

EARNINGS RELEASE 3Q20

Curitiba, November 11, 2020 – RUMO S.A. (B3: RAIL3) (“Rumo”) today announces its results for the third quarter of 2020 (3Q20), including July, August, and September. The results are consolidated in accordance with the accounting criteria adopted in Brazil and International Financial Reporting Standards (IFRS). Comparisons in this report consider 3Q20 and 3Q19 unless otherwise indicated.

Rumo 3Q20 and 9M20 Highlights

- Total transported volume in 3Q20 was 17.5 billion RTK, exceeding the Company’s record volume seen in 3Q19 by 1%, highlighting transportation growth for sugar (+88%), fertilizers (+20%), and pulp (+18%).
- Adjusted EBITDA totaled R\$1,122 million, 7.9% lower than in 3Q19, due to lower railway transportation tariffs and increased revenue from logistics solutions that resulted in higher variable costs. Thus, adjusted EBITDA margin reached 54.7%, 4.5 p.p. lower than in 3Q19.
- Net income reached R\$171 million in the quarter, compared to R\$369 million in 3Q19, influenced by lower EBITDA and higher financial expenses due to the early renewal of Paulista Network. The R\$5.1 billion prepayment for Paulista and Central Networks concession on September 15th partially offset the above mentioned effects on financial expenses due to the Paulista renewal.
- Net debt totaled R\$6.6 billion in 3Q20, and leverage reached 1.7x broad net debt/LTM Adjusted EBITDA.
- Capex reached R\$699 million in 3Q20, 76.1% higher than in 3Q19, reflecting higher investments in the Central Network, which totaled R\$207 million this quarter.

3Q20	3Q19	Chg.%	Summary of Financials (Amounts in BRL mln)	9M20	9M19	Chg.%
17,547	17,377	1.0%	Total transported volume (million RTK)	46,261	45,099	2.6%
4,245	3,100	37.0%	Total volume loaded (TU '000)	10,914	8,548	27.7%
2,030	998	>100%	Logistics solution volume (TU '000)	4,773	3,332	43.3%
2,053	2,060	-0.3%	Net Revenue ¹	5,304	5,424	-2.2%
(1,252)	(1,238)	1.1%	Cost of goods sold ²	(3,474)	(3,533)	-1.7%
801	822	-2.5%	Gross profit	1,830	1,891	-3.2%
39.0%	39.9%	-0.9 p.p.	Gross margin (%)	34.5%	34.9%	-0.4 p.p.
(105)	(101)	3.8%	Sales, general, and administrative expenses	(306)	(266)	15.2%
(41)	35	>100%	Other op. revenues (expenses)	73	8	>100%
5	8	-37.7%	Equity pickup	11	16	-29.4%
660	763	-13.5%	Operational profit	1,608	1,650	-2.5%
454	443	2.5%	Depreciation and amortization	1,298	1,282	1.2%
1,114	1,206	-7.7%	EBITDA	2,907	2,932	-0.9%
54.3%	58.6%	-4.3 p.p.	EBITDA margin(%)	54.8%	54.1%	0.7 p.p.
1,122	1,218	-7.9%	Adjusted EBITDA ³	2,757	2,944	-6.3%
54.7%	59.1%	-4.5 p.p.	Adjusted EBITDA margin (%)	52.0%	54.3%	-2.3 p.p.
171	369	-53.7%	Net profit	302	583	-48.3%
8.3%	17.9%	-9.6 p.p.	Net margin (%)	5.7%	10.7%	-5.1 p.p.
699	397	76.1%	Capex	1,982	1,378	43.8%

Note 1: Includes revenue from the right-of-way of other railways, revenue from sugar transportation using other railways, or road transportation, and revenue from volumes contracted, but not executed, according to commercial agreements (take-or-pay).

Note 2: Includes R\$16.1 million of depreciation and amortization of the Central Network, as it is still non-operational.

Note 3: In 9M20, excluding the effects of the Central Network, effects from renewal of the Paulista Network and provision for impairment of the West Network, and no effects from the Central Network in 3Q20.

Earnings Conference Call

English - 12:00 p.m. (ET)

November 12, 2020 (Thursday)

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1. Right of Use and Leasing IFRS 16 | Concessions Prepayment

The R\$5.1 billion prepayment for Central and Paulista networks concession on September 15, 2020, reduced the balance of **leasing liabilities** in 3Q20. These decreased liabilities do not alter the accounting for the **right of use**, which is still depreciated on a straight-line basis during each contractual term.

Balance sheet accounts affected by registration of concession fees (Amounts in BRL mln)	09/30/2020	06/30/2020
Right of use	7,764	7,797
Lease liabilities ⁴ (Note 5.6 of quarterly information)	2,767	7,909

Note 4: Financial and operating lease – IFRS 16.

In May, leasing liabilities were recognized referring to the renewal of Paulista Network, and the balance of this account reached R\$7.5 billion, but without affecting interest rates, since this was recorded on the last day of the month. From June to August, the balance of leasing liabilities fluctuated according to the agreement and accrued interest rates that remained at the level of approximately R\$70 million/month. In the second fortnight of September, with the R\$5.1 billion partial prepayment for Central and Paulista Networks concession, the balance of liabilities decreased to R\$2.3 billion, still not fully reflecting the benefit of prepayment on interest rates in September and the quarter. Should the prepayment have been made in early September, charges would total R\$26 million in the referred month.

Operating lease liabilities breakdown (Amounts in BRL mln)	2Q20				3Q20	
	04/2020	05/2020	06/2020	07/2020	08/2020	09/2020
Operating lease liabilities ⁵	4,109.2	7,468.5	7,440.9	7,516.8	7,506.0	2,324.5
Monthly lease liability charges ⁵	44.9	41.0	72.0	70.8	70.3	40.5
Quarterly lease liability charges (Note 6.4)			157.9			181.6

Note 5: Only operating lease – concessions and others.

2. Adjusted Results

2.1 Central Network

In line with previous quarters and to ensure a year-on-year comparison of results, the consolidated result is reported excluding the effects of the Central Network, which is under the pre-operational stage.

2.2 Paulista Network Renewal Process

Besides the adjustments made in 2Q20, which also compose 9M20, no additional adjustment was made in 3Q20.

2.3 Provision for Impairment West Network

Besides the adjustments made in 2Q20, which also compose 9M20, no additional adjustment was made in 3Q20.

2.4 Adjusted Results

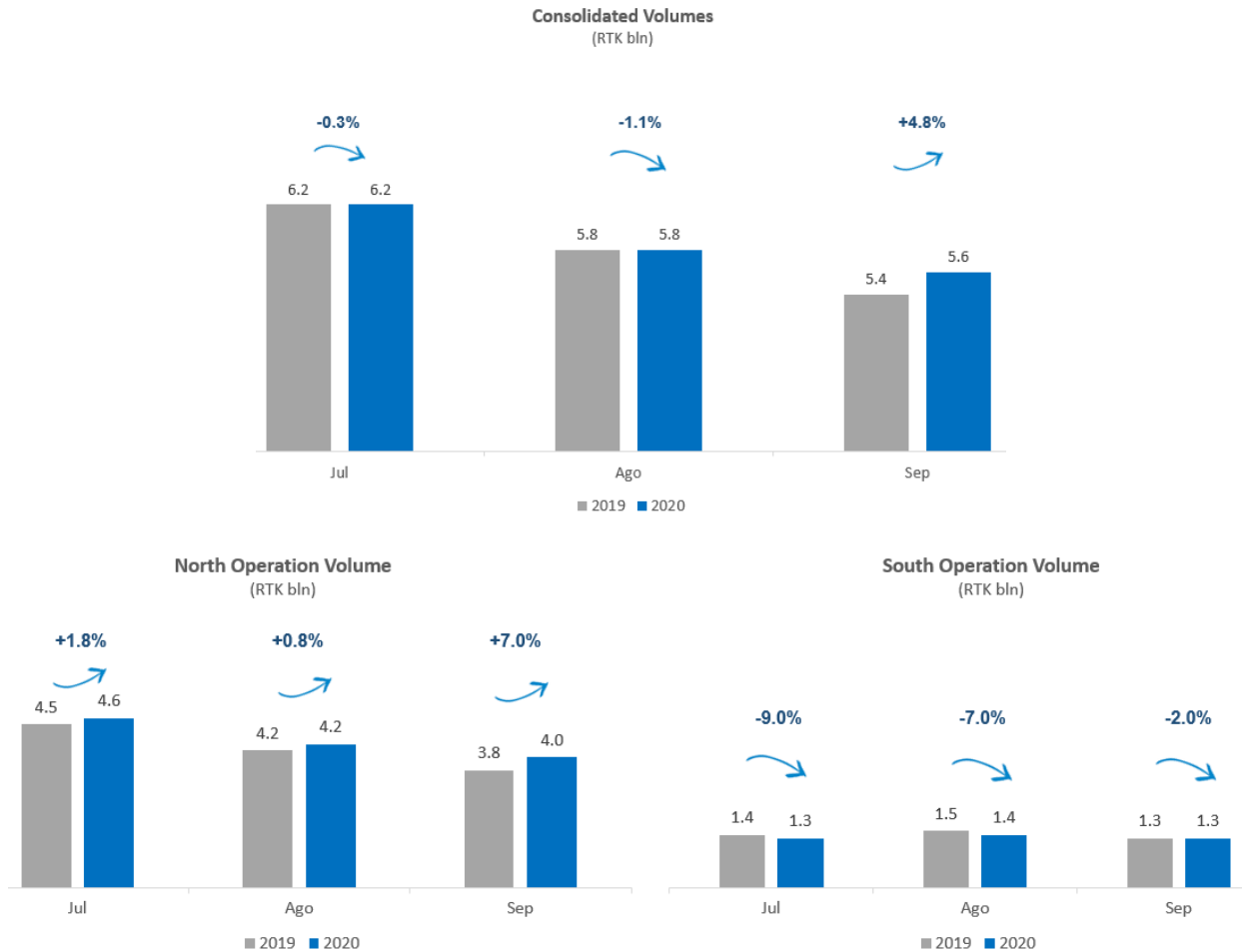
Summary of Financial Information (Amounts in R\$ MM)	3Q20	Adjustments Central Network*	Adjusted 3Q20	3Q19	Adjustments Central Network*	Adjusted 3Q19	Chg. %
Net operating revenue	2,053	-	2,053	2,060	-	2,060	-0.4%
Gross profit	801	-	801	822	15	837	-4.3%
<i>Gross margin (%)</i>	<i>39.0%</i>	<i>n/a</i>	<i>39.0%</i>	<i>39.9%</i>	<i>n/a</i>	<i>40.6%</i>	<i>-0.0 p.p.</i>
Sales, general, and admin. expenses	(105)	9	(96)	(101)	13	(88)	9.4%
Other op. revenue (expenses) & eq.	(36)	24	(12)	43	-	43	>100%
Operational profit	660	33	693	763	28	791	-12.4%
Depreciation and amortization	454	(25)	429	443	(16)	427	0.5%
EBITDA	1,114	8	1,122	1,206	12	1,218	-7.9%
<i>EBITDA margin (%)</i>	<i>54.3%</i>	<i>n/a</i>	<i>54.7%</i>	<i>58.6%</i>	<i>n/a</i>	<i>59.1%</i>	<i>-0.1 p.p.</i>
Capex	699	(207)	492	397	-	397	23.8%

Summary of Financial Information (Amounts in R\$ MM)	9M20	Central Network	Paulista Network*	Impairment Provision West Network	Adjusted 9M20	9M19	Central Network	Adjusted 9M19	Chg. %
Net operating revenue	5,304	-	-	-	5,304	5,424	-	5,424	-2.2%
Gross profit	1,830	-	-	-	1,830	1,891	15	1,906	-3.2%
<i>Gross margin (%)</i>	<i>34.5%</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>34.5%</i>	<i>34.9%</i>	<i>n/a</i>	<i>35.1%</i>	<i>-0.4 p.p.</i>
Sales, general, and admin. expenses	(306)	27	-	-	(279)	(266)	13	(253)	4.9%
Other op. revenue (expenses) & eq. pickup	84	74	(284)	107	(19)	25	-	25	>100%
Operational profit	1,608	101	(284)	107	1,532	1,650	28	1,678	-7.1%
Depreciation and amortization	1,298	(73)	-	-	1,225	1,282	(16)	1,266	-4.5%
EBITDA	2,907	28	(284)	107	2,757	2,932	12	2,944	-6.0%
<i>EBITDA margin (%)</i>	<i>54.8%</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>52.0%</i>	<i>54.1%</i>	<i>n/a</i>	<i>54.3%</i>	<i>-2.1 p.p.</i>
Capex	1,982	(384)	-	-	1,598	1,378	-	1,378	16.0%

Other sections of this Earnings Release report consolidated results unless indicated as “adjusted”.

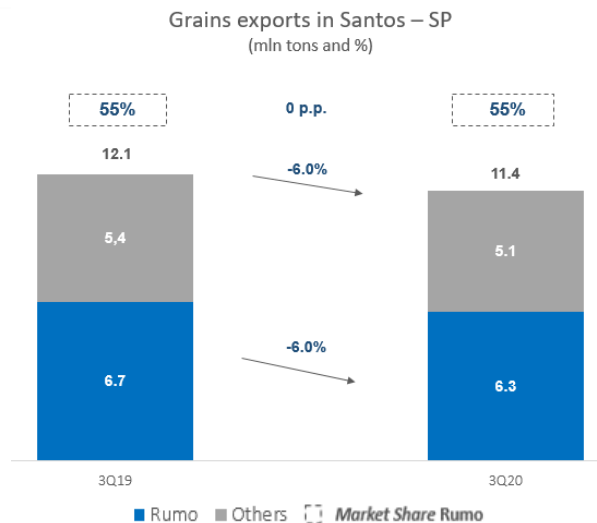
3. 3Q20 & 9M20 Executive Summary

Rumo’s transported volume totaled 17.5 billion RTK in 3Q20, exceeding by 1% the Company’s record volume seen in 3Q19. This result was mainly driven by the performance of the North and Container Operations, which grew 3.1% and 5%, respectively. **Agricultural products** transportation rose 1.1% reflecting a weaker **corn** performance (-17% YoY), once Brazilian producer decided to hold back on sales in an attempt to maximize profitability. Within this context, the Company used its capacity to increase **sugar** transportation which rose 87.8%, given the favorable market for this commodity. The transportation of **industrial products** dropped 1.6% continuing to reflect the impact of the Covid-19 pandemic which restrained fuel transportation.



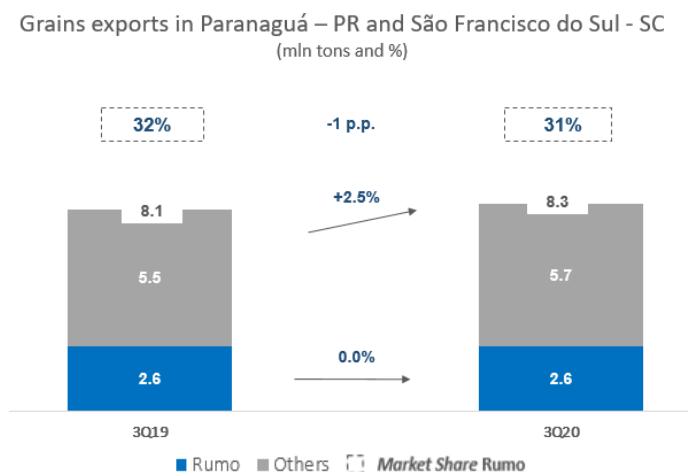
Source: Rumo’s internal system

In 3Q20, Rumo maintained its grain market share at the Port of Santos (SP), in line with lower volumes on the market (-6%). Concerning the state of Mato Grosso, exports fell below the previous year, for July and August, and recorded an average growth of only 2.7% in the quarter, due to producers holding back on grain sales. Mato Grosso’s exports through other ports rose 6.5%, mainly because of lower prices practiced in light of the pavement on the BR-163 highway, which has yet to start collecting expected toll fees.



Source: Marine Agency and Rumo's System

The South operation's market share for grain transportation to the Ports of Paranaguá (PR) and São Francisco do Sul (SC) fell 1 p.p. This reflects the lower corn availability for exports since producers began holding back on volume, especially in the areas covered by Rumo.



Source: Marine Agency and Rumo's System

Net revenue amounted to R\$2,053 million, in line with 3Q19. This total reflects: (i) lower revenue from railway transportation due to a 1% increase in volume with a decrease of 4.2% on tariffs; (ii) 37% higher volume of port elevation; and (iii) 103% higher volumes for logistics solutions, due to a favorable market for sugar.

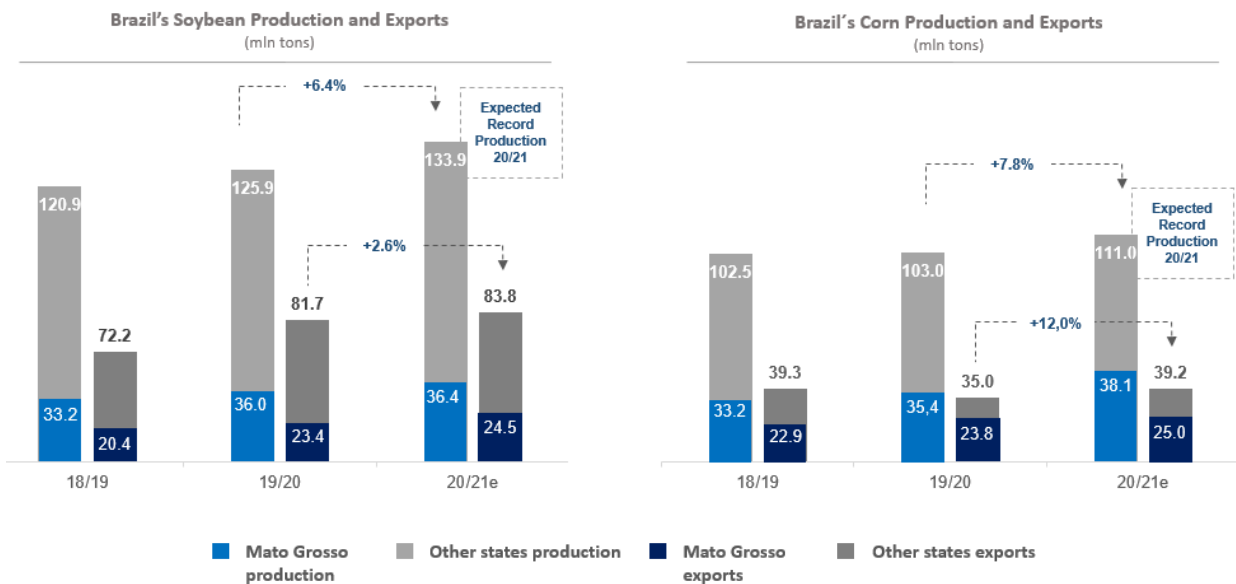
Adjusted EBITDA totaled R\$1,122 million, 7.9% lower than in 3Q19. **Fixed, general, and administrative expenses** dropped 3.9% and reinforced the company's discipline to control costs. **Variable costs** increased by 11.1%, mainly reflecting higher port elevation and logistics solutions. **Railway** variable costs fell 1%, versus 1% in higher volume, due to a 4% reduction in fuels consumed by locomotives, evidencing improved energy efficiency. **Port elevation** segment costs soared 31% below the 37% in volume growth. **Logistics solution** costs were up 66%, since volume more than doubled quarter-on-quarter. Adjusted EBITDA margin decrease 4.5 p.p. to 54.7%.

Rumo posted a **net income** of R\$171 million, versus R\$369 million in 3Q19, reflecting lower EBITDA and higher financial expenses due to the early renewal of Paulista Network and lower market-to-market gains. Leverage dropped

to 1.7x broad net debt /LTM Adjusted EBITDA, reflecting higher cash position after the capital raise and the partial prepayment of concession fees.

As for the **corn market in 2020**, according to Agroconsult forecasts, Brazil is expected to export 35 million tons, a 4.3 million tons decrease from 2019. From February to September, exported volumes came at 6 million tons below the same period of 2019, indicating grain availability for the fourth quarter. However, as Brazilian producers are holding back the pace of sales, it is not possible to confirm that exports will still be done in 2020.

For 2021, Agroconsult’s preliminary projections for Brazilian soybean indicate a 6.4% growth in production, 2.6% growth in exports, and a raise of 4.7% in the grain exports of state of Mato Grosso. Concerning corn, Brazilian production is expected to grow 7.8% and exports by 12%, of which 5% are from the state of Mato Grosso. According to AgRural, the commercialization of the 2021 crop is already advanced compared to previous year: 56% of Brazilian soybean and 68% of soybean from the state of Mato Grosso are already commercialized. Also, 40% of corn from the south center of Brazil (PR, SP, MG, MT, MS, GO) and 63% of corn from the state of Mato Grosso are already sold.



Source: Agroconsult.
Note: (e) – Estimate

In light of the **Covid-19** pandemic, the company continues to guarantee the safety of employees with a robust contingency plan, respecting the protocols established by government agencies in the cities where it operates. As informed in the previous quarter, mass-tests are still being performed to prevent contamination. From March to November 2020, approximately 17,900 tests were conducted, with only 2.4% positive results, reinforcing the effectiveness of the implemented measures. The company’s operations remain active with a strong focus on the safety of employees, putting Brazil into motion from north to south.

With regards to **ESG** - Environmental, Social, Governance, this year, Rumo defined and published goals for 2025, including the commitment to reduce greenhouse gas emissions by 15% and sustain the average levels of safety at levels similar to US Class I railways. Partial results this year already reveal the advances to achieve these goals. Concerning emissions, in 9M20, Rumo already reduced 5.3% of fuel consumption: the main source of carbon dioxide emissions. The personal accident index, a relentless priority of the company, already declined by 44% in 9M20. These results reflect the company’s continuous efforts to achieve greater operational efficiency through technology and innovation, while always upholding safety.

4. Consolidated Operating & Financial Indicators

3Q20	3Q19	Chg.%	Summary of Financial Information (Amounts in BRL mln)	9M20	9M19	Chg.%
17,547	17,377	1.0%	Total transported volume (million RTK)	46,261	45,099	2.6%
14,630	14,464	1.1%	Agricultural products	38,615	37,094	4.1%
2,121	2,155	-1.6%	Industrial products	5,522	5,987	-7.8%
796	758	5.0%	Containers	2,124	2,018	5.2%
99.6	104.0	-4.2%	<i>Average transportation yield (R\$/000 RTK)⁶</i>	97.4	103.5	-5.9%
2,053	2,060	-0.3%	Net operating revenue	5,304	5,424	-2.2%
1,747	1,808	-3.3%	Transportation	4,507	4,670	-3.5%
107	79	36.8%	Port loading	271	219	23.5%
179	90	98.9%	Logistic solution ⁷	438	294	49.0%
20	83	-78.9%	Other revenues ⁸	88	241	-63.2%
1,114	1,206	-7.7%	EBITDA	2,907	2,932	-0.9%
54.3%	58.6%	-4.3 p.p.	<i>EBITDA margin (%)</i>	54.8%	54.1%	0.7 p.p.
1,122	1,218	-7.9%	Adjusted EBITDA⁹	2,757	2,944	-6.3%
54.7%	59.1%	-4.5 p.p.	<i>Adjusted EBITDA margin (%)</i>	52.0%	54.3%	-2.3 p.p.

Note 6: Average transportation tariffs include final amounts charged to the client (container), exclude take-or-pay, and right-of-way.

Note 7: Revenue from sugar transportation using other railways, or road transportation mode.

Note 8: Includes revenue from the right-of-way of other railways, and revenue from volumes contracted, but not executed yet, under commercial agreements (take-or-pay).

Note 9: Excludes the effects of Central Network; effects from the Paulista Network renewal process, and provision for impairment of the West Network in 9M20, and excluding the effects of the Central Network in 3Q20.

Rumo's Consolidated Transported Volume and Yield by Operation

3Q20	3Q19	Chg.%	Operational Figures	9M20	9M19	Chg.%
17,547	17,377	1.0%	Total transported volume (million RTK)	46,261	45,099	2.6%
14,630	14,464	1.1%	Agricultural products	38,615	37,094	4.1%
1,872	1,372	36.5%	Soybean	17,180	14,587	17.8%
2,079	1,635	27.2%	Soybean meal	5,529	5,006	10.5%
8,096	9,751	-17.0%	Corn	9,676	12,978	-25.4%
1,496	797	87.8%	Sugar	3,109	1,982	56.9%
1,085	909	19.5%	Fertilizers	3,076	2,494	23.4%
-	-	>100%	Other	44	48	-9.7%
2,121	2,155	-1.6%	Industrial products	5,522	5,987	-7.8%
1,199	1,304	-8.1%	Fuels	3,072	3,549	-13.4%
713	604	17.9%	Wood, pulp, and paper	1,838	1,770	3.8%
209	247	-15.3%	Other	612	668	-8.3%
796	758	5.0%	Containers	2,124	2,018	5.2%

3Q20	3Q19	Chg.	Yield by Operation	9M20	9M19	Chg.
North Operation						
97.9	105.6	-7.3%	Yield (R\$/000 RTK)	104.4	104.6	-0.2%
72.7%	71.2%	1.5 p.p.	% Volume	73.4%	71.4%	2p.p.
South Operation						
106.5	100.6	5.8%	Yield (R\$/000 RTK)	104.4	101.4	3.0%
22.8%	24.4%	-1.6 p.p.	% Volume	22.0%	24.1%	-2.1p.p.
Container Operation						
92.2	97.2	-5.2%	Yield (R\$/000 RTK)	91.5	97.5	-6.2%
4.5%	4.4%	0.2 p.p.	% Volume	4.6%	4.5%	0.1p.p.
Consolidated						
99.6	104.0	-4.2%	Yield (R\$/000 RTK)	97.4	103.5	-5.9%

Results by Business Unit

Business Units

The business units (reporting segments) are categorized as follows:

- **North Operation** North Network, Paulista Network, and Port Operation in Santos.
- **South Operation** West Network and South Network.
- **Container Operation** Container Operation, including Brado Logística.
- **Central Operation¹** Central Operation, in the pre-operational phase.

Results by Business Unit 3Q20	North Operation	South Operations	Container Operations	Subtotal	Central Operations	Consolidated
Transported volume (million RTK)	12,755	3,996	796	17,547	-	17,547
Net Revenue	1,545	431	77	2,053	-	2,053
Cost of services	(807)	(365)	(79)	(1,252)	-	(1,252)
Gross profit (loss)	737	66	(2)	801	-	801
Gross margin (%)	47.7%	15.4%	-3.1%	39.0%	n/a	39.0%
Sales, general, and administrative expenses	(64)	(20)	(12)	(96)	(9)	(105)
Other operating revenues (expenses) & eq. pickup. ¹⁰	(18)	(16)	22	(12)	(24)	(36)
Depreciation and amortization ¹¹	268	143	18	429	25	454
EBITDA	923	174	25	1,122	(8)	1,114
EBITDA margin (%)	59.7%	40.4%	32.3%	54.7%	n/a	54.3%
Adjustment EBITDA	-	-	-	-	8	8
Adjusted EBITDA¹²	923	174	25	1,122	-	1,122
Adjusted EBITDA margin (%)	59.7%	40.4%	32.3%	54.7%	n/a	54.7%

Note 10: Includes depreciation and amortization for Central Network which is not yet operational.

Note 11: Depreciation and amortization are allocated in costs of services rendered, general, and administrative expenses, except for the Central Network which is allocated to other revenues and expenses.

Result by Business Unit 9M20	North Operation	South Operations	Container Operations	Subtotal	Central Operations	Consolidated
Transported volume (million RTK)	33,951	10,186	2,124	46,261	-	46,261
Net revenue	4,013	1,085	206	5,304	-	5,304
Cost of services	(2,279)	(979)	(216)	(3,474)	-	(3,474)
Gross profit (loss)	1,734	106	(10)	1,830	-	1,830
Gross margin (%)	43.2%	9.8%	-4.8%	34.5%	n/a	34.5%
Sales, general, and administrative expenses	(188)	(59)	(32)	(279)	(27)	(306)
Other operating revenues (expenses) & eq. pickup ¹⁰	267	(131)	22	158	(74)	84
Depreciation and amortization ¹¹	785	387	53	1,225	73	1,298
EBITDA	2,599	302	33	2,934	(28)	2,907
EBITDA margin (%)	64.8%	27.8%	16.1%	55.3%	n/a	54.8%
Adjustment EBITDA	(284)	107	-	(177)	28	(149)
Adjusted EBITDA¹²	2,315	409	33	2,757	-	2,757
Adjusted EBITDA margin (%)	57.7%	37.7%	16.1%	52.0%	n/a	52.0%

Note 10: Includes depreciation and amortization for Central Network which is not yet operational.

Note 11: Depreciation and amortization are allocated in costs of services rendered, general, and administrative expenses, except for the Central Network which is allocated to other revenues and expenses.

Note 12: North Operation excludes the effects associated with the Paulista Network renewal process; South Operation excludes provision for impairment of the West Network; and Consolidated excludes the effects of the Paulista Network renewal process, provision for impairment of the West Network, and expenses from the Central Network.

¹ The section of Central Operation will not be reported, as this unit is under pre-operating phase, currently, we only have information on costs.

North Operation

3Q20	3Q19	Chg. %	Operational figures	9M20	9M19	Chg. %
12,755	12,376	3.1%	Total transported volume (million RTK)	33,951	32,191	5.5%
11,544	11,366	1.6%	Agricultural products	30,778	29,342	4.9%
512	428	19.6%	Soybean	12,568	10,559	19.0%
1,873	1,440	30.1%	Soybean meal	5,036	4,500	11.9%
7,466	8,511	-12.3%	Corn	8,900	11,301	-21.2%
745	277	>100%	Sugar	1,602	994	61.2%
948	710	33.6%	Fertilizers	2,672	1,989	34.4%
1,211	1,010	19.9%	Industrial products	3,173	2,849	11.4%
741	654	13.3%	Fuels	1,819	1,803	0.9%
470	356	31.9%	Industrials	1,354	1,046	29.4%
97.9	105.6	-7.3%	Average transportation yield	104.4	104.6	-8.5%
4,245	3,100	37.0%	Total volume loaded (TU 000)	10,914	8,548	27.7%
25.3	25.3	-0.1%	Average loading yield (R\$/TU)	24.8	25.6	-3.1%

In 3Q20, the total volume transported by the North Operation totaled 12.7 billion RTK, 3.1% higher than the record volume seen in 3Q19. Corn recorded weaker transportation, since producer decided to hold back on sales, in an attempt of maximizing corn profitability. In this context, the Company used its available capacity to increase sugar transportation, due to a favorable momentum of the market to export this commodity. As a consequence, sugar total volumes in tons grew 9%. The consistent growth of fertilizers and pulp were also seen.

3Q20	3Q19	Chg. %	Financial Data (Amounts in BRL mln)	9M20	9M19	Chg. %
1,545	1,546	-0.1%	Net operating revenue	4,013	4,070	-1.4%
1,249	1,307	-4.5%	Transportation	3,250	3,368	-3.5%
1,143	1,203	-5.0%	Agricultural products	2,960	3,086	-4.1%
106	104	1.3%	Industrial products	290	283	2.8%
179	90	98.9%	Logistic solution	438	294	49.0%
107	79	36.8%	Port loading	271	219	23.7%
10	70	-86.7%	Other revenues ¹³	54	189	-71.6%
(807)	(782)	3.2%	Cost of services	(2,279)	(2,202)	3.5%
(381)	(328)	16.2%	Variable costs	(987)	(917)	7.6%
(159)	(181)	-11.8%	Fixed costs	(511)	(506)	0.9%
(267)	(272)	-2.1%	Depreciation and amortization	(781)	(778)	0.3%
737	764	-3.5%	Gross profit	1,734	1,868	-7.2%
47.7%	49.4%	-1.7 p.p.	Gross margin (%)	43.2%	45.9%	-2.7 p.p.
(64)	(63)	1.1%	Sales, general, and administrative expenses	(188)	(187)	0.8%
(18)	26	>100%	Other op. revenue (expenses) and equity pickup ¹⁴	267	13	>100%
268	273	-1.5%	Depreciation and amortization	785	785	0.0%
923	1,000	-7.7%	EBITDA	2,599	2,478	4.9%
59.7%	64.7%	-5.0 p.p.	EBITDA margin (%)	64.8%	60.9%	4 p.p.
923	1,000	-7.7%	Adjusted EBITDA¹⁵	2,315	2,478	-6.6%
59.7%	64.7%	-5.0 p.p.	Adjusted EBITDA margin (%)	57.7%	60.9%	-3 p.p.

Note 13: Includes revenue from the right-of-way of other railways, and revenue from volumes contracts, but not executed yet, under commercial agreements (take-or-pay).

Note 14: Includes non-recurring expenses related to the Paulista Network renewal process.

Note 15: Excludes the effects of the Paulista Network renewal process in 9M20.

Adjusted EBITDA totaled R\$923 million in 3Q20, 7.7% lower than in 3Q19. Net revenue from transportation was impacted by a 7.3% tariff decrease due to: (i) lower prices, driven by the paving of BR-163, still with no toll fee collection, and higher logistics supply; and (ii) the mix of transported products - with a higher volume of sugar and industrial products. **Fixed costs and general and administrative expenses** dropped by 8.6%. **Variable costs** increased by 16.2%, impacted by (i) 37% higher volume in port elevation, which drove up its variable cost in 27%, and; (ii) more than 100% higher volume in logistics solutions, with its variable cost surging at the same level. Therefore, due to lower margins from these segments, the EBITDA margin reached 59.7%, 5 p.p. lower than in 3Q19.

South Operation

3Q20	3Q19	Chg. %	Operational Figures	9M20	9M19	Chg. %
3,996	4,242	-5.8%	Transported volume (million RTK)	10,186	10,890	-6.5%
3,086	3,097	-0.4%	Agricultural products	7,837	7,752	1.1%
1,360	943	44.2%	Soybean	4,613	4,028	14.5%
206	195	5.8%	Soybean meal	511	506	1.1%
630	1,239	-49.2%	Corn	776	1,677	-53.7%
751	520	44.5%	Sugar	1,506	988	52.5%
138	200	-31.1%	Fertilizers	404	505	-20.0%
-	-	>100%	Other	25	48	-48.2%
910	1,145	-20.6%	Industrial products	2,349	3,138	-25.1%
458	650	-29.6%	Fuel	1,254	1,746	-28.2%
243	248	-2.0%	Wood, pulp, and paper	483	724	-33.3%
209	247	-15.3%	Other	613	668	-8.3%
106.5	100.6	5.8%	Average transportation yield	104.4	101.4	3.0%

South Operation went down 5.8% in volume transported for 3Q20, reaching 4.0 billion RTK. The 0.4% decrease in the transportation of **agricultural products** is driven by the slower sale of corn and crop failure in the State of Rio Grande do Sul, which were partially offset by higher transportation of sugar and soybean in the State of Paraná. **Industrial products** plunged 20.5%, impacted by lower transportation of fuel and other industrialized cargo, reflecting reduced domestic consumption, in light of the Coronavirus pandemic.

3Q20	3Q19	Chg. %	Financial Data (Amounts in BRL mln)	9M20	9M19	Chg. %
431	434	-0.7%	Net operating revenue	1,085	1,134	-4.3%
425	427	-0.4%	Transportation	1,063	1,105	-3.8%
317	299	5.9%	Agricultural products	779	756	3.1%
108	128	-15.6%	Industrial products	284	349	-18.6%
6	7	-14.1%	Other revenue ¹³	22	30	-24.4%
(365)	(361)	1.0%	Cost of services	(979)	(1,074)	-8.8%
(93)	(94)	-1.4%	Variable costs	(233)	(259)	-10.3%
(129)	(133)	-2.8%	Fixed costs	(360)	(394)	-8.4%
(143)	(134)	6.5%	Depreciation and amortization	(386)	(421)	-8.2%
66	73	-8.9%	Gross profit	106	61	75.0%
15.4%	16.8%	-1.4 p.p.	Gross margin (%)	9.8%	5.3%	4.4 p.p.
(20)	(17)	16.2%	Sales, general, and administrative expenses	(59)	(40)	47.5%
(16)	15	>100%	Other op. revenue (expenses) and equity pickup	(131)	8	>100%
143	135	6.5%	Depreciation and amortization	387	421	-8.2%
174	205	-15.4%	EBITDA	302	450	-32.8%
40.4%	47.3%	-7.0 p.p.	EBITDA margin (%)	27.8%	39.6%	-11.8 p.p.
-	-	>100%	Provision for impairment West Network	107	-	>100%
174	205	-15.4%	Adjusted EBITDA	409	450	-9.0%
40.4%	47.3%	-6.9 p.p.	Adjusted EBITDA margin (%)	37.7%	39.6%	-1.9 p.p.

Note 16: Includes revenue from volumes contracted, but not executed yet, under commercial agreements (take-or-pay).

Adjusted EBITDA in the South Operation totaled R\$174 million in 3Q20, 15.4% lower than in 3Q19. Net revenue came in line in the period, impacted by a lower volume of industrial cargo, and offset by a 5.8% gain on tariffs, reflecting the products mix - higher sugar volumes, with higher tariffs, and lower grains volume in Rio Grande do Sul, that has lower tariffs. **Variable costs** dropped by 1.4%, lower than the volume decline, on the back of additional costs relating to the right-of-way at Ferroeste. **Fixed costs, general and administrative expenses** came in line. The variation in **other revenues and expenses** is due to non-recurring gains in 3Q19. Thus, the EBITDA margin reached 40.4%, 6.9 p.p. lower than in 3Q19.

Container Operation

3Q20	3Q19	Chg. %	Operational figures	9M20	9M19	Chg. %
23,094	23,066	0.1%	Total volume (containers)	61,289	60,568	1.2%
92.2	97.2	-5.2%	<i>Intermodal average yield (R\$/000 RTK)</i>	91.5	97.5	-6.2%
796	758	5.0%	Total volume (million RTK)	2,124	2,018	5.2%

The volume of the Container Operation in 3Q20 increased by 5% from 3Q19, reaching 796 million RTK. This result was driven by increased transportation of cotton and refrigerated products in the State of Paraná, even though partially offset by reduced transportation of industrialized cargo in the domestic market, especially to the State of Mato Grosso, in light of the impact of Covid-19 pandemic.

3Q20	3Q19	Chg. %	Financial Data (Amounts in BRL mln)	9M20	9M19	Chg. %
77	80	-3.3%	Net operating revenue¹⁷	206	219	-5.8%
73	74	-0.4%	Transportation	194	197	-1.3%
4	6	-40.7%	Other revenues	12	22	-46.4%
(79)	(80)	-0.8%	Cost of services	(216)	(240)	-9.8%
(34)	(36)	-3.4%	Variable costs	(93)	(102)	-9.6%
(28)	(26)	7.2%	Fixed costs	(73)	(79)	-7.9%
(17)	(18)	-6.7%	Depreciation and amortization	(51)	(58)	-12.6%
(2)	(0)	>100%	Gross income (loss)	(10)	(21)	-52.0%
-3.1%	-0.4%	-2.6 p.p.	<i>Gross margin (%)</i>	-4.8%	-9.6%	4.8 p.p.
(12)	(9)	34.8%	Sales, general, and administrative expenses	(32)	(27)	18.6%
22	2	>100%	Other op. revenue (expenses) and equity pickup	22	4	>100%
18	19	-5.3%	Depreciation and amortization	53	60	-11.0%
25	12	>100%	EBITDA	33	16	>100%
32.3%	14.9%	17.4 p.p.	<i>EBITDA margin (%)</i>	16.1%	7.3%	8.7 p.p.

Note 17: Includes revenue from service units.

The Container Operation recorded an EBITDA of R\$25 million in 3Q20, more than doubling the 3Q19 result. The market momentum mentioned above which impacted the mix of transported cargo resulted in tariff declining 5.2%. Variable costs dropped by 3.4% due to more efficient road activities, supported by also efficient terminals. Fixed cost, general and administrative expenses increased by 14%, reflecting higher legal, advisory services expenses, and non-recurring indemnifications. The sale of the unprofitable service unit of Cambé (PR) resulted in gains on other revenues and the EBITDA margin reached 32.3% in the quarter, 17.4 p.p. higher than in 3Q19.

5. Other Results

Breakdown of Costs, Services Rendered, General and Administrative Expenses

3Q20	3Q19	Chg. %	Consolidated Costs (Amounts in BRL mln)	9M20	9M19	Chg. %
(1,348)	(1,311)	1.3%	Consolidated costs and General and Administrative Expenses	(3,753)	(3,770)	-1.0%
(509)	(458)	11.1%	Variable costs	(1,312)	(1,279)	2.6%
(267)	(273)	-2.2%	Fuel and lubricants	(668)	(743)	-10.0%
(87)	(80)	7.8%	Own logistics costs ¹⁸	(235)	(217)	8.0%
(10)	(16)	-40.2%	Other variable costs ¹⁹	(52)	(58)	-10.8%
(140)	(84)	66.0%	Variable cost Logistic Solution ²⁰	(343)	(248)	38.3%
(6)	(4)	31.0%	Variable cost Elevation	(15)	(13)	10.6%
(410)	(427)	-3.9%	Fixed costs and General and Administrative Expenses	(1,216)	(1,225)	-0.7%
(42)	(36)	16.0%	Maintenance	(114)	(109)	5.0%
(182)	(194)	-6.3%	Payroll expenses	(541)	(571)	-5.2%
(20)	(22)	-8.0%	Third-party services	(55)	(59)	-6.5%
(45)	(47)	-3.7%	Safety and facilities	(133)	(128)	3.9%
(28)	(41)	-32.1%	Other operational costs	(100)	(109)	-8.8%
(93)	(87)	7.2%	General and Administrative Expenses	(272)	(248)	9.8%
(429)	(427)	-4.1%	Depreciation and amortization	(1,225)	(1,266)	-4.8%

Note 18: Own logistics costs include sand, right of way, terminals, and other variable costs.

Note 19: Costs related to rolling stock rentals, electricity, Container Operation road activities, and take-or-pay.

Note 20: Third-party freight costs include road and railroad carriers contracted from other concessionaires.

Variable costs totaled R\$509 million in 3Q20, 11.1% higher than in 3Q19. The railway transportation variable cost dropped 1%, despite volume increase, reflecting energy efficiency gains (-4.0% in diesel consumption). The port elevation and logistics solution variable costs rose in line with volume growth.

Fixed costs and general and administrative expenses totaled R\$410 million, and considering the R\$9 million costs and expenses relating to the Central Network, the result came below the previous year. Depreciation and amortization costs dropped by 4.1%.

Financial Results

3Q20	3Q19	Chg.%	Financial results (Amounts in BRL mln)	9M20	9M19	Chg.%
(203)	(174)	16.6%	Cost of bank debt²¹	(679)	(528)	28.7%
(12)	(20)	-42.9%	Charges for over leasing	(36)	(52)	-29.9%
38	41	-7.4%	Financial income from investments	100	113	-11.4%
(177)	(154)	14.7%	(=) Cost of broad net debt	(615)	(467)	31.9%
(19)	(49)	-60.7%	Monetary charges on concession liabilities	(89)	(147)	-39.9%
(170)	(81)	-	Grants and operating lease ²²	(437)	(185)	-
(62)	(18)	-	Rates on contingencies and contracts	(129)	(66)	96.6%
(10)	2	-	Other financial expenses	100	(19)	-
(438)	(300)	45.9%	(=) Financial results	(1,170)	(883)	32.4%

Note 21: Includes interest rates, monetary variation, net derivative income, and other debt charges.

Note 22: Considers IFRS 16 adjustments.

In 3Q20, the R\$23.2 million increase in the **cost of broad net debt** reflected lower mark-to-market gain (R\$4.1 million loss in 3Q20, compared to a R\$28.1 million gain in 3Q19), partially offset by a R\$3.4 million decrease in bank debt expense and R\$8.8 million financial lease, especially due to CDI drop. Lower cash remuneration of R\$3.1 million is a result of the average CDI drop in the period (2% p.a. in 3Q20 versus 6% p.a. in 3Q19).

The cost of **concession fees and operating leases** increased by R\$88.7 million due to the anticipated renewal of the Paulista Network concession, during 2Q20. The R\$5.1 billion prepayment for Central and Paulista Networks concession, reduced interest expense only in September, then, only in 4Q20 that the full effect of this account will be realized. The R\$29.7 million gain on **monetary variation over concession liabilities** reflects the average SELIC rate drop compared to the same period of 2019.

Income Tax and Social Contribution

3Q20	3Q19	Chg. %	Income Tax and Social Contribution (Amounts in BRL mln)	9M20	9M19	Chg. %
222	463	-52.1%	Income (loss) before IT / SC	439	766	-42.7%
34.0%	34.0%	0 p.p.	<i>Theoretical rate IR / SC</i>	34.0%	34.0%	0 p.p.
(75)	(157)	-52.0%	Theoretical income (expense) with IT / SC	(149)	(261)	-42.7%
Adjustments to calculate effective rate						
(60)	(12)	>100%	Tax losses and temporary differences not recognized ²³	(119)	(70)	70.0%
58	66	-12.4%	Tax incentives arising from the North Network ²⁴	96	138	-30.8%
2	3	-38.5%	Equity pickup	4	6	-29.1%
24	7	>100%	Other effects	31	3	>100%
(51)	(94)	-45.4%	Income (expense) with IT / SC	(137)	(184)	-25.3%
-23.0%	-20.3%	-2.7 p.p.	<i>Effective rate (%)</i>	-31.2%	-24.0%	-7.2 p.p.
(100)	(74)	36.0%	IT/SC current	(232)	(117)	98.4%
49	(20)	>100%	IT/SC deferred	94	(67)	>100%

Note 23: We did not record deferred income tax and social contributions on tax losses for certain companies due to a lack of prospects for future taxable income.

Note 24: North Network benefits from the Amazon Development Office (SUDAM) that entitles a 75% reduction in corporate income tax (rate of 25%) until 2023.

6. Loans and Financing

At the end of 3Q20, broad gross debt, including derivatives, totaled R\$16.7 billion, versus R\$13.8 billion in 2Q20. Higher indebtedness resulted from new funding, still focused on cash reinforcement to increase the Company's liquidity and the Company's continuous process of liability management. Leverage stood at 1.7x (broad net debt/EBITDA), considering the adjusted EBITDA of R\$3.9 billion in the last 12 months. The balance of broad net debt totaled R\$6.6 billion, 16.6% lower than in 2Q20.

Total indebtedness (Amounts in BRL mln)	3Q20	2Q20	Chg.%
Commercial banks	1,045	821	27.2%
NCE	1,251	1,248	0.3%
BNDES	4,255	4,242	0.3%
Debentures	3,266	3,241	0.8%
Senior notes 2024, 2025 e 2028	11,239	8,324	35.0%
Total bank debt	21,056	17,875	17.8%
Leases ²⁵	442	468	-5.5%
Net derivative instruments	(4,758)	(4,578)	3.9%
Total broad gross debt	16,740	13,765	21.6%
Cash and cash equivalents and securities	(10,158)	(5,877)	72.9%
Total broad net debt	6,582	7,889	-16.6%
Adjusted EBITDA LTM ²⁶	3,911	4,003	-2.3%
Leverage (broad net debt / Adjusted EBITDA LTM)	1.7x	2.0x	-15.0%

Note 25: Excludes operating lease IFRS 16.

Note 26: The LTM EBITDA refers to the sum of the last 12 months of EBITDA calculated as follows: the sum of the 9-month period ending on September 30, 2020, plus EBITDA for the last three months of 2019. Excludes the effect of West Network impairment for leverage purposes.

The following table gives a breakdown of items that impacted Rumo's consolidated debt.

Movement in gross debt (Amounts in BRL mln)	3Q20
Opening balance of broad net debt	7,889
Cash and cash equivalents and marketable securities	(5,877)
Net derivative instruments	(4,578)
Opening balance of broad gross debt	18,343
Items with cash impact	2,441
New funding	2,816
Amortization of principal	(83)
Amortization of interest rates	(292)
Items without cash impact	(4,044)
Provision for interest rates (accrual)	287
Monetary variation, MTM adjustments of debt, and others	427
Net derivative instruments	(4,758)
Closing balance of broad gross debt	16,740
Cash and cash equivalents, and marketable securities ²⁰	(10,158)
Closing balance of broad net debt	6,582

Rumo is subject to certain restrictive covenants regarding leverage levels and debt service coverage in a few of their contracts. Most restrictive provisions are verified at year-end and refer to broad net debt. Broad net debt includes bank debts, debentures, financial leases, less marketable securities, cash and cash equivalents, restricted cash linked to loans, and derivatives. The covenants for December 2020 are maximum leverage of 3.3x (broad net debt/LTM EBITDA), and a minimum interest rate coverage index of 2.0x EBITDA/Financial Result.

7. Capex

3Q20	3Q19	Chg.%	Investment (Amounts in BRL mln)	9M20	9M19	Chg.%
699	397	76.1%	Total investments²⁷	1,982	1,378	43.8%
305	216	41.4%	Recurring	826	680	21.5%
394	181	>100%	Expansion	1,156	698	65.5%

Note 27: Values in cash regime.

In 3Q20, Capex reached R\$699 million, 76.1% higher than in 3Q19. This amount includes R\$207 million for the Central Network, which should increase in upcoming quarters.

This quarter, recurring Capex totaled R\$305 million, 41.4% higher than in 3Q19, due to the following factors: (i) lower realization of these investments in the previous year; (ii) exchange rate variation that squeezed the costs of certain components, and; (iii) investments in the Central Network.

Expansion Capex totaled R\$394 million, highlighting works at the Central Network. The Company points out investments in permanent way upgrades, by replacing tracks and sleepers, expanding yards to fit 120-railcar trains, and improving infrastructure. These projects are in line with the Company's strategy to keep delivering efficiency gains and increase capacity, as it reduces fuel consumption and consequent specific greenhouse gas emissions, ultimately strengthening its commitment to sustainability.

8. Cash Flow Statement

Below is Rumo's consolidated cash flow statement. Marketable securities were considered cash and cash equivalents in this statement.

	3Q20	3Q19	Indirect Cash Flow (Amounts in BRL mln)	9M20	9M19	Chg.%
	1.114	1.206	EBITDA	3,014	2,932	2.8%
	81	(22)	Working capital variations and non-cash effects	(828)	(417)	98.5%
	34	35	Operating financial result	49	89	-45.1%
(a)	1.229	1.219	(=) Operating cash flow (FCO)	2,235	2,604	-14.2%
	(699)	(397)	Capex	(1,982)	(1,378)	43.8%
(b)	(305)	(216)	Recurring	(826)	(680)	21.5%
	(394)	(181)	Expansion	(1,156)	(698)	65.5%
	3	-	Sale of assets	3	-	>100%
	1	2	Dividends received	4	6	-39.7%
(c)	(695)	(395)	(=) Cash flow from investing activities (FCI)	(1,975)	(1,372)	44.0%
(d)	2.816	-	Funding	6,136	1,298	>100%
(e)	(5.229)	(451)	Amortization of principal	(5,703)	(2,111)	>100%
	(482)	(325)	Amortization of interest rates	(1,029)	(733)	40.4%
	-	1	Paid dividends	(2)	(4)	-52.4%
(h)	6.306	-	Capital payment	6,306	-	>100%
	146	(25)	Derivative financial instruments	171	(51)	>100%
	6	14	Restricted cash	119	(38)	>100%
	3.564	(787)	(=) Cash flow from financing activities (FCF)	5,998	(1,640)	>100%
(g)	179	1	Forex variation impact on cash balances	181	1	>100%
(f)	4.277	39	(=) Net cash generated	6,439	(407)	>100%
	5.877	2.539	(+) Total cash (includes cash + marketable securities) opening	3,715	2,985	24.5%
	10.154	2.578	(=) Total cash (includes cash + marketable securities) closing	10,154	2,578	>100%
Metrics						
	924	1.003	(=) Cash generation after recurring capex (a+b)	1,409	1,924	-26.8%
	534	824	(=) Cash generation (burn) after FCI Cash generation (consumption) after FCI (a+c)	260	1,232	-78.9%
	205	489	(=) Cash generation (consumption) before funding and amortization (f-e-d-g-h)	(481)	406	>100%

9. Operating and Financial Performance Indicators

Below is the historical trend of the main operating and financial performance indicators.

Operating and Financial Performance Index	3Q20	3Q19	Chg. %	9M20	9M19	Chg. %
Consolidated						
Operating ratio	66%	64%	3.1%	71%	70%	1.8%
Diesel consumption (liters/ '000 GTK)	3.68	3.83	-4.0%	3.75	3.93	-5.3%
Rail accidents (MM Train/Km)	14.65	17.00	-13.8%	14.65	17.00	-13.8%
Personal accidents (accidents/MM MHW)	0.37	0.53	-30.2%	0.28	0.50	-44.0%
North Operation						
Cycle of railcars ²⁸ (days)	9.0	9.1	-2.0%	9.7	10.5	-7.6%
South Operation						
Cycle of railcars ²⁹ (days)	6.7	7.0	-4.3%	6.7	8.2	-18.3%

Note 28: Considers the cycle of grains Rondonópolis (MT) - Santos (SP).

Note 29: Considers the cycle of grains North of Paraná – Ports of Paranaguá (PR) and São Francisco do Sul (SC).

Operating Ratio: This index, which represents the portion of costs and expenses as a percentage of net revenue, raised 3.1% in 3Q20, but the number already reflects the Company's operational improvement if compared to 9M20.

Diesel consumption: The 4.0% improvement in 3Q20 versus 3Q19 results from greater efficiency in locomotive diesel unit consumption, due to investments in technology and innovation in permanent way, as well as fleet upgrade.

Rail accidents: This index, which measures the number of accidents per million kilometers, decreased 13.8% from 3Q19, reflecting the Company's continued efforts and investments to improve railway safety.

Personal accidents: This index, which measures the number of accidents with leave, significantly improved quarter-on-quarter, declining 30.2%, on the back of the Company's efforts to reduce personal accidents, with an index in line with international railways' benchmark.

Cycle time of railcars: This index improved in the North and South Operations due to investments made to increase capacity.

10. Attachments

10.1 Financial Statements - Rumo

10.1.1 Balance Sheet

Balance sheet (Amounts in BRL mln)	09/30/20	06/30/20
Current assets	11,569	7,272
Cash and cash equivalents	8,474	5,473
Marketable securities	1,680	404
Trade receivables	420	472
Inventories	263	279
Rceivables from related parties	105	14
Income tax and social contribution	95	70
Other taxes recoverable	400	379
Dividends and interest on equity receivable	3	3
Other assets	129	179
Non-current assets	35,034	34,645
Trade receivable	9	10
Restricted cash	39	43
Recoverable income tax and social contribution	27	219
Deferred income tax and social contribution	1,242	1,196
Receivables from related parties	41	41
Other taxes recoverable	690	697
Judicial deposits	330	321
Financial and derivative instruments	4,758	4,578
Other assets	49	34
Investments in associates	50	45
Property and equipment	12,752	12,347
Intangible	7,284	7,317
Right of use	7,764	7,797
Total assets	46,603	41,918
Current liabilities	4,380	4,786
Loans, financing, and debentures	2,271	2,197
Leases	498	1,124
Suppliers	613	578
Labor and social security obligations	167	152
Income tax and social contribution taxes	1	9
Other payable taxes	57	66
Dividends payables	7	5
Leases and concessions	113	112
Payable to related parties	157	140
Deferred revenue	6	6
Other financial liabilities	328	270
Other payables	162	126
Non-current liabilities	26,935	28,375
Loans, financing, and debentures	18,785	15,678
Leases	2,269	6,784
Other payables	2	2
Provision for lawsuits	476	477
Leases and concessions	2,829	2,851
Deferred income tax and social contribution	2,464	2,467
Deferred revenues	45	46
Other accounts payable	66	69
Shareholders' equity	15,288	8,757
Total liabilities	46,603	41,918

10.1.2 Income Statement

3Q20	3Q19	Chg.%	Income Statement (Amounts in BRL mln)	9M20	9M19	Chg.%
2,053	2,060	-0.3%	Net operating revenue	5,304	5,424	-2.2%
(1,252)	(1,238)	1.1%	Cost of goods sold	(3,474)	(3,533)	-1.7%
801	822	-2.5%	Gross profit	1,830	1,891	-3.2%
(105)	(101)	3.8%	Selling, general and administrative expenses	(306)	(266)	15.2%
(41)	35	>100%	Other net operating income (expenses)	73	8	>100%
5	8	-37.7%	Equity pickup	11	16	-35.6%
(438)	(300)	45.9%	Net financial result	(1,170)	(883)	32.4%
(51)	(94)	-45.9%	Income tax and social contribution	(137)	(184)	-25.2%
171	369	-53.7%	Net profit (loss)	302	583	-48.3%
8.3%	17.9%	-9.6 p.p.	Net margin (%)	5.7%	10.7%	-5.1 p.p.

10.1.3 Cash Flows

3Q20	3Q19	Accounting cash flow (Amounts in BRL mln)	9M20	9M19
222	463	Profit before income tax and social contribution	439	767
454	443	Depreciation and amortization	1,405	1,282
(5)	(8)	Equity pickup	(11)	(16)
7	33	Provision for profit sharing and bonuses	24	99
(39)	(0)	Result of disposals of fixed assets and intangible assets	(40)	(1)
32	19	Provision for lawsuits	66	58
(0)	2	Provision (reversal) for losses on doubtful accounts	1	(11)
3	3	Stock option plan	10	7
-	-	Reversal of leases and concessions in dispute	(348)	-
466	318	Interest, monetary and exchange variation, Net	1,200	914
(4)	(40)	Extemporaneous tax credit	(22)	(40)
(6)	(26)	Other	(1)	(64)
1.131	1.206	(=) Adjustments	2,722	2,995
82	73	Trade receivables	7	51
(8)	(3)	Related parties, Net	(22)	4
65	(44)	Taxes	(61)	(87)
13	3	Inventories	(20)	(23)
14	27	Labor and social security payable	(61)	(62)
20	(1)	Suppliers	84	(18)
(52)	-	Lease and concession payable	(52)	-
(61)	(34)	Lawsuits	(103)	(87)
51	32	Other financial liabilities	(128)	(12)
(31)	(57)	Other assets and liabilities, Net	(149)	(215)
92	(4)	(=) Changes in assets and liabilities	(505)	(448)
1.223	1.202	(=) Cash Flow from Operating Activities	2,217	2,547
(1.271)	(18)	Marketable securities	89	1,719
6	14	Restricted cash	119	(38)
1	2	Dividends received from subsidiaries and associated companies	4	6
(699)	(397)	Additions to property, plant and equipment, software, and other intangibles	(1,982)	(1,378)
3	-	Cash received on sale of other permanent assets	3	-
(1.959)	(398)	(=) Cash Flow from Investing Activities	(1,766)	309
2.816	-	Funding	6,136	1,298
(5.229)	(451)	Amortization of principal	(5,703)	(2,111)
(482)	(325)	Amortization of interest	(1,029)	(733)
6.306	-	Capital payment	6,306	-
146	(25)	Derivative financial instruments	171	(51)
-	1	Dividends paid	(2)	(4)
3.558	(801)	(=) Cash generated by (used in) financing activities	5,879	(1,602)
179	1	Impact of exchange variation in cash balance	181	1
3.001	4	(=) Net increase in cash and cash equivalents	6,511	1,255
5.473	1.391	Beginning balance of cash and cash equivalents	1,963	142
8.474	1.395	Final balance of cash and cash equivalents	8,474	1,395