S.A.	200,000	99,246	49.62%

Notes to financial statements

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	At January 1, 2022	Equity pick-up	Dividends	Impact of the sale of interest	Other	At December 31, 2022
Rhall Terminais Ltda.	4,909	1,649	(900)	-	-	5,658
Termag - Terminal Marítimo de Guarujá S.A.	4,727	4,445	-	-	(709)	8,463
TGG - Terminal de Granéis do Guarujá S.A.	17,562	5,692	(5,784)	-	-	17,470
Elevações Portuárias S.A.	-	6,190	-	135,159	155,397	296,746
Terminal XXXIX S.A.	30,646	22,486	-	-	-	53,132
Total investments in associates	57,844	40,462	(6,684)	135,159	154,688	381,469

	At January 1, 2021	Equity pick-up	Dividends	Other	At December 31, 2021
Rhall Terminais Ltda.	3,765	1,147	(3)	-	4,909
Termag - Terminal Marítimo de Guarujá S.A.	1,673	3,812	-	(758)	4,727
TGG - Terminal de Granéis do Guarujá S.A.	18,679	3,849	(4,966)	-	17,562
Terminal XXXIX S.A.	26,597	4,049	-	-	30,646
Total investments in unsecured liabilities	50,714	12,857	(4,969)	(758)	57,844

Financial information of subsidiaries and associates:

	December 31, 2022				December 31, 2021			
	Assets	Liabilities	Net equity and (unsecured liabilities)	Profit (loss) of the year	Assets	Liabilities	Net equity and (unsecured liabilities)	Profit (loss) of the year
Rhall Terminais Ltda.	33,382	14,534	18,848	5,811	31,068	14,708	16,360	4,073
Elevações Portuárias S.A.	950,538	243,797	706,741	127,554	-	-	-	-
Termag - Terminal Marítimo de Guarujá S.A.	273,760	231,119	42,641	19,881	276,284	252,483	23,801	11,726
TGG - Terminal de Granéis do Guarujá S.A.	254,748	78,657	176,091	58,139	253,310	76,257	177,053	37,150
Terminal XXXIX S.A.	433,412	388,882	44,530	44,530	335,511	273,747	61,764	10,075

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

(b) Participation of non-controlling shareholders

Accounting policy:

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with owners in the capacity of owners.

The following is a summary of financial information for each subsidiary that has non-controlling interests that are relevant to the group. The amounts disclosed for each subsidiary are before eliminations between companies.

	Total shares of the investee	Shares held by the Company	Percentage of participation
Rumo Malha Norte S.A.	1,189,412,363	3,144,187	0.26%
Brado Participações S.A.	12,962,963	2,897,407	22.35%
Logisport Armazéns	2,040,816	1,000,000	49.00%
Terminal São Simão S.A.	78,000,000	38,220,000	49.00%

The following table summarizes the information related to each of the Company's subsidiaries that has relevant non-controlling interests, before any intra-group elimination.

	At January 1, 2022	Result of Non-controlling interests	Dividends	Stock option plan	Comprehensive income	Capital increase	Other	At December 31, 2022
Rumo Malha Norte S.A.	10,975	3,467	(2,410)	-	-	-	146	12,178
Brado Participações S.A.	140,044	(7,068)	(94)	596	-	-	2,591	136,069
Logisport Armazéns								
Gerais S.A.	33,706	2,074	(1,240)	-	-	-	-	34,540
Terminal São Simão S.A.	38,417	608	(326)	-	(1)	(2,204)	-	36,494
Total non-controlling interest	223,142	(919)	(4,070)	596	(1)	(2,204)	2,737	219,281

	At January 1, 2021	Result of Non-controlling interests	Dividends	Stock option plan	Capital increase	Other	At December 31, 2021
Rumo Malha Norte S.A.	9,979	3,018	(2,142)	-	-	120	10,975
Brado Participações S.A.	228,993	(277)	(926)	579	(88,325)	-	140,044
Logisport Armazéns							
Gerais S.A.	35,513	2,225	(4,032)	-	-	-	33,706
Terminal São Simão S.A.	38,236	237	(56)	-	-	-	38,417
Total non-controlling interest	312,721	5,203	(7,156)	579	(88,325)	120	223,142

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

Summary balance sheet:

	Rumo Malha Norte S.A.		Brado Participações S.A.		Terminal São Simão S.A.		Logisport Armazéns Gerais S.A.	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Assets								
Current	1,535,692	1,468,342	306,375	297,834	16,434	5,715	18,858	16,777
Non-current	7,234,002	7,655,050	759,382	741,979	92,968	93,503	35,261	36,676
Total assets	8,769,694	9,123,392	1,065,757	1,039,813	109,402	99,218	54,119	53,453
Liabilities								
Current	1,507,760	1,084,042	268,193	175,898	9,590	20,557	17,111	14,737
Non-current	2,673,380	3,869,258	250,655	291,370	25,339	267	10,742	15,531
Total liabilities	4,181,140	4,953,300	518,848	467,268	34,929	20,824	27,853	30,268
Shareholders' equity	4,588,554	4,170,092	546,909	572,545	74,473	78,394	26,266	23,185

Summary income statement and other comprehensive income:

	Rumo Malha Norte S.A.		Brado Participações S.A.		Terminal São Simão S.A.		Logisport Armazéns Gerais S.A.	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net income	5,058,588	3,745,014	462,863	335,374	18,799	24,603	22,896	24,853
Result before taxes	1,640,564	1,407,307	(41,570)	3,462	1,716	750	8,240	5,796
Income tax and social contribution	(321,183)	(249,311)	13,717	(1,692)	(476)	(267)	(2,618)	(1,256)
Result for the year	1,319,381	1,157,996	(27,853)	1,770	1,240	483	5,622	4,540
Other comprehensive result	2,521	2,527	-	-	(2)	-	-	-
Total comprehensive result	1,321,902	1,160,523	(27,853)	1,770	1,238	483	5,622	4,540
Dividends paid	(900,248)	(956,917)	(420)	(2,090)	(491)	-	(2,270)	(8,650)

Summary cash flow statement:

	Rumo Malha Norte S.A.		Brado Participações S.A.		Terminal São Simão S.A.		Logisport Armazéns Gerais S.A.	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net cash (used in) generated from operating activities	2,287,064	3,068,810	65,635	8,490	2,260	(2,617)	10,760	10,192
Net cash (used in) generated investing activities	(515,845)	395,654	(54,509)	(22,273)	(11,628)	3,626	(7,867)	2,846
Net cash (used in) generated from financing activities	(1,698,148)	(5,523,404)	(34,608)	3,957	9,225	(861)	(2,897)	(13,168)
Increase (decrease) in cash and cash equivalents	73,071	(2,058,940)	(23,482)	(9,826)	(143)	148	(4)	(130)
Cash and cash equivalents at beginning of the year	173,625	2,232,565	67,475	77,302	148	-	6	136
Cash and cash equivalents at end of the year	246,696	173,625	43,993	67,476	5	148	2	6

5.12 Property, plant and equipment, intangible assets and right-of-use

Accounting policy:

Impairment

The Company annually reviews impairment indicators for intangible assets with defined useful lives and fixed assets. In addition, an impairment test is carried out for goodwill and intangible assets with an indefinite useful life. Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The recoverable amount is determined based on the value in use calculations, using the discounted cash flow determined by Management based on budgets and projections that take into account the assumptions related to each cash-generating unit, such as: estimates of future performance business, cash generation, long-term growth and discount rates.

For the purpose of analyzing impairment, concession contracts were defined as cash-generating units, each registered with an individual company. The basis for annual assessment and testing is September 30.

Analysis of impairment

The Company annually tests the recoverable amount of goodwill due to the expectation of future results arising from a business combination. Assets subject to depreciation and amortization are only tested if there are indications that the book value is not recoverable.

During the year ended December 31, 2022, the Company did not identify additional indicators of impairment, so that no impairment test was necessary for fixed assets, rights of use and intangible assets with a defined useful life.

The subsidiary Rumo Malha Oeste, which recorded a provision for impairment in 2020, did not show improvement in the indicators that motivated the provision, so that a full provision was maintained for this cash-generating unit.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

The Company also evaluated the effects of the COVID-19 pandemic on the other cash-generating units and Management did not detect any deterioration in the medium and long-term indicators.

The determination of the recoverability of the assets depends on certain key assumptions, as previously described, which are influenced by the market, technological and economic conditions in force at the time that this recovery is tested and, therefore, it is not possible to determine whether new losses due to recovery will occur in the future and, if they occur, whether they would be material.

5.12.1 Investment Properties

Accounting policy:

Investment properties are held to earn rental income, but not for sale in the ordinary course of business, use in the production or supply of products or services or for administrative purposes.

The Company has determined, based on its assessment of the terms and conditions of the contracts, that it assumes substantially all the significant risks and benefits related to the ownership of the assets. Thus, the parent (as lessor) accounts for assets as investment property and leases as operating leases.

It keeps its investment property measured at cost less depreciation, which is calculated based on the estimate of its economic utility.

On June 16, 2021, the Company exercised a purchase option over an area (land/property) of 339.07 hectares called Rondonópolis terminal, in the amount of R\$ 184,100 (historical cost), which is leased to its subsidiary Rumo Malha North. As of December 31, 2022, the residual value of this property is R\$ 174,422 (R\$ 180,534 on December 31, 2021).

5.12.2 Property, Plant and Equipment**Accounting policy:****Recognition and measurement**

Property, plant and equipment items are measured at cost, less accumulated depreciation and any accumulated losses due to impairment.

Subsequent expenses are capitalized only when it is probable that the future economic benefits associated with the expenses will flow to the Company. Continuous repairs and maintenance are expensed for when incurred.

Assets are depreciated from the date they are available for use or, in relation to built assets, from the date the asset is completed and ready for use.

Depreciation is calculated on the book value of property, plant and equipment minus estimated residual values using the straight-line basis over its estimated useful life, recognized in profit or loss, unless it is capitalized as part of the cost of another asset. Land is not depreciated. The estimated useful lives of the assets are as follows:

Building and improvements	4% - 5%
Machinery, equipment and installations	8% - 11%
Other	2% - 20%
Freight cars	2.9% - 6%
Locomotives	3.3% - 8%
Track structure	3% - 4%
Furniture and fixture	10% - 15%
Computer equipment	20%

Depreciation methods, such as useful lives and residual values, are reviewed at the end of each year, or when there is a significant change in an expected consumption pattern, such as a relevant incident and technical obsolescence. Any adjustments are recognized as changes in accounting estimates, if appropriate.

Notes to financial statements

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Reconciliation of book value

	Consolidated						Parent Company
	Land, buildings and improvements	Machinery, equipment and facilities	Freight cars and locomotives ⁽ⁱ⁾	Track structure	Construction in progress	Other assets	Total
Cost:							
At January 1, 2021	1,389,422	1,173,155	8,928,019	9,249,875	2,752,751	869,955	24,363,177
Additions	1,216	426	1,685	6,502	3,558,060	586	3,568,475
Write-off	-	(34,036)	(117,585)	(758)	-	(82,350)	(234,729)
Transfers	410,812	528,479	1,134,327	1,360,830	(3,361,473)	12,513	85,488
At January 1, 2022	1,801,450	1,668,024	9,946,446	10,616,449	2,949,338	800,704	27,782,411
Additions	-	6,002	772	11,120	2,882,475	-	2,900,369
Write-off	(2,835)	(3,178)	(61,536)	(52)	-	(46,419)	(114,020)
Transfers	176,966	123,572	342,320	1,626,037	(2,355,451)	32,196	(54,360)
Write-off due disposal of investment	(396,614)	(528,452)	-	-	(22,841)	(4,929)	(952,836)
At December 31, 2022	1,578,967	1,265,968	10,228,002	12,253,554	3,453,521	781,552	29,561,564
Depreciation and Impairment:							
At January 1, 2021	(484,304)	(564,688)	(4,716,233)	(4,399,318)	(13,379)	(539,007)	(10,716,929)
Additions	(82,350)	(176,813)	(532,542)	(550,970)	-	(19,458)	(1,362,133)
Write-off	3,899	33,919	105,967	196	-	77,832	221,813
Transfers	(24,535)	9,548	67,092	(2,603)	-	(102)	49,400
At January 1, 2022	(587,290)	(698,034)	(5,075,716)	(4,952,695)	(13,379)	(480,735)	(11,807,849)
Additions	(60,387)	(144,851)	(566,999)	(670,921)	-	(18,996)	(1,462,154)
Write-off	-	2,404	51,591	8	-	48,620	102,623
Transfers	(15,734)	27,032	139	23,931	-	83	35,451
Write-off due disposal of investment	208,661	406,945	-	-	-	3,947	619,553
At December 31, 2022	(454,750)	(406,504)	(5,590,985)	(5,599,677)	(13,379)	(447,081)	(12,512,376)
At January 1, 2022	1,214,160	969,990	4,870,730	5,663,754	2,935,959	319,969	15,974,562
At December 31, 2022	1,124,217	859,464	4,637,017	6,653,877	3,440,142	334,471	17,049,188

(i) On December 31, 2022, freight car and locomotives in the cost amount of R\$ 745,203, were pledged to guarantee bank loans (Note 5.5).

Capitalization of borrowing costs

In the year ended December 31, 2022, capitalized loan costs were R\$ 86,614 (R\$ 70,609 as of December 31, 2021), using an average funding rate of 13.25% (11.81% on December 31, 2021).

5.12.3 Intangible assets and goodwill

Accounting policy:

Intangibles are initially recorded at cost (either by purchase, development or as part of a business combination), less amortization and accumulated losses due to impairment.

All other expenses are recognized in the income statement as incurred.

Except for goodwill, intangible assets are amortized on a straight-line basis over their estimated useful lives, from the date they are available for use or acquired.

<u>Intangible (except goodwill)</u>	<u>Annual rate of amortization - %</u>
Software	20.00%
Operating license	3.70%
Concession rights	1.59%

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Notes to financial statements

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

			Consolidated			Parent Company
	Goodwill ⁽ⁱ⁾	Concession rights ⁽ⁱⁱ⁾	Operating license	Other	Total	Total
Cost:						
At January 1, 2021	100,451	8,017,958	343,348	230,477	8,692,234	614,854
Additions	-	-	35,834	922	36,756	35,834
Write-off	-	-	-	(3,790)	(3,790)	(1,601)
Transfers	-	(40,340)	-	24,611	(15,729)	546
At January 1, 2022	100,451	7,977,618	379,182	252,220	8,709,471	649,633
Additions	-	-	2,605	-	2,605	2,604
Disposals	-	-	-	595	595	-
Transfers	-	-	(1,911)	20,687	18,776	(1,911)
Write-off due disposal of investment	(62,922)	(5,403)	(317,148)	(15,044)	(400,517)	-
At December 31, 2022	37,529	7,972,215	62,728	258,458	8,330,930	650,326
Amortization:						
At January 1, 2021	-	(1,124,309)	(155,449)	(161,044)	(1,440,802)	(304,158)
Additions	-	(121,481)	(11,838)	(21,614)	(154,933)	(38,578)
Write-off	-	-	-	3,790	3,790	1,602
Transfers	-	20,946	-	(6,827)	14,119	16
At January 1, 2022	-	(1,224,844)	(167,287)	(185,695)	(1,577,826)	(341,118)
Additions	-	(120,156)	(8,879)	(22,119)	(151,154)	(38,460)
Disposals	-	-	-	(155)	(155)	-
Transfers	-	-	-	(60)	(60)	-
Write-off due disposal of investment	-	5,403	157,743	9,425	172,571	-
At December 31, 2022	-	(1,339,597)	(18,423)	(198,604)	(1,556,624)	(379,578)
At January 1, 2022	100,451	6,752,774	211,895	66,525	7,131,645	308,515
At December 31, 2022	37,529	6,632,618	44,305	59,854	6,774,306	270,748

(i) Goodwill from a business combination from previous years from subsidiary Logisport, presented only in the consolidated.

(ii) Refers to the concession contract of Rumo Malha Norte. The asset was identified and measured at fair value in the business combination between Rumo and ALL. The amount will be amortized until the end of the concession in 2079, being recorded in the income statement, under costs of services provided, in the depreciation and amortization group.

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

5.12.4 Right-of-use

Accounting policy:

The right-to-use asset is initially measured at cost, which comprises the initial measurement value of the lease liability, adjusted for any lease payments made up to that of the start date, plus any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in disassembling and removing the underlying asset, restoring the location in which it is located or restoring the underlying asset to the condition required by the lease terms and conditions, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the lessee at the end of the lease term, or if the cost of the right-of-use asset reflect that the lessee will exercise the call option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

	Consolidated						
	Land, buildings and improvements	Machinery, equipment and facilities	Freight cars and locomotives	Software	Vehicles	Port and track structure	Total
Cost amount:							
At January 1, 2020	270,370	30,576	933,325	82,369	13,925	7,462,367	8,792,932
Additions	-	29,168	43	-	13,188	15,108	57,507
Contractual adjustment	41,618	47,577	5,242	4,659	41	282,497	381,634
Transfers to permanent assets	(230,004)	-	-	-	-	40,340	(189,664)
At January 1, 2022	81,984	107,321	938,610	87,028	27,154	7,800,312	9,042,409
Additions	52,351	63,347	1,006	-	34	111,458	228,196
Contractual adjustment	2,283	52,972	3,480	(1,079)	1,540	155,734	214,930
Transfers to permanent assets	-	-	-	-	-	(106,363)	(106,363)
At December 31, 2022	136,618	223,640	943,096	85,949	28,728	7,961,141	9,379,172
Amortization:							
At January 1, 2020	(95,558)	(6,191)	(360,740)	(12,534)	(13,029)	(481,479)	(969,531)
Additions	(17,451)	(8,962)	(38,478)	(4,425)	(773)	(274,228)	(344,317)
Transfers to permanent assets	77,310	-	-	-	-	(20,930)	56,380
At January 1, 2022	(35,699)	(15,153)	(399,218)	(16,959)	(13,802)	(776,637)	(1,257,468)
Additions	(23,018)	(76,107)	(34,990)	(4,015)	(4,732)	(267,093)	(409,955)
Transfers to permanent assets	-	-	-	-	-	20,535	20,535
At December 31, 2022	(58,717)	(91,260)	(434,208)	(20,974)	(18,534)	(1,023,195)	(1,646,888)
At January 1, 2022	46,285	92,168	539,392	70,069	13,352	7,023,675	7,784,941
At December 31, 2022	77,901	132,380	508,888	64,975	10,194	6,937,946	7,732,284

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

(i) The change represents the write-off of the right-of-use balances of Companhia Elevações Portuárias, which is no longer controlled, due to the sale of the equity interest (Note 4.7).

5.13 Other taxes payable

Accounting policy:

The Company is subject to different taxes and contributions, such as municipal, state and federal taxes, taxes on deposits and withdrawals from bank accounts, taxes on turnover, regulatory fees and income tax, among others, which represent an expense for the Company. It is also subject to other taxes on its activities that generally do not represent an expense.

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
ICMS - State VAT	180	259	2,531	12,523
INSS - Social security	487	171	10,575	10,526
PIS - Social integration program	2,569	5	2,619	1,753
COFINS - Social security financing contribution	11,834	70	12,627	11,223
Installment of tax debts	902	902	902	649
ISS - Municipal service tax	-	-	11,144	8,906
IOF - Tax on financial operations	-	75	-	2,647
Other	673	246	9,851	8,215
	16,645	1,728	50,249	56,442
Current	16,645	1,728	50,080	56,046
Non-current	-	-	169	396
	16,645	1,728	50,249	56,442

The amounts due in non-current liabilities have the following maturity schedule:

	Consolidated	
	December 31, 2022	December 31, 2021
From 97 months	169	396
	169	396

5.14 Income tax and social contribution

Accounting policy:

The combined rate of income tax and social contribution is 34%, and the effect is recognized in the income statement, except if it arises from a business combination, or from items directly recognized in equity or other comprehensive income.

i. Current tax

It is the tax payable or receivable expected on the taxable profit or loss for the year, using the rates in force at the balance sheet date, and any adjustment to taxes payable in relation to previous years.

ii. Deferred tax

It is recognized in relation to temporary differences between the carrying amounts of assets and liabilities and the respective amounts for tax purposes. Deferred tax is not recognized for:

- a) temporary differences in the initial recognition of the asset or liability in a transaction that is not a business combination and that affects neither the accounting result nor the tax profit or loss;
- b) temporary differences related to investments in subsidiaries, associates and jointly controlled companies, insofar as the Company is able to control the timing of the reversal of temporary differences and it is likely that they will not reverse in the foreseeable future; and
- c) taxable temporary differences resulting from the initial recognition of goodwill.

A differentiated tax asset is recognized in relation to unused tax losses and deductible temporary differences, to the extent that it is probable that the available future taxable profits against which they will be used.

The measurement of deferred tax reflects the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the rates expected to be applied to temporary differences in their reversal.

Notes to financial statements
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Deferred tax assets and liabilities are offset if there is a legally applicable right to offset current tax liabilities and assets, and if they relate to taxes levied by the same tax authority on the same taxable entity.

iii. Fiscal exposure

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment is based on estimates and assumptions and may involve a series of judgments about future events. New information may become available, which may cause the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes in tax obligations will impact tax expenses in the period in which such determination is made.

iv. Recoverability of deferred income tax and social contribution

When assessing the recoverability of deferred taxes, Management considers the projections of future taxable profits and the movements of temporary differences. When part or all of the taxes are not likely to be realized, the tax asset is reversed. There is no deadline for using tax losses and negative bases, but the use of these accumulated losses from previous years is limited to 30% of annual taxable profits.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

a) Reconciliation of income tax and social contribution expenses

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Result before income tax and social contribution	633,164	198,239	707,137	159,794
Income tax and social contribution expense at nominal rate (34%)	(215,276)	(67,401)	(240,427)	(54,330)
Adjustments to determine the effective rate				
Equity pick-up	148,904	125,948	13,757	4,371
Result of companies abroad	-	-	13,013	631
Exploration profit ⁽ⁱ⁾	-	-	197,307	199,687
Unrecognized NOLs and temporary differences ⁽ⁱⁱ⁾	(36,459)	(88,875)	(211,852)	(202,089)
Effect of amortization of goodwill	(16,869)	(16,869)	1,271	1,271
Selic tax overpayment	3,551	-	32,188	-
Other	(2,075)	(504)	1,627	46,406
Tax and social contribution (current and deferred)	(118,224)	(47,701)	(193,116)	(4,053)
Effective rate - %	18.67%	24.06%	27.31%	2.54%

- (i) The Company obtained, through the Superintendence for the Development of the Amazon - SUDAM, the right to a 75% reduction in the corporate income tax - IRPJ and non-refundable surcharges calculated on the exploration profit, as it is located in the area covered by the Legal Amazon and because the transport sector is considered a priority undertaking for regional development. Tax incentives are recorded at fair value when there is reasonable certainty that: (a) the Company will meet the requirements related to the incentive; (b) the incentive will be received. Effects are recorded in income to offset the costs or expenses that the incentive is intended to offset.
- (ii) Refers mainly to tax losses and temporary differences of the Company, Rumo Malha Sul and Rumo Malha Oeste, which, under current conditions, do not meet the requirements for accounting for said income tax and social contribution assets deferred due to the lack of predictability of future generation of tax profits.

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

b) Deferred income tax assets and liabilities

The tax effects of temporary differences that give rise to significant parts of the Company's deferred tax assets and liabilities are shown below:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Assets credits from:				
Tax losses carry forwards - income tax	35,687	20,909	1,243,562	991,795
Tax losses of social contribution	12,847	7,527	448,899	358,263
Temporary differences:				
Provision for judicial demands	31,872	36,796	100,419	113,838
Impairment provision	31,110	30,327	34,469	34,704
Allowance for doubtful accounts	69	211	7,948	7,697
Provision for non-performing tax	-	-	31,491	29,511
Provision for profit sharing	1,078	3,018	37,227	33,921
Exchange variation - Loans and financing	3,081	18,971	117,370	171,517
Review of useful life - Fixed assets	-	-	-	7,325
Fair value adjustment on debts	-	-	-	49,323
Business combination - Fixed assets	1,854	1,964	36,535	47,138
Transactions with share-based payments	39,679	28,930	39,679	28,930
Lease liabilities	-	-	165,227	195,235
Unrealized result from derivatives	2,732	-	321,422	46,100
Temporary differences from other provisions	12,741	5,229	66,523	50,271
Other	17,840	8,532	190,736	234,464
Deferred taxes - Assets	190,590	162,414	2,841,507	2,400,032
Liabilities credits from:				
Temporary differences:				
Exchange variation - Loans and financing	-	-	(60,340)	(717)
Business combination - Fixed assets	-	-	(22,105)	(22,820)
Tax goodwill amortized	-	-	(2,068)	(24,838)
Lease liabilities	(295)	(826)	(9,192)	(7,672)
Unrealized result from derivatives	-	(27,191)	(120,184)	(281,191)
Fair value adjustment on debts	(243,360)	(138,921)	(482,120)	(175,497)
Review of useful life - Fixed assets	(6,336)	(4,637)	(226,505)	(154,676)
Business combination - Intangible assets	(53,846)	(57,190)	(2,311,674)	(2,355,879)
Other	-	-	(105,692)	(73,835)
Deferred taxes - Liabilities	(303,837)	(228,765)	(3,339,880)	(3,097,125)
Total deferred taxes	(113,247)	(66,351)	(498,373)	(697,093)
Deferred assets	-	-	1,869,764	1,662,572
Deferred liabilities	(113,247)	(66,351)	(2,368,137)	(2,359,665)
Total	(113,247)	(66,351)	(498,373)	(697,093)

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

c) Realization of deferred income tax and social contribution

The Company evaluated the term for offsetting its deferred tax credits on tax losses, negative social contribution basis, and temporary differences by projecting its taxable profit over the term of the concessions. The projection was based on economic assumptions of inflation and interest, volume transported based on the growth of agricultural production, and exports projected in its areas of operation and market conditions for its services, validated by management. In the year ended December 31, 2022, the Company continued to monitor the observed impacts of the COVID-19 pandemic, evaluated the impacts of the increase in interest rates and considered that the potential effects should not affect the medium and long-term projections to the point of jeopardizing the realization balances. The results projected by the Company generate the following expected realization on December 31, 2022:

	Deferred asset
2023	141,251
2024	46,893
2025	46,675
2026	69,773
2027	131,021
2028 a 2033	884,825
2034 a 2038	549,326
Total	<u>1,869,764</u>

d) Deferred tax movements

	Consolidated
At January 1, 2021	<u>(1,244,307)</u>
Income statement	546,475
Actuarial liability	(72)
Others	811
At January 1, 2021	<u>(697,093)</u>
Income statement	218,320
Actuarial liability	(36)
Write-off due to disposal of investment	(19,638)
Other	74
At December 31, 2022	<u>(498,373)</u>

e) Analytical movement of deferred tax

i. Deferred tax assets

	Tax loss and negative basis	Provisions	Exchange variation	Review of useful life - Fixed assets	Adjustment to fair value of debt	Business combination - Fixed assets	Transactions with share-based payments	Lease liabilities	Unrealized income from derivatives	Other	Total
At January 1, 2021	980,224	166,677	595,580	297,274	525,968	58,255	14,009	4,468	-	281,473	2,923,928
(Charged) / credited to the result of the year	369,834	52,994	-	(289,949)	(476,645)	(11,117)	14,921	190,767	46,100	3,262	(99,833)
Exchange differences	-	-	(424,063)	-	-	-	-	-	-	-	(424,063)
At December 31, 2021	1,350,058	219,671	171,517	7,325	49,323	47,138	28,930	195,235	46,100	284,735	2,400,032
(Charged) / credited to the result of the year	342,403	(8,117)	-	(7,325)	(49,323)	(10,603)	10,749	(30,008)	275,322	(27,476)	495,622
Exchange differences	-	-	(54,147)	-	-	-	-	-	-	-	(54,147)
At December 31, 2022	1,692,461	211,554	117,370	-	-	36,535	39,679	165,227	321,422	257,259	2,841,507

ii. Deferred tax liabilities

	Tax goodwill amortized	Exchange variation	Review of useful life - Fixed assets	Adjustment to fair value of debt	Business combination - Fixed assets	Business combination - Intangible assets	Lease liabilities	Unrealized income from derivatives	Other	Total
At January 1, 2021	(24,838)	(185)	(5,728)	-	(23,349)	(2,400,754)	(205,844)	(1,460,774)	(46,763)	(4,168,235)
(Charged) / credited to the result of the year	-	-	(148,948)	(175,497)	529	44,875	198,172	1,179,583	(27,072)	1,071,642
Exchange differences	-	(532)	-	-	-	-	-	-	-	(532)
At December 31, 2021	(24,838)	(717)	(154,676)	(175,497)	(22,820)	(2,355,879)	(7,672)	(281,191)	(73,835)	(3,097,125)
(Charged) / credited to the result of the year	22,770	-	(71,829)	(306,623)	715	44,205	(1,520)	161,007	(31,857)	(183,132)
Exchange differences	-	(59,623)	-	-	-	-	-	-	-	(59,623)
At December 31, 2022	(2,068)	(60,340)	(226,505)	(482,120)	(22,105)	(2,311,674)	(9,192)	(120,184)	(105,692)	(3,339,880)

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

5.15 Provision for lawsuits and deposits

Accounting policy:

They are recognized as other expenses when the Company has a present or non-formalized obligation as a result of past events; an outflow of resources is likely to be necessary to settle the obligation; and the amount was safely estimated.

The assessment of the loss of probability includes the available evidence, the hierarchy of laws, the jurisprudence, the most recent judicial decisions and the relevance in the legal system, as well as the opinion of external lawyers. Provisions are reviewed and adjusted for circumstances, such as the statute of limitations, conclusions of tax inspections or additional exposures identified based on new matters or court decisions.

Provisions for lawsuits resulting from business combinations are estimated at fair value.

As of December 31, 2022 and 2021, the Company records provisions for legal claims in relation to:

Provision for judicial demands				
	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Taxes	5,447	2,328	89,637	81,375
Civil, regulatory and environmental	56,306	57,486	349,521	313,930
Labor	31,852	43,305	285,464	285,774
	93,605	103,119	724,622	681,079

Judicial deposits				
	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Taxes	52,545	13,349	91,125	48,183
Civil, regulatory and environmental	1,102	2,507	41,123	49,270
Labor	7,477	15,474	104,919	206,580
	61,124	31,330	237,167	304,033

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

Changes in provisions for legal claims:

	Parent Company			
	Taxes	Civil, regulatory and environmental	Labor	Total
At January 1, 2021	2,235	17,782	32,791	52,808
Provision	19	22,100	12,277	34,396
Settlement or write-offs	-	(17,288)	(12,373)	(29,661)
Monetary restatement ⁽ⁱ⁾	74	34,892	10,610	45,576
At December 31, 2021	2,328	57,486	43,305	103,119
Provision	5,143	15,292	12,553	32,988
Settlement or write-offs	(7,325)	(61,065)	(40,938)	(109,328)
Monetary restatement ⁽ⁱ⁾	5,301	44,593	16,932	66,826
At December 31, 2022	5,447	56,306	31,852	93,605

	Consolidated			
	Taxes	Civil, regulatory and environmental	Labor	Total
At January 1, 2021	79,447	150,173	243,484	473,104
Provision	1,879	47,913	97,751	147,543
Settlement or write-offs	(1,413)	(38,091)	(99,268)	(138,772)
Monetary restatement ⁽ⁱ⁾	1,462	153,935	43,807	199,204
At December 31, 2021	81,375	313,930	285,774	681,079
Provision	13,870	88,552	139,611	242,033
Settlement or write-offs	(20,717)	(206,168)	(250,380)	(477,265)
Monetary restatement ⁽ⁱ⁾	15,109	153,207	110,459	278,775
At December 31, 2022	89,637	349,521	285,464	724,622

(i) Includes write-off of interest.

The Company has debts guaranteed by assets or even by means of a cash deposit, bank guarantee or guarantee insurance.

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

a) Probable losses

- **Taxes:** The main tax proceedings for which the risk of loss is probable are described below:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
ICMS- State VAT- credit ⁽ⁱ⁾	-	-	50,370	50,588
PIS and COFINS	-	-	2,197	2,084
INSS - National Social Security Institute	1,049	677	9,182	25,275
IPTU - Urban Property and Territorial Tax	25	-	3,098	-
IRPJ and CSLL	3,014	-	3,024	-
Other	1,359	1,651	21,766	3,428
	5,447	2,328	89,637	81,375

- (i) The amount provisioned refers especially to tax assessment notices related to ICMS credits originating from materials used in the production process, but which, in the firm understanding, such materials would be classified as “use and consumption”, not generating the right to credit.

- **Civil, Environmental and Regulatory:** The main civil environmental and regulatory provisions are related to Public Civil Actions, commercial discussions with former clients, indemnities related to alleged damages, tax foreclosures arising from assessments by environmental agencies and regulatory agents..

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

b) Possible losses

The main processes for which we consider the risk of loss possible are described below:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Tributary	1,077,641	1,043,703	4,194,598	3,806,708
Civil, regulatory and environmental	666,293	392,792	4,313,883	4,562,663
Labor	100,177	113,659	713,213	788,764
	1,844,111	1,550,154	9,221,694	9,158,135

• **Tax:**

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Isolated fine federal tax ⁽ⁱ⁾	392,500	363,750	618,549	508,408
IRPJ/CSLL ⁽ⁱⁱ⁾	353,291	354,274	547,429	579,406
ICMS ⁽ⁱⁱⁱ⁾	-	-	1,153,479	952,284
IRRF ^(iv)	61,717	56,857	186,027	136,945
PIS/COFINS ^(v)	178,882	164,415	1,114,689	1,077,706
Foreign financial operations ^(vi)	-	-	8,944	8,450
MP 470 installment debts ^(vii)	-	-	142,166	155,069
Stock option plan ^(viii)	57,656	54,747	68,846	65,260
IOF on loan ^(ix)	18,170	17,204	149,323	136,286
Other	15,425	32,456	205,146	186,894
	1,077,641	1,043,703	4,194,598	3,806,708

- (i) The claims related to the isolated fine are substantially related to the following items a) the drawing up of notices of infraction on the alleged lack of payment of federal taxes (IRPJ, CSLL, PIS and COFINS), and alleged undue crediting of premium credit IPI, with application of isolated fine; and b) the Company was fined for disregarding the REPORTO tax benefits (suspension of PIS and COFINS), on the grounds that the locomotives and wagons purchased in the years 2010 to 2012 were used outside the limits of the port area. Consequently, PIS and COFINS were imposed, in addition to the isolated fine corresponding to 50% of the value of the goods acquired.

- (ii) Assessment notices requiring IRPJ and CSLL relating to: (a) Goodwill Malha Norte: Assessment notices drawn up for the collection of IRPJ and CSLL, accrued with default interest and ex officio and isolated fines. In the understanding of the Federal Revenue, Rumo Malha Norte would have unduly amortized the goodwill determined in the acquisition of the companies Brasil Ferrovias S/A and Novoeste Brasil S/A. (b) GIF, TPG and Teaçu goodwill. Infraction notices drawn up for the collection of IRPJ and CSLL, together with an ex-officio fine and default interest, in addition to a separate fine, for the following reasons: Deduction, from taxable income and CSLL calculation base, of the amount corresponding to amortization in acquisition of interest in Teaçu Armazéns Gerais S/A; Deduction, from taxable income and the CSLL calculation basis, of the amount corresponding to the amortization of goodwill paid by the companies TPG Participações S.A. and GIF LOG Participações S.A in the acquisition of shares issued by Rumo Logística S/A; (c) Labor Provisions: In 2009, on the allegation that the Company had excluded labor provisions from the calculation of taxable income and the adjusted CSLL calculation basis. According to the understanding of the Tax Authorities, the write-off of labor provisions were made by the Company without the individualization of processes (provisions and reversals), which would impact the tax calculation. The likelihood of loss is possible, considering the occurrence of the statute of limitations and that the Company complied with all tax rules regarding the addition and exclusion of provisions in the calculation of IRPJ and CSLL. (d) Furthermore, there are tax assessment notices issued by the Federal Revenue Service in 2011, 2013 and 2019 against the Company relating to: 1) disallowance of goodwill expense based on future profitability, as well as financial expenses; 2) non-taxation of alleged capital gain on the sale of equity interest in a company of the same economic group; and 3) alleged capital gain on merger of shares of companies of the same economic group. In 2019, we were definitely successful in terms of reducing the capital gain base. Adjusted contingency regarding final success.
- (iii) The ICMS claims are substantially related to the following items a) Infraction notices drawn up by the State Treasury Department for alleged non-payment of ICMS on rail transport services for goods destined for export; undue crediting of ICMS due to alleged bookkeeping in the Entry Book of amounts higher than those calculated in the Tax Books; undue crediting of ICMS for purchases supposedly classified as use and consumption. Fines of 50% of the tax amount and 100% of the amount of the credit considered undue were also included. All assessments were contested, since there is a position favorable to taxpayers consolidated in the higher courts, based on Precedent 649 of the STJ, as well as the Federal Constitution and Complementary Law 87/1996; b) the Tax Authorities of the State of Mato Grosso carried out the drafting of several Terms of Seizure and Deposit (TADs) aiming at the collection of ICMS and a fine of 50% on the value of the assessed operations, under the mistaken understanding that the exit operations of goods destined for export would have the DACTEs (Electronic Transport Bill of Lading Document) cancelled, with the alleged characterization of disreputable documentation, pursuant to articles 35-A and 35-B of State Law 7098/98. The Company contests the assessments and seeks to demonstrate to the Tax Authorities that the goods transported were duly covered by suitable tax documentation; c) collection of ICMS, for the years 2018 and 2019, on the acquisition of wagons due to the alleged non-exemption provided for by the Tax Regime for Incentive to Modernization and Expansion of Port Structure – REPORTO by the São Paulo tax authorities.

Notes to financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

- (iv) Rumo Malha Paulista had part of its IRPJ credit balance offset by the Federal Revenue Service based on the argument that the Company would not be entitled to IRRF offset on swap transactions.
- (v) The PIS and COFINS administrative demands are substantially related to the disallowance of PIS and COFINS credits by the non-cumulative system related to the following items: a) credits posted extemporaneously without prior rectification of tax returns; b) credits on expenses resulting from mutual traffic contracts; c) credits related to expenses with services classified as inputs in the activity carried out by the company that supposedly were not proven during the Inspection; d) credits on employee transportation expenses; e) credits related to expenses with electricity; f) credits on expenses with machine leasing and rentals that were not proven during the Inspection; g) credits on expenses in the acquisition of machines, equipment and other assets incorporated to the company's fixed assets and h) isolated fine corresponding to 50% of the value of the credits;
- (vi) Tax assessment notice drawn up to demand differences in IRPJ, CSL, PIS and COFINS, related to calendar years from 2005 to 2008, as a result of the following violations: a) undue calculation of PIS and COFINS credits on inputs used in the repair of locomotives; b) undue deduction from taxable income and CSL calculation base of financial expenses arising from loans entered into with financial institutions abroad; c) undue exclusion from taxable income and from CSL's calculation base of financial income arising from bonds issued by the government of Austria and by the government of Spain, the latter through the Instituto de Crédito Oficial ("ICO"), a company public to it bound; d) error in accounting and undue exclusion in taxable income and in the CSL calculation base of gains earned in swap operations and non-taxation of financial income earned with such contracts by PIS and COFINS; e) undue exclusion from the taxable income and the CSL calculation base realized as PIS and COFINS credits; f) undue exclusion from taxable income and from the calculation basis of the CSL realized as deferred CSL; and g) insufficient payment of prepayments of IRPJ and CSL, which led to the application of the ex officio fine in the percentage of 50%, concomitantly with the ex officio fines of 75%. In 2019, we were definitively successful with regard to the entirety of infractions "a", "b", "d", "e" and "f", as well as part of infraction "c", to recognize the possibility of exclusion the taxable income and the basis for calculating the CSL of the revenues arising from the Austrian public debt securities acquired on July 24, 2006 and, as a consequence, of part of infraction "g", to the extent of the partial cancellation of item "c" . Adjusted contingency regarding final success. The remainder of item "g" remains under administrative discussion. The discussion on the remainder of item "c" ended at the administrative level with follow-up at the judicial level.

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(In thousands of Brazilian Reais - R\$, unless otherwise stated)

- (vii) The Federal Revenue partially rejected requests for the installment payment of federal tax debts made by Rumo Malha Sul and Rumo Intermodal, on the grounds that the tax losses offered by the companies were not sufficient to settle the respective debts. The probability of loss is considered as possible, since the indicated losses existed and were available for that use.
- (viii) Infraction notices issued against the Company for the collection of social security contribution (20% of the amount paid) of amounts referring to the Stock Option Plan granted to employees, managers and third parties. The main basis for the assessment is the alleged remunerative nature.
- (ix) The IOF demands are substantially related to the following items a) The Federal Tax Authorities intend to enforce the IOF levy on current accounts held by the parent company for the affiliates/subsidiaries (most substantial part of the assessment). In the understanding of the tax authorities, the use of an accounting item such as advances on expenses to related companies, without a formal loan agreement, characterizes the existence of a current account, and the IOF due must be determined according to the rules specific to revolving credit operations . The notices of infraction are still being questioned at the administrative level, and b) Notice of Infraction drawn up by the Federal Tax Authorities against Rumo Malha Norte for alleged lack of payment of IOF in the period of 2017 and 2018, related to the collection in alleged financial transactions between the group companies, essentially on remittance of amounts resulting from mutual traffic between Malha Norte and Malha Paulista, contracts with Raízen and other amounts listed in other accounting accounts.

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(In thousands of Brazilian Reals - R\$, unless otherwise stated)

• **Civil, regulatory and environmental:**

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Civil (i) (ii) (vi) (viii)	348,295	157,503	1,858,966	2,700,703
Regulatory (iii) (iv)	317,104	234,155	1,441,298	1,156,243
Environmental (v) (vii)	894	1,134	1,013,619	705,717
	666,293	392,792	4,313,883	4,562,663

The main environmental and regulatory civil contingencies are related to Public Civil Actions, commercial discussions with former clients, indemnities related to alleged damages, assessments by environmental and regulatory bodies. With regard to large demands, the main cases are as follows:

- (i) Rumo Intermodal, when assuming the business activities of another Company, not belonging to the Group, assumed the payment responsibility related to the lawsuit arising from the discussion of the trademark, whose amount involved is R\$ 192,470. There was an equitable reduction in the amount to R\$15,000, with both parties appealing. If this third company loses the claim and is obliged to make the payment, it may sue Rumo for a return, based on such obligation. The lawsuit is in the process of liquidating the judgment, with a provision of R\$ 18,422 being set up for the claim.
- (ii) Rumo Malha Sul is a party to the execution of a conduct adjustment agreement entered into with the Federal Public Prosecutor's Office, in which the latter alleges that Rumo would not be transporting cargo in the Presidente Prudente region and, as a result, required the for the execution of a daily fine, as well as an increase in the amount of the fine. Rumo, in turn, filed a declaratory action to give the correct interpretation to the TAC, since its commitment was to try to get cargo in sufficient volume to carry out the transport. Periodically, the Company holds seminars in the region, but so far it has not managed to raise interest in providing services. The claims are at the lower court, awaiting a court decision. There was a request to suspend the demand for an attempt to reach an agreement. The total contingency of the case is R\$ 118,068, with 50% of the amounts provisioned and the remainder classified as possible.

- (iii) In November 2021, CADE, in the judgment of the administrative proceeding initiated from the representation of a former client, among other points, condemned the Company to pay a fine in the updated amount of R\$ 291,767, a decision that was upheld in the judgment of the declaration embargoes. The setting of such value goes against CADE's own precedents, either in relation to the calculation base or in relation to the rate used, which is why the Company filed an action for annulment of such decision, which is on appeal. Based on the technical analysis of its external legal team, the Company assesses as probable the risk of loss of an installment in the amount of R\$ 26,842 (for which it recorded a provision) and classifies the difference as a possible contingency.
- (iv) Rumo Malha Sul filed a lawsuit against ANTT seeking to prevent enrollment in CADIN due to alleged debts of quarterly installments of the concession contract, which were not paid due to compensation made with labor debts that were the obligation of the extinct Rede Ferroviária Federal S.A. There was a decision in favor of Rumo, preventing enrollment in the CADIN, as well as stating that it was possible to carry out the compensation of amounts. Currently, a survey of credits and debits is pending for administrative compensation. The amount involved is R\$ 127,820.
- (v) Rumo Malha Sul was fined in 2014 by IBAMA for alleged oil spills in violation of regulations. An administrative appeal was filed and a decision has been awaited at the administrative level since 2015. The amount involved is R\$ 158,967.
- (vi) Malha Paulista is a party to an indemnity action, filed by the former Rede Ferroviária Federal S/A (RFFSA), due to the deactivation of the railroad's electric traction system, whose claim amounts to R\$ 328,626. In February 2023, a judgment of dismissal was handed down.
- (vii) Rumo Malha Paulista was fined in 2013 by IBAMA (Brazilian Institute for the Environment and Natural Resources) for alleged damage to water resources. There was a defense. In September 2021, the Company requested the recognition of intercurrent prescription. Analysis on the merits of the matter is awaited. The amount involved is R\$ 199,981.
- (viii) Rumo Malha Paulista is a defendant, along with the Municipality of Jales and others, in a public civil action, in which the Public Prosecutor's Office alleges lack of structure for level crossings along the municipalities of the subsection of Jales, as well as the indiscriminate use of horns. The estimated risk is R\$ 130,349.

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

- Labor:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Labor claims	100,177	113,659	713,213	788,764
	100,177	113,659	713,213	788,764

In 2010, Prumo Engenharia Ltda. ("Prumo Engenharia"), a service provider for the then ALL – América Latina Logística SA ("ALL"), was accused of incurring in irregular labor practices while performing engineering services for the Company's subsidiary, currently Rumo Malha Paulista. Although Prumo Engenharia assumed full responsibility for the condition of the workers in question, Rumo Malha Paulista was improperly included, in the Company's view, in the Ministry of Labor's register of employers, and a preliminary injunction was granted determining the exclusion of said register until the final and unappealable decision of the judicial process, which is processed in secrecy of justice. Rumo entered into an agreement with the Attorney General's Office (AGU) whereby it committed to pay R\$ 3,000 to the Workers' Support Fund (FAT); in addition to creating a continuous monitoring program in human and labor rights for two years, to comply with labor obligations, as well as promoting two social programs, in addition to sponsoring the training of workers in a state of vulnerability and, finally, paying individual indemnities in the value of R\$ 510. The agreement was signed by the 83rd Labor Court of São Paulo and after ratification, the Public Ministry of Labor filed an appeal seeking to annul said agreement. The appeal is currently pending judgment. If Rumo does not comply with the agreement mentioned above, the Company may be included in the Ministry of Labor's register of employers. We estimate that the risk of losing the case (annulment of the agreement) is remote.

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The Public Ministry of Labor also filed a public civil action (ACP) against Malha Paulista, without the inclusion of Prumo in the dispute, requesting the payment of compensation for collective moral damages in the amount of R\$ 100,000 (among other commitments), judged partially upheld condemning the Company with obligations to do and not to do, as well as collective moral damages of R\$ 15,000. In addition to demonstrating that the Company did not participate in the practice of irregularities, the Company understands that the action should be filed against Prumo, which is discussed on appeal. The risk of loss is considered possible and the case is awaiting decision by the Superior Labor Court. Rumo entered into an agreement with the Public Ministry of Labor, in which it assumed the fulfillment of various obligations related to working conditions, as well as paid compensation in the amount of R\$ 20,000, destined to various social entities. The agreement was judicially approved by the Superior Labor Court. After approval, the Federal Attorney's Office filed an appeal questioning, only and solely, the allocation of the indemnity, since, in the view of the Federal Attorney's Office, the indemnity should be allocated to the FAT. The appeal awaits judgment. Any granting of the appeal will not impact Rumo. We assess the risk of provision as remote.

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5.16 Liabilities, provisions and commitments to the Granting Authority

The Company, through its subsidiaries, is a party to sub-concession and lease agreements with the Government. The main liabilities and provisions generated by the contracts are:

a) Installment of leases and concessions under litigation

Accounting policy:

The Company records in this account the balance of the lease installments involved in disputes with the granting authority. The initial registration occurs at the amount of the installment at maturity, by transferring the "Liabilities for leases" account. Subsequently, the values are corrected by Selic.

In this account, balances paid in installments with the Granting Authority are also maintained. The initial registration takes place at the amount that was leftover from the resolution of the dispute. The amounts are corrected by Selic until payment.

Balances payable as a concession for concession rights ("Concessions and grants") are also recorded in this account, initially recorded as a contra entry to intangible assets (Note 5.12.3). Subsequent measurement occurs at the effective rate.

	December 31, 2022	December 31, 2021
Court discussion:		
Rumo Malha Paulista S.A.	37,842	55,170
Rumo Malha Oeste S.A.	1,957,149	1,747,233
	1,994,991	1,802,403
Railroad concession:		
Rumo Malha Paulista S.A.	1,138,076	1,145,450
	1,138,076	1,145,450
Payables and grants:		
Rumo Malha Sul S.A.	81,112	85,713
Rumo Malha Paulista S.A.	118,655	20,682
Rumo Malha Central S.A.	18,576	-
	218,343	106,395
Total	3,351,410	3,054,248
Current	256,759	160,771
Non-current	3,094,651	2,893,477
	3,351,410	3,054,248

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Lease and concession under litigation:

On July 21, 2020, the Company filed with the National Land Transport Agency (ANTT), a request to join a third-party re-bidding process for the purpose of the Concession Agreement entered into between Malha Oeste and the Federal Government, through the Ministry of Transport ("Re-bidding Process"), pursuant to Law No. 13,448 of June 5, 2017 and regulated by Decree No. 9,957 of August 7, 2019. An amendment to the concession agreement was entered into and, due to this process, the parties' joint decision to suspend the economic and financial rebalancing action filed by Malha Oeste against the Federal Government, which had a decision of origin in the lower court and was awaiting judgment of appeal before the Federal Regional Court.

Judicial deposits related to the aforementioned lawsuits total:

	December 31, 2022	December 31, 2021
Rumo Malha Oeste S.A.	24,125	22,119
	24,125	22,119

Leases and grants under IFRS16 (Note 5.6)

	December 31, 2022	December 31, 2021
Leases:		
Rumo Malha Sul S.A.	542,996	623,155
Rumo Malha Paulista S.A.	539,900	508,169
Rumo Malha Oeste S.A.	185,324	216,101
Elevações Portuárias S.A. (Nota 4.7)	-	97,046
Portofer Transporte Ferroviário Ltda.	11,658	13,921
	1,279,878	1,458,392
Grants:		
Rumo Malha Paulista S.A. (renewal)	732,727	590,594
Malha Central S.A.	792,374	614,410
	1,525,101	1,205,004
Total	2,804,979	2,663,396
Current	350,719	274,774
Non-current	2,454,260	2,388,622
	2,804,979	2,663,396

b) Investment commitments

The sub-concession contracts to which the Company, through its subsidiaries, is a party, often include commitments to execute investments with certain characteristics during the term of the contract. We can highlight:

The renewal addendum to the concession of Malha Paulista, which foresees the execution long with the concession of a set of investment projects to increase capacity and reduce urban conflicts, estimated by the agency at R\$ 6,100,000 (value updated until December 2017). Of this amount, around R\$ 3,000,000 comprise the obligations, whose physical execution was 22% until the balance sheet date.

The Malha Central sub-concession contract provides for investments with a fixed term (one to three years from the signing of the contract), estimated by ANTT at R\$ 645,573. As of December 31, 2022, the physical execution of the obligation book projects was 76%.

As noted in note 4.7, the Company disposed of the controlling interest in Elevações Portuárias, as a result of which the commitments related to its concession agreement are no longer part of the Company's consolidated statement.

5.17 Shareholders' equity

a) Share capital

Accounting policy:

Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. Income tax related to transaction costs of an equity transaction is accounted for in accordance with the policy described in Note 5.14 - Income tax and social contribution.

The subscribed and fully paid-in capital on December 31, 2022 and December 31, 2021, is R\$ 12,547,842 and is represented by 1,854,158,791 registered common shares, with no value nominal.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

As of December 31, 2022, the Company's capital stock consists of the following:

	Ordinary shares	
	Quantity	%
Shareholders		
Cosan S.A.	562,529,490	30.34%
Julia Arduini	71,005,654	3.83%
Board of Directors	525,253	0.03%
Tresuary	1,780,457	0.10%
Free Float	1,218,317,937	65.71%
Total of Outstanding Shares	1,854,158,791	100.00%

b) Capital reserve

Accounting policy:

Capital Reserves are made up of amounts received by the Company and which do not pass through Income as revenue, as they refer to amounts intended to reinforce its capital, without having as counterpart any effort of the Company in terms of delivering goods or rendering services. Such reserves include goodwill on the issuance of shares, the sale of beneficiary shares and subscription bonuses. These are capital transactions with the partners.

The movement for the year consists of the transactions with shareholders highlighted below:

- c) Increase of R\$ 35,852 in transactions with payment based on shares;
- d) R\$ 18,556 decrease for the options on exercised shares;
- e) R\$ 111 decrease related to the effect of the distribution of dividends to preferred shareholders in the subsidiary Rumo Malha Norte.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

c) Legal reserve

Accounting policy:

It is constituted through the appropriation of 5% of net income for the year up to the limit of 20% of capital, in accordance with Law 6,404 / 76.

For the year ended December 31, 2022, the Company allocated the amount of R\$ 25,747 (R\$ 7,527 on December 31, 2021).

d) Treasury shares

On December 31, 2022, the Company had 1,780,457 treasury shares (839,673 on December 31, 2021), whose market price was R\$ 18.61 (R\$ 17.76 on December 31, 2021).

e) Profit Reserve

For the period ended December 31, 2022, the company did not allocate amounts to the profit reserve.

f) Other comprehensive income

	December 31, 2021	Base	Deferred tax	Net	December 31, 2022
Effects of foreign currency translation - Investee	32,319	1,689	-	1,689	34,008
Actuarial gains with pension plan	(1,662)	863	(36)	827	(835)
Attributed cost	2,359	445	-	445	2,804
Total	33,016	2,997	(36)	2,961	35,977

	At December 31, 2019	Base	Deferred tax	Net	December 31, 2021
Effects of foreign currency translation - Investee	29,394	2,925	-	2,925	32,319
Actuarial losses with pension plan	(2,622)	1,455	(495)	960	(1,662)
Attributed cost	2,804	(445)	-	(445)	2,359
Total	29,576	3,935	(495)	3,440	33,016

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

g) Dividends

On December 31, 2022, the Company allocated minimum mandatory dividends in the amount of R\$ 122,298, as shown below:

	December 31, 2022	December 31, 2021
Result for the period	514.940	150.538
Legal reserve	(25.747)	(7.527)
Calculation basis for mandatory minimum dividends	489.193	143.011
Mandatory minimum dividends	(122.298)	(35.753)

6 Detailed information on income statement

6.1 Net operating revenue

Accounting policies

i. Service revenue

Revenues from the provision of services are recognized when the Company transfers to the counterpart the significant risks and benefits inherent to the provision of services, when it is probable that the economic benefits associated with the transaction will flow to the Company, as well as when its related value and incurred costs can be reliably measured.

Service prices are fixed based on service orders or contracts. The Company's revenue basically consists of rail freight, road freight, container transport services and, until October 31, 2022, port lifting, which is why the above criteria are normally met insofar as the logistical service is provided.

ii. Deferred revenue

The Company has deferred revenue received from customers in order to invest in permanent assets in exchange for a rail transportation service contract, requiring future performance of services by the Company.

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

The following is a breakdown of the Company's revenue:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Gross revenue from sales of services	1,048,879	826,317	10,449,453	7,944,312
Taxes and deductions on sales of services	(64,282)	(53,603)	(607,945)	(504,680)
Net revenue	984,597	772,714	9,841,508	7,439,632

The Company provides services in the Brazilian domestic market, to private entities. The agreements with customers establish substantially fixed prices per transported or elevated ton. The services provided by the Company have a very short period of execution, with the revenue earned and recorded as the services are performed. Regarding the nature of the services provided, net revenue has the following composition:

Breakdown of net revenue by service:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Cargo transportation	984,597	772,714	9,182,540	6,847,070
Cargo elevation	-	-	415,100	418,657
Right of passage	-	-	198,289	156,229
Other	-	-	45,579	17,676
Net revenue	984,597	772,714	9,841,508	7,439,632

6.2 Costs and expenses by nature

Expenses are presented in the income statement by function. The reconciliation of expenses by nature / purpose is as follows:

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Material for use and consumption	(1,444)	(1,005)	(188,664)	(154,970)
Employee benefit expense	(14,139)	(26,965)	(1,192,904)	(1,153,700)
Depreciation and amortization	(105,089)	(105,041)	(1,966,945)	(1,830,683)
Third-party services expense	(10,347)	(10,291)	(460,315)	(397,241)
Transportation and elevation expenses	(680,054)	(544,877)	(3,074,624)	(2,128,043)
Other expenses	(14,782)	(16,454)	(310,889)	(199,101)
	(825,855)	(704,633)	(7,194,341)	(5,863,738)
Cost of services provided	(803,005)	(666,587)	(6,695,148)	(5,352,040)
Selling expenses	416	60	(30,619)	(38,959)
General and administrative expenses	(23,266)	(38,106)	(468,574)	(472,739)
	(825,855)	(704,633)	(7,194,341)	(5,863,738)

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

6.3 Other operating income (expenses), net

	Parent Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net effect of judicial proceedings	(21,387)	(36,632)	(238,703)	(152,185)
Rental and leases revenue	21,479	39,202	479	-
Result on sale of scrap / eventual	6,390	1,836	101,816	64,541
Result on disposals of fixed assets and intangible assets	(990)	(63)	(1,906)	30,325
Extemporaneous tax credit	(910)	988	97,765	49,894
Gains on disposal of equity interest ⁽ⁱ⁾	955,584	-	955,584	-
Settlement of disputes in the renewal process and grant review ⁽ⁱⁱ⁾	-	-	(90,022)	52,963
Result in closing the legal dispute ⁽ⁱⁱⁱ⁾	(396,818)	-	(396,818)	-
Reform of assets allocated to income ^(iv)	-	-	(32,924)	(40,191)
Other	(13,725)	(5,053)	(46,728)	(74,364)
	549,623	278	348,543	(69,017)

(i) Gain from the sale of equity interest (and control) in Elevações Portuárias S.A. (see note 4.7).

(ii) In the period ended December 31, 2021, it refers to the reversal of registered lease liabilities in dispute, due to labor claims from lawsuits for recourse. In the period ended December 31, 2022, there was a supplement to the grant resulting from the annual revisions of the sub-concession agreements.

(iii) Effect of the conclusion of the legal agreement with the company Farovia S.A. (see note 4.8).

(iv) Cost of asset renovations recognized directly in profit or loss by subsidiary with provision for impairment of assets.

6.4 Financial results

Accounting policy:

Financial income includes interest income on invested funds, dividends, gains on the fair value of financial assets measured at fair value through profit or loss, gains on hedge instruments that are recognized in the result and reclassifications of net gains previously recognized in other comprehensive income. Interest income is recognized as it is recognized in the income statement, using the effective interest rate method.

Financial expenses include interest expense on loans, settlement of the discount of provisions and deferral, losses on the disposal of financial assets available for sale, losses on the fair value of financial assets at fair value through profit or loss, impairment losses recognized financial assets (other than accounts receivable), losses on hedge instruments that are recognized in the income statement and reclassifications of net losses previously recognized in other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Exchange gains and losses on financial assets and financial liabilities are reported on a net basis as financial income or financial cost, depending on whether net foreign currency fluctuations result in a gain or loss position.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

The details of financial income and costs are as follows:

	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Cost of gross debt				
Interest and monetary variation	(597,535)	(691,711)	(1,592,595)	(1,596,347)
Net exchange rate changes on debts	7,356	(40,080)	378,229	(473,854)
Result from derivatives and fair value	(86,757)	378,448	(906,422)	1,443,755
Early settlement premium and funding expenses	(59,613)	(40,665)	(179,811)	(329,346)
Guarantees and warranties on loans	(1,562)	(2,701)	(26,287)	(36,628)
	(738,111)	(396,709)	(2,326,886)	(992,420)
Cash investment income	151,981	40,759	918,230	310,736
	151,981	40,759	918,230	310,736
	-	-	-	-
Cost of debt, net	(586,130)	(355,950)	(1,408,656)	(681,684)
Other charges and monetary variations	-	-	-	-
Interest on other receivables	142,824	168,406	190,390	88,398
Lease and concessions under litigation	-	-	(390,773)	(133,173)
Lease liabilities	(3,895)	-	(360,080)	(398,737)
Banking expenses and other	(21,633)	(3,315)	(47,826)	(26,258)
Interest on contingencies and commercial contracts	(33,100)	(33,981)	(240,280)	(212,380)
Foreign exchange e derivatives	2,677	(2,830)	(3,370)	(16,098)
Interest on other liabilities	(13,897)	(12,887)	(68,440)	19,992
	72,976	115,393	(920,379)	(678,256)
Finance result, net	(513,154)	(240,557)	(2,329,035)	(1,359,940)
Reconciliation				
Financial expenses	(731,235)	(785,260)	(2,906,092)	(2,712,877)
Financial income	294,805	209,165	1,108,620	399,134
Exchange variation	10,033	(42,910)	374,859	(489,952)
Derivatives	(86,757)	378,448	(906,422)	1,443,755
Finance result, net	(513,154)	(240,557)	(2,329,035)	(1,359,940)

6.5 Share-based payment

Accounting policy:

The fair value of share-based payment benefits on the grant date is recognized, as personnel expenses, with a corresponding increase in shareholders' equity, for the period in which employees unconditionally acquire the right to benefits.

The amount recognized as an expense is adjusted to reflect the number of shares for which it is expected that the service conditions and acquisition conditions (which are not market) will be met, in such a way that the amount finally recognized as an expense is based on the number of shares that actually meet the conditions of the service and non-market acquisition conditions on the date on which the payment rights are acquired (vesting date).

For non-vested share-based payment benefits, the fair value on the share-based payment grant date is measured to reflect such conditions and there is no change to differences between expected and actual benefits.

a) Description of the agreements

The Company has a Share-Based Compensation Plan, providing for the distribution of shares issued by the Company to executives and managers of the Company and its subsidiaries, through the "Stock Plan" or the "Option Plan".

The compensation plan provides for the distribution of up to 3% of the Company's capital stock on the plan approval date (2.17% of the capital as of December 31, 2021), already considering the dilution effect of the distribution of shares granted under the plan. The plan aims to: (i) attract, retain and motivate beneficiaries; (ii) generate value for shareholders; (iii) encourage the entrepreneurial vision of the business; and (iv) encourage the execution of the Company's expansion plan.

Notes to financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

The programs (shares/options) are managed by the Company's Board of Directors, or, at its discretion, by a Committee, within the limits established in the guidelines for the preparation and structuring of each program and in the applicable legislation.

It is up to the Board to determine the beneficiaries and the number of shares/options to be granted in the Share-Based Compensation Plan, shares that will be transferred upon payment of the exercise price (R\$ 0.01), once the grace period has been completed. stipulated under the terms of each Share Grant Program, the amount being adjusted by the number proportional to the dividends paid in the period. The Black-Scholes methodology is used to determine the fair value of the options delivered.

The programs plans granted by the Company as of December 31, 2022 can be grouped according to terms and conditions into:

Programs prior to 2020: Option plans, without lock-up, with delivery of shares at the end of the five-year grace period, conditioned only to the maintenance of the employment relationship (service condition).

Special Program 2021: Stock option plan, without lock-up, with annual delivery of shares during the five-year grace period, conditioned i) part of the shares to the maintenance of the employment relationship (service condition) and ii) part to the achievement of each one of the metrics that make up the performance goals (performance conditions).

Invest program 2021 and 2022: Option program, without lock-up, with delivery of shares at the end of the three-year grace period, conditioned i) part of the options to the maintenance of the employment relationship (service condition) and ii) part to the achievement of each one of the metrics that make up the performance goals (performance conditions), and the amount of performance options granted may vary between 0% and 150% depending on the performance.

Special Program 2022: Options program, without lock-up, with delivery fully conditioned to the achievement of targets related to structuring projects concluded in the year 2022 (performance conditions).

Notes to financial statements

(In thousands of Brazilian Reals - R\$, unless otherwise stated)

The following parameters were used in the valuation of share-based payment plans in effect at the balance sheet date:

Stock Options Plans	Lack period (years)	Grant date	Interest rate	Volatility	Granted shares	Exercised / cancelled	Effective on December 31, 2020	Market price on grant date - R\$	Fair value on grant date - R\$
2017 Plan	5	September 1, 2017	9.93%	29.76%	870,900	(870,900)	-	10.42	10.42
2018 Plan	5	August 1, 2018	10.93%	31.97%	1,149,544	(455,931)	693,613	13.94	13.94
2019 Plan	5	August 15, 2019	6.28%	27.46%	843,152	(256,757)	586,395	22.18	22.17
2020 Plan	5	November 11, 2020	6.94%	41.03%	776,142	(208,694)	567,448	20.02	20.01
2021 Special	5	May 05, 2021	7.65%	26.06%	1,481,000	(421,875)	1,059,125	20.85	20.84
2021 Plan	3	September 15, 2021	10.01%	26.51%	1,560,393	(144,611)	1,415,782	18.20	18.19
2022 Plan	3	September 1, 2022	11.53%	27.70%	1,781,640	(6,416)	1,775,224	20.37	20.36
2022 Special	-	September 1, 2022	11.53%	27.70%	146,909	-	146,909	20.37	20.36
					8,609,680	(2,365,184)	6,244,496		

b) Reconciliation of shares granted in circulation

The movement in the number of open options and their related weighted average exercise prices are as follows:

	Antiga ALL		Rumo S.A.
	Number of options	Average exercise price	Number of shares ⁽ⁱ⁾
At January 1, 2021	99,351	68.54	4,532,761
Granted	-	-	3,041,393
Lost / cancelled	-	85.41	(1,436,653)
Exercised / delivered	(54,859)	-	(705,678)
At December 31, 2021	44,492	74.99	5,431,823
Granted	-	-	1,928,549
Exercised / delivered	-	-	(748,072)
Lost / cancelled	(44,492)	74.99	(367,804)
At December 31, 2022	-	-	6,244,496

- (i) The average exercise price is R\$ 0.01 (one cent) for programs granted by the Company.

c) Expense recognized in profit or loss

In the year ended December 31, 2022, R\$ 36,448 was recognized as expenses related to the appropriation of the "Stock Options" programs (R\$ 34,698 on December 31, 2021).

6.6 Earnings per share

Accounting policy:

a) Basic earnings per share

Basic earnings per share are calculated by dividing:

- i. the profit attributable to the owners of the Company, excluding any equity service costs other than common shares; and
- ii. by the weighted average number of common shares outstanding during the year, adjusted by the bonus elements in common shares issued during the year and excluding treasury shares if any.

b) Diluted earnings per share

Diluted earnings per share adjust the amounts used in determining basic earnings per share to take into account:

- i. the after tax effect on interest income and other financing costs associated with potential diluting common shares; and
- ii. the weighted average number of additional common shares that would be outstanding, assuming the conversion of all potential diluting common shares.

Basic earnings per share are calculated by dividing net earnings by the weighted average number of common shares outstanding during the year. Diluted earnings per share are calculated by adjusting earnings and the number of shares by the impacts of potentially dilutive instruments.

Notes to financial statements

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

The following table shows the calculation of earnings per share (in thousands, except per share) for the years ended December 31, 2022 and 2021:

Basic and diluted

	December 31, 2022	December 31, 2021
Basic and diluted result for the year attributable to controlling shareholders	514,940	150,538
Denominator:		
Weighted average number of common share	1,852,280	1,852,890
Diluted effects:		
Dilutive effect - Stock option plan	5,115	4,708
Weighted average number of common share - diluted	1,857,395	1,857,598
Basic earnings per common share	R\$0.27800	R\$0.08124
Diluted earnings per common share	R\$0.27724	R\$0.08104

EARNINGS RELEASE 4Q22

Curitiba, February 15th, 2023 – RUMO S.A. (B3: RAIL3) (“Rumo”) announces its results for the fourth quarter of 2022 (4Q22). The results are presented on a consolidated basis, in accordance with Brazilian and international accounting rules (IFRS). The comparisons made in this report consider 4Q22 and 4Q21, except when otherwise indicated.

Rumo 4Q22 and 2022 Highlights

- Rumo’s transported volume reached 17.9 billion RTK in 4Q22 and 74.9 billion RTK in 2022, up 13% and 17%, respectively.
- Positive competitiveness environment was reflected in market share gains for grains exported from Mato do Grosso and Port of Santos in 2022, 44.7% and 60.7%, respectively.
- Adjusted EBITDA totaled R\$ 905 million in 4Q22 and R\$ 4,534 million in 2022, up >100% and 38%, respectively.
- The divestment on the 80% stake in Elevações Portuárias S.A. (“EPSA”) was concluded for R\$ 1,400 million, in addition to R\$ 150 million in dividends.
- Net income totaled R\$ 243 million in 4Q22 and R\$ 514 million in 2022, driven by improved operating results and capital gains from EPSA divestment.
- Financial leverage decreased to 2.0x net debt/adjusted EBITDA vs. 2.8x in the previous year.
- Capex totaled R\$ 740 million in 4Q22 and R\$ 2,718 million in 2022.
- Greater energy efficiency, with lower relative fuel consumption of 1% in 4Q22 and 6% in 2022.

4Q22	4Q21	Chg.%	Summary of financial information (Amounts in BRL mln)	2022	2021	Chg.%
17,943	15,883	13.0%	Total transported volume (millions RTK)	74,944	64,028	17.0%
1,307	2,897	-54.9%	Total volume loaded (TU '000)	10,794	12,493	-13.6%
1,211	1,561	-22.4%	Logistics solution volume	5,456	5,526	-1.3%
2,220	1,512	46.8%	Net revenue	9,842	7,440	32.3%
(1,635)	(1,371)	19.2%	Cost of goods sold	(6,695)	(5,352)	25.1%
585	141	>100%	Gross profit	3,146	2,088	50.7%
26.4%	9.3%	17.1 p.p	Gross margin (%)	32.0%	28.1%	3.9 p.p
(152)	(144)	5.6%	Sales, general and administrative expenses	(499)	(512)	-2.5%
442	(60)	>100%	Other op. revenues (expenses)	349	(69)	>100%
14	1	>100%	Equity pickup	40	13	>100%
889	(62)	>100%	Operational profit	3,036	1,520	99.7%
485	481	0.8%	Depreciation and amortization	1,967	1,831	7.4%
1,374	419	>100%	EBITDA	5,003	3,350	49.3%
61.9%	27.7%	34.2 p.p	EBITDA margin (%)	50.8%	45.0%	5.8 p.p
(469)	-	>100%	Non-recurring adjustments ¹	(469)	(53)	>100%
905	419	>100%	Adjusted EBITDA	4,534	3,297	37.5%
40.8%	27.7%	13.1 p.p	Adjusted EBITDA margin (%)	46.1%	44.3%	1.8 p.p
243	(384)	>100%	Net profit (loss)	514	156	>100%
10.9%	-25.4%	36.3 p.p	Net margin (%)	5.2%	2.2%	3.0 p.p
740	701	5.6%	Capex	2,718	3,453	-21.3%

Note 1: For better comparison, the result was adjusted by non-recurring effects, namely: i) R\$ 955 million | capital gains from EPSA divestment; ii) R\$437 million | non-recurring events, mainly the conclusion of arbitration controversy with Farovia acquisition; iii) R\$49 million | adjustment for better results comparison, consolidation of EPSA's November and December results; and; iv) R\$53 million | reconciliation of accounts due to Paulista Network renewal in 2021.

Earnings Conference Call

February 16, 2023

Portuguese* - 2:00 p.m. (Brasília time)

*With simultaneous translation to English

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Letter from CEO

2022 stood out in Rumo's history, as we operate with excellence and delivered the best operational result with 74.9 billion RTK and R\$ 4.5 billion adjusted EBITDA. Additionally, we hit the record of the Company's capacity utilization, reaching the level of 7 billion RTK in July; we operated 20.5 million tons in cargo at Rondonópolis terminal and unloaded 514 thousand railcars at the Port of Santos.

We have reaffirmed the railway's role as the most competitive logistics solution to serve Brazil's agribusiness, with our market share advancing in the state of Mato Grosso and at the ports of Santos, Paranaguá and São Francisco do Sul. Moreover, our fertilizer operations started up at Central Network in Rio Verde (Goiás), and sugar operations in Iturama (Minas Gerais). These investments boosted Rumo's competitive advantages in the regions. As a result, Rumo more than doubled the size of the Central Network, reaching +9 billion RTK in 2022, and improving our capacity to originate cargo.

The year will stand out in Rumo's history since we have begun expansion in the state of Mato Grosso, a transformational project for Rumo and the Brazilian infrastructure. We advanced the project's licensing process and engineering plan works kicked off in November. We expect to start up operations at the Campo Verde terminal in 2026 and further move forward with rail heading for Lucas do Rio Verde.

Regarding capital allocation, we sold our 80% stake in T-16 and T-19 terminals at the port of Santos to a relevant partner, which will continue serving our customers, with excellence and investing in operations' growth. This capital recycling, coupled with the operational improvement in 2022, have accelerated the pace of our financial deleverage, with a net debt do EBITDA ratio of 2x at the end of the year. Rumo's balance sheet is prepared for its investment cycle, with a prudent and responsible financial leverage and liquidity level.

The improvements in capacity expansion, infrastructure and operations modernization are closely connected with our care towards railway and occupational safety. In 2022, accident severity plunged by 25%, and we also reached the lowest downtime compared to other railways, ranking us among the US best Class-One railways. We managed to reduce by 20% the occurrence of occupational accidents, consolidating Rumo as one of the world's top 5 railways as far as personal safety is concerned.

During 2022, we have sustainably grown, reiterating our commitment to positively impact society and the environment. We acknowledge the ESG agenda as the unique solution for our business continuity, driving us to demonstrate how environmental, social, and governance issues add value to our projects and operations. Rumo Institute supports volunteering and Private Social Investment projects, earmarking + R\$ 4.3 million to initiatives that generate a positive impact on society that can be consulted in our first Social Report. All these efforts allowed us to again join B3 Sustainability Index (ISE), a key benchmark tool in the country that recognizes good corporate sustainability practices.

We reiterate our commitment to the Global Compact and the Sustainable Development goals. We also highlight the performance of our 10 commitments and our goals, with the all-time lowest accident indicator, enhanced energy efficiency in railway transportation, also mitigation of climate change-related impacts.

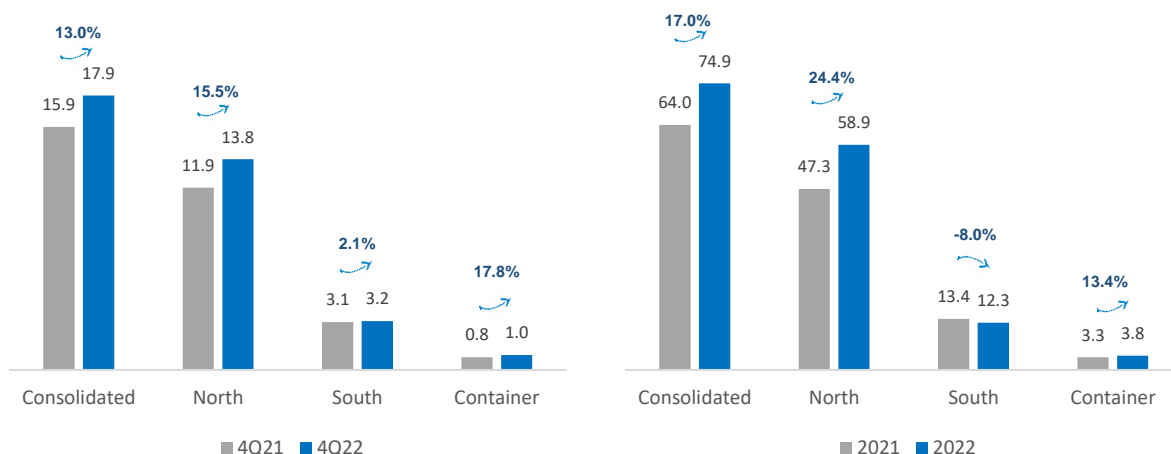
We are proud of our achievements so far; with a constructive view on the new year, our organization is focused on continue advancing. We thank all our employees, partners, and investors who contributed to our achievements in 2022.

João Alberto Abreu
CEO

1. 4Q22 Executive Summary

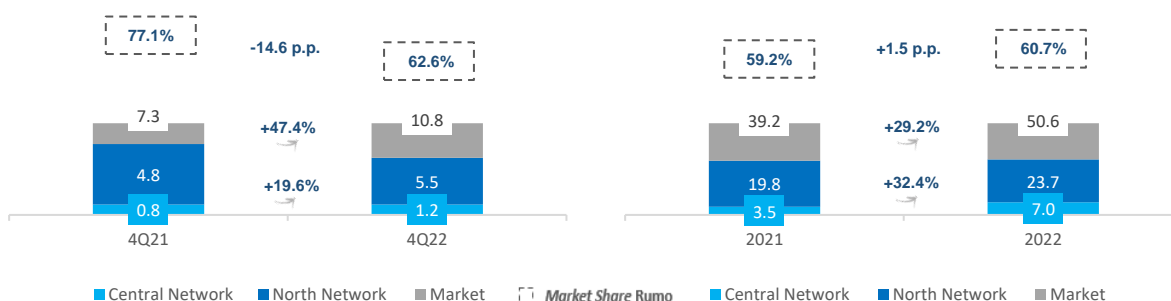
In 4Q22, Rumo's transported volume reached 17.9 billion RTK, up 13% from 4Q21. In 2022, Rumo transported a record volume of 74.9 billion RTK, a 17% growth. This result reflected a more productive market dynamics, with crop growth and Rumo's greater competitiveness, anchored by higher capacity, especially in the North Operation. The transportation of agricultural products was the key driver of growth, highlighting higher corn and soymeal volumes. Fuel transportation also recorded a year-on-year increase.

Annual Volume - Consolidated and by Operation
(bln RTK)



The year 2022 significantly contributed to Rumo advancing its market share at the Port of Santos, with a **1.5 p.p. gain compared to 2021**. Specifically, in 4Q22, market share slowed down, as corn exports returned to normal levels after a crop shortfall in the previous period.

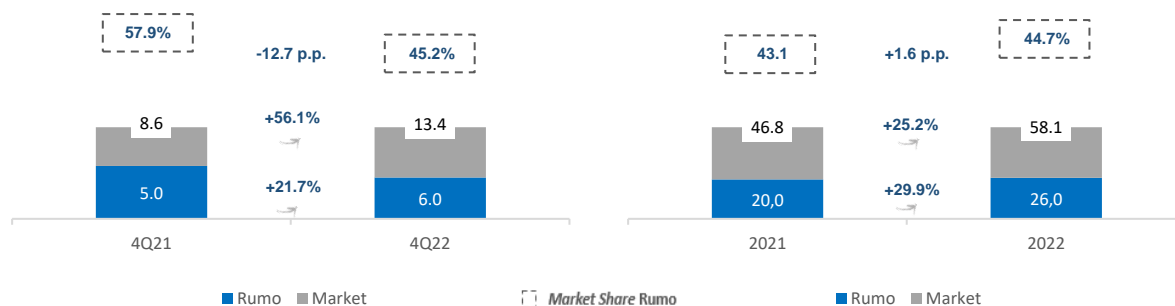
Grain exports in Santos – SP
(mln tons and %)



Source: Cargonave and Rumo System.

In 2022, Rumo recorded a market share gain of 1.6 p.p. in the state of Mato Grosso. In 4Q22, the market share of grains exported by Mato Grosso shrank 12.7 p.p, versus 4Q21, reflecting corn exports' normal levels after a crop shortfall in the previous period.

Grains Exports in MT
(mln tons and %)



Source: Cargonave, Comex Stat and Rumo System.

Although volume in the state of Goiás has increased 45%, Rumo reduced 2.2 p.p. market share in 2022, especially due to limited capacity to fully supply the market. In addition, the east region of Mato Grosso has been prioritized. In the quarter, due to the same reasons mentioned above, the market share stood at 18.9%.

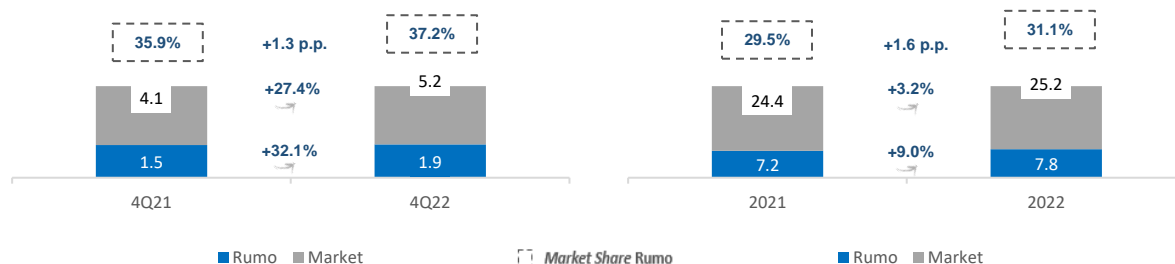
Grains Exports in GO
(mln tons and %)



Source: Cargonave, Comex Stat and Rumo System.

South Operation gained 1.3 p.p. market share in grains transported to the ports of Paranaguá (PR) and São Francisco do Sul (SC) in 4Q22 and 1.6 p.p. in 2022. Greater corn availability in the states of Paraná (PR) and Mato Grosso do Sul (MS), regions where Rumo is competitive, drove higher transported volume of 32% in 4Q22 and 9% in 2022, despite the soybean crop failure that adversely affected volumes in the state of Rio Grande do Sul.

Grains exports in Paranaguá – PR and São Francisco do Sul – SC
(mln tons and %)



Source: Cargonave and Rumo System.

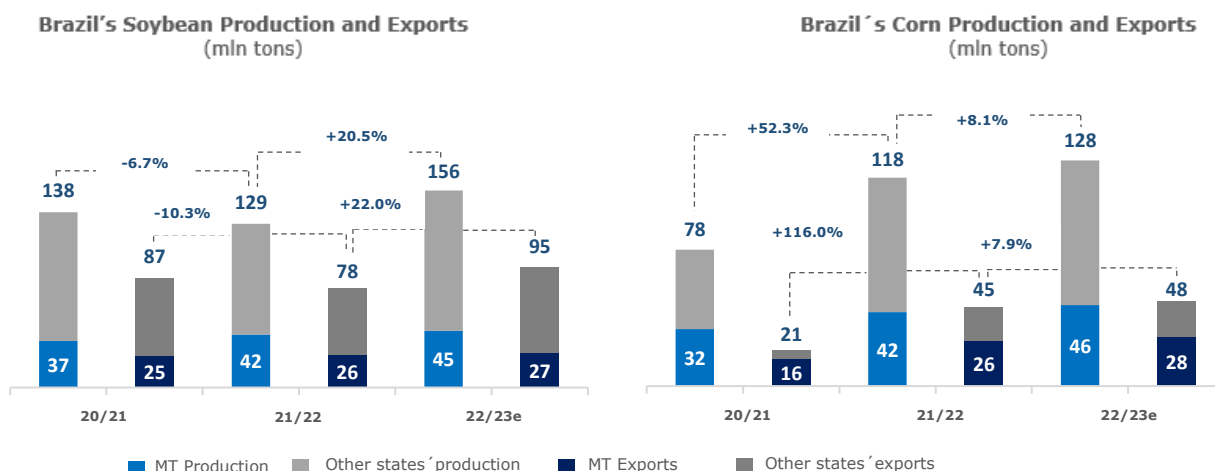
Net revenue totaled R\$ 2,220 million in 4Q22 and R\$ 9,842 million in 2022, advancing 47% and 32%, respectively, fueled by higher transported volume and yield that increased 39% in 4Q22 and 17% in 2022. In 2022, improved revenue was seen across all the Company's operations, surging 39% in the North Operation, 7% in the South Operation, and 39% in the Containers Operation.

Adjusted EBITDA, which excludes non-recurring effects came to R\$ 905 million in 4Q22 and R\$ 4,534 million in 2022, up >100% and 38%, respectively. Adjusted EBITDA margin ended the quarter at 40.8%, advancing 13.1 p.p. and 46.1% in 2022, 1.8 p.p. higher than in 2021. The energy efficiency gain of 6% in 2022 and lower pass through fee charged by MRS, which decreased in the end of May, partially mitigated the 42% fuel price increase, which coupled with higher transported volume, lifted **variable cost by 45%.** **Fixed costs, and general and administrative expenses** surged 12%, due to inflation adjustments and other operating expenses, with an emphasis on increased spending on security and facilities.

Rumo posted a **net income** of R\$ 243 million in 4Q22 and R\$ 514 million in 2022. The conclusion of EPSA divestment and operational improvement drove such growth. Comprehensive net debt decreased to R\$ 9.1 billion, enhancing the Company's financial deleverage, and the Adjusted EBITDA to Net Debt ratio ended the year at 2.0x, compared to 2.8x in the previous year.

Regarding the **soybean market**, in 2022, according to specialized consultancies' projections, Brazil's harvest is 129 million tons, of which, 78 million were exported. A record harvest is expected in 2023 of 156 million tons, 21% higher than the previous year, while the export market should also record a remarkable growth of 22%, with 95 million tons. The states of Mato Grosso and Goiás are expected to produce 45 million and 18 million tons, respectively, of which nearly 27 million and 11 million tons should be exported. In the South region, the states of Paraná and Rio Grande do Sul should return both production and exports to previous years' levels, reaching 22 and 16 million tons produced, and 13 and 8 million tons exported, respectively. Added to the state of Mato Grosso do Sul's growth, nearly 20 million tons are expected to be produced and 13 million tons to be exported more than in 2022.

Moreover, according to consultancies, Brazil produced 118 million tons of **corn** in 2022, of which 45 million were exported. In 2023, early estimates indicate production of 128 million tons, nearly 8% higher than in the previous year. Exports should reach 48 million tons, up 8% from the previous crop. The state of Mato Grosso should produce 46 million tons, while 28 million can be exported. The state of Goiás should produce 18 million tons and 4 million tons should be exported.



Source: MI Rumo / AG Rural / Veeries / Cargonave / Comex Stat / IMEA | Note: (e) – estimate

In the **environmental, social, and governance (ESG)** agenda, Rumo, for the second consecutive year, composes B3's ISE – Corporate Sustainability Index portfolio. Rumo also joins the *Teva - Mulheres na Liderança* (Women in Leadership), the first index in Brazil that selects companies with greater women representativeness in governance, referenced by fund ETF ELAS11, managed by Safra bank. For the fifth consecutive year, Rumo participated in the Carbon Disclosure Program (CDP), upholding B+ performance.

As far as the climate change agenda is concerned, Rumo remains committed to sustainable growth and energy efficiency of its operations and **reduced fuel relative consumption by 6% in 2022**, contributing to achieving the goal of lowering the Company's GHG emissions.

Also in 4Q22, Rumo published the 1st edition of its Social Report and the 2nd edition of Accountability Report on the Use of Proceeds from Green Bond 2028. In March, Rumo will release its **2022 Sustainability Report**. Among other highlights, the Report will provide the results of the annual greenhouse gas (GHG) emissions inventory.

2. Consolidated Operating and Financial Indicators

4Q22	4Q21	Chg.%	Summary of financial information (Amounts in BRL mIn)	2022	2021	Chg.%
17,943	15,883	13.0%	Total transported volume (millions RTK)	74,944	64,028	17.0%
14,644	12,852	13.9%	Agricultural products	61,702	51,800	19.1%
176	2,145	-91.9%	Soybean	20,432	20,892	-2.2%
2,250	2,116	6.3%	Soybean meal	10,020	8,512	17.7%
9,388	5,834	61.0%	Corn	21,665	12,539	72.8%
1,399	1,269	10.3%	Sugar	4,188	4,668	-10.3%
1,250	1,309	-4.5%	Fertilizers	4,933	5,008	-1.5%
181	178	1.6%	Others	463	182	>100%
2,320	2,199	5.5%	Industrial products	9,492	8,918	6.4%
1,425	1,330	7.1%	Fuels	5,850	5,298	10.4%
895	869	3.0%	Wood, pulp and paper	3,642	3,619	0.6%
980	832	17.8%	Containers	3,751	3,309	13.4%
2,220	1,512	46.8%	Net revenue	9,842	7,440	32.3%
1,966	1,249	57.4%	Transportation	8,566	6,279	36.4%
44	88	-49.9%	Port loading	354	353	0.5%
155	135	15.4%	Logistic solution ²	662	501	32.1%
54	40	32.6%	Other revenues ³	259	307	-15.5%
1,374	419	>100%	EBITDA	5,003	3,350	49.3%
61.9%	27.7%	34.2 p.p.	<i>EBITDA margin (%)</i>	50.8%	45.0%	5.8 p.p.
(469)	-	>100%	Non-recurring adjustments ⁴	(469)	(53)	>100%
905	419	>100%	Adjusted EBITDA	4,534	3,297	37.5%
40.8%	27.7%	13.1 p.p.	<i>Adjusted EBITDA margin (%)</i>	46.1%	44.3%	1.8 p.p.

Note 2: Revenue from sugar transportation using other railways or road transportation.

Note 3: Includes revenue from the right-of-way of other highways, and revenue from volumes contracted and not executed according to commercial agreements (take-or-pay), among others.

Note 4: For better comparison, the result was adjusted by non-recurring effects, namely: i) R\$955 million | capital gain on EPSA divestment; ii) R\$437 million | non-recurring provisions, especially the conclusion of arbitration dispute with Farovia acquisition; iii) R\$49 million | adjustment for better comparison of result, consolidation of EPSA's November and December results; and iv) R\$53 million | reconciliation of accounts due to Paulista Network renewed in 2021.

4Q22	4Q21	Chg.	Yield by Operation	2022	2021	Chg.
			North Operation			
102.5	69.7	47.1%	Yield (R\$/000 RTK)	109.0	92.9	17.3%
76.7%	75.1%	1.6 p.p.	% Volume	78.6%	73.9%	4.7 p.p.
			South Operation			
132.7	105.8	25.5%	Yield (R\$/000 RTK)	137.8	116.4	18.4%
17.8%	19.7%	-1.9 p.p.	% Volume	16.4%	20.9%	-4.5 p.p.
			Container Operation			
133.7	105.0	27.3%	Yield (R\$/000 RTK)	120.2	97.5	23.3%
5.5%	5.2%	0.3 p.p.	% Volume	5.0%	5.2%	-0.2 p.p.
			Consolidated			
109.6	78.6	39.4%	Yield (R\$/000 RTK)	114.3	98.1	16.6%

3. Results by Business Unit

Business Units

The business units (reportable segments) are organized as follows:

- **North Operation** North Network, Paulista Network, Central Network, and Port Operation in Santos¹
- **South Operation** West Network and South Network
- **Container Operation** Container operations, including Brado Logística

Results by business unit 4Q22	North Operation	South Operation	Container Operation	Consolidated
Transported volume (million RTK)	13,770	3,194	980	17,943
Net revenue	1,647	438	135	2,220
Costs of services	(1,102)	(419)	(114)	(1,635)
Gross profit (loss)	545	20	21	585
Gross margin (%)	33.1%	4.6%	15.5%	26.4%
Sales, general and administrative expenses	(117)	(24)	(11)	(152)
Other operating revenue (expenses) & eq. pickup	493	(45)	8	456
Depreciation and amortization	325	140	20	485
EBITDA	1,245	91	38	1,374
EBITDA margin (%)	75.6%	20.8%	28.3%	61.9%
Non-recurring adjustments	(490)	21	-	(469)
Adjusted EBITDA	755	112	38	905
Adjusted EBITDA margin (%)	45.8%	25.6%	28.3%	40.8%

Results by business unit 2022	North Operation	South Operation	Container Operation	Consolidated
Transported volume (million RTK)	58,876	12,317	3,751	74,944
Net revenue	7,635	1,739	467	9,842
Costs of services	(4,615)	(1,645)	(436)	(6,695)
Gross profit (loss)	3,020	95	31	3,146
Gross margin (%)	39.6%	5.5%	6.7%	32.0%
Sales, general and administrative expenses	(375)	(80)	(45)	(499)
Other operating revenue (expenses) & eq. pickup	480	(103)	11	389
Depreciation and amortization	1,327	561	78	1,967
EBITDA	4,453	474	76	5,003
EBITDA margin (%)	58.3%	27.3%	16.3%	50.8%
Non-recurring adjustments	(490)	21	-	(469)
Adjusted EBITDA	3,963	495	76	4,534
Adjusted EBITDA margin (%)	51.9%	28.5%	16.3%	46.1%

¹ Rumo concluded the 80% divestment in subsidiary Elevações Portuárias S.A. on November 16, 2022. After divestment, Rumo now holds 20% equity interest in the storage and port loading operation.

North Operation

4Q22	4Q21	Chg.%	Operational figures	2022	2021	Chg.%
13,770	11,923	15.5%	Total transported volume (millions RTK)	58,876	47,335	24.4%
12,208	10,547	15.8%	Agricultural products - Consolidated	52,529	42,060	24.9%
10,356	9,605	7.8%	Agricultural products - North and Paulista Operation	43,478	38,381	13.3%
5	943	-99.5%	Soybean	14,084	13,642	3.2%
1,870	1,703	9.8%	Soybean meal	8,393	7,348	14.2%
7,097	5,162	37.5%	Corn	15,687	10,714	46.4%
344	641	-46.4%	Sugar	1,159	2,267	-48.9%
1,040	1,156	-10.0%	Fertilizers	4,156	4,410	-5.8%
1,852	942	96.6%	Agricultural products - Central Operation	9,051	3,679	>100%
8	230	-96.6%	Soybean	3,756	1,815	>100%
229	224	2.4%	Soybean meal	903	429	>100%
1,200	488	>100%	Corn	3,443	1,434	>100%
266	-	>100%	Sugar	573	-	>100%
149	-	>100%	Fertilizers	375	-	>100%
1,561	1,376	13.5%	Industrial products - North and Paulista Operation	6,347	5,275	20.3%
964	870	10.8%	Fuels	3,973	3,381	17.5%
598	506	18.1%	Industrials	2,374	1,895	25.3%
102.5	69.7	47.1%	<i>Average transportation yield</i>	<i>109.0</i>	<i>92.9</i>	<i>17.3%</i>
1,307	2,897	-54.9%	Total volume loaded (TU '000)	10,794	12,493	-13.6%
33.7	30.3	11.1%	<i>Average loading yield (R\$/TU)</i>	<i>32.8</i>	<i>28.2</i>	<i>16.3%</i>

The total transported volume in North Operation reached 13.8 billion RTK in 4Q22 and 58.9 billion RTK in 2022, increasing by 16% and 24%, respectively. The agricultural products segment significantly advanced 16% in 4Q22 and 25% in 2022, bolstered by corn crop normal levels, soybean volume, and Central Network ramp-up that reached 9.1 billion RTK in 2022. As far as industrial cargo is concerned, the partial migration of pulp volumes from South Operation and biofuel growth resulted in a 14% surge in 4Q22 and 20% in 2022.

4Q22	4Q21	Chg.%	Financial results (Amounts in BRL mln)	2022	2021	Chg.%
1,647	1,075	53.2%	Net revenue	7,635	5,480	39.3%
1,411	831	69.9%	Transportation	6,418	4,399	45.9%
155	135	15.4%	Logistic solution	662	501	32.1%
44	88	-49.9%	Port loading	354	353	0.5%
36	22	65.5%	Other revenues ⁵	201	227	-11.6%
(1,102)	(913)	20.7%	Costs of services	(4,615)	(3,524)	31.0%
(494)	(384)	28.4%	Variable costs	(2,325)	(1,525)	52.5%
(286)	(198)	44.6%	Fixed costs	(973)	(754)	29.1%
(322)	(331)	-2.5%	Depreciation and amortization	(1,316)	(1,245)	5.7%
545	162	>100%	Gross profit	3,020	1,956	54.5%
33.1%	15.1%	18 p.p.	<i>Gross margin (%)</i>	<i>39.6%</i>	<i>35.7%</i>	<i>3.9 p.p.</i>
(117)	(111)	5.0%	Selling, general and administrative expenses	(375)	(384)	-2.4%
493	(67)	>100%	Other op. revenue (expenses) and equity pickup	480	(18)	>100%
325	333	-2.5%	Depreciation and amortization	1,327	1,254	5.8%
1,245	317	>100%	EBITDA	4,453	2,808	58.6%
75.6%	29.5%	46.1 p.p.	<i>EBITDA margin (%)</i>	<i>58.3%</i>	<i>51.2%</i>	<i>7.1 p.p.</i>
(490)	-	>100%	Non-recurring adjustments ⁶	(490)	(53)	>100.0%
755	317	>100%	Adjusted EBITDA	3,963	2,755	43.8%
45.8%	29.5%	16.3 p.p.	<i>Adjusted EBITDA margin (%)</i>	<i>51.9%</i>	<i>50.3%</i>	<i>1.6 p.p.</i>

Note 5: It Includes revenue from the right-of-way of other railways and revenue from volumes contracted and not executed according to commercial agreements (take-or-pay) and transshipment volume.

Note 6: For better comparison, the result was adjusted by non-recurring effects, namely: i) R\$955 million | capital gain on EPSA divestment; ii) R\$416 million | non-recurring events, especially the conclusion of arbitration dispute with Farovia acquisition; iii) R\$49 million | adjustment for better comparison of result, consolidation of EPSA's November and December results; and iv) R\$53 million | reconciliation of accounts due to Paulista Network renewed in 2021.

Adjusted EBITDA totaled R\$755 million in 4Q22, and R\$3,963 million in 2022, up >100% and 44%, respectively, reflecting the logistics market's favorable momentum, following the corn crop upturn, besides diesel adjustments transferred to yields that rose 47% in 4Q22 and 17% in 2022. Adjusted EBITDA margin, still impacted by fuel price increase stood at 45.8% in 4Q22 and 51.9% in 2022, 16.3 p.p. and 1.6 p.p. higher than in 2021, respectively.

South Operation

4Q22	4Q21	Chg.%	Operational figures	2022	2021	Chg.%
3,194	3,128	2.1%	Transported volume (million RTK)	12,317	13,383	-8.0%
2,436	2,305	5.7%	Agricultural products	9,173	9,740	-5.8%
162	972	-83.3%	Soybean	2,592	5,435	-52.3%
152	189	-19.9%	Soybean meal	724	735	-1.4%
1,091	183	>100%	Corn	2,535	390	>100%
789	628	25.6%	Sugar	2,457	2,401	2.3%
61	153	-60.4%	Fertilizers	402	598	-32.8%
181	178	1.6%	Other	463	182	>100%
758	823	-7.9%	Industrial products	3,144	3,642	-13.7%
461	460	0.1%	Fuel	1,877	1,918	-2.1%
297	363	-18.0%	Wood, pulp and paper	1,268	1,725	-26.5%
132.7	105.8	25.5%	Average transportation yield	137.8	116.4	18.4%

South Operation transported 3,194 billion RTK in 4Q22 and 12.3 billion RTK in 2022. Despite 2% growth in the quarter boosted by corn and sugar volumes, performance in 2022 came 8% lower than in 2021. The result mainly reflected the soybean crop failure, more concentrated in the state of Rio Grande do Sul that trimmed product volume by 52% in 2022, and partially mitigated by higher corn volume. A decline in industrial products was chiefly due to the partial migration of pulp volumes to the North Operation.

4Q22	4Q21	Chg.%	Financial results (Amounts in BRL mln)	2022	2021	Chg.%
438	347	26.5%	Net operating revenue	1,739	1,624	7.1%
424	331	28.2%	Transportation	1,697	1,558	8.9%
14	16	-10.5%	Other revenues ⁷	43	66	-35.9%
(419)	(370)	13.1%	Cost of services	(1,645)	(1,500)	9.6%
(127)	(113)	12.8%	Variable costs	(538)	(436)	23.4%
(152)	(125)	21.9%	Fixed costs	(546)	(543)	0.5%
(140)	(133)	5.1%	Depreciation and amortization	(561)	(521)	7.6%
20	(24)	>100%	Gross profit	95	124	-23.1%
4.6%	-6.9%	11.5 p.p.	Gross margin (%)	5.5%	7.6%	-2.1 p.p.
(24)	(23)	4.0%	Seles, general and administrative expenses	(80)	(92)	-13.4%
(45)	(12)	>100%	Other op. revenues (expenses) and equity	(103)	(62)	66.6%
140	133	5.1%	Depreciation and amortization	561	522	7.6%
91	75	21.6%	EBITDA	474	492	-3.7%
20.8%	21.6%	-0.8 p.p.	EBITDA margin (%)	27.3%	30.3%	-3 p.p.
21	-	>100%	Non-recurring adjustments ⁸	21	-	>100%
112	75	49.9%	Adjusted EBITDA	495	492	0.6%
25.6%	21.6%	4 p.p.	Adjusted EBITDA margin (%)	28.5%	30.3%	-1,8 p.p.

Note 7: It includes revenue from volumes contracted and not executed according to commercial agreements (take-or-pay).

Note 8: Provision for non-recurrent asset write-offs.

Adjusted EBITDA totaled R\$112 million in 4Q22 and 495 million in 2022, up 50% and 1%, respectively, bolstered by a 26% yield increase in 4Q22 and 18% in 2022, primarily due to industrial cargo yields which usually have long-term agreements with adjustments by inflation and diesel, besides improved market conditions for the agricultural products segment.

Container Operation

4Q22	4Q21	Chg.%	Operational figures	2022	2021	Chg.%
26,780	21,915	22.2%	Total volume (Containers '000)	106,125	87,363	21.5%
133.7	105.0	27.3%	<i>Intermodal average yield (R\$/000 RTK)</i>	<i>120.2</i>	<i>97.5</i>	<i>23.3%</i>
980	832	17.8%	Total volume (millions RTK)	3,751	3,309	13.4%

The volume of the Container Operations grew by 18% in 4Q22 and 13% in 2022, reaching 980 million RTK in 4Q22, 3,751 million RTK in 2022, and for the first time, surpassed the record of 100,000 containers in 2022. This result was driven by export growth, especially cotton, besides the Klabin project's paper reels higher volume and refrigerated cargos. The domestic market recorded a positive performance of consumer goods, corn, fertilizer, and pesticides.

4Q22	4Q21	Chg.%	Financial results (Amounts in BRL mln)	2022	2021	Chg.%
135	91	48.7%	Net revenue	467	336	39.0%
131	87	49.9%	Transportation	451	323	39.8%
4	3	17.6%	Others revenues ⁹	16	13	18.7%
(114)	(88)	29.3%	Costs of services	(436)	(328)	32.7%
(65)	(49)	33.8%	Variable costs	(248)	(177)	39.8%
(29)	(25)	15.8%	Fixed costs	(110)	(98)	12.7%
(20)	(15)	36.9%	Depreciation and amortization	(78)	(54)	45.6%
21	3	>100%	Gross profit	31	8	>100%
15.5%	2.8%	12.7 p.p.	<i>Gross margin (%)</i>	6.7%	2.3%	4.4 p.p.
(11)	(9)	17.5%	Seles, general and administrative expenses	(45)	(36)	25.3%
8	19	-58.2%	Other op. revenues (expenses)	11	23	-52.3%
20	15	37.4%	Depreciation and amortization	78	54	43.8%
38	27	40.7%	EBITDA	76	50	52.5%
28.3%	29.9%	-1.6 p.p.	<i>EBITDA margin (%)</i>	16.3%	14.9%	1.4 p.p.

Note 9: Includes revenue from service units.

Container operation's EBITDA was up 41% to R\$38 million in 4Q22, and R\$76 million or 53% higher than in 2021, bolstered by higher value-added cargo operations, such as cotton from the international market.

4. Other Results

Breakdown of Costs of Services Rendered, General & Administrative Expenses

4Q22	4Q21	Chg. %	Consolidated Costs and Expenses (Amounts in BRL mIn)	2022	2021	Chg. %
(1,786)	(1,515)	17.9%	Consolidated costs, General and administrative	(7,194)	(5,864)	22.7%
(686)	(546)	25.7%	Variable Costs	(3,111)	(2,142)	45.2%
(555)	(461)	20.6%	Variable cost of rail transport	(2,522)	(1,783)	41.8%
(451)	(337)	33.9%	Fuel and lubricants	(2,025)	(1,307)	54.8%
(104)	(123)	-15.0%	Other variable costs ¹⁰	(498)	(476)	6.5%
(109)	(89)	23.6%	Variable cost Logistic Solution ¹¹	(529)	(346)	52.7%
(21)	4	>100%	Variable cost Elevation	(60)	(13)	>100%
(616)	(488)	26.2%	Fixed Costs and General and Administrative	(2,117)	(1,891)	11.7%
(251)	(230)	9.0%	Payroll expenses	(952)	(891)	6.9%
(215)	(117)	84.5%	Other operational costs ¹²	(677)	(499)	35.7%
(149)	(141)	5.9%	General and administrative expenses	(488)	(501)	-2.7%
(485)	(481)	0.8%	Depreciation and Amortization	(1,967)	(1,831)	7.4%

Note 10: Costs, such as rental of rolling stock, electricity, roadside in the Container Operation, owned logistics costs, and take-or-pay.

Note 11: Freight costs with third parties include road and rail freight contracted with other concessionaires.

Note 12: Other operational costs include maintenance, third-party services, safety, and facilities, among other fixed costs.

In 4Q22, **variable costs** surged by 26%, and 45% in 2022. Higher fuel expenses stemmed from higher volumes transported and fuel prices that increased 42% in 2022, despite a 6% energy efficiency gain. Logistics solution costs were hit by higher road freight prices and rising diesel prices. Other variable costs dropped 15% in 4Q22 and rose 7% in 2022, despite significant volume growth, primarily due to lower right-of-way charged by MRS, which has been declining since the end of May.

Fixed costs, general, and administrative expenses surged 26% in 4Q22 and 12% in 2022, driven by higher other operating expenses, as a result of more concentrated maintenance expenses in this quarter and higher costs with security and facilities services. Depreciation and amortization costs came in line in the quarter, due to useful life reviews at the North Operation's terminals, also the depreciation suspended at Elevações Portuárias S.A. since August 2022, ending the period with a 7% increase.

Financial Result

4Q22	4Q21	Chg.%	Financial Results (Amounts in BRL mln)	2022	2021	Chg.%
(638)	(368)	73.1%	Cost of broad bank debt¹³	(2,327)	(992)	>100%
(4)	(2)	>100%	Charges over leasing	(15)	(31)	-51.0%
264	139	90.2%	Financial income from investments	918	311	>100%
(377)	(232)	62.4% (=)	Cost of broad net debt	(1,424)	(713)	99.6%
(110)	(54)	>100%	Monetary variation on liabilities of concessions	(391)	(133)	>100%
(78)	(78)	0.3%	Concession fee and operating lease ¹⁴	(345)	(368)	-6.3%
(66)	(103)	-36.2%	Rates on contingencies and contracts	(240)	(212)	13.3%
7	22	-67.9%	Other financial expenses	71	66	7.4%
(625)	(445)	40.4% (=)	Financial result	(2,329)	(1,360)	71.3%

Note 13: It includes interest rates, monetary variation, results net of derivatives, and other debt charges.

Note 14: It includes adjustments under IFRS 16.

The **net financial result** recorded was R\$180 million lower than 4Q21. The monetary variation over concession liabilities and net comprehensive cost of debt increased due to rising SELIC interest rates and the resulting effect over CDI (interbank deposit certificate), key indicators of the Company's concession liabilities and debt. The debt exposure is mainly floating to CDI, whether contractually or via derivatives.

Income Tax and Social Contribution

4Q22	4Q21	Chg.%	Income tax and social contribution (Amounts in BRL mln)	2022	2021	Chg.%
264	(507)	>100%	Income (loss) before IT / SC	707	160	>100%
34.0%	34.0%		<i>Theoretical rate IT / SC</i>	34.0%	34.0%	
(90)	172	>100%	Theoretical income (expenses) with IT / SC	(240)	(54)	>100%
Adjustments to calculate the effective rate						
16	(82)	>100%	Tax losses and temporary differences not recognized ¹⁵	(212)	(202)	4.9%
45	3	>100%	Tax incentives arising from the North Network ¹⁶	197	200	-1.3%
5	1	>100%	Equity pickup	14	4	>100%
2	29	-92.8%	Other effects	48	48	0.2%
(21)	123	>100%	Income (expenses) with IT / SC	(193)	(4)	>100%
8.1%	24.3%	-16.3 p.p.	<i>Effective rate (%)</i>	27.3%	2.5%	24.8 p.p.
(139)	(75)	85.9%	IT/SC current	(411)	(551)	-25.3%
118	198	-40.3%	IT/SC deferred	218	546	-60.1%

Note 15: We did not record deferred income tax and social contribution on tax losses for certain companies due to a lack of prospects for future taxable income calculation.

Note 16: The North Network has SUDAM benefit which entitles a 75% reduction in IRPJ – corporate income tax (25% tax rate) until 2023.

5. Loans and Financing

Gross comprehensive indebtedness at the end of 4Q22 totaled R\$17.4 billion, 1% higher than in 3Q22, reflecting the issue of the 4th Paulista Network Debenture (R\$434 million), partially offset by amortization and accrued interest rates over other current debts. Net indebtedness shrank to R\$9.1 billion, due to increased cash after the port loading operation divestment. Lower net indebtedness and operational improvement in the quarter reduced financial leverage to 2.0x.

Rumo's debt has a weighted average cost of roughly 103% CDI, with a 5.5-year duration.

Total indebtedness (Amounts in BRL mln)	4Q22	3Q22	Chg.%
Commercial banks	874	986	-11.3%
NCE	567	553	2.5%
BNDES	2,503	2,635	-5.0%
Debentures	8,493	8,257	2.9%
Senior notes 2028 and 2032	4,320	4,350	-0.7%
Total bank debt	16,758	16,781	-0.1%
Leases ¹⁷	121	135	-10.9%
Net derivative instruments	538	312	72.2%
Total broad gross debt	17,417	17,229	1.1%
Cash, cash equivalents and marketable securities	(8,226)	(7,452)	10.4%
Restricted cash linked to bank debts	(85)	(64)	33.4%
Total broad net debt	9,106	9,713	-6.2%
Adjusted EBITDA LTM ¹⁸	4,534	4,048	12.0%
Leverage (Broad net debt/adjusted EBITDA LTM)¹⁹	2.0x	2.4x	-16.7%

Note 17: It excludes operating leases under IFRS 16.

Note 18: The LTM EBITDA refers to the sum of the last 12 months of EBITDA.

Note 19: This leverage chart does not represent all the contracts ruling the Company's debts, which have different interpretations on non-recurring events to be considered in the financial covenants calculation.

Below, a breakdown of items that impacted the movement of Rumo's consolidated debt.

Bank gross indebtedness (Amounts in BRL mln)	4Q22
Initial balance of broad net debt	9,713
Cash, cash equivalents and marketable securities	(7,516)
Initial balance of gross broad debt	17,229
Items with cash impact	(802)
New funding	454
Amortization of principal	(672)
Amortization of interest rates	(331)
Net derivative instruments	(253)
Items without cash impact	990
Provision for interest rates (accrual)	251
Monetary variation, MTM adjustment of debt, and others	260
Net derivative instruments	479
Closing balance of broad net debt	17,417
Cash and cash equivalents and marketable securities	(8,225)
Restricted cash linked to bank debts	(85)
Closing balance of broad net debt	9,106

Rumo is subject to certain restrictive contractual clauses referring to the level of leverage in a few contracts. The most restrictive provisions are verified annually at the end of the year and refer to net comprehensive indebtedness. This includes bank debts, debentures, leases considered as finance leases, net of marketable securities, cash, and cash equivalents, restricted cash linked to loans, and derivative instruments. The covenants for December 2022 are maximum leverage of 3.5x (comprehensive net debt/LTM EBITDA) and a minimum interest coverage ratio of 2.0x EBITDA / Financial Results.

6. Capex

4Q22	4Q21	Chg.%	Investments (Amounts in BRL mln)	2022	2021	Chg.%
740	701	5.6%	Total investments²⁰	2,718	3,453	-21.3%
336	304	10.5%	Recurring	1,165	1,122	3.9%
404	397	1.8%	Expansion	1,553	2,332	-33.4%

Note 20: Cash basis amounts.

Total Capex was R\$740 million in 4Q22 and R\$2,718 million in 2022, a variation of 6% and -21%, respectively, in line with guidance. **Recurring Capex** was R\$336 million in 4Q22 and R\$1,165 million in 2022, up 11% and 4%, respectively. **Expansion Capex** totaled R\$404 million in 4Q22 and R\$1,553 million in 2022.

Although expansion Capex lifted 2% in the quarter, it slowed down 33% in 2022. Streamlining investment procedures already reflected in the year's guidance assumptions, reaffirm the Company's disciplined capital allocation, amid a cycle of rising interest rates and imminent acceleration of investments for Rumo's expansion in the state of Mato Grosso. This decline reflects lower investments in locomotives and terminals at the Central Network, following the startup of São Simão and Rio Verde operations, besides disciplined capital allocation and prioritization of capacity gains-related investments.

Rumo continues conducting the works of the investment portfolio referring to the Paulista Network's renewal and the Central Network's operational stage, besides the acquisition of railcars, permanent railway revamp works, duplications, and implementation of the Positive Train Control - PTC. These projects, besides increasing capacity and offering a higher efficiency level, allow, among other gains, to diminish fuel consumption, essential for lessening specific greenhouse gas emissions.

7. Cash Flow Statement

Below, Rumo's consolidated cash flows. Marketable securities were considered cash in this statement.

	4Q22	4Q21	Indirect cash flow (Amounts in BRL mln)	2022	2021
	1,374	419	EBITDA	5,003	3,350
	(694)	305	Working capital variations and non-cash effects	(943)	(240)
	265	127	Operating financial result	895	288
(a)	945	851	(=) Operating cash flow (FCO)	4,955	3,399
	(740)	(701)	Capex	(2,718)	(3,453)
(b)	(336)	(304)	Recurring	(1,165)	(1,122)
	(404)	(397)	Expansion	(1,553)	(2,332)
	-	-	Sales of asset	1	3
	1,395	-	Net cash on disposal of investment	1,395	-
	(19)	-	Cash reclassification of assets held for sale	(361)	-
	149	-	Dividends received	153	8
(c)	784	(701)	(=) Cash flow from investing activities (FCI)	(1,530)	(3,442)
	454	1,514	Funding	693	7,891
	(743)	(399)	Amortization of principal	(4,460)	(7,074)
	-	-	Consent fee	(94)	-
	(381)	(290)	Amortization of interest rates	(1,385)	(1,262)
	(1)	-	Paid dividends	(39)	(7)
	(10)	-	Capital payment	(9)	-
	-	-	Preferred stock investments	(25)	(30)
	(253)	527	Derivative financial instruments	(664)	2,169
	(22)	1	Restricted cash	(66)	57
	-	-	Acquisition of non-controlling interests	(0)	(389)
	(955)	1,353	(=) Cash flow from financing activities (FCF)	(6,050)	1,355
	(0)	94	Forex variation impact on cash balances	(24)	387
	773	1,597	(=) Net cash generated	(2,649)	1,699
	7,452	9,278	(+) Total cash (includes cash + marketable securities) opening	10,874	9,175
	8,225	10,874	(+) Total cash (includes cash + marketable securities) closing	8,225	10,874
Metrics					
	609	547	(=) Cash generation after recurring capex (a+ b)	3,790	2,277
	1,729	150	(=) Cash generation (burn) after FCI cash generation (consumption)	3,425	(43)

8. Operational and Financial Performance Indicators

Below, the historical behavior of the main operational and financial indicators.

Operating and financial performance index	4Q22	4Q21	Chg.%	2022	2021	Chg.%
Consolidated						
Operating ratio	80%	100%	-20.0%	73%	79%	-7.4%
Diesel consumption (liters/ '000 GTK)	3.39	3.42	-0.9%	3.37	3.59	-6.1%
Rail accidents (MM Train/ train x mile) ²¹	3.65	3.68	-0.8%	3.42	3.86	-11.4%
Personal accidents (accidents/bMM MHW) ²²	0.34	0.27	25.9%	0.34	0.27	25.9%
North operation transit time ²³						
Rondonópolis (MT) to Santos (SP) (hours)	101.9	87.5	16.5%	91.4	90.5	1.0%
Dwell time ²⁴						
Dwell time in Santos (SP) (hours)	18.4	19.6	-5.9%	17.7	19.7	-10.0%

Note 21: Result under international standards, the FRA criteria (Federal Railroad Administration). The rate reflects the number of train wrecks that resulted in damages exceeding US\$11,300, divided by the total mileage run during the period.

Note 22: It considers the average of the last 12 months of lost-time injury frequency (LTIF) and restricted work accidents (SAF) indicators. As of 1Q22, it includes the Central Network in the quarter-on-quarter comparison.

Note 23: It considers the transit time between Rondonópolis (MT) and Santos (SP).

Note 24: It considers the time spent in Santos Port (SP) between arrival and departure.

Operating Ratio: The indicator that represents the share of costs and expenses as a percentage of net revenue has improved. In 4Q22, net revenue grew by 47% and 32% in 2022, higher than increased costs including depreciation which stood at 18% and 23% in 4Q22 and 2022, respectively.

Diesel consumption: The 1% and 6% improvements in 4Q22 and 2022 reflect the greater efficiency in diesel unit consumption of locomotives, due to investments in technology and innovation, the consolidation of 120-railcar operation in the North Operation, besides permanent way revamp works and fleet modernization. Besides that, a higher volume mix in the North Operation helped to reduce average consumption.

Railway accidents: This indicator that observes FRA (Federal Railroad Administration) criteria to determine the railway accident index with train wrecks and damages exceeding US\$11,300 due to distance run, came in line in 4Q22, while in 2022, the indicator improved by 11%, reflecting a disciplined execution of the Safety Strategic Plan by the Company's operational and maintenance areas.

Personal accidents: In 4Q22 and 2022, the indicator that represents the number of lost-time injury frequency (LTIF) man-hour per task stood at 0.20, while the restricted work accidents (SAF) man-hour per task stood at 0.14. The sum of indicators surged 26% compared to the previous year. The Company continues to focus on maintaining, on average, an index of the lost-time rate at 0.15 by 2025, according to the commitment undertaken in 2020.

Transit time in the North Operation and dwell time in Santos (SP): This quarter, the transit time between Rondonópolis (Mato Grosso) and Santos (São Paulo) increased by 17%, especially due to higher transported volumes and maintenance in the period. In 2022, the indicator was up by 1%. Concerning the railcar dwell time in Santos (SP), the average time was reduced by 6%, while in 2022, we saw a 10% increase. This evolution in the indicators, despite higher performed volumes, is a result of the investments and operational management improvements implemented by the Company.

9. Projections & Assumptions

9.1 Realized 2022

In the table below, we present the 2022 fiscal year result compared to the 2022 guidance.

	Realized 2022	Guidance 2022
Volume (RTK bln)	74.9	$74.5 \leq \Delta \leq 76.0$
EBITDA (BRL mln)	4,534	$4,450 \leq \Delta \leq 4,600$
Capex (BRL mln)	2,718	$2,700 \leq \Delta \leq 2,900$

9.2 Guidance 2023

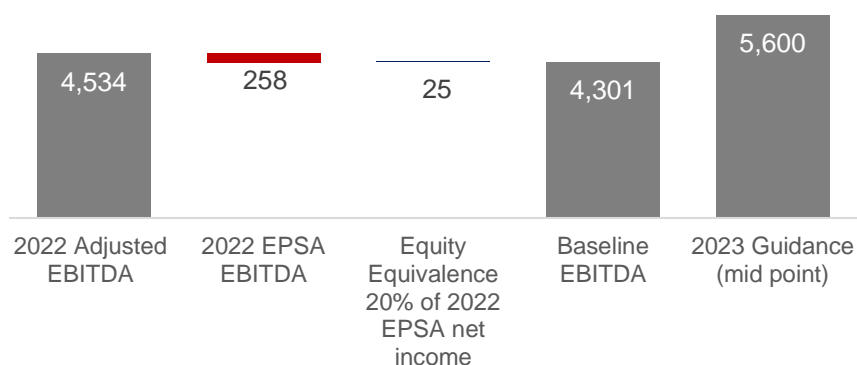
Rumo presents to its shareholders and the market in general the financial and operating projections for the year 2023, as shown below:

	Guidance 2023
Volume (RTK bln)	$80 \leq \Delta \leq 83$
Comparable EBITDA (BRL mln)	$5,400 \leq \Delta \leq 5,800$
Capex (BRL mln)	$3,600 \leq \Delta \leq 4,000$

Key assumptions considered:

- Macroeconomic assumptions based on data from recognized third-party consultancies.
- Adjusted EBITDA excludes effects from non-recurring events, as presented in the Earnings Release.
- The volume and EBITDA projections consider the realized in the month of January and the restrictions due to theft and vandalism events in the month of February.
- Capex includes investments for the construction of the 1st Phase of the Rumo Extension in MT.
- Does not consider potential M&A projects or new concessions.
- Projected values are presented in nominal terms.

In order to provide a fair comparison of Adjusted EBITDA guidance, due to the sale of Rumo's 80% stake in terminals T16 and T19 in Santos, the Company presents the chart below:



10. Exhibits

10.1. Rumo Financial Statements

10.1.1. Balance Sheet

Balance sheet (Amounts in BRL mln)	12/31/22	09/30/22
Current assets	9,755	10,157
Cash and cash equivalents	7,385	6,589
Marketable securities	840	863
Trade receivables	562	635
Derivative financial instruments	18	58
Inventories	226	219
Receivables from related parties	50	52
Income tax and social contribution recoverable	195	135
Other recoverable taxes	363	433
Dividends and interest on own capital receivable	1	0
Non-current assets held for sale	-	1,061
Other assets	115	112
Non-current assets	36,197	35,361
Trade receivables	17	20
Restricted cash	93	71
Income tax and social contribution recoverable	309	350
Deferred income tax and social contribution	1,870	1,748
Receivables from related parties	97	101
Other recoverable taxes	741	716
Judicial deposits	237	268
Derivative financial instruments	857	826
Other assets	39	50
Investments in associates	381	79
Property, plant and equipment	17,049	16,527
Intangible assets	6,774	6,805
Right-of-use	7,732	7,799
Total assets	45,952	45,519
Current liabilities	5,690	5,562
Loans, financing and debentures	1,357	1,386
Lease liabilities	483	422
Derivative financial instruments	1,021	970
Trade payables	746	579
Salaries payable	297	265
Current income and social contribution taxes	7	5
Other taxes payable	50	48
Dividends and interest on own capital payable	132	8
Installment leases and concessions under litigation	257	185
Payables to related parties	298	305
Deferred income	5	5
Other financial liabilities	788	890
Non-current liabilities held for sale	-	227
Other payables	249	266
Non-current liabilities	24,851	24,666
Loans, financing and debentures	15,401	15,395
Lease liabilities	2,771	2,852
Derivative financial instruments	392	227
Other taxes payable	0	0
Provision for judicial demands	725	718
Installment leases and concessions under litigation	3,095	3,000
Other financial liabilities	30	30
Deferred income tax and social contribution	2,368	2,358
Deferred income	32	34
Other payables	37	52
Equity	15,410	15,290
Total liabilities	45,952	45,519

10.1.2. Income Statement

4Q22	4Q21	Chg. %	Income statement (Amounts in BRL mln)	2022	2021	Chg.%
2,220	1,512	46.8%	Net revenue from services	9,842	7,440	32.3%
(1,635)	(1,371)	19.2%	Cost of services	(6,695)	(5,352)	25.1%
585	141	>100%	Gross profit	3,146	2,088	50.7%
(152)	(144)	5.6%	Sales, general & administrative expenses	(499)	(512)	-2.5%
442	(60)	>100%	Other incomes (expenses), net	349	(69)	>100%
14	1	>100%	Equity pick-up	40	13	>100%
(625)	(445)	40.4%	Financial results, net	(2,329)	(1,360)	71.3%
(21)	123	>100%	Income tax and social contribution	(193)	(4)	>100%
243	(384)	>100%	Net income (loss)	514	156	>100%
10.9%	-25.4%	36.3 p.p.	<i>Net margin (%)</i>	5.2%	2.2%	3.0 p.p.

10.1.3. Cash Flows

4Q22	4Q21	Accounting cash flow (Amounts in BRL mln)	2022	2021
264	(506)	Profit before income tax and social contribution	707	160
485	481	Depreciation and amortization	1,967	1,831
(14)	(1)	Equity pickup	(40)	(13)
58	56	Provision for profit sharing and bonuses	175	181
(2)	(27)	Result on disposals of fixed assets and intangible assets	2	(30)
95	58	Provision for lawsuits	239	152
0	0	Provision (reversal) for losses on doubtful accounts	(0)	(0)
11	6	Stock option plan	29	25
(956)	-	Income from the sale of Investments	(956)	-
(36)	(4)	Extemporaneous tax credit	(98)	(50)
9	71	Take or pay provision	27	(54)
862	555	Interest, monetary and exchange variations, net	3,100	1,589
343	0	Others	342	(4)
1,120	689	(=) Adjustments:	5,494	3,786
103	98	Trade receivables	(84)	8
(8)	10	Related parties, Net	72	(7)
(177)	(46)	Other taxes, net	(323)	(254)
(1)	15	Inventories	7	(5)
(25)	(33)	Labor and social security payable	(116)	(55)
38	47	Suppliers	7	(23)
58	-	Leases and concessions payable	(111)	(52)
(65)	(32)	Advances to suppliers	(219)	(103)
(143)	-	Other financial liabilities	104	47
16	86	Other assets and liabilities, Net	0	(2)
(204)	145	(=) Changes in assets and liabilities	(663)	(446)
917	834	(=) Cash Flow from Operating Activities	4,831	3,340
65	(475)	Marketable securities	535	30
(22)	1	Restricted cash	(66)	57
149	-	Dividends received from subsidiaries and associates companies	153	8
(741)	(701)	Additions to property, plant and equipment, software, and other intangibles	(2,718)	(3,453)
1,361	-	Net cash on disposal of investments	1,208	-
-	-	Cash received on disposal of other fixed assets	1	3
813	(1,175)	(=) Cash Flow from Investing Activities	(886)	(3,355)
454	1,514	Funding	693	7,891
(743)	(399)	Amortization of principal	(4,460)	(7,074)
(381)	(290)	Amortization of interest	(1,385)	(1,262)
-	-	Acquisition of non-controlling interest	(0)	(389)
(10)	-	Payment of capital, net of share issue costs	(9)	-
-	-	Amortization of real estate receivables interest	(94)	-
-	-	Payments of interest on real estate receivables certificate	(25)	(30)
(253)	527	Derivative financial instruments	(664)	2,169
(1)	-	Dividends paid	(39)	(7)
(934)	1,352	(=) Cash generated by (used in) financing activities	(5,984)	1,298
(0)	94	Impact of exchange variation in cash balance	(24)	387
796	1,106	(=) Net increase in cash and cash equivalents	(2,063)	1,670
6,589	8,342	Beginning balance of cash and cash equivalents	9,448	7,779
7,385	9,448	Final balance of cash and cash equivalents	7,385	9,448