

## EARNINGS RELEASE 1Q23

Curitiba, May 4<sup>th</sup>, 2023 – RUMO S.A. (B3: RAIL3) (“Rumo”) announces today its results for the first quarter of 2023 (1Q23). The results are presented on a consolidated basis, in accordance with Brazilian and international accounting rules (IFRS). The comparisons made in this report consider 1Q23 and 1Q22, except when otherwise indicated.

### Highlights

- Rumo’s transported volume reached 16.1 billion RTK, 11% down from 1Q22.
- Consolidated yield increased by 28%, as a result of the higher competitiveness of the railway mode.
- EBITDA totaled R\$1,181 million in 1Q23, a 26% growth in a like-for-like basis<sup>1</sup>.
- Net income came to R\$71 million, fueled by improved yields and margins.
- Financial leverage was 2.2x net debt/ LTM like-for-like EBITDA.
- Capex totaled R\$928 million in 1Q23, as planned for the period.

Summary of financial information (Amounts in BRL mln)	1Q23	1Q22	Chg.%
<b>Total transported volume (millions RTK)</b>	<b>16,129</b>	<b>18,108</b>	<b>-10.9%</b>
<b>Logistics solution volume</b>	<b>763</b>	<b>1,237</b>	<b>-38.3%</b>
<b>Net revenue</b>	<b>2,384</b>	<b>2,206</b>	<b>8.1%</b>
Cost of goods sold	(1,604)	(1,574)	1.9%
<b>Gross profit</b>	<b>780</b>	<b>632</b>	<b>23.5%</b>
<i>Gross margin (%)</i>	<i>32.7%</i>	<i>28.6%</i>	<i>4.1 p.p.</i>
Sales, general and administrative expenses	(111)	(107)	4.7%
Other op. revenues (expenses)	9	(55)	>100%
Equity pickup	1	7	-85.7%
<b>Operational profit</b>	<b>679</b>	<b>478</b>	<b>41.7%</b>
Depreciation and amortization	502	524	-4.2%
<b>EBITDA</b>	<b>1,181</b>	<b>1,002</b>	<b>17.8%</b>
<i>EBITDA margin (%)</i>	<i>49.5%</i>	<i>45.4%</i>	<i>4.1 p.p.</i>
<b>Net profit (loss)</b>	<b>71</b>	<b>(68)</b>	<b>&gt;100%</b>
<i>Net margin (%)</i>	<i>3.0%</i>	<i>-3.1%</i>	<i>6.1 p.p.</i>
<b>Capex</b>	<b>928</b>	<b>692</b>	<b>34.1%</b>

#### Earnings Conference Call

May 5, 2023

Portuguese\* - 2:00 (Brasilia time)

\*With simultaneous translation to English

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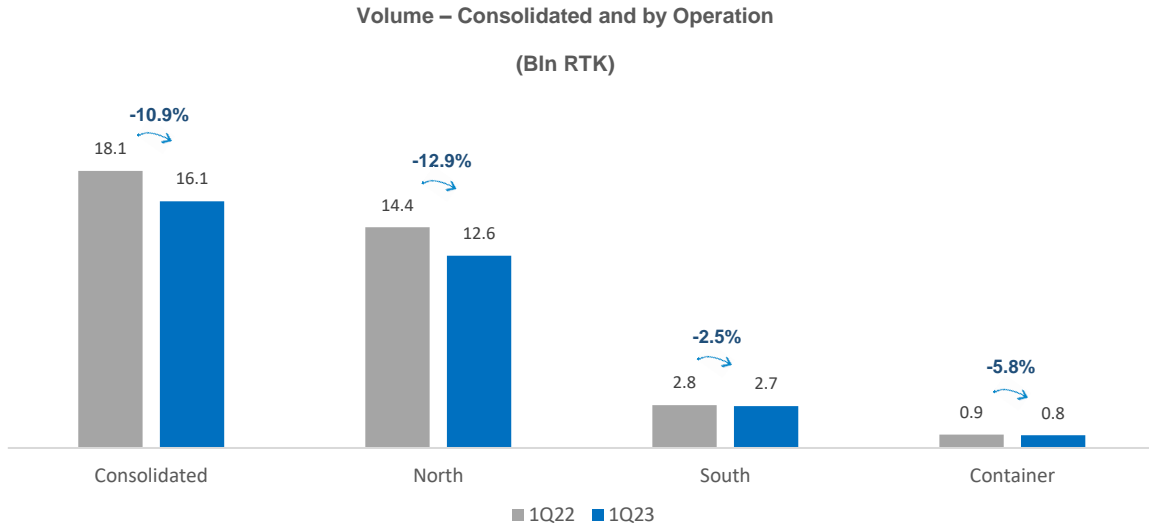
Website: ri.rumolog.com

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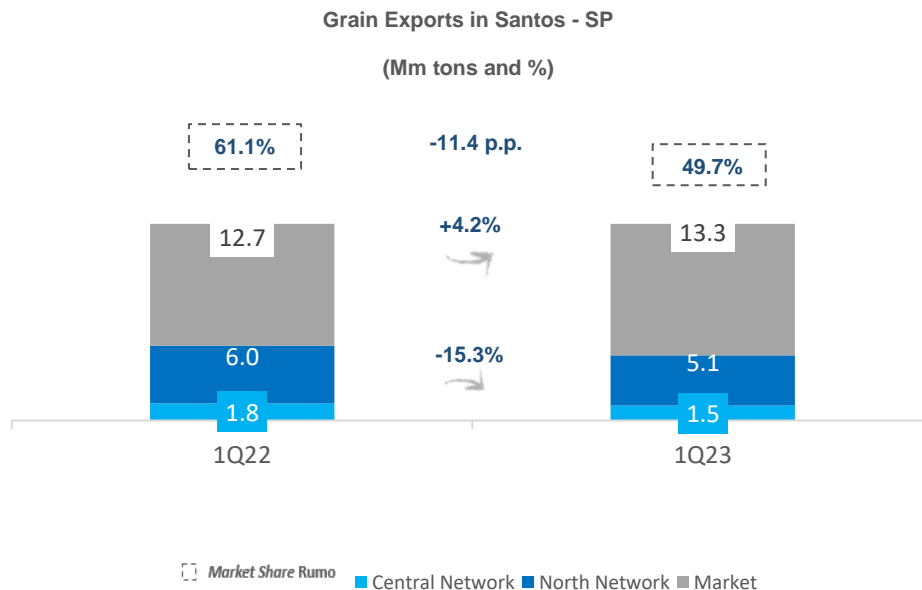
<sup>1</sup> Rumo sold 80% of equity interest in Elevações Portuárias S.A. (Terminals T16 and T19 in Santos) in 4Q22. The result in a like-for-like basis considers a managerial adjustment in 1Q22 (-R\$62 million) referring to EBITDA exclusion from Port Loading and inclusion of Equity Income from Investments (20% of net income).

## 1. 1Q23 Executive Summary

In 1Q23, Rumo’s transported volume reached 16.1 billion RTK, down 11% from 1Q22, mainly driven by atypical events recorded in the period, especially: (i) higher frequency of criminal incidents, in the region of *Baixada Santista*, that compromised the train circulation efficiency heading to the Port of Santos; (ii) soybean harvest delay, and accordingly, the start of exports, due to heavy rainfall in January; and (iii) Paulista Network 7-day interdiction to carry out works aiming at promoting greater safety and increase the flow of Monjolinho Stream, in the city of São Carlos.



Mostly considering the reasons mentioned above, Rumo’s share in grains exports via Port of Santos shrank 11.4 p.p. compared to the same year-ago period.



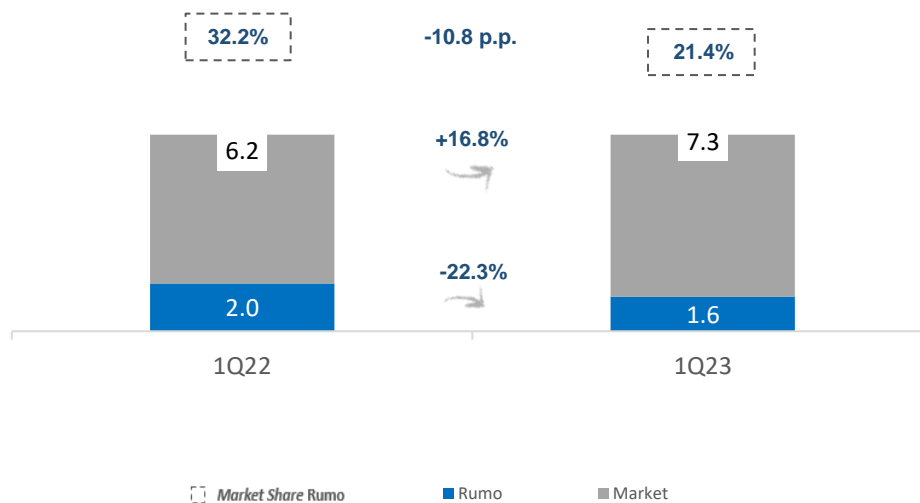
Source: Orion and Rumo System



The South Operation lost 10.8 p.p. grains market share at the ports of Paranaguá (PR), and São Francisco do Sul (SC), primarily driven by operational constraints caused by a landslide in São Francisco do Sul (SC) mountain range and various deadlocks in unloading operations at the ports, due to heavy rainfall in the region. In addition, higher capacity utilization was recorded to address sugar volume.

Grain Exports in Paranaguá – PR and São Francisco do Sul – SC

(Mm tons and %)



Source: Orion and Rumo System

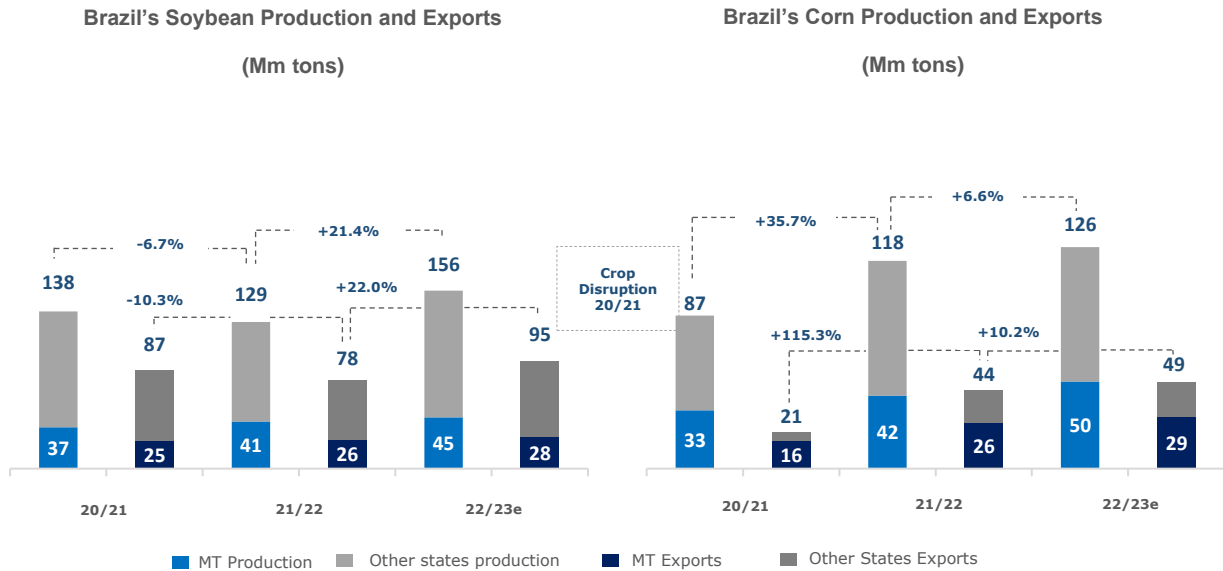
In 1Q23, net revenue totaled R\$2,384 million, an 8% year-on-year growth, recording growth in all operations, 5% in the North Operation, 22% in the South Operation, and 15% in the Containers Operation. The higher yields in the period offset lower volumes.

EBITDA totaled R\$1,181 million in 1Q23, with an EBITDA margin of 49.5%. In a like-for-like basis, considering sale of terminals T16 and T19 in 4Q22, growth stood at 26%. The variable cost, on the one hand, reflected a 6% fuel price increase and the impacts of higher frequency of criminal incidents resulting in 6% lower energy efficiency and the recording of a provision for take-or-pay liabilities. On the other hand, there was a positive impact due to lower pass-through fee in Ferradura de Santos (SP) stretch since May 2022. Fixed costs and general and administrative expenses were impacted by higher expenditures relating to indemnifications, on the back of operational constraints caused by increased violence. If we exclude these expenditures, fixed costs and general and administrative expenses would have lifted 6%.

Rumo posted a net income of R\$71 million in 1Q23. Financial leverage came at 2.2x, and net comprehensive debt of R\$9.8 billion.

Regarding the soybean 22/23 crop, specialized consultancies' projections still indicate record harvest in Brazil of 156 million tons, while 95 million tons should be exported. Harvest has been mostly completed, reaching 92% of the cultivated area in the third week of April. With regards to commercialization, although nearly 70 million tons have already been sold, the farmer selling still stands at 47%, nearly 10 p.p. lagging behind the 5-year average. In the states of Mato Grosso and Goiás, wherein harvest has already been concluded, 45 and 18 million tons were produced, of which we estimate that 28 and 10 million tons should be exported, respectively. Combined, the states of Mato Grosso do Sul and Paraná should record 59% production growth, and exports should more than double, approximately an additional 10 million tons.

Concerning the 22/23 **corn** crop, specialized consultancies' projections indicate a record harvest of 126 million tons in Brazil, and exports of approximately 49 million tons, 7% and 10% growth versus the previous crop. The states of Mato Grosso and Goiás should produce nearly 50 and 13 million tons and exports should reach 29 and 4 million tons, respectively. In the states of Mato Grosso do Sul and Paraná, production should reach 12 and 17 million tons, respectively. Up to date, projections indicate harvest commencing in the second fortnight of June in the states of the Mid-West region. Commercialization remains sluggish, reaching 19% of expected production, compared to 34% in the same period of previous crop. Production and productivity estimates are subject to reviews, although part of the crop has been sowed out of the planting ideal window, for the time being, the out-of-season corn development remains under favorable conditions.



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

In the **environmental, social, and governance (ESG)** agenda, on March 20, 2023, Rumo published its **Sustainability Report 2022**, reporting, amongst other highlights:

- 5% reduction of specific emissions to 13.09 gCO<sub>2</sub> eq./ RTK, accounting for a 17% reduction versus 2019, outpacing the goal of a 15% reduction of specific emissions by 2023;
- 25% decrease in the accident severity index and 1,000 days without casualties;
- Engagement survey: 96% of employees affirmed they are proud of working for Rumo.
- 1 year of Rumo Institute's operations, besides other projects and social investments.

## 2. Consolidated Operating and Financial Indicators

Summary of financial information (Amounts in BRL mln)	1Q23	1Q22	Chg.%
<b>Total transported volume (millions RTK)</b>	<b>16,129</b>	<b>18,108</b>	<b>-10.9%</b>
<b>Agricultural products</b>	<b>13,232</b>	<b>15,000</b>	<b>-11.8%</b>
Soybean	8,145	9,798	-16.9%
Soybean meal	2,155	2,306	-6.5%
Corn	1,146	1,078	6.3%
Sugar	540	381	41.6%
Fertilizers	1,013	1,171	-13.4%
Others	232	266	-13.0%
<b>Industrial products</b>	<b>2,069</b>	<b>2,228</b>	<b>-7.1%</b>
Fuels	1,212	1,385	-12.5%
Wood, pulp, and paper	857	843	1.7%
<b>Containers</b>	<b>828</b>	<b>879</b>	<b>-5.8%</b>
<b>Net revenue</b>	<b>2,384</b>	<b>2,207</b>	<b>8.1%</b>
Transportation	2,226	1,950	14.1%
Port loading	-	90	-100.0%
Logistic solution <sup>1</sup>	90	122	-25.9%
Other revenues <sup>2</sup>	68	45	50.4%

Note 1: Revenue from sugar transportation using other railways or road transportation.

Note 2: It includes revenue from the pass through fee of other highways, and revenue from volumes contracted and not executed according to commercial agreements (take-or-pay), among others.

Yield by Operation	1Q23	1Q22	Chg.
<b>North Operation</b>			
Yield (R\$/000 RTK)	134.0	103.8	29.1%
% Volume	77.9%	79.6%	-1.7 p.p.
<b>South Operation</b>			
Yield (R\$/000 RTK)	159.4	128.8	23.8%
% Volume	17.0%	15.5%	1.5 p.p.
<b>Container Operation</b>			
Yield (R\$/000 RTK)	126.8	104.7	21.2%
% Volume	5.1%	4.9%	0.2 p.p.
<b>Consolidated</b>			
Yield (R\$/000 RTK)	138.0	107.7	28.2%

### 3. Results by Business Unit

#### Business Units

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

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

Results by business unit 1Q23	North Operation	South Operation	Container Operation	Consolidated
Transported volume (million RTK)	12,566	2,735	828	16,129
<b>Net revenue</b>	<b>1,825</b>	<b>450</b>	<b>110</b>	<b>2,384</b>
Costs of services	(1,088)	(401)	(114)	(1,604)
<b>Gross profit (loss)</b>	<b>737</b>	<b>48</b>	<b>(5)</b>	<b>780</b>
<i>Gross margin (%)</i>	40.4%	10.7%	-4.4%	32.7%
Sales, general and administrative expenses	(83)	(16)	(13)	(111)
Other operating revenue (expenses) & eq. pickup	2	3	5	10
Depreciation and amortization	338	140	23	502
<b>EBITDA</b>	<b>994</b>	<b>175</b>	<b>11</b>	<b>1,181</b>
<i>EBITDA margin (%)</i>	54.5%	39.0%	10.3%	49.5%

## North Operation

Operational figures	1Q23	1Q22	Chg.%
<b>Total transported volume (millions RTK)</b>	<b>12,566</b>	<b>14,423</b>	<b>-12.9%</b>
<b>Agricultural products - North, Paulista, and Central Operation</b>	<b>11,161</b>	<b>12,929</b>	<b>-13.7%</b>
Soybean	7,300	8,581	-14.9%
Soybean meal	1,957	2,141	-8.6%
Corn	672	971	-30.8%
Sugar	252	208	20.8%
Fertilizers	982	1,028	-4.5%
<b>Industrial products - North and Paulista Operation</b>	<b>1,405</b>	<b>1,494</b>	<b>-6.0%</b>
Fuels	864	947	-8.8%
Industrials	541	546	-1.0%
<b>Average transportation yield</b>	<b>134.0</b>	<b>103.8</b>	<b>29.1%</b>
<b>Total volume loaded (TU '000)</b>	<b>-</b>	<b>2,894</b>	<b>-100.0%</b>
<b>Average loading yield (R\$/TU)</b>	<b>-</b>	<b>31.1</b>	<b>-100%</b>

The total volume transported in North Operation went down 13% to 12.6 billion RTK in 1Q23, mainly driven by a higher frequency of criminal incidents in the metropolitan region of *Baixada Santista*, which compromised train circulation efficiency heading to the Port of Santos, also the soybean harvest delay, and accordingly, the start of exports, due to heavy rainfall in January, and the 7-day interdiction of Paulista network to carry out works that promoted greater safety and increase the flow of Monjolinho Stream, in the city of São Carlos.

Financial results (Amounts in BRL mln)	1Q23	1Q22	Chg.%
<b>Net revenue</b>	<b>1,825</b>	<b>1,742</b>	<b>4.8%</b>
Transportation	1,684	1,497	12.5%
Logistic solution	90	122	-25.9%
Port loading <sup>3</sup>	-	90	-100.0%
Other revenues <sup>4</sup>	51	34	50.6%
<b>Costs of services</b>	<b>(1,088)</b>	<b>(1,093)</b>	<b>-0.5%</b>
Variable costs	(504)	(519)	-3.0%
Fixed costs	(247)	(215)	15.3%
Depreciation and amortization	(337)	(359)	-6.3%
<b>Gross profit</b>	<b>737</b>	<b>649</b>	<b>13.6%</b>
<i>Gross margin (%)</i>	<i>40.4%</i>	<i>37.2%</i>	<i>3.2 p.p.</i>
Selling, general and administrative expenses	(83)	(81)	2.8%
Other op. revenue (expenses) and equity pickup	2	(25)	>100%
Depreciation and amortization	338	362	-6.6%
<b>EBITDA</b>	<b>994</b>	<b>905</b>	<b>9.8%</b>
<i>EBITDA margin (%)</i>	<i>54.5%</i>	<i>52.0%</i>	<i>2.5 p.p.</i>

Note 3: Rumo sold 80% equity interest in Elevações Portuárias S.A. (Terminals T16 and T19 in Santos) in 4Q22. The result in a like-for-like basis considers managerial adjustment (-R\$62 million) referring to EBITDA exclusion from port loading and inclusion of equity accounting - 20% of net income for the period.

Note 4: It includes revenue from the pass through fee of other railways and revenue from volumes contracted and not executed according to commercial agreements (take-or-pay) and transshipment volume.

EBITDA advanced 10% to R\$994 million in 1Q23, year-on-year, with a 54.5% margin. In a like-for-like basis, due to the sale of terminals T16 and T19 in 4Q22, growth would stand at 18%. This result reflects the consolidation of the logistics sector's favorable momentum seen in the second half of 2022, with railway higher competitiveness as a logistics mode in the transportation of Brazil's mid-west agricultural products that drove the 29% yield increase. The variable cost went down 3%, mainly reflecting lower transported volumes. In unit terms, the variable cost was impacted by a 4% fuel price increase and a 6% lower energy efficiency, directly hit by a higher frequency of criminal incidents, partially offset by the lower pass through fee in Ferradura de Santos (SP) stretch, effective since May 2022. The North Operation also recorded nearly R\$60 million in provisions for take-or-pay liabilities. Fixed cost, general and administrative expenses recorded nearly R\$25 million in indemnification, directly connected with events of violence in the region of *Baixada Santista*.



South Operation

Operational figures	1Q23	1Q22	Chg.%
<b>Transported volume (million RTK)</b>	<b>2,735</b>	<b>2,805</b>	<b>-2.5%</b>
<b>Agricultural products</b>	<b>2,070</b>	<b>2,071</b>	<b>0.0%</b>
Soybean	846	1,217	-30.5%
Soybean meal	198	165	20.6%
Corn	475	107	>100%
Sugar	288	173	66.7%
Fertilizers	32	143	-77.8%
Other	232	266	-13.0%
<b>Industrial products</b>	<b>665</b>	<b>734</b>	<b>-9.5%</b>
Fuel	349	438	-20.3%
Wood, pulp, and paper	316	296	6.5%
<b>Average transportation yield</b>	<b>159.4</b>	<b>128.8</b>	<b>23.8%</b>

South Operation transported 2.7 billion RTK in 1Q23, a 3% decline. The soybean harvest delay was offset by higher corn and sugar carryover stocks. In addition, heavy rainfall caused a landslide in São Francisco do Sul (SC) mountain range, and also an increased number of temporary disruptions in grains unloading in the south region's ports. Industrial products' 10% shrinkage was chiefly due to lower fuel volume that ended 2022 with higher inventory levels.

Financial results (Amounts in BRL mln)	1Q23	1Q22	Chg.%
<b>Net operating revenue</b>	<b>450</b>	<b>370</b>	<b>21.5%</b>
Transportation	436	361	20.7%
Other revenues <sup>5</sup>	13	9	49.1%
<b>Cost of services</b>	<b>(401)</b>	<b>(384)</b>	<b>4.6%</b>
Variable costs	(123)	(117)	5.0%
Fixed costs	(139)	(125)	10.6%
Depreciation and amortization	(140)	(141)	-0.9%
<b>Gross profit</b>	<b>48</b>	<b>(14)</b>	<b>&gt;100%</b>
<i>Gross margin (%)</i>	<i>10.7%</i>	<i>-3.8%</i>	<i>14.5 p.p.</i>
Selling, general and administrative expenses	(16)	(16)	-3.3%
Other op. revenues (expenses) and equity pickup	3	(24)	>100%
Depreciation and amortization	140	142	-0.9%
<b>EBITDA</b>	<b>175</b>	<b>88</b>	<b>&gt;100%</b>
<i>EBITDA margin (%)</i>	<i>39.0%</i>	<i>23.7%</i>	<i>15.3 p.p.</i>

Note 5: It includes revenue from volumes contracted and not executed according to commercial agreements (take-or-pay).

EBITDA totaled R\$175 million in 1Q23, more than the double recorded in 1Q22, with an EBITDA margin of 39.0%. Higher railway mode competitiveness enabled a 24% yield increase that bolstered results in the period. **Variable costs** were up 5%, mainly driven by a 9% fuel price increase, despite 1% improved energy efficiency. **Fixed costs, general and administrative expenses** hiked 10%, mainly due to inflation adjustment and maintenance costs.

## Container Operation

Operational figures	1Q23	1Q22	Chg.%
<b>Total container volume</b>	<b>24,860</b>	<b>24,672</b>	<b>0.8%</b>
<i>Intermodal average yield (R\$/000 RTK)</i>	<i>126.8</i>	<i>104.7</i>	<i>21.2%</i>
<b>Total volume (millions RTK)</b>	<b>828</b>	<b>879</b>	<b>-5.8%</b>

Container Operations' volume moved down 6% to 828 million RTK in 1Q23, primarily hit by Paulista Network interdiction due to works to promote greater safety and Monjolinho stream outflow, in the municipality of São Carlos (SP) and higher frequency of incidents of violence in the region of *Baixada Santista* (SP). Container volume came in line with 1Q22.

Financial results (Amounts in BRL mln)	1Q23	1Q22	Chg.%
<b>Net revenue</b>	<b>110</b>	<b>95</b>	<b>15.4%</b>
Transportation	105	92	14.9%
Other revenues <sup>6</sup>	4	3	31.3%
<b>Costs of services</b>	<b>(114)</b>	<b>(97)</b>	<b>17.9%</b>
Variable costs	(62)	(53)	17.4%
Fixed costs	(29)	(24)	19.3%
Depreciation and amortization	(23)	(20)	17.6%
<b>Gross profit</b>	<b>(5)</b>	<b>(2)</b>	<b>&gt;100%</b>
<i>Gross margin (%)</i>	<i>-4.4%</i>	<i>-2.2%</i>	<i>-2.2 p.p.</i>
Selling, general and administrative expenses	(13)	(10)	33.8%
Other op. revenues (expenses)	5	1	>100%
Depreciation and amortization	23	20	17.5%
<b>EBITDA</b>	<b>11</b>	<b>9</b>	<b>20.8%</b>
<i>EBITDA margin (%)</i>	<i>10.3%</i>	<i>9.9%</i>	<i>0.4 p.p.</i>

Note 6: It includes revenue from service units.

Container operation's EBITDA grew by 21% to R\$11 million in 1Q23, with an EBITDA margin of 10.3%, reflecting value-added cargo handling and domestic market advancement, besides operations expansion at the service unit of the Customs Clearance Office (EADI), in the city of Bauru (SP). Variable costs rose 17%, primarily driven by increased operations in the domestic market, grains, goods, and consumption, where we can see greater road freight exposure. Fixed costs, general and administrative expenses hiked 24% on the back of higher technology and personnel expenses.

#### 4. Other Results

##### Breakdown of Costs of Services Rendered, General & Administrative Expenses

Consolidated Costs (Amounts in BRL mIn)	1Q23	1Q22	Chg. %
<b>Consolidated costs, General and administrative expenses</b>	<b>(1,715)</b>	<b>(1,680)</b>	<b>2.1%</b>
<b>Variable Costs</b>	<b>(688)</b>	<b>(690)</b>	<b>-0.2%</b>
Variable cost of rail transport	(601)	(573)	4.9%
Fuel and lubricants	(424)	(426)	-0.4%
Other variable costs <sup>7</sup>	(177)	(147)	20.2%
Variable cost Logistic Solution <sup>8</sup>	(87)	(112)	-21.7%
Variable cost Elevation	-	(5)	-100.0%
<b>Fixed Costs and General and Administrative Expenses</b>	<b>(525)</b>	<b>(468)</b>	<b>12.1%</b>
Payroll expenses	(222)	(215)	3.1%
Other operational costs <sup>9</sup>	(193)	(150)	28.8%
General and administrative expenses	(110)	(103)	6.0%
<b>Depreciation and Amortization</b>	<b>(502)</b>	<b>(524)</b>	<b>-4.2%</b>

Note 7: Costs, such as rental of rolling stock, electricity, roadside in the Container Operation, owned logistics costs, and take-or-pay.

Note 8: Freight costs with third parties include road and rail freight contracted with other concessionaires.

Note 9: Other operational costs include maintenance, third-party services, safety, and facilities, among other fixed costs.

In 1Q23, **variable costs** reflected lower transported volumes but were impacted by a 6% fuel price increase and operational constraints in the quarter, resulting in 6% lower energy efficiency and the recording of nearly R\$60 million in provisions for take-or-pay liabilities.

**Fixed costs** and **general and administrative expenses** were impacted by approximately R\$25 million in costs with indemnifications, connected with a higher frequency of criminal incidents in the region of *Baixada Santista*. If we exclude this one-off effect, fixed costs, general and administrative expenses would have increased by 7%.

## Financial Result

Financial Results (Amounts in BRL mln)	1Q23	1Q22	Chg.%
<b>Cost of broad bank debt<sup>10</sup></b>	<b>(613)</b>	<b>(506)</b>	<b>21.1%</b>
Charges over leasing	(5)	(3)	>100%
Financial income from investments	242	186	30.0%
<b>(=) Cost of broad net debt</b>	<b>(376)</b>	<b>(322)</b>	<b>16.7%</b>
Monetary variation on liabilities of concessions	(107)	(78)	37.0%
Concession fee and operating lease <sup>11</sup>	(87)	(75)	15.8%
Rates on contingencies and contracts	(64)	(60)	6.7%
Other financial expenses	26	35	-24.0%
<b>(=) Financial result</b>	<b>(607)</b>	<b>(501)</b>	<b>21.3%</b>

Note 10: It includes interest rates, monetary variation, results net of derivatives, and other debt charges.

Note 11: It includes adjustments under IFRS 16.

The net **financial result** saw a R\$106 million impact compared to 1Q22 primarily due to the cost of net debt and monetary variation over concession liabilities, on the back of rising SELIC rate (from 11.25% to 13.75% p.a.), and accordingly on CDI (interbank deposit certificate). The Company's debt portfolio is mainly exposed to CDI, whether contractually or via derivative instruments.

## Income Tax and Social Contribution

Income tax and social contribution (Amounts in BRL mln)	1Q23	1Q22	Chg.%
<b>Income (loss) before income tax/ social contribution</b>	<b>71</b>	<b>(23)</b>	<b>&gt;100%</b>
<i>Theoretical rate income tax / social contribution</i>	<i>34.0%</i>	<i>34.0%</i>	
<b>Theoretical income (expenses) with income tax /social contribution</b>	<b>(24)</b>	<b>8</b>	<b>&gt;100%</b>
<b>Adjustments to calculate the effective rate</b>			
Tax losses and temporary differences not recognized <sup>12</sup>	(48)	(108)	-55.5%
Tax incentives arising from the North Network <sup>13</sup>	41	27	50.4%
Equity pickup	0	2	-88.4%
Other effects	31	25	22.5%
<b>Income (expenses) with income tax / social contribution</b>	<b>(0)</b>	<b>(46)</b>	<b>-99.8%</b>
<i>Effective rate (%)</i>	<i>0.1%</i>	<i>-202.5%</i>	<i>202.6 p.p.</i>
Income tax/Social contribution current	-	(26)	-100%
Income tax/Social contribution deferred	(0)	(20)	-100%

Note 12: 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 13: 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 1Q23 totaled R\$17.1 billion, 2% lower than in 4Q22, reflecting the flow of debt maturities and the disbursement of financing contracted in previous periods. Net indebtedness surged to R\$9.8 billion, on the back of 12% lower cash, partially offset by 2% lower gross comprehensive debt. The financial leverage, measured by the Net Debt/like-for-like EBITDA ratio, ended the period at 2.2x.

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

Total indebtedness (Amounts in BRL mln)	1Q23	4Q22	Chg.%
Commercial banks	886	874	1.3%
NCE	387	567	-31.7%
BNDES	2,412	2,503	-3.6%
Debentures	8,799	8,493	3.6%
Senior notes 2025 and 2028	4,201	4,320	-2.8%
<b>Total bank debt</b>	<b>16,685</b>	<b>16,758</b>	<b>-0.4%</b>
Leases <sup>14</sup>	108	121	-10.5%
Net derivative instruments	345	538	-35.8%
<b>Total broad gross debt</b>	<b>17,138</b>	<b>17,417</b>	<b>-1.6%</b>
Cash and cash equivalents and securities	(7,212)	(8,226)	-12.3%
Restricted cash linked to bank debts	(100)	(85)	17.6%
<b>Total broad net debt</b>	<b>9,827</b>	<b>9,106</b>	<b>7.9%</b>
LTM <sup>15</sup> like-for-like EBITDA	4,542	4,534	0.2%
<b>Leverage (Broad net debt/like-for-like LTM EBITDA)</b>	<b>2.2x</b>	<b>2.0x</b>	<b>10.0%</b>

Note 14: It excludes operating leases under IFRS 16.

Note 15: 4Q22 financial leverage considers LTM Adjusted EBITDA, as highlighted in the 4Q22 earnings release. For a better illustration, from 1Q23 onwards, the financial leverage calculation considers LTM like-for-like EBITDA, that is, it includes adjustment in the 2022 result referring to the exclusion of EBITDA from Elevações Portuárias and inclusion of Equity Income (20% of net income).

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

Bank gross indebtedness (Amounts in BRL mln)	1Q23
<b>Initial balance of broad net debt</b>	<b>9,106</b>
Cash, cash equivalents and marketable securities	(8,311)
<b>Initial balance of gross broad debt</b>	<b>17,417</b>
<b>Items with cash impact</b>	<b>(887)</b>
New funding	78
Amortization of principal	(403)
Amortization of interest rates	(273)
Net derivative instruments	(289)
<b>Items without cash impact</b>	<b>609</b>
Provision for interest rates (accrual)	230
Monetary variation, MTM adjustment of debt, and others	282
Net derivative instruments	96
<b>Closing balance of broad net debt</b>	<b>17,138</b>
Cash and cash equivalents and marketable securities	(7,212)
Restricted cash linked to bank debts	(100)
<b>Closing balance of broad net debt</b>	<b>9,827</b>

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, financial investments 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

Investments (Amounts in BRL mm)	1Q23	1Q22	Chg.%
<b>Total investments<sup>16</sup></b>	<b>928</b>	<b>692</b>	<b>34.1%</b>
Recurring	324	247	30.9%
Expansion <sup>17</sup>	580	445	30.3%
Rumo's Expansion Project in Mato Grosso (1 <sup>st</sup> phase - Campo Verde)	24	-	n.a.

Note 16: Cash basis amounts.

Note 17: In 1Q22, R\$19 million Expansion Capex were invested in the Rumo's Expansion project in the state of Mato Grosso.

**Total Capex** surged 34% to R\$928 million in 1Q23. **The recurring Capex** was R\$324 million, 31% up from 1Q22, due to the investments phasing in 2022. **Expansion Capex**, excluding Rumo's expansion in the state of Mato Grosso advanced 30% to R\$580 million, mainly reflecting the cash effect of works carried out in 4Q22, at approximately R\$150 million.

This first quarter, Rumo now reports investments made in the Company's Expansion project in the state of Mato Grosso, which in its first stage, connecting the Rondonópolis terminal to the future terminal of Campo Verde and R\$24 million were invested in the period. This project recorded relevant advances in its preliminary stage, highlighting the licensing and land processes.

Investments move on according to the Company's strategic planning, prioritizing the works of contractual obligations of Paulista and Central networks and capacity increase.

## 7. Cash Flow Statement

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

Indirect cash flow (Amounts in BRL mln)	1Q23	1Q22
EBITDA	1,181	1,002
Working capital variations and non-cash effects	(428)	(123)
Operating financial result	233	171
<b>(a) (=) Operating cash flow (FCO)</b>	<b>986</b>	<b>1,050</b>
Capex	(928)	(692)
<b>(b)</b> Recurring	(324)	(247)
Expansion	(580)	(445)
Rumo's Expansion Project in Mato Grosso (1st phase - Campo Verde)	(24)	-
Dividends received	3	1
<b>(c) (=) Cash flow from investing activities (FCI)</b>	<b>(925)</b>	<b>(691)</b>
Funding	78	92
Amortization of principal	(526)	(3,040)
Consent fee	-	(94)
Amortization of interest rates	(320)	(363)
Capital payment	-	1
Preferred stock investments	-	(25)
Derivative financial instruments	(289)	(41)
Restricted cash	(18)	(2)
<b>(=) Cash flow from financing activities (FCF)</b>	<b>(1,075)</b>	<b>(3,472)</b>
<b>Forex variation impact on cash balances</b>	<b>(0)</b>	<b>(24)</b>
<b>(=) Net cash generated</b>	<b>(1,014)</b>	<b>(3,137)</b>
<b>(+) Total cash (includes cash + marketable securities) opening</b>	<b>8,225</b>	<b>10,874</b>
<b>(+) Total cash (includes cash + marketable securities) closing</b>	<b>7,212</b>	<b>7,737</b>
Metrics		
<b>(=) Cash generation after recurring capex (a+ b)</b>	<b>662</b>	<b>803</b>
<b>(=) Cash generation (burn) after FCI cash generation (consumption) after FCI (a+ c)</b>	<b>61</b>	<b>359</b>

## 8. Operational and Financial Performance Indicators

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

Operating and financial performance index	1Q23	1Q22	Chg.%
<b>Consolidated</b>			
Operating ratio	72%	76%	-5.3%
Diesel consumption (liters/ '000 GTK)	3.56	3.37	5.6%
Rail accidents (MM Train/ train x mile) <sup>18</sup>	2.13	3.74	-43.0%
Personal accidents (accidents/bMM MHW) <sup>19</sup>	0.25	0.26	-3.8%
<b>North operation<sup>20</sup></b>			
Rondonópolis (MT) to Santos (SP) (hours)	116.3	84.6	37.4%
<b>South operation<sup>21</sup></b>			
Dwell time in Santos (SP) (hours)	15.1	12.7	18.6%

Note 18: Result under international standards, the FRA criteria (Federal Railroad Administration) has been adopted, which will enable railways international comparison. 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 19: 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 three-quarter comparison.

Note 20: It considers the transit time between Rondonópolis (MT) and Santos (SP).

Note 21: It considers the time spent in the Port of Santos (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 1Q23, net revenue grew by 8%, higher than increased costs including depreciation which stood at 2%.

**Diesel consumption:** The 6% shrinkage in the quarter was a result of a lower concentration of agricultural cargo, especially in the North Operation, which has greater energy efficiency and lower average consumption. This lower concentration is directly associated with chain effects caused by a higher frequency of criminal activities in the region of *Baixa Santista* (SP).

**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, declined 43% in the quarter, reflecting a disciplined execution of the Safety Strategic Plan by the Company's operational and maintenance areas.

**Personal accidents:** In 1Q23, the indicator that represents the number of lost-time injury frequency (LTIF) man-hour per task stood at 0.14, while the restricted work accidents (SAF) man-hour per task stood at 0.11. The sum of indicators went down 4% 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 37%, concerning the railcar dwell time in Santos (SP), the average time surged 19%. These results were significantly impacted by a higher frequency of criminal incidents, in the metropolitan region of *Baixada Santista* (SP), which compromised train circulation efficiency heading to the Port de Santos.



## 9. Exhibits

### 9.1. Rumo Financial Statements

#### 9.1.1. Balance Sheet

Balance sheet (Amounts in BRL mln)	03/31/23	12/31/22
<b>Current assets</b>	<b>8,771</b>	<b>9,755</b>
Cash and cash equivalents	5,254	7,385
Marketable securities	1,958	840
Trade receivables	597	562
Derivative financial instruments	16	18
Inventories	214	226
Receivables from related parties	56	50
Income tax and social contribution recoverable	196	195
Other recoverable taxes	338	363
Dividends and interest on own capital receivable	5	1
Other assets	136	115
<b>Non-current assets</b>	<b>36,696</b>	<b>36,197</b>
Trade receivables	16	17
Restricted cash	107	93
Income tax and social contribution recoverable	420	309
Deferred income tax and social contribution	1,877	1,870
Receivables from related parties	93	97
Other recoverable taxes	757	741
Judicial deposits	245	237
Derivative financial instruments	975	857
Other assets	63	39
Investments in associates	375	381
Property, plant, and equipment	17,395	17,049
Intangible assets	6,739	6,774
Right-of-use	7,634	7,732
<b>Total assets</b>	<b>45,467</b>	<b>45,952</b>
<b>Current liabilities</b>	<b>4,980</b>	<b>5,690</b>
Loans, financing, and debentures	1,143	1,357
Lease liabilities	483	483
Derivative financial instruments	977	1,021
Trade payables	541	746
Salaries payable	191	297
Current income and social contribution taxes	7	7
Other taxes payable	62	50
Dividends and interest on own capital payable	132	132
Installment leases and concessions under litigation	270	257
Payables to related parties	283	298
Deferred income	5	5
Other financial liabilities	536	788
Other payables	350	249
<b>Non-current liabilities</b>	<b>24,999</b>	<b>24,851</b>
Loans, financing, and debentures	15,542	15,401
Lease liabilities	2,676	2,771
Derivative financial instruments	359	392
Provision for judicial demands	757	725
Installment leases and concessions under litigation	3,193	3,095
Other financial liabilities	30	30
Deferred income tax and social contribution	2,383	2,368
Deferred income	31	32
Other payables	28	37
<b>Equity</b>	<b>15,487</b>	<b>15,410</b>
<b>Total liabilities</b>	<b>45,467</b>	<b>45,952</b>

9.1.2. Income Statement

Income statement (Amounts in BRL mln)	1Q23	1Q22	Chg.%
<b>Net revenue from services</b>	<b>2,384</b>	<b>2,206</b>	<b>8.1%</b>
<b>Cost of services</b>	<b>(1,604)</b>	<b>(1,574)</b>	<b>1.9%</b>
<b>Gross profit</b>	<b>780</b>	<b>632</b>	<b>23.5%</b>
Sales, general & administrative expenses	(111)	(107)	4.7%
Other incomes (expenses), net	9	(55)	>100%
Equity pick-up	1	7	-85.7%
Financial results, net	(607)	(501)	21.2%
Income tax and social contribution	(0)	(46)	-99.8%
<b>Net income (loss)</b>	<b>71</b>	<b>(68)</b>	<b>&gt;100%</b>
<i>Net margin (%)</i>	<i>3.0%</i>	<i>-3.1%</i>	<i>6.1 p.p.</i>

9.1.3 Cash Flows

Accounting cash flow (Amounts in BRL mln)	1T23	1T22
<b>Profit before income tax and social contribution</b>	<b>71</b>	<b>(23)</b>
Depreciation and amortization	502	524
Equity pickup	(1)	(7)
Provision for profit sharing and bonuses	29	34
Result on disposals of fixed assets and intangible assets	(9)	(0)
Provision for lawsuits	38	76
Provision (reversal) for losses on doubtful accounts	0	1
Stock option plan	6	6
Extemporaneous tax credit	(4)	(16)
Take or pay provision	81	21
Interest, monetary and exchange variations, net	791	643
Others	(12)	(1)
<b>(=) Adjustments:</b>	<b>1,492</b>	<b>1,257</b>
Trade receivables	(72)	(116)
Related parties, Net	(15)	138
Other taxes, net	(54)	(75)
Inventories	11	(12)
Labor and social security payable	(133)	(96)
Suppliers	(61)	3
Leases and concessions payable	(6)	(1)
Advances to suppliers	(42)	(30)
Other financial liabilities	(191)	(33)
Other assets and liabilities, Net	6	(15)
<b>(=) Changes in assets and liabilities</b>	<b>(556)</b>	<b>(236)</b>
<b>(=) Cash Flow from Operating Activities</b>	<b>937</b>	<b>1,021</b>
Marketable securities	(1,069)	95
Restricted cash	(18)	(2)
Dividends received from subsidiaries and associates companies	3	1
Additions to property, plant and equipment, software, and other intangibles	(928)	(692)
<b>(=) Cash Flow from Investing Activities</b>	<b>(2,011)</b>	<b>(598)</b>
Funding	78	92
Amortization of principal	(526)	(3,040)
Amortization of interest	(320)	(363)
Amortization of real estate receivables interest	-	(94)
Payment of capital, net of share issue costs	-	1
Derivative financial instruments	(289)	(41)
Payments of interest on real estate receivables certificate	-	(25)
Dividends paid	(0)	-
<b>(=) Cash generated by (used in) financing activities</b>	<b>(1,057)</b>	<b>(3,470)</b>
<b>Impact of exchange variation in cash balance</b>	<b>(0)</b>	<b>(24)</b>
<b>(=) Net increase in cash and cash equivalents</b>	<b>(2,132)</b>	<b>(3,071)</b>
<b>Beginning balance of cash and cash equivalents</b>	<b>7,385</b>	<b>9,448</b>
<b>Final balance of cash and cash equivalents</b>	<b>5,254</b>	<b>6,377</b>