



Rumo S.A.

Interim financial statements

(Free translation from the original prepared in Portuguese)

March 31, 2021

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Independent auditor’s review report on quarterly information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial statement, contained in the Quarterly Information Form (ITR) of Rumo S.A. (“Company”) for the quarter ended March 31, 2021, comprising the statement of financial position as of March 31, 2021 and the related statements of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for the three month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - *Demonstrações Intermediárias*, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission.



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Emphasis of matter

Restatement of Operating Segments

As mentioned in Note 3.2, due to the change in the structure of operating segments, the Company adjusted the disclosure of operating segments for the three-month period ended March 31, 2020, as provided for in Brazilian Accounting Standard NBC TG 22 (R2) – *Informações por Segmento* / IFRS 8 – Operating Segments. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The abovementioned quarterly information includes the statement of value added (SVA) for the three-month period ended March 31, 2021, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall interim financial information.

São Paulo, May 13, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

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

	Note	Parent Company		Consolidated	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Assets					
Cash and cash equivalents	5.2	127,343	1,568,667	3,724,605	7,778,606
Marketable securities	5.3	18,624	77,976	1,746,047	1,396,723
Trade receivables	5.4	18,043	18,558	614,568	421,322
Derivative financial instruments	5.8	58,490	69,736	162,270	413,170
Inventories	5.10	1,698	1,102	257,774	249,318
Receivables from related parties	4.3	38,441	61,383	39,898	46,179
Income tax and social contribution recoverable		18,508	32,899	94,164	134,928
Other recoverable taxes	5.9	48,369	57,674	327,312	350,883
Dividends and interest on own capital receivable		174,626	166,900	6,194	3,195
Other assets		15,830	14,908	124,116	147,262
Current		519,972	2,069,803	7,096,948	10,941,586
Trade receivables	5.4	-	867	6,303	7,170
Restricted cash	5.3	79	79	29,860	34,562
Income tax and social contribution recoverable		38,505	-	144,558	40,707
Deferred income tax and social contribution	5.14	-	-	1,381,872	1,270,621
Receivables from related parties	4.3	1,009,605	1,009,516	122,929	94,466
Other recoverable taxes	5.9	-	-	809,917	790,447
Judicial deposits	5.15	31,572	32,216	330,553	330,602
Derivative financial instruments	5.8	231,630	322,920	2,221,360	3,575,354
Other assets		26,160	23,735	59,157	51,061
Investments in subsidiaries and associates	5.11	20,365,782	17,716,404	50,082	50,714
Property, plant and equipment	5.12.1	118,222	120,284	14,247,292	13,646,248
Intangible assets	5.12.2	301,006	310,696	7,214,055	7,251,432
Right-of-use	5.12.3	-	-	7,787,692	7,823,401
Non-current		22,122,561	19,536,717	34,405,630	34,966,785
Total assets		22,642,533	21,606,520	41,502,578	45,908,371

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

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

	Note	Parent Company		Consolidated	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Liabilities					
Loans, financing and debentures	5.5	310,088	482,421	1,547,045	2,504,223
Lease liabilities	5.6	-	-	514,224	510,701
Trade payables	5.7	70,643	72,291	496,192	754,542
Salaries payable		2,282	865	133,822	139,058
Current income and social contribution taxes		135	165	6,203	11,555
Other taxes payable	5.13	3,698	10,008	43,125	62,602
Dividends and interest on own capital payable		5,250	5,250	10,035	7,937
installment leases and concessions under litigation	5.16	-	-	159,745	158,705
Payables to related parties	4.3	166,866	241,134	228,956	164,949
Deferred income		2,802	2,802	7,199	6,278
Other financial liabilities	5.1	-	-	389,027	413,470
Other payables		11,374	17,801	152,617	122,139
Current		573,138	832,737	3,688,190	4,856,159
Loans, financing and debentures	5.5	4,975,425	3,934,121	14,047,674	17,407,815
Lease liabilities	5.6	-	-	2,477,350	2,401,617
Other taxes payable	5.13	-	-	2,112	2,123
Provision for judicial demands	5.15	60,680	52,808	503,268	473,104
Installment leases and concessions under litigation	5.16	-	-	2,855,739	2,824,637
Provision for capital deficiency	5.11	1,805,846	1,722,771	-	-
Other financial liabilities		-	-	-	31,425
Payables to related parties	4.3	40,341	37,212	-	-
Deferred income tax and social contribution	5.14	31,044	18,650	2,344,123	2,514,928
Deferred income		15,410	16,110	40,393	43,000
Other payables		7,433	8,505	96,298	57,236
Non-current		6,936,179	5,790,177	22,366,957	25,755,885
Total liabilities		7,509,317	6,622,914	26,055,147	30,612,044
Equity					
Share capital	5.17	16,054,906	16,054,906	16,054,906	16,054,906
Treasury shares		(39,756)	(10,005)	(39,756)	(10,005)
Capital reserve		2,420,132	2,416,193	2,420,132	2,416,193
Equity valuation adjustments		32,750	29,576	32,750	29,576
Profit reserve		253,599	253,599	253,599	253,599
Accumulated losses		(3,588,415)	(3,760,663)	(3,588,415)	(3,760,663)
		15,133,216	14,983,606	15,133,216	14,983,606
Equity attributable to:					
Owners of the Company		15,133,216	14,983,606	15,133,216	14,983,606
Non-controlling interests	5.11	-	-	314,215	312,721
Total equity		15,133,216	14,983,606	15,447,431	15,296,327
Total liabilities and equity		22,642,533	21,606,520	41,502,578	45,908,371

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

Statements of profit or loss
(In thousands of Brazilian Reals - R\$)

	Note	Parent Company		Consolidated	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Net revenue from services	6.1	149,642	164,893	1,745,952	1,423,563
Cost of services	6.2	(129,985)	(119,997)	(1,218,842)	(1,071,168)
Gross profit		19,657	44,896	527,110	352,395
Selling expenses	6.2	(31)	43	(9,478)	(9,152)
General and administrative expenses	6.2	(7,169)	(35,520)	(98,737)	(95,668)
Other incomes (expenses), net	6.3	1,109	11,828	(15,610)	(91,903)
Operating expenses		(6,091)	(23,649)	(123,825)	(196,723)
Equity income on investments	5.11	211,345	(269,565)	1,196	2,420
Result before financial results and income tax and social contribution		224,911	(248,318)	404,481	158,092
Financial expenses		(103,136)	(37,142)	(831,666)	(456,812)
Financial incomes		6,646	12,277	42,666	36,390
Foreign exchange, net		(53,731)	(74,873)	(643,049)	(1,575,764)
Derivatives		109,952	75,466	1,227,167	1,465,498
Financial results, net	6.4	(40,269)	(24,272)	(204,882)	(530,688)
Results before income tax and social contribution		184,642	(272,590)	199,599	(372,596)
Income tax and social contribution	5.14				
Current		-	-	(306,870)	(35,622)
Deferred		(12,394)	-	281,827	134,454
		(12,394)	-	(25,043)	98,832
Result for the period		172,248	(272,590)	174,556	(273,764)
Total result attributable to:					
Owners of the Company		172,248	(272,590)	172,248	(272,590)
Non-controlling interests		-	-	2,308	(1,174)
Earnings per share from:	6.6				
Basic				R\$0.09294	(R\$0.17484)
Diluted				R\$0.09251	(R\$0.17484)

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

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

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Result for the period	172,248	(272,590)	174,556	(273,764)
Items that will not be reclassified to profit				
Actuarial loss with pension plan	-	6	-	6
	-	6	-	6
Items that may subsequently be reclassified to profit or loss				
Foreign currency translation adjustment effect	3,174	6,244	3,174	6,244
	3,174	6,244	3,174	6,244
Other comprehensive results, net of income tax and social contribution	3,174	6,250	3,174	6,250
Total comprehensive result	175,422	(266,340)	177,730	(267,514)
Comprehensive result attributable to:				
Owners of the Company	175,422	(266,340)	175,422	(266,340)
Non-controlling interest	-	-	2,308	(1,174)

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

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

	Attributable to shareholders of the Company						Total	Non-controlling interest	Total equity
	Share capital	Treasury share	Capital reserve	Profit reserve	Equity valuation adjustments	Accumulated losses			
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 period	-	-	-	-	-	172,248	172,248	2,308	174,556
Other comprehensive income:									
Foreign currency translation effects	-	-	-	-	3,174	-	3,174	-	3,174
Total comprehensive income, net of taxes	-	-	-	-	3,174	172,248	175,422	2,308	177,730
Contributions and distributions to shareholders									
Share-based payment transactions	-	-	3,939	-	-	-	3,939	112	4,051
Treasury shares acquired	-	(29,751)	-	-	-	-	(29,751)	-	(29,751)
Dividends	-	-	-	-	-	-	-	(926)	(926)
Total of contributions and distributions to shareholders	-	(29,751)	3,939	-	-	-	(25,812)	(814)	(26,626)
At March 31, 2021	16,054,906	(39,756)	2,420,132	253,599	32,750	(3,588,415)	15,133,216	314,215	15,447,431

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

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

	Attributable to shareholders of the Company					Total	Non-controlling interest	Total equity
	Share capital	Capital reserve	Profit reserve	Equity valuation adjustments	Accumulated losses			
At January 1, 2020	9,654,897	2,472,559	305,728	21,077	(4,109,985)	8,344,276	270,011	8,614,287
Result for the period	-	-	-	-	(272,590)	(272,590)	(1,174)	(273,764)
Other comprehensive income:								
Foreign currency translation effects	-	-	-	6,244	-	6,244	-	6,244
Actuarial loss on defined benefit plan	-	-	-	6	-	6	-	6
Adjustment of attributed cost in associates	-	-	-	(31)	31	-	-	-
Total comprehensive income, net of taxes	-	-	-	6,219	(272,559)	(266,340)	(1,174)	(267,514)
Contributions and distributions to shareholders								
Share-based payment transactions	-	3,293	-	-	-	3,293	87	3,380
Dividends	-	-	-	-	-	-	(845)	(845)
Total of contributions and distributions to shareholders	-	3,293	-	-	-	3,293	(758)	2,535
At March 31, 2020	9,654,897	2,475,852	305,728	27,296	(4,382,544)	8,081,229	268,079	8,349,308

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

Statements of cash flows

(In thousands of Brazilian Reals - R\$)

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cash flow from operating activities				
Result before income taxes and social contribution	184,642	(272,590)	199,599	(372,596)
Adjustments for:				
Depreciation and amortization	25,602	25,218	427,642	419,186
Equity pick-up from controlled and associated companies	(211,345)	269,565	(1,196)	(2,420)
Provision for profit sharing and bonuses	1,713	163	34,863	22,633
Result on disposal of fixed and intangible assets	-	-	(863)	(1,229)
Provision for legal proceedings	4,504	35	23,369	19,048
Allowance for doubtful accounts.	31	(25)	(246)	1,193
Share-based payment transactions	3,754	3,149	4,051	3,149
Extemporaneous tax credits	-	(91)	-	(11,676)
Provision for take or pay	-	-	(108,633)	1,324
Interest, monetary and exchange variations, net	44,316	30,846	234,766	505,365
Other	(701)	(761)	(8,142)	(224)
	52,516	55,509	805,210	583,753
Changes in:				
Trade receivables	1,674	3,239	(80,679)	(113,312)
Related parties, net	(74,959)	14,136	33,987	(28,750)
Other taxes, net	(19,951)	(8,806)	(59,233)	(29,914)
Inventories	(596)	273	(5,848)	(16,324)
Salaries payable	(295)	(1,282)	(39,960)	(85,898)
Trade payables	(2,049)	757	(133,267)	(56,354)
Provision for legal proceedings	(1,569)	(1,596)	(24,263)	(16,690)
Other financial liabilities	-	-	(62,181)	(152,379)
Other assets and liabilities, net	(4,968)	(11,580)	(5,004)	(58,753)
	(102,713)	(4,859)	(376,448)	(558,374)
Net cash (used in) generated by the activities operating	(50,197)	50,650	428,762	25,379
Cash flow from investing activities				
Capital increase in subsidiary	(2,371,729)	-	-	-
Sales (purchases) of marketable securities	59,571	470,326	(336,324)	1,424,262
Restricted cash	-	(23)	59,589	24,854
Dividends received from controlled and associated companies	-	612	-	300
Additions to property, plant and equipment and intangible assets	(1,446)	(2,859)	(936,815)	(561,094)
Interest from loan agreement	84,917	-	-	-
Net cash (used in) generated by the investing activities	(2,228,687)	468,056	(1,213,550)	888,322
Cash flow from financing activities				
Loans, financing and debentures raised	1,132,160	202,226	1,163,479	929,976
Repayment of principal on loans, financing and debentures	(272,669)	(29,999)	(5,611,232)	(221,579)
Payment of interest on loans, financing and debentures	(20,629)	(21,571)	(483,121)	(273,286)
Repayment of principal on financing leases	-	(80)	(64,411)	(51,461)
Payment of interest on financing leases	-	(7)	(40,104)	(109,707)
Payment derivative financial instruments	19,874	(2,271)	(480,126)	(3,880)
Receiving derivative financial instruments	8,575	-	2,060,002	28,768
Purchase of treasury shares	(29,751)	-	(29,751)	-
Net cash (used in) generated by the activities financing	837,560	148,298	(3,485,264)	298,831
Impact of exchange variation on cash and cash equivalents	-	-	216,051	1,401
(Decrease) Increase in cash and cash equivalents, net	(1,441,324)	667,004	(4,054,001)	1,213,933
Cash and cash equivalents at beginning of the period	1,568,667	700,706	7,778,606	1,963,014
Cash and cash equivalents at end of the period	127,343	1,367,710	3,724,605	3,176,947
Additional information:				
Income tax and social contribution paid	640	1,505	6,983	5,542

The accompanying notes are an integral part of these interim 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 March 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) Registration of use rights as a contra entry to the lease liability in the amount of R\$ 14,209, for the period ended March 31, 2020 there were no additions, related to new contracts framed in the commercial lease rule (Note 5.12.3).

- **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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue				
Sales of products and services net of returns	160,316	174,618	1,847,145	1,498,351
Other operating revenue, net	45	6,849	12,945	16,119
Gain (loss) due to reduction in the recoverable amount of accounts receivable	(31)	25	246	(1,193)
	160,330	181,492	1,860,336	1,513,277
Raw materials acquired from third parties				
Cost of services rendered	(89,577)	(111,236)	(512,487)	(489,067)
Materials, energy, third party services, others	(12,405)	(11,605)	(116,740)	(147,457)
	(101,982)	(122,841)	(629,227)	(636,524)
Gross value added	58,348	58,651	1,231,109	876,753
Retention				
Depreciation and amortization	(25,602)	(25,218)	(427,642)	(419,186)
	(25,602)	(25,218)	(427,642)	(419,186)
Net value added	32,746	33,433	803,467	457,567
Value added transferred in				
Equity in subsidiaries and associates	211,345	(269,565)	1,196	2,420
Rentals received	6,300	6,300	-	-
Financial incomes	6,646	12,277	42,666	36,390
	224,291	(250,988)	43,862	38,810
Value added to be distributed (absorb)	257,037	(217,555)	847,329	496,377
Distribution of value added				
Employee and social charges	13,645	6,690	231,912	176,344
Remuneration	12,870	5,380	167,673	120,536
Benefits	649	1,252	55,313	47,237
Severance Indemnity Fund - FGTS	126	58	8,926	8,571
Taxes and contributions	24,030	11,343	157,011	(3,834)
Federal	23,541	11,212	116,287	(31,112)
State	424	9	30,769	21,414
Municipal	65	122	9,955	5,864
Third party capital remuneration	47,114	37,002	283,850	597,631
Interest	46,915	36,549	247,548	567,078
Concession contract leases and leases	199	453	36,302	30,553
Equity capital remuneration	172,248	(272,590)	174,556	(273,764)
Non-controlling interests	-	-	2,308	(1,174)
Result for the period	172,248	(272,590)	172,248	(272,590)
	257,037	(217,555)	847,329	496,377

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

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

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 code RAIL3, and its headquarters in the city of Curitiba, State of Paraná, Brazil.

The Company is a service provider in the logistics sector (transportation and elevation), 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 the Southern Brazil, its subsidiary Rumo Malha Sul S.A. ("Rumo Malha Sul"), and the in Midwest region and State of São Paulo through the Company, the subsidiaries Rumo Malha Paulista S.A. ("Rumo Malha Paulista"), Rumo Malha Norte S.A. ("Rumo Malha Norte"), Rumo Malha Oeste S.A. ("Rumo Malha Oeste") and, more recently, Rumo Malha Central SA ("Rumo Malha Central") by through which it reached the states of Goiás and Tocantins. In addition, the subsidiary Brado Logística e Participações S.A. ("Brado") operates in the container segment, while Elevações Portuárias S.A. ("Elevações Portuárias") contains terminals for transshipment and terminals for exportation of sugar and grains at the Port of Santos.

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

1.2 The concession of railway operations and port terminals

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

Companies	Concession ending	Coverage areas
Subsidiaries		
Elevações Portuárias S.A.	March 2036	Port of Santos-SP
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		
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 the interim 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	
	March 31, 2021	December 31, 2020
Logisport Armazéns Gerais S.A.	51.00%	51.00%
Elevações Portuárias S.A.	100.00%	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 Ltda.	100.00%	100.00%
Brado Logística e Participações S.A.	62.22%	62.22%
Brado Logística S.A.	62.22%	62.22%
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%

b) Associates:

The Company has a 30% interest in Rhall Terminais Ltda. (30% in 2019), 19.85% at Termag S.A. (19.85% in 2019), 9.92% at TGG S.A. (9.92% in 2019) and 49.62% at Terminal XXXIX S.A. (49.62% in 2019). Management understands that there is significant influence resulting from the participation of the Company's representative on the associate's board.

c) Group control:

After a corporate reorganization that took place on March 1, 2021, the Company became 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).

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

2 Basis of preparation and general accounting policies

2.1 Declaration of conformity

These individual and consolidated interim financial statements have been prepared and are being presented following the technical pronouncement CPC 21 (R1) - Interim Financial Statement and with international standards IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and also based on the provisions contained in the Brazilian Corporation Law, and presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of quarterly information - ITR.

According to Official Circular Letter CVM/SNC/SEP 003 of April 28, 2011, the quarterly financial information was prepared concisely including the relevant disclosures to its users without redundancy of disclosures contained in the financial statements of December 31, 2020. Accordingly, this quarterly information should be read in conjunction with the financial statements of December 31, 2020.

The interim financial statements were authorized for issue by the Board of Directors on May 13, 2021.

2.2 General accounting policies

These interim financial statements have been prepared following the basis of preparation and accounting policies consistent with those adopted in financial statements of December 31, 2020 and should be read together.

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

2.3 Measurement of fair value

The Senior Notes is quoted on the Luxembourg Stock Exchange (“LuxSE”) and is based on the quote market price as follows:

<u>Loans</u>	<u>Company</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Senior Notes Due 2024 ⁽ⁱ⁾	Rumo Luxembourg	-	104.17 %
Senior Notes Due 2025	Rumo Luxembourg	105.43 %	105.96 %
Senior Notes Due 2028	Rumo Luxembourg	105.07 %	108.75 %

(i) During the period ended March 31, 2021, the Company prepaid the debt, according to Note 4.2.

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

	Book value		Assets and liabilities measured at fair value	
			March 31, 2021	December 31, 2020
	March 31, 2021	December 31, 2020	Level 2	Level 2
Assets				
Marketable securities	1,746,047	1,396,723	1,746,047	1,396,723
Derivative financial instruments	2,383,630	3,988,524	2,383,630	3,988,524
Total	4,129,677	5,385,247	4,129,677	5,385,247
Liabilities				
Loans, financing and debentures	(10,100,400)	(10,925,462)	(10,100,400)	(10,925,462)
Total	(10,100,400)	(10,925,462)	(10,100,400)	(10,925,462)

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

3 Business, operations, and management of the Company

3.1 Objectives and policies for risk management of financial instruments

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.

i. Foreign exchange risk

On March 31, 2021 and December 31, 2020, the Company had the following net exposure to the exchange rate variation of assets and liabilities denominated in foreign currency:

	March 31, 2021	December 31, 2020
Cash and cash equivalents	34,965	2,614,419
Trade receivables	5,357	7,117
Trade payables - suppliers	(362)	(55,572)
Loans, financing and debentures	(6,355,294)	(11,091,184)
Exchange rate derivatives (notional) ⁽ⁱ⁾	6,417,000	8,500,680
Lease liabilities	(109,403)	(99,217)
	<u>(7,737)</u>	<u>(123,757)</u>

- (i) These balances are equivalent to the notional amount in U.S. Dollars and Euro converted to R\$ at the rate of March 31, 2021.

Notes to the interim financial statements

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

Based on financial instruments denominated in U.S. Dollars and Euros, as of March 31, 2021, 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 Brazilian Real against foreign currencies in the probable scenario, and for increases and decreases of 25% and 50%, as follows:

Instrument	Risk factor	Scenario				
		Probable	25%	50%	-25%	-50%
Cash and cash equivalents	Exchange fluctuation	(1,518)	6,844	15,206	(9,880)	(18,241)
Trade receivables	Exchange fluctuation	(233)	1,049	2,330	(1,514)	(2,795)
Suppliers	Exchange fluctuation	16	(71)	(157)	102	189
Exchange rate derivatives (notional)	Exchange fluctuation	(276,210)	1,258,989	2,794,186	(1,811,407)	(3,346,605)
Loans, financing and debentures	Exchange fluctuation	273,531	(1,246,910)	(2,767,350)	1,793,972	3,314,412
Lease liabilities	Exchange fluctuation	4,749	(21,415)	(47,578)	30,912	57,076
Impacts on result of the period		335	(1,514)	(3,363)	2,185	4,036

The probable scenario uses the U.S. Dollar and Euro projected by a specialized consultancy for March 31, 2021. Stressed scenarios were defined by applying variations (positive and negative) of 25% and 50% in the exchange rates used in the probable scenario:

	March 31, 2021	Scenario				
		Probable	25%	50%	-25%	-50%
U.S. Dollar	5.6973	5.4500	6.8125	8.1750	4.0875	2.7250
Euro	6.6915	6.5400	8.1750	9.8100	4.9050	3.2700

Notes to the interim 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 in the probable scenario the projected annual impact on interest expenses on loans and financing, and the remuneration of financial investments (before taxes), keeping the other variables. The scenario with increases and decreases in interest rates of 25% and 50% present the incremental effect in relation to the probable scenario:

Exposure interest rate	Scenario				
	Probable	25%	50%	-25%	-50%
Financial investments	166,562	208,202	249,842	124,921	83,281
Marketable securities	78,265	97,832	117,398	58,699	39,133
Restricted cash	1,372	1,716	2,059	1,029	686
Loans, financing and debentures	(637,893)	(720,524)	(803,155)	(555,262)	(472,631)
Interest rate derivatives	(229,130)	(296,499)	(363,869)	(161,760)	(94,390)
Lease liabilities	(307,246)	(308,822)	(310,398)	(305,670)	(304,095)
Installment leases and concessions	(52,030)	(65,038)	(78,045)	(39,023)	(26,015)
Other financial liabilities	(22,801)	(27,162)	(31,522)	(18,441)	(14,081)
Impacts on result of the period	(1,002,901)	(1,110,295)	(1,217,690)	(895,507)	(788,112)

The probable scenario considers the estimated interest rate, made by a specialized third-party and the Central Bank of Brazil, or BACEN, as follows:

	Scenario				
	Probable	25%	50%	-25%	-50%
SELIC	4.48%	5.60%	6.73%	3.36%	2.24%
CDI	4.48%	5.60%	6.73%	3.36%	2.24%
TJLP	4.90%	6.13%	7.35%	3.68%	2.45%
IPCA	3.48%	4.35%	5.22%	2.61%	1.74%

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

b) Credit risk

The Company's regular operations expose 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:

	March 31, 2021	December 31, 2020
Cash and cash equivalents ⁽ⁱ⁾	3,724,605	7,778,606
Marketable securities ⁽ⁱ⁾	1,746,047	1,396,723
Restricted cash ⁽ⁱ⁾	29,860	34,562
Trade receivables ⁽ⁱⁱ⁾	620,871	428,492
Receivables from related parties ⁽ⁱⁱ⁾	162,827	140,645
Derivative financial instruments ⁽ⁱ⁾	2,383,630	3,988,524
	8,667,840	13,767,552

- (i) The credit risk of balances with banks and financial institutions is managed by the Company's Treasury 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 to minimize the concentration of risks and, thus, mitigate the financial loss in the event of the potential bankruptcy of counterparty. The Company's maximum exposure to credit risk in relation to the balance sheet components on March 31, 2020, and December 31, 2020, 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 internal classification criteria. The customer's credit quality is assessed 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 the interim financial statements
(In thousands of Brazilian Reals - 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:

	March 31, 2021
AA	385,349
AAA	7,498,793
Total	<u>7,884,142</u>

Customer credit risk is managed centrally by each business segment, 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 internal classification criteria. 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 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 the interim 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 obligations associated 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 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:

	March 31, 2021				December 31, 2020	
	Up to 1 year	1 - 2 years	3 - 5 years	More than 5 years	Total	Total
Loans, financing and debentures	(1,573,944)	(984,033)	(7,706,772)	(10,868,000)	(21,132,749)	(25,468,560)
Trade payables - suppliers	(496,192)	-	-	-	(496,192)	(754,542)
Other financial liabilities ⁽ⁱ⁾	(389,027)	-	-	-	(389,027)	(444,895)
Tax installments	(1,390)	(395)	(499)	(487)	(2,771)	(2,903)
Lease liabilities	(574,676)	(405,957)	(1,136,719)	(12,352,142)	(14,469,494)	(14,240,845)
Installment leases and concessions	(52,401)	(205,087)	(617,436)	(358,174)	(1,233,098)	(1,219,188)
Payables to related parties	(228,956)	-	-	-	(228,956)	(164,949)
Dividends payable	(10,035)	-	-	-	(10,035)	(7,937)
Derivative financial instruments	162,269	(87,351)	955,022	1,353,690	2,383,630	3,988,524
	<u>(3,164,352)</u>	<u>(1,682,823)</u>	<u>(8,506,404)</u>	<u>(22,225,113)</u>	<u>(35,578,692)</u>	<u>(38,283,870)</u>

- (i) On March 31, 2021, the consolidated balance anticipated by our suppliers with financial institutions was R\$ 389,027 (R\$ 444,895 on December 31, 2020). These operations had Banco Itaú and Banco Bradesco as a counterparty, at an average rate of 3.60% p.y (3.00% p.y on December 31, 2020). The average term of these operations, which are recorded at present value at the rate previously mentioned, is around 90 days.

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

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 started 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 together with those of the North operation. The balances of the Central Operation for the period from March 31, 2020 were reclassified to Operation North for comparative purposes, and are presented as "restated".

Operating segments

The Company's management is structured in three segments:

- (i) Northern Operations: comprised of railway, highway, transshipment, and port elevation operations in the Company's concession areas, Elevações Portuárias, 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 to the same accounting practices used in the preparation of the consolidated information.

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

Period:	March 31, 2021				March 31, 2020			
	North Operations	South Operations	Container Operations	Consolidated	North Operations (restated)	South Operations	Container Operations	Consolidated
Results by segment								
Net revenue	1,335,476	336,211	74,265	1,745,952	1,084,961	267,879	70,723	1,423,563
Cost of services	(818,670)	(326,489)	(73,683)	(1,218,842)	(694,852)	(303,381)	(72,935)	(1,071,168)
Gross profit	516,806	9,722	582	527,110	390,109	(35,502)	(2,212)	352,395
Gross margin (%)	38.70%	2.89%	0.78%	30.19%	35.96%	-13.25%	-3.13%	24.75%
Selling, general and administrative expenses	(80,420)	(19,502)	(8,294)	(108,216)	(76,360)	(17,893)	(10,567)	(104,820)
Other operational income (expenses) and equity	2,217	(16,385)	(246)	(14,414)	(81,084)	(7,741)	(658)	(89,483)
Depreciation and amortization	293,069	124,097	10,476	427,642	281,559	119,818	17,809	419,186
EBITDA	731,672	97,932	2,518	832,122	514,224	58,682	4,372	577,278
Margin EBITDA (%)	54.79%	29.13%	3.39%	47.66%	47.40%	21.91%	6.18%	40.55%

4 Transactions and significant events

4.1 COVID-19 pandemic

4.1.1 General context

Covid-19 is an infectious disease caused by coronavirus 2 (SARS-CoV-2), which has a severe acute respiratory syndrome. The disease was first identified in 2019 in China, and has spread around the world ever since. On March 11, 2020, the World Health Organization officially declared this Outbreak of Covid-19 a pandemic. As of March 17, 2020, Brazil (as well as several other countries), including all states in which the Company has operations, has instituted social distancing measures aimed at delaying contagion. The measures vary from distance to isolation, depending on the unity of the federation. Despite the efforts of the authorities, there is still no way to predict the duration of the restrictive measures currently in force.

The Company operates in the cargo transport and logistics sector, an activity classified as essential by the Brazilian authorities, according to Law 13,979/2020.

Rumo's operations did not suffer major impacts due to the pandemic in the quarter ended March 31, 2021. The port terminals continued to operate, with the proper security protocols, and there was no limitation to exports. Regarding the arrival of cargo at the terminals operated by the Company, safety protocols were created, providing protective equipment, food, and health staff to monitor and guide truckers. Likewise, with all care for the protections of the Company's employees and third parties, the trains continue to run normally, maintaining customer service.

About 85% of the Company's net revenue is generated by the transportation of cargo destined for export. Exports are being driven by the devaluation of the Brazilian Real, increasing the competitiveness of Brazilian products abroad, making the demand for transportation of these cargoes even higher. On the other hand, the demand for some industrial loads (of lower representativeness), which are more correlated with domestic consumption, was negatively impacted by COVID-19.

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

The Company assessed the circumstances that could indicate impairment of its non-financial assets and concluded that there were no changes in circumstances that would indicate a loss by impairment.

4.2 Senior Notes Prepayment 2024

On March 26, 2021, the Company prepaid the Senior Notes 2024 in the amount of USD 750,000 equivalent to R\$ 4,149,750, with original maturity in February 2024, in accordance with the conditions established in the contract signed in February 2017. The derivatives contracted to protect the operation were settled in the same period.

4.3 Related parties

a) Summary of balance with related parties

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Current assets				
Commercial operations				
Cosan S.A.	200	200	304	306
Rumo Malha Norte S.A.	8,100	2,028	-	-
Rumo Malha Paulista S.A.	9,305	2,061	-	-
Rumo Malha Sul S.A.	6,070	1,289	-	-
Rumo Malha Central S.A.	5,805	3,882	-	-
Raízen Combustíveis S.A.	149	149	6,309	7,841
Raízen Energia S.A.	4,642	7,776	18,734	23,287
Brado Logística S.A.	201	32	-	-
Elevações Portuárias S.A.	3,155	2,642	-	-
Termag - Terminal Marítimo de Guarujá S.A.	-	-	14,286	14,286
Other	281	194	265	459
	37,908	20,253	39,898	46,179
Corporate operation / agreements				
Rumo Malha Central S.A.	533	41,130	-	-
	533	41,130	-	-
	38,441	61,383	39,898	46,179
Non-current assets				
Commercial operations				
Termag - Terminal Marítimo de Guarujá S.A.	-	-	75,001	48,571
Raízen Combustíveis S.A.	-	-	47,731	45,709
	-	-	122,732	94,280
Financial operations				
Rumo Malha Central S.A.	1,000,000	1,000,000	-	-
Logisport Armazéns Gerais S.A.	6,279	6,190	-	-
Other	3,326	3,326	197	186
	1,009,605	1,009,516	197	186
	1,009,605	1,009,516	122,929	94,466
Total	1,048,046	1,070,899	162,827	140,645

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

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Current liabilities				
Commercial operations				
Rumo Malha Norte S.A.	7,600	6,307	-	-
Rumo Malha Sul S.A.	5,647	12,180	-	-
Rumo Malha Paulista S.A.	144,715	213,386	-	-
Rumo Malha Oeste S.A.	870	857	-	-
Raízen Combustíveis S.A.	1	-	206,324	142,979
Raízen Energia S.A.	4,784	4,822	15,912	12,992
Cosan S.A.	995	1,126	1,248	3,298
Cosan Lubrificantes e Especialidades S.A.	356	352	4,544	4,543
Logisport Armazéns Gerais S.A.	159	457	-	-
Elevações Portuárias S.A.	698	632	-	-
Other	1,041	1,015	928	1,137
	166,866	241,134	228,956	164,949
Non-current liabilities				
Commercial operations				
Boswells	35,608	32,479	-	-
Other	4,733	4,733	-	-
	40,341	37,212	-	-
Total	207,207	278,346	228,956	164,949

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

b) Transactions with related parties

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Operating income				
Raízen Energia S.A.	61,898	65,386	101,760	105,109
Raízen Combustíveis S.A.	-	-	32,156	33,060
Rumo Malha Norte S.A.	4,852	4,038	-	-
Rumo Malha Paulista S.A.	62,207	64,757	-	-
Elevações Portuárias S.A.	6,300	6,300	-	-
Other	-	-	1,778	268
	135,257	140,481	135,694	138,437
Purchases of products / inputs / services				
Raízen Combustíveis S.A.	-	-	(308,954)	(250,897)
Logispot Armazéns Gerais S.A.	(752)	(816)	-	-
Rumo Malha Paulista S.A.	(31,645)	(29,172)	-	-
Cosan Lubrificantes e Especialidades S.A.	(8)	-	(10,535)	(7,409)
Rumo Malha Sul S.A.	(316)	-	-	-
Other	-	-	(769)	(252)
	(32,721)	(29,988)	(320,258)	(258,558)
Shared expenses				
Cosan S.A.	(605)	(931)	(820)	(931)
Elevações Portuárias S.A.	293	(243)	-	-
Rumo Malha Oeste S.A.	90	(185)	-	-
Rumo Malha Paulista S.A.	2,155	(2,181)	-	-
Rumo Malha Sul S.A.	1,462	(4,664)	-	-
Rumo Malha Norte S.A.	(843)	(17,283)	-	-
Rumo Malha Central S.A.	(23)	-	-	-
Raízen Energia S.A.	-	(496)	(6,225)	(10,112)
	2,529	(25,983)	(7,045)	(11,043)
Financial result				
Rumo Malha Norte S.A.	(4,790)	(8,813)	-	-
Rumo Malha Central S.A.	44,320	-	-	-
Other	(3,040)	(7,300)	98	-
	36,490	(16,113)	98	-

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 period, as follows:

	March 31, 2021	March 31, 2020
Short-term benefits to employees and managers	5,938	10,413
Transactions with share-based payments	1,543	1,426
	7,481	11,839

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

4.4 Subsequent events

4.4.1 Compensation of accumulated losses

On April 27, 2021, through of Ordinary and Extraordinary General Meeting, in addition to other resolutions, the Company's management proposed the absorption of all accumulated losses presented in the financial statements as of December 31, 2020, in the amount of R\$ 3,760,663. To compensate the accumulated loss the Company will use the profit reserve of R\$ 253,599 and a reduction of share capital of R\$ 3,507,064, without cancellation of shares.

After the proposed capital reduction, the capital stock will be R\$ 12,547,842.

4.4.2 Issue of debentures Rumo Malha Paulista S.A.

On April 19, 2021, the Board of Directors approved the 2nd issue of simple debentures of the subsidiary Rumo Malha Paulista, not convertible into shares, of unsecured type, with additional personal guarantee, in two series of R\$ 750,000 with a total value of R\$ 1,500,000.

The first series has a 6-year term at an average cost of CDI + 1.69%. The second has a 10-year term at an average cost of IPCA + 4.60%. The two series will have semiannual interest payments and the proceeds of this funding will be used for investment.

4.4.3 Liquidated Loan 4131

On April 6, 2021, the Company settled, on the due date, Loan 4131 in the amount of R\$ 209,908.

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

5 Detailed information about assets and liabilities

5.1 Financial assets and liabilities

Financial assets and liabilities consist of:

	March 31, 2021	December 31, 2020
Assets		
Fair value through profit or loss		
Marketable securities	1,746,047	1,396,723
Derivate financial instruments	2,383,630	3,988,524
	4,129,677	5,385,247
Amortized cost		
Cash and cash equivalents	3,724,605	7,778,606
Trade receivables	620,871	428,492
Related parties receivable	162,827	140,645
Restricted cash	29,860	34,562
	4,538,163	8,382,305
Total	8,667,840	13,767,552
Liabilities		
Amortized cost		
Loans, financing and debentures	5,494,319	8,986,576
Lease liabilities	2,991,574	2,912,318
Trade payables - suppliers	496,192	754,542
Other financial liabilities	389,027	444,895
Related parties payable	228,956	164,949
Dividends payable	10,035	7,937
Installment leases and concessions (Note 5.16)	1,160,525	1,154,919
Debt payment in installments	2,627	2,791
	10,773,255	14,428,927
Fair value through profit or loss		
Loans and financing	10,100,400	10,925,462
	10,100,400	10,925,462
Total	20,873,655	25,354,389

5.2 Cash and cash equivalents

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Cash and bank accounts	353	511	72,298	2,815,882
Financial Investments	126,990	1,568,156	3,652,307	4,962,724
	127,343	1,568,667	3,724,605	7,778,606

Financial investments are composed as follows:

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

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Bank investments				
Bank certificate of deposits - CDB	126,738	1,568,156	3,597,911	4,904,934
Other investments	252	-	54,396	57,790
	126,990	1,568,156	3,652,307	4,962,724

The Company's financial investments are remunerated at rates around 101.7% of the Brazilian interbank offer rate (Interbank Deposit Certificate), or "CDI" on March 31, 2021 (102.1% of CDI on December 31, 2020). The sensitivity analysis of interest rate risks is presented in note 3.1.

5.3 Securities and restricted cash

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Marketable securities				
Government bonds ⁽ⁱ⁾	16,961	71,302	1,585,273	1,272,316
Bank certificate of deposits - CDB ⁽ⁱⁱ⁾	-	6,258	5,327	116,963
Financial letters ⁽ⁱⁱⁱ⁾	1,663	416	155,447	7,444
	18,624	77,976	1,746,047	1,396,723

- (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 mature 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.

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Restricted cash				
Securities pledged as collateral	79	79	29,860	34,562
	79	79	29,860	34,562

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

5.4 Trade receivables

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Domestic – Brazilian Reais	18,754	20,105	573,484	382,806
Export – Foreign currency	-	-	52,373	51,365
	18,754	20,105	625,857	434,171
Allowance for doubtful accounts	(711)	(680)	(4,986)	(5,679)
	(711)	(680)	(4,986)	(5,679)
Total	18,043	19,425	620,871	428,492
Current	18,043	18,558	614,568	421,322
Non-current	-	867	6,303	7,170
Total	18,043	19,425	620,871	428,492

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

5.5 Loans, financing and debentures

Description	Financial charges		Parent Company		Consolidated		Maturity date	Goal
	Index	Average interest rate	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020		
Loans and financing								
Finame (BNDES)	Pre-fixed	5.63%	272,194	291,547	600,795	647,435	January/2025	Acquisition
	URTJLP	9.93%	-	-	264	396	March/2022	Acquisition
Finem (BNDES)	Pre-fixed	3.50%	-	-	991	1,077	January/2024	Acquisition
	URTJLP	6.51%	2,918	24,610	3,060,887	3,321,839	December/2029	Acquisition
	IPCA	7.46%	-	-	831	796	November/2021	Acquisition
NCE	CDI + 1.03%	3.70%	-	-	82,792	82,185	February/2023	Working capital
	CDI + 0.80%	3.47%	-	-	501,824	505,061	December/2023	Working capital
	CDI + 3.05%							
	p.y.	5.01%	-	-	-	208,464	March/2021	Working capital
	CDI + 3.15%							
	p.y.	5.11%	-	-	-	468,516	March/2021	Working capital
Senior Notes 2024	Pre-fixed (US\$)	7.38%	-	-	-	4,514,289	March/2021	Acquisition
Senior Notes 2025	Pre-fixed (US\$)	5.88%	-	-	3,198,838	3,067,359	January/2025	Acquisition
Senior Notes 2028	Pre-fixed (US\$)	5.25%	-	-	2,775,562	2,640,840	January/2028	Acquisition
	Euribor + 0.58%							
ECA (EUR)		0.58%	-	-	112,213	104,108	September/2026	Acquisition
CCB	IPCA + 0.81%	2.95%	-	-	264,864	239,068	January/2048	Working capital
Loan 4131	Pre-fixed (US\$)	1.65%	299,534	483,625	299,534	483,625	November/2022	Working capital
	Pre-fixed (US\$)	1.87%	-	-	20,209	-	October/2021	Working capital
	CDI	4.60%	-	-	209,466	206,908	April/2021	Working capital
			574,646	799,782	11,129,070	16,491,966		
Debentures								
Non-convertible debentures								
	IPCA + 4.68%	9.70%	-	-	552,106	595,847	February/2026	Acquisition
	IPCA + 4.50%	9.52%	694,131	739,202	694,131	739,202	February/2029	Acquisition
	IPCA + 3.90%	8.89%	1,002,781	1,025,777	1,002,781	1,025,777	October/2029	Acquisition
	IPCA + 4.00%	8.99%	1,003,867	255,501	1,003,867	255,501	October/2029	Acquisition
	IPCA + 6.80%	11.93%	838,747	803,745	838,747	803,745	April/2030	Acquisition
	IPCA + 3.60%	6.24%	374,017	-	374,017	-	December/30	Working capital
Private debentures	CDI + 0.50%	3.16%	797,324	792,535	-	-	January/2023	Working capital
			4,710,867	3,616,760	4,465,649	3,420,072		
Total			5,285,513	4,416,542	15,594,719	19,912,038		
Current			310,088	482,421	1,547,045	2,504,223		
Non-current			4,975,425	3,934,121	14,047,674	17,407,815		

Non-current loans have the following maturities:

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
13 to 24 months	1,008,680	410,856	1,056,339	1,135,485
25 to 36 months	59,832	855,323	826,858	1,056,521
37 to 48 months	25,963	53,841	3,777,378	5,069,301
49 to 60 months	-	-	532,791	3,552,834
61 to 72 months	120,837	-	386,950	404,760
73 to 84 months	659,570	644,507	3,729,599	917,765
85 to 96 months	1,069,739	920,598	1,341,864	3,788,409
Thereafter	2,030,804	1,048,996	2,395,895	1,482,740
	4,975,425	3,934,121	14,047,674	17,407,815

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

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

	Consolidated	
	March 31, 2021	December 31, 2020
Brazilian Reals (R\$)	9,188,363	9,101,817
Dollar (US\$) ⁽ⁱ⁾	6,273,934	10,706,113
EUR ⁽ⁱ⁾	132,422	104,108
Total	15,594,719	19,912,038

- (i) As of March 31, 2021, 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.

Below the movement of loans, financing and debentures for the period ended on March 31, 2021:

	Parent Company	Consolidated
At January 1, 2021	4,416,542	19,912,038
Proceeds from debts	1,132,160	1,163,479
Interest, monetary and exchange variation	30,109	613,555
Amortization of principal	(272,669)	(5,611,232)
Payments of interest from debts	(20,629)	(483,121)
At March 31, 2021	5,285,513	15,594,719

a) Guarantees

Some financing contracts with the National Bank for Economic and Social Development ("BNDES"), destined for investments, are also guaranteed, according to each contract, by bank guarantee, with an average cost of 0.93% per year or by real guarantees (assets) and guarantee account. On March 31, 2021, the balance of bank guarantees contracted was R\$ 3,392,192 (R\$ 3,687,323 on December 31, 2020).

To calculate the average rates, the average CDI of 2.25% p.y. (2.78% on December 31, 2020) and TJLP of 4.70% (4.87% on December 31, 2020).

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

b) Unused credit lines

On March 31, 2021, the Company had lines of credit in banks with AA rating, which were not used, in the total amount of R\$ 1,201,981 (R\$ 487,378 on December 31, 2020).

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

c) Restrictive clauses (“financial covenants”)

The Company's main lines of loans are subject to restrictive clauses, based on financial and non-financial indicators, the main and most restrictive clauses are presented below:

Goal	Index
Net financial debt/ EBITDA ⁽ⁱ⁾ ≤ 3.00x in December, 2021	2.00
EBITDA/ Consolidated financial result ⁽ⁱⁱ⁾ ≥ 2.00x in December, 2021	293.86 ⁽ⁱⁱⁱ⁾

- (i) The net financial debt is composed of bank debts, debentures, commercial leases considered as financial leasing less cash and cash equivalents, marketable securities, and derivative instruments.
- (ii) The consolidated financial result of the debt is represented by the cost of the consolidated net debt, shown in note 6.4.
- (iii) The Company presented a financial result from the consolidated debt due to the prepayment of Senior Notes 2024, as per Note 4.2, excluding the effects of this operation, the index would be 11.11.

The components of the formulas for calculating the result of the verifiable targets at the end of the year are defined in the debt contracts. On March 31, 2021, the Company and its subsidiaries were complying with all restrictive financial covenants.

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

5.6 Lease liabilities

	Consolidated leases			Totals
	Financial	Operational - concessions	Operational - other	
At January 1, 2021	416,122	2,328,924	167,272	2,912,318
Additions	-	-	14,209	14,209
Appropriation of interest and exchange variation	12,880	66,088	18,810	97,778
Repayments of principal from debts	(27,936)	(28,318)	(8,157)	(64,411)
Payments of interest from debts	(4,655)	(33,473)	(1,976)	(40,104)
Contractual adjustment	-	73,914	9,397	83,311
Transfers between liabilities ⁽ⁱ⁾	-	(11,527)	-	(11,527)
At March 31, 2021	396,411	2,395,608	199,555	2,991,574
Current	223,399	239,256	51,569	514,224
Non-current	173,012	2,156,352	147,986	2,477,350
	396,411	2,395,608	199,555	2,991,574

- (i) Transfer of the parcels under litigation to the lease and concessions item in dispute (Note 5.16).

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 term and classification as finance lease.

In addition to the amortization and appropriation of interest and exchange variation highlighted in the previous tables, for the following impact on income during the year ended March 31, 2021 was recorded for other lease agreements that were not included in the measurement of lease liabilities:

	Consolidated	
	March 31, 2021	March 31, 2020
Variable lease payments not included in the measurement of lease liabilities	6,940	5,701
Expenses relating to short-term leases	9,546	10,965
Expenses relating to leases of low-value assets, excluding short-term leases	234	162
	16,720	16,828

Notes to the interim 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 14.2% have been 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, right of use, financial expense and depreciation expense for the period ended March 31, 2021, would be those presented in the "Official note" column:

Accounts	March 31, 2021		
	Registered	Official note	% Variation
Lease liabilities	(2,131,851)	(2,286,904)	7%
Residual right of use	6,948,634	6,962,560	0%
Financial expense	(263,501)	(272,578)	3%
Depreciation expense	(293,098)	(298,437)	2%

The balances recorded by the Company include the Malha Central contract and the renewal of addendum 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. As of March 31, 2021, the lease liability of these contracts was R\$ 1,009,653 ((R\$ 983,576 on December 31, 2020).

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 on March 31, 2021, is R\$ 6,677 (R\$ 4,713 on December 31, 2020).

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

5.7 Suppliers

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Material and services suppliers	45,363	54,562	469,266	721,600
Other	25,280	17,729	26,926	32,942
Total	70,643	72,291	496,192	754,542

5.8 Derivative financial instruments

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

	Notional		Fair value	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Foreign exchange and interest rate derivatives				
Swap contracts (Interest and foreign exchange)	4,854,620	4,648,615	2,123,008	3,579,657
Swap contracts (Interest and inflation)	3,454,964	2,229,136	260,622	408,867
	8,309,584	6,877,751	2,383,630	3,988,524
Assets				
Current			162,270	413,170
Non-current			2,221,360	3,575,354
			2,383,630	3,988,524

The Company contracted Swap operations, in order to be active in USD + fixed interest and passive in percentage of CDI.

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

Hedge strategies

a) Hedge of fair value

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

<u>Exchange rate hedge</u>		Nocional	Book value R\$		Fair value adjustment	
			March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Debits						
Senior Notes 2024	US\$ + 7.4%	-	-	(4,514,289)	-	(959,017)
Senior Notes 2025	US\$ + 5.9%	(1,740,550)	(3,198,838)	(3,067,359)	(52,810)	(779,581)
Senior Notes 2028	US\$ + 5.3%	(2,791,600)	(2,862,914)	-	(71,314)	-
Debits		(4,532,150)	(6,061,752)	(7,581,648)	(124,123)	(1,738,598)
Derivative instruments						
Foreign exchange and interest swap	BRL + 145% do CDI	-	-	2,118,028	-	1,021,045
Foreign exchange and interest swap	BRL + 127% do CDI	1,740,550	1,485,832	1,341,379	94,574	825,015
	BRL + 115% do CDI	2,791,600	494,411	-	(5,589)	-
Derivatives		4,532,150	1,980,243	3,459,407	88,985	1,846,060
Total		-	(4,081,509)	(4,122,241)	(35,138)	107,462

<u>Interest rate hedge</u>		Nocional	Book value R\$		Fair value adjustment	
			March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Debits						
Debentures	IPCA + 4.00%	(1,200,000)	(1,134,232)	-	65,768	-
Debentures	IPCA + 3.90%	(906,856)	(1,002,781)	(1,025,777)	22,241	(192,446)
Debentures	IPCA + 4.00%	(222,280)	(243,652)	(255,501)	12,353	(46,991)
Debits		(2,329,136)	(2,380,665)	(1,281,278)	100,362	(239,437)
Derivative instruments						
Inflation and interest swap	107% do CDI	1,200,000	12,180	-	12,180	-
Inflation and interest swap	102% do CDI	927,136	92,732	144,137	(51,404)	149,663
Inflation and interest swap	105% do CDI	227,828	18,992	32,556	(13,564)	33,932
Derivatives		2,354,965	123,905	176,693	(52,788)	183,595
Total		25,828	(2,256,759)	(1,104,585)	47,575	(55,842)

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

b) Fair value options

Certain derivative instruments have not been linked to documented hedge structures. The Company opted to designate the protected liabilities (hedge objects) to be recorded at fair value through profit or loss. Considering that derivative instruments are always recorded at fair value through profit or loss, the accounting effects are the same that would be obtained through hedge documentation:

Interest risk	Nocional	Book value R\$		Fair value adjustment		
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	
Debits						
Debitures	IPCA + 4.68%	(500,000)	(552,106)	(595,847)	37,974	(48,142)
Debitures	IPCA + 4.50%	(600,000)	(694,131)	(739,202)	59,819	(55,116)
Debits		(1,100,000)	(1,246,237)	(1,335,049)	97,793	(103,258)
Derivative instruments						
Inflation and interest swap	107% of CDI	500,000	70,819	96,931	(33,979)	39,232
Inflation and interest swap	103% of CDI	600,000	90,259	135,244	(52,059)	56,915
Derivatives		1,100,000	161,078	232,175	(86,038)	96,147
Total		-	(1,085,159)	(1,102,874)	(11,756)	(7,111)

Interest risk	Nocional	Book value R\$		Fair value adjustment		
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	
Debits						
ECA	IPCA + 4.68%	(100,198)	(112,213)	(95,373)	(6,573)	(36,481)
Loan 4131	IPCA + 4.50%	(220,000)	(299,534)	(485,978)	(2,082)	(64,235)
Debits		(320,198)	(411,747)	(581,351)	(8,655)	(100,716)
Derivative instruments						
Foreign exchange and interest swap	BRL + 107% of CDI	100,198	42,327	39,529	1,660	36,165
Foreign exchange and interest swap	BRL + 118% of CDI	220,000	100,438	80,720	(316)	66,700
Derivatives		320,198	142,765	120,249	1,344	102,865
Total		-	(268,982)	(461,102)	(7,311)	2,149

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

5.9 Other recoverable taxes

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
COFINS - Social security financing contribution	37,297	45,069	293,796	303,727
PIS - Social integration program	8,052	9,589	121,289	115,642
ICMS - State VAT ⁽ⁱ⁾	-	-	607,137	595,450
ICMS - CIAP ⁽ⁱⁱ⁾	-	-	95,487	106,243
Other	3,020	3,016	19,520	20,268
	48,369	57,674	1,137,229	1,141,330
Current	48,369	57,674	327,312	350,883
Non-current	-	-	809,917	790,447
	48,369	57,674	1,137,229	1,141,330

(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

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Parts and accessories	1,511	910	234,611	219,831
Fuels and lubricants	25	27	7,530	6,807
Warehouse and other	162	165	15,633	22,680
	1,698	1,102	257,774	249,318

The balances are presented net of the provision for obsolete inventories of R\$ 6.032 on March 31, 2021 (R\$ 7,256 on December 31, 2020).

Notes to the interim financial statements
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5.11 Investments in associates and provision for unsecured liabilities

(a) Subsidiaries and associates

Below are investments in subsidiaries and associates that are material for the Company on March 31, 2021, and December 31, 2020:

i. Parent Company

	Total shares of the investee	Shares held by the Company	Percentage of participation
Elevações Portuárias S.A.	672,397,254	672,397,254	100.00%
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	1,186,268,176	99.74%
Boswells S.A.	3,265,000	3,265,000	100.00%
Brado Participações S.A.	12,962,963	8,065,556	62.22%
Paranaguá S.A.	6,119,802	6,113,851	99.90%
Logisport Armazéns Gerais S.A.	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	6,677,710,494,9	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 S.A.	5,032,794,458,529	5,032,794,458,5	100.00%
ALL Armazéns Gerais Ltda.	376,560,990	376,560,990	100.00%
Rumo Malha Oeste S.A.	478,460,074	478,460,074	100.00%

Notes to the interim financial statements

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

	At January 1, 2021	Equity pick- up	Capital increase / AFAC	Dividends and Interest on own capital receivable	Comprehen- sive income	Amortization of the concession right	Stock option plan	At March 31, 2021	Equity income on March 31, 2020
Elevações Portuárias S.A.	723,802	2,267	-	(6,282)	-	-	-	719,787	(1,079)
Rumo Intermodal S.A.	23,926	(647)	-	-	-	-	-	23,279	115
Rumo Malha Central S.A.	2,872,691	(84,969)	-	-	-	-	-	2,787,722	(69,884)
Rumo Malha Norte S.A.	8,284,811	455,123	-	-	-	(7,470)	(2)	8,732,462	(9,053)
Boswells S.A.	32,973	-	-	-	3,176	-	-	36,149	-
Brado Participações S.A.	376,986	(273)	-	(1,300)	-	-	186	375,599	(2,070)
Paranaguá S.A.	20,821	169	-	-	(1)	-	-	20,989	(221)
Logisport Armazéns Gerais S.A.	74,490	449	-	(138)	-	-	-	74,801	96
Rumo Luxembourg Sarl	4,406	46,188	-	-	-	-	-	50,594	12,247
Rumo Malha Paulista S.A.	3,365,796	(61,188)	1,200,000	-	-	(4,934)	-	4,499,674	(78,839)
Terminal São Simão S.A.	39,797	850	-	(5)	-	-	-	40,642	-
Rumo Malha Sul S.A.	1,895,905	(63,577)	800,000	-	-	-	-	2,632,328	(91,745)
ALL Armazéns Gerais Ltda.	-	27	371,729	-	-	-	-	371,756	-
Total investment in associates	17,716,404	294,419	2,371,729	(7,725)	3,175	(12,404)	184	20,365,782	(240,433)
ALL Argentina S.A.	(21,538)	(309)	-	-	(1)	-	-	(21,848)	(397)
Rumo Malha Oeste S.A.	(1,701,233)	(82,765)	-	-	-	-	-	(1,783,998)	(28,735)
Total investment in unsecured liability	(1,722,771)	(83,074)	-	-	(1)	-	-	(1,805,846)	(29,132)
Total	15,993,633	211,345	2,371,729	(7,725)	3,174	(12,404)	184	18,559,936	(269,565)

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

ii. Consolidated

	<u>Total shares of the investee</u>	<u>Shares held by the Company</u>	<u>Percentage of participation</u>			
Rhall Terminais Ltda.	28,580	8,574	30.00%			
Termag - Terminal	500,000	99,246	19.85%			
TGG - Terminal de	79,747,000	7,914,609	9.92%			
Terminal XXXIX S.A.	200,000	99,246	49.62%			
	<u>At January 1, 2021</u>	<u>Equity pick-up</u>	<u>Dividends</u>	<u>Other</u>	<u>At March 31, 2021</u>	<u>Equity income on March 31, 2020</u>
Rhall Terminais Ltda.	3,765	(157)	(3)	-	3,605	(8)
Termag S.A.	1,673	2,005	-	(1)	3,677	1,726
TGG S.A.	18,679	11	(1,824)	-	16,866	(232)
Terminal XXXIX S.A.	26,597	(663)	-	-	25,934	934
Total investments in associates	50,714	1,196	(1,827)	(1)	50,082	2,420

(b) Participation of non-controlling shareholders

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.

	<u>Total shares of the investee</u>	<u>Shares held by the Company</u>	<u>Percentage of participation</u>
Rumo Malha Norte S.A.	1,189,412,363	3,144,187	0.26%
Brado Participações S.A.	12,962,963	4,897,407	37.78%
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.

	<u>At January 1, 2021</u>	<u>Result of non-controlling interests</u>	<u>Dividends</u>	<u>Stock option plan</u>	<u>At March 31, 2021</u>	<u>Equity income on March 31, 2020</u>
Rumo Malha Norte S.A.	9,979	1,340	-	-	11,319	(24)
Brado Participações S.A.	228,993	(280)	(926)	112	227,899	(1,242)
Logisport Armazéns Gerais S.A.	35,513	432	-	-	35,945	92
Terminal São Simão S.A.	38,236	816	-	-	39,052	-
Total non-controlling interest	312,721	2,308	(926)	112	314,215	(1,174)

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

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

Analysis of impairment

In the period ended March 31, 2021, no new indicators were identified for additional tests of recoverability of non-financial assets.

The Company also assessed 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.

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

5.12.1 Property, Plant and Equipment

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	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	202,113
Additions	1,216	119	1,005	2,284	912,007	510	917,141	1,445
Write-off	-	-	(13,123)	-	-	-	(13,123)	-
Transfers	62,153	11,510	384,753	457,162	(920,568)	4,611	(379)	-
At March 31, 2021	1,452,791	1,184,784	9,300,654	9,709,321	2,744,190	875,076	25,266,816	203,558
Depreciation:								
At January 1, 2021	(484,304)	(564,688)	(4,716,233)	(4,399,318)	(13,379)	(539,007)	(10,716,929)	(81,829)
Additions	(18,522)	(33,263)	(125,621)	(128,932)	(594)	(5,140)	(312,072)	(3,507)
Write-off	-	-	9,431	-	-	-	9,431	-
Transfers	-	-	46	(7)	7	-	46	-
At March 31, 2021	(502,826)	(597,951)	(4,832,377)	(4,528,257)	(13,966)	(544,147)	(11,019,524)	(85,336)
At January 1, 2021	905,118	608,467	4,211,786	4,850,557	2,739,372	330,948	13,646,248	120,284
At March 31, 2021	949,965	586,833	4,468,277	5,181,064	2,730,224	330,929	14,247,292	118,222

- (i) On March 31, 2021, freight car and locomotives in the amount of R\$ 745,203 (R\$ 745,203 on December 31, 2020), were pledged to guarantee bank loans (Note 5.5).

Capitalization of borrowing costs

The period ended on March 31, 2021, the capitalized loan costs for R\$ 15,556 (R\$ 3,008 on March 31, 2020).

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

5.12.2 Intangible assets and goodwill

	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	-	-	-	922	922	-
Transfers	-	-	-	333	333	-
At March 31, 2021	100,451	8,017,958	343,348	231,732	8,693,489	614,854
Amortization and Impairment:						
At January 1, 2021	-	(1,124,309)	(155,449)	(161,044)	(1,440,802)	(304,158)
Additions	-	(30,392)	(2,960)	(5,280)	(38,632)	(9,690)
At March 31, 2021	-	(1,154,701)	(158,409)	(166,324)	(1,479,434)	(313,848)
At January 1, 2021	100,451	6,893,649	187,899	69,433	7,251,432	310,696
At March 31, 2021	100,451	6,863,257	184,939	65,408	7,214,055	301,006

- (i) Goodwill from a business combination from previous years, of which R\$ 62,922 from Terminal T-16 in Santos and R\$ 37,529 from indirect 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 the interim financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

5.12.3 Right-of-use

	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, 2021	270,370	30,576	933,325	82,369	13,925	7,462,367	8,792,932
Additions	-	1,021	-	-	13,188	-	14,209
Contractual adjustment	-	824	3,943	4,659	-	26,099	35,525
At March 31, 2021	270,370	32,421	937,268	87,028	27,113	7,488,466	8,842,666
Depreciation and Impairment:							
At January 1, 2021	(95,558)	(6,191)	(360,740)	(12,534)	(13,029)	(481,479)	(969,531)
Additions	(5,575)	(859)	(10,579)	(1,089)	(608)	(66,733)	(85,443)
At March 31, 2021	(101,133)	(7,050)	(371,319)	(13,623)	(13,637)	(548,212)	(1,054,974)
At January 1, 2021	174,812	24,385	572,585	69,835	896	6,980,888	7,823,401
At March 31, 2021	169,237	25,371	565,949	73,405	13,476	6,940,254	7,787,692

5.13 Other taxes payable

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
ICMS - State VAT	334	189	6,228	16,481
INSS - Social security	258	221	7,090	10,272
PIS - Social integration program	360	1,458	2,421	2,074
COFINS - Social security financing contribution	1,660	6,898	11,403	9,962
Installment of tax debts	902	902	2,627	2,791
ISS - Municipal service tax	-	-	6,946	12,107
Other	184	340	8,522	11,038
	3,698	10,008	45,237	64,725
Current	3,698	10,008	43,125	62,602
Non-current	-	-	2,112	2,123
	3,698	10,008	45,237	64,725

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

5.14 Income tax and social contribution

a) Reconciliation of income tax and social contribution expenses

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Result before income tax and social contribution	184,642	(272,590)	199,599	(372,596)
Income tax and social contribution expense at nominal rate (34%)	(62,778)	92,681	(67,864)	126,683
<i>Adjustments to determine the effective rate</i>				
Equity pick-up	71,857	(91,652)	407	823
Result of companies abroad	-	-	15,634	3,931
Exploration profit	-	-	88,961	-
Unrecognized NOLs and temporary differences ⁽ⁱ⁾	(17,255)	3,190	(63,047)	(33,770)
Concession rights amortization	(4,217)	(4,217)	318	318
Other	(1)	(2)	548	847
Tax and social contribution (current and deferred)	(12,394)	-	(25,043)	98,832
Effective rate - %	6.71%	-	12.55%	26.53%

- (i) 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 the interim 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	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Assets credits from:				
Tax losses carry forwards - income tax	267,464	250,871	1,952,374	1,841,755
Tax losses of social contribution	107,101	101,127	714,944	675,123
Temporary differences:				
Provision for judicial demands	22,390	19,723	207,404	197,431
Impairment provision	30,327	30,327	217,975	226,092
Allowance for doubtful accounts	242	231	14,517	14,752
Provision for non-performing tax	-	-	45,214	45,149
Provision for profit sharing	551	115	926	9,058
Exchange variation - Loans and financing	36,714	28,461	375,870	595,395
Review of useful life - Fixed assets	-	-	614,874	629,635
Fair value adjustment on debts	7,228	77,667	110,580	526,001
Temporary differences from other provisions	4,066	5,715	91,817	95,191
Business combination - Fixed assets	2,129	2,143	32,268	34,907
Other	15,283	14,009	257,693	247,950
Deferred taxes - Assets	493,495	530,389	4,636,456	5,138,439
(-) Unrecognized deferred assets credits	(361,260)	(344,005)	(2,341,100)	(2,281,470)
Liabilities credits from:				
Temporary differences:				
Tax goodwill amortized	-	-	(24,838)	(24,838)
Unrealized result from derivatives	(98,532)	(139,588)	(644,461)	(1,464,591)
Review of useful life - Fixed assets	(3,721)	(3,416)	-	-
Business combination - Intangible assets	(60,200)	(61,204)	(2,543,619)	(2,549,151)
Other	(826)	(826)	(44,689)	(62,696)
Deferred taxes - Liabilities	(163,279)	(205,034)	(3,257,607)	(4,101,276)
Total deferred taxes	(31,044)	(18,650)	(962,251)	(1,244,307)
Deferred assets	-	-	1,381,872	1,270,621
Deferred liabilities	(31,044)	(18,650)	(2,344,123)	(2,514,928)
Total	(31,044)	(18,650)	(962,251)	(1,244,307)

Notes to the interim 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 quarter ended on March 31, 2021, the Company assessed the observed impacts of the COVID-19 pandemic and judged that the potential effects should not affect the medium and long-term projections to the point of impairing the realization of the balances.

d) Deferred tax movements

	<u>Consolidate</u>
At January 1, 2021	<u>(1,244,307)</u>
Result	281,827
Other	229
At March 31, 2021	<u><u>(962,251)</u></u>

e) Analytical movement of deferred tax

i. Deferred tax assets

	Tax loss and negative basis	Exchange variation	Provisions	Adjustment to fair value of debt	Fixed asset	Unregistered credits	Other	Total
At January 1, 2021	2,516,878	595,395	492,482	526,001	629,635	(1,933,193)	378,048	3,205,246
(Charged) / credited to the result of the period	150,440	-	(6,446)	(415,421)	(14,761)	(31,135)	3,730	(313,593)
Exchange differences	-	(219,525)	-	-	-	-	-	(219,525)
At March 31, 2021	2,667,318	375,870	486,036	110,580	614,874	(1,964,328)	381,778	2,672,128

ii. Deferred tax liabilities

	Intangible	Unrealized income from derivatives	Unregistered credits	Other	Total
At January 1, 2021	(2,549,151)	(1,464,591)	(348,277)	(87,534)	(4,449,553)
(Charged) / credited to the result of the period	5,532	820,130	(28,495)	17,787	814,954
comprehensive results	-	-	-	220	220
At March 31, 2021	(2,543,619)	(644,461)	(376,772)	(69,527)	(3,634,379)

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

5.15 Provision for lawsuits and deposits

On March 31, 2021, and December 31, 2020, the Company records provisions for legal claims in relation to:

	Provision for judicial demands			
	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Tributary	2,252	2,235	79,819	79,447
Civil, regulatory and environmental	22,736	17,782	176,222	150,173
Labor	35,692	32,791	247,227	243,484
	60,680	52,808	503,268	473,104

	Judicial deposits			
	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Tributary	12,495	13,477	45,987	46,770
Civil, regulatory and environmental	2,717	2,565	60,164	59,413
Labor	16,360	16,174	224,402	224,419
	31,572	32,216	330,553	330,602

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	-	2,049	2,784	4,833
Settlement or write-offs	-	(383)	(1,863)	(2,246)
Monetary restatement ⁽ⁱ⁾	17	3,288	1,980	5,285
At March 31, 2021	2,252	22,736	35,692	60,680

	Consolidated			
	Taxes	Civil, regulatory and environmental	Labor	Total
At January 1, 2021	79,447	150,173	243,484	473,104
Provision	197	4,939	17,564	22,700
Settlement or write-offs	(60)	(2,345)	(22,728)	(25,133)
Monetary restatement ⁽ⁱ⁾	235	23,455	8,907	32,597
At March 31, 2021	79,819	176,222	247,227	503,268

(i) Includes write-off of interest.

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

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

a) Probable losses

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

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
ICMS - State VAT credit	-	-	51,473	51,470
PIS and COFINS	-	-	2,054	2,050
INSS - National Social Security Institute	666	664	24,264	24,093
Other	1,586	1,571	2,028	1,834
	2,252	2,235	79,819	79,447

b) Possible losses

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

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Tributary	976,558	974,492	3,863,173	3,655,279
Civil, regulatory and environmental	162,067	160,054	3,747,182	3,765,974
Labor	119,334	122,066	851,720	865,222
	1,257,959	1,256,612	8,462,075	8,286,475

- **Tributary:**

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Capital gain	85,136	84,953	85,136	84,953
Isolated fine federal tax	458,710	457,381	532,951	473,690
IRPJ/CSLL	279,145	278,315	562,641	510,401
ICMS	92	92	1,196,808	1,120,336
IRRF	55,447	55,259	134,202	133,837
PIS/COFINS	3,993	3,981	881,001	868,789
Foreign financial operations	-	-	29,201	29,136
MP 470 installment debts	-	-	116,456	116,276
Stock option plan	53,807	53,695	64,124	63,986
IOF on loan	14,919	14,886	14,919	14,886
Compensation with credit award	-	-	45,732	45,609
Other	25,309	25,930	200,002	193,380
	976,558	974,492	3,863,173	3,655,279

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

- **Civil, regulatory and environmental:**

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Civil	113,241	111,478	2,392,023	2,440,468
Regulatory	47,727	47,501	738,513	728,064
Environmental	1,099	1,075	616,646	597,442
	162,067	160,054	3,747,182	3,765,974

- **Labor:**

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Labor claims	119,334	122,066	851,720	865,222
	119,334	122,066	851,720	865,222

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

	March 31, 2021	December 31, 2020
Lease and concession in dispute:		
Rumo Malha Paulista S.A.	102,323	101,871
Rumo Malha Oeste S.A.	1,640,897	1,617,764
	1,743,220	1,719,635
Installment leases:		
Rumo Malha Paulista S.A.	1,160,073	1,154,919
	1,160,073	1,154,919
Concessions:		
Rumo Malha Sul S.A.	86,439	84,637
Rumo Malha Paulista S.A.	25,752	24,151
	112,191	108,788
Total	3,015,484	2,983,342
Current	159,745	158,705
Non-current	2,855,739	2,824,637
	3,015,484	2,983,342

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

Judicial deposits associated with lease and concession under litigation total:

	March 31, 2021	December 31, 2020
Rumo Malha Oeste S.A.	22,119	22,119
	22,119	22,119

b) Leases and grants under IFRS16 (Note 5.6)

	March 31, 2021	December 31, 2020
Leases:		
Rumo Malha Sul S.A.	588,094	600,745
Rumo Malha Paulista S.A.	465,566	475,647
Rumo Malha Oeste S.A.	221,679	179,568
Elevações Portuárias S.A.	98,681	76,925
Portofer Ltda.	11,935	12,463
	1,385,955	1,345,348
Grants:		
Rumo Malha Paulista S.A.	505,278	492,222
Malha Central S.A.	504,375	491,354
	1,009,653	983,576
Total	2,395,608	2,328,924
Current	239,256	232,212
Non-current	2,156,352	2,096,712
	2,395,608	2,328,924

c) 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. Can be highlighted:

The renewal addendum to the concession of Malha Paulista, which foresees the execution long with the concession 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 8%.

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

The Malha Central sub-concession contract provides for investments with a fixed term (from one to three years from the signing of the contract), estimated by ANTT at R\$ 645,573. As of March 31, 2021, the physical execution of the obligation book projects was 58%.

The Elevações Portuárias concession and lease agreement provide for investments aimed at improving and modernizing the facilities and equipment allocated therein, estimated in the amount of R\$ 340,000. The balance sheet date, the subsidiary had made investments at a cost of R\$ 270,629.

5.17 Shareholders' equity

a) Share capital

The subscribed and fully paid-in capital on March 31, 2021 and December 31, 2020 is 16,054,906 and is represented by 1,853,268,772 registered, book-entry ordinary shares with no par value.

As of March 31, 2021, 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	2,808,824	0.15%
Free Float	1,215,727,823	65.57%
Treasury shares	2,087,000	0.11%
Total of Outstanding Shares	1,854,158,791	100%

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

b) Tax incentives - SUDAM

Rumo Malha Norte obtained through the Amazon Development Superintendence - SUDAM the right to a reduction in corporate income tax - IRPJ and additional non-refundable taxes calculated on the operating profit, as it is located in the coverage area of the Legal Amazon and as the transport sector is considered a priority enterprise for regional development.

For the period ended March 31, 2021 the effect of the 75% reduction on operating profit was R\$ 88,961, for the period ended March 31, 2020 there was no reduction effect due to the loss determined by the Rumo control company Malha Norte SA (Note 5.14.a).

c) Treasury shares

On March 31, 2021, the Company had 2,087,000 treasury shares (532,000 on December 31, 2020), whose market price was R\$ 20.25 (R\$ 19.24 on December 31, 2020).

6 Detailed information on income statement

6.1 Net operating revenue

The following is an analysis of the Company's revenue:

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Gross revenue from sales of services	160,316	174,618	1,847,145	1,498,350
Taxes and deductions on sales of services	(10,674)	(9,725)	(101,193)	(74,787)
Net revenue	149,642	164,893	1,745,952	1,423,563

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

6.2 Costs and expenses by nature

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

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Material for use and consumption	(239)	(162)	(40,193)	(29,710)
Employee benefit expense	(6,048)	(31,435)	(260,999)	(237,114)
Depreciation and amortization	(25,602)	(25,218)	(427,642)	(419,186)
Third-party services expense	(1,561)	(1,704)	(93,168)	(87,798)
Transportation and elevation expenses	(101,262)	(92,241)	(442,861)	(366,348)
Rental expenses or operating leasing	-	-	(16,720)	(16,828)
Other expenses	(2,473)	(4,714)	(45,474)	(19,004)
	(137,185)	(155,474)	(1,327,057)	(1,175,988)
Cost of services provided	(129,985)	(119,997)	(1,218,842)	(1,071,168)
Selling expenses	(31)	43	(9,478)	(9,152)
General and administrative expenses	(7,169)	(35,520)	(98,737)	(95,668)
	(137,185)	(155,474)	(1,327,057)	(1,175,988)

6.3 Other operating income (expenses), net

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Net effect of judicial proceedings	(4,504)	(35)	(23,369)	(19,048)
Rental and leases revenue	6,300	6,300	-	-
Result on sale of scrap / eventual	231	7,035	20,950	7,252
Amortization of right-of-use ⁽ⁱ⁾	-	-	-	(24,206)
Result on disposals of fixed assets and intangible assets	-	-	863	1,229
Extemporaneous tax credits	-	91	-	11,676
Settlement of disputes in the renewal process	-	-	-	(63,509)
Other	(918)	(1,563)	(14,054)	(5,297)
	1,109	11,828	(15,610)	(91,903)

- (i) Because Malha Central started operations during the period ended March 31, 2021, the depreciation of the right of use assets started to be recognized as costs of services provided (Note 6.2).

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

6.4 Financial results

The details of financial income and costs are as follows:

	Parent Company		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cost of gross debt				
Interest and monetary variation	(124,164)	(61,219)	(364,876)	(208,013)
Net exchange rate changes on debts	(50,626)	(68,157)	(633,563)	(1,567,390)
Result from derivatives and fair value	109,952	104,494	1,227,167	1,465,498
Premium on repurchase and raising cost ⁽ⁱ⁾	(11,690)	(2,953)	(268,865)	(10,092)
Guarantees and warranties on loans	(787)	(928)	(10,564)	(5,467)
	(77,315)	(28,763)	(50,701)	(325,464)
Cash investment income	5,909	11,907	36,875	27,868
	5,909	11,907	36,875	27,868
Cost of debt, net	(71,406)	(16,856)	(13,826)	(297,596)
Other charges and monetary variations				
Interest on other receivables	737	371	5,791	8,522
Lease and concessions in dispute	-	-	(24,851)	(34,792)
Lease liabilities	-	(7)	(128,960)	(133,976)
Banking expenses and other	(1,177)	(393)	(3,605)	(12,782)
Interest on contingencies and commercial contracts	(5,496)	(33)	(35,634)	(50,246)
Exchange and monetary variation	(3,106)	(6,715)	(9,487)	(8,374)
Interest on loan agreement	44,409	-	-	-
Other charges and interest	(4,230)	(639)	5,690	(1,444)
	31,137	(7,416)	(191,056)	(233,092)
Finance result, net	(40,269)	(24,272)	(204,882)	(530,688)
Reconciliation				
Financial expenses	(103,136)	(66,170)	(831,666)	(456,812)
Financial income	6,646	12,277	42,666	36,390
Exchange variation	(53,731)	(74,873)	(643,049)	(1,575,764)
Derivatives	109,952	104,494	1,227,167	1,465,498
Finance result, net	(40,269)	(24,272)	(204,882)	(530,688)

(i) Increase related to the settlement of Senior Notes 2024 according to Note 4.2.

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

6.5 Share-based payment

The following share-based payment agreements:

Stock Grants Plans	Lack period (years)	Grant date	Interest rate	Volatility	Granted shares	Exercised / cancelled	Effective on March 31, 2021	Market price on grant date - R\$	Fair value on grant date - R\$
2016 Plan	5	January 2, 2017	11.33%	42.75%	1,476,000	(236,000)	1,240,000	6.10	6.10
2017 Plan	5	September 1, 2017	9.93%	29.76%	870,900	(144,450)	726,450	10.42	10.42
2018 Plan	5	August 1, 2018	10.93%	31.97%	1,149,544	(173,453)	976,091	13.94	13.94
2019 Plan	5	August 15, 2019	6.28%	27.46%	843,152	(61,023)	782,129	22.17	22.17
2020 Plan	5	November 11, 2020	6.94%	41.03%	776,142	(11,237)	764,905	20.01	20.01
					6,601,638	(2,112,063)	4,489,575		

a) Reconciliation of shares granted in circulation

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

	<i>Stock option</i> Rumo S.A.		<i>Stock grant</i> Rumo S.A.
	Number of options	Average exercise price	Number of shares
At January 1, 2021	99,351	68.54	4,532,761
Exercised / delivered	-	-	(11,623)
Lost / cancelled	(54,859)	72.51	(31,563)
At March 31, 2021	44,492	63.66	4,489,575

b) Expense recognized in profit or loss

In the period ended on March 31, 2021, R\$ 3,754 was recognized as expenses related to the appropriation of the "Stock Grant" Plans (R\$ 3,148 on March 31, 2020).

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

6.6 Earnings per share

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

The following table shows the calculation of earnings per share (in thousands, except per share) for the period ended March 31, 2021, and 2020:

Basic and diluted

	March 31, 2021	March 31, 2020
Result for the period	172,248	(272,590)
Diluted effects:		
Dilutive effect - Brado Logística	(115)	-
Diluted result for the period attributable to controlling shareholders	172,133	(272,590)
Denominator:		
Weighted average number of common share (n thousands)	1,853,265	1,559,115
Diluted effects:		
Dilutive effect - Brado Logística	3,264	-
Dilutive effect - Stock option plan	4,224	-
Weighted average number of common share – diluted (in thousands)	1,860,753	1,559,115
Basic earnings per common share	R\$0.09294	(R\$0.17484)
Diluted earnings per common share	R\$0.09251	(R\$0.17484)

Thinning instruments

The non-controlling shareholders of the indirect subsidiary Brado, are entitled to exercise the Liquidity Option provided for in the shareholders' agreement signed on August 5, 2013. This option consists of replacing the totality of the shares held by said non-controlling shareholders with a number of shares determined according to the established exchange ratio, which takes into account the economic value to be established both for the Brado business and for the Company's business. At the Company's sole discretion, an equivalent cash payment is also possible. The assumptions of value and form of liquidation are subject to the decision of the arbitration procedure and on March 31, 2021 the best estimate is 3,264 shares, with a dilutive effect, while for March 31, 2020 the effect is antidilutive.