

EARNINGS RELEASE 1Q21

Curitiba, May 13, 2021 - RUMO S.A. (B3: RAIL3) (“Rumo”) today announces its results for the first quarter of 2021 (1Q21), consisting of January, February and March. The results are presented on a consolidated basis, in accordance with Brazilian and international accounting rules (IFRS). The comparisons made in this report take into account 1Q21 and 1Q20, except when otherwise indicated.

Rumo 1Q21 Highlights

- The volume transported in 1Q21 was 13.9 billion RTK, 12.8% above 1Q20, on the back of the 16.4% increase in North Operation volume, despite the delay in the entry of the soybean harvest.
- EBITDA reached R\$ 832 million, 44.2% above 1Q20, reflecting volume growth and 5.9% tariff increase. As a result, EBITDA margin reached 47.7%, an expansion of 7.2 p.p.
- Net income was R\$ 175 million, compared to a loss of R\$ 274 million in 1Q20, influenced by EBITDA growth and lower financial expenses resulting from MtM gains with derivatives, due to the advanced payment of 2024 Senior Notes.
- As a result of the prepayment of 2024 Senior Notes, gross debt decreased to R\$ 13.6 billion, -16.7% compared to 4Q20. Net debt reached R\$ 8.1 billion and leverage stood at 2.0x comprehensive net debt/adjusted LTM EBITDA.
- Capex reached R\$ 937 million, in line with the investment plan, enabling the entry of Central Network into operation, whose capex reached R\$ 365 million in the quarter.

Summary of financial information (Amounts in BRL mln)	1Q21	1Q20	Chg.%
Total transported volume (millions RTK)	13,873	12,297	12.8%
Total volume loaded (TU '000)	2,864	2,545	12.5%
Logistics solution volume	1,078	1,146	-5.9%
Net revenue¹	1,746	1,424	22.6%
Cost of goods sold	(1,219)	(1,071)	13.8%
Gross profit	527	352	49.6%
<i>Gross margin (%)</i>	<i>30.2%</i>	<i>24.8%</i>	<i>5.4 p.p</i>
Sales, general and administrative expenses	(108)	(105)	3.2%
Other op. revenues (expenses)	(16)	(92)	-83.0%
Equity pickup	1	2	-41.7%
Operational profit	405	158	>100%
Depreciation and amortization	428	419	2.0%
EBITDA	832	577	44.2%
<i>EBITDA margin (%)</i>	<i>47.7%</i>	<i>40.5%</i>	<i>7.2 p.p</i>
Net profit (loss)	175	(274)	>100%
<i>Net margin (%)</i>	<i>10.0%</i>	<i>-19.2%</i>	<i>29.2 p.p</i>
Capex	937	561	67.0%

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

Earnings Conference Call

May 14, 2021

English* - 2:00 pm (Brasília time)

* With simultaneous translation to Portuguese

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1. Comparable Result

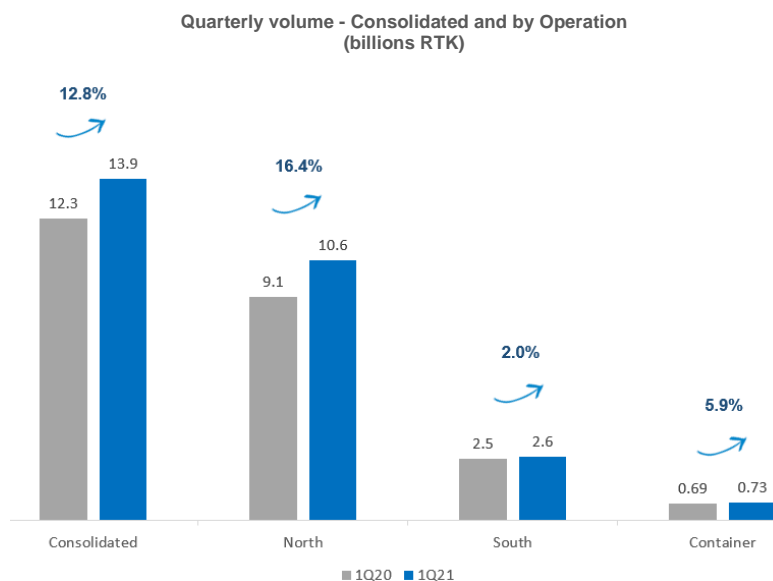
In this section, we present the effects of Central Network in 1Q20 and 1Q21, as well as the effects of the early renewal of Paulista Network in 1Q20, to ensure the comparability of the results previously presented (comparable result). In the other sections, the result presented considers all the effects mentioned above.

Summary of Financial Information (Amounts in BRL mln)	1Q21	Central Network	Comparable 1Q21	1Q20	Central Network	Paulista Network ²	Comparable 1Q20	Chg.%
Total transported volume (million RTK)	13,873	(328)	13,545	12,297	n/a	n/a	12,297	10.2%
Net revenue	1,746	(41)	1,705	1,424	-	-	1,424	19.8%
Gross profit	527	0	528	352	-	-	352	49.6%
<i>Gross margin (%)</i>	<i>30.2%</i>	<i>-1.1%</i>	<i>30.9%</i>	<i>24.8%</i>	<i>n/a</i>	<i>n/a</i>	<i>24.8%</i>	<i>6.2 p.p</i>
Sales, general and administrative expenses	(108)	7	(101)	(105)	12	-	(93)	9.1%
Other op. revenues (expenses) and equity pickup	(14)	-	(14)	(90)	24	64	(2)	>100%
Operational profit	405	7	412	158	36	64	258	59.7%
Depreciation and amortization	428	(26)	402	419	(24)	-	395	1.6%
EBITDA	832	(19)	813	577	12	64	653	24.6%
<i>EBITDA margin (%)</i>	<i>47.7%</i>	<i>46.3%</i>	<i>46.6%</i>	<i>40.5%</i>	<i>n/a</i>	<i>n/a</i>	<i>45.8%</i>	<i>0.8 p.p</i>
Capex	937	(365)	572	561	(14)	-	547	4.5%

Note 2: Effects of the renewal process of Paulista Network (payment of fines not provisioned as a condition for renewal).

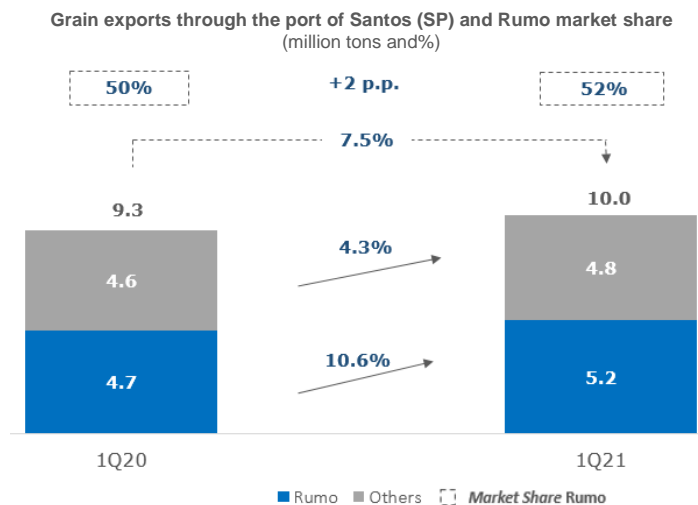
2. 1Q21 Executive Summary

Rumo's transported volume reached 13.9 billion RTK in 1Q21, 12.8% above 1Q20. In **North Operation**, volume grew 16.4%, on the back of the performance of fertilizers (+55.2%) and industrial products (+21.0%). The agricultural segment grew significantly (+15.8%), despite the late entry of the soybean harvest. In **South Operation**, volume increased 2.0%, reflecting the recovery of the industrial segment (+23.6%) and higher volumes of sugar (+50.9%). The grain segment declined, since, historically, the entry of the harvest in the south occurs later than that of Mato Grosso. **Container Operation** grew by 5.9% in volume, limited by the impact of a lower exports to India, due to Covid-19, and lower exports of refrigerated products.



Source: Rumo System

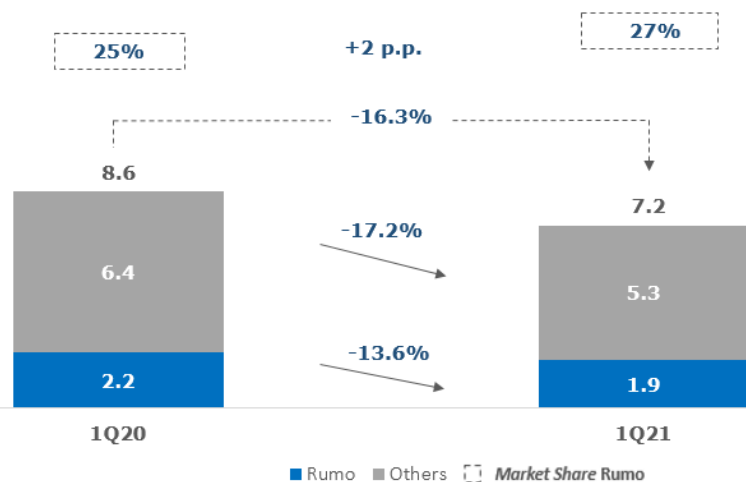
Rumo gained 2 p.p. of grain market share in the Port of Santos (SP) in 1Q21, reflecting a good operating performance since the beginning of the soybean harvest in February. Regarding exports of soy and soybean meal from Mato Grosso, Rumo gained 1 p.p. of market share.



Source: Shipping Agency and Rumo System

South Operation gained 2 p.p. in the grain transport market share to the ports of Paranaguá (PR) and São Francisco do Sul (SC), since Rumo's volume decreased less than the market, as a consequence of the delay in the entry of soybean harvest.

Grain exports through the ports of Paranaguá (PR) and São Francisco (SC) and Rumo market share (million tons and%)



Source: Shipping Agency and Rumo System

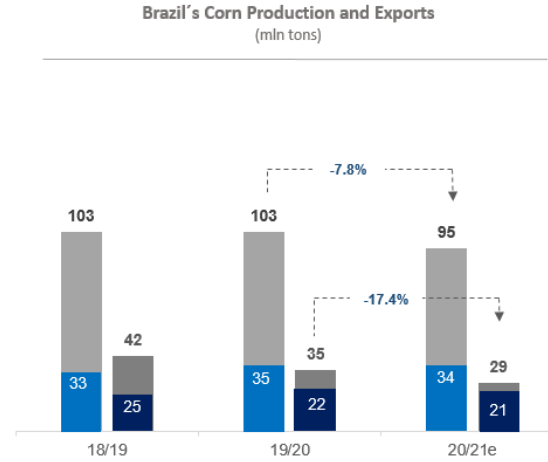
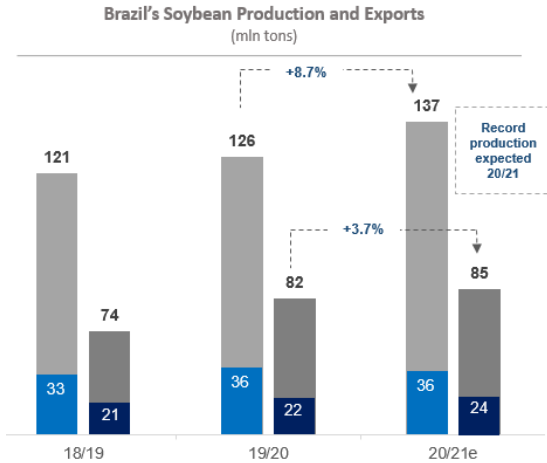
Net revenue totaled R\$ 1,746 million, +22.6% vs. 1Q20, as a function of higher volumes (+12.8%) and the increase in **consolidated tariff (+5.9%)**, reflecting the readjustments in fuel prices (+20.0%). **North Operation** tariffs were up 3.1%, impacted by mix, as the growth in fertilizers and industrial products volumes reduced the average tariff; and in **South Operation** (+17.5%), the positive impact on tariffs was due to the concentration of volumes in March, month with the highest tariffs, and the greater harvest in Rio Grande do Sul state, which allowed for better contract negotiations.

Adjusted EBITDA reached R\$ 832 million, an increase of 44.2%, due to the improvement in net revenue and a good cost performance. **Variable cost** rose 21.5%, on the back of higher volumes and the increase in fuel prices. **Fixed costs and general and administrative expenses** increased 9.5%, due to: (i) the entry of the Central Network into operation, and the expansion of Rondonópolis terminal, (ii) the effects of inflation and; (iii) the collective bargaining agreement. As a consequence, EBITDA margin increased 7.2 p.p., reaching 47.7%.

Rumo posted a **net income** of R\$ 175 million, compared to a loss of R\$ 274 million in 1Q20, influenced by EBITDA growth and lower financial expenses due to an extraordinary effect of the dismantling of the swaps related to the prepayment of 2024 Senior notes - which generated a positive effect on the result of R\$ 203.3 million. This operation was carried out within a liability management process, resulting in the prepayment of a total cost debt (coupon + swap) of 144% of the CDI. As a result, Company's cash level returned to R\$ 5.4 billion and gross comprehensive debt decreased to R\$ 13.6 billion, -16.7% vs 4Q20. Net debt reached R\$ 8.1 billion and leverage reached 2.0x comprehensive net debt/adjusted LTM EBITDA.

Regarding **soybean market**, in 2021, according to Agroconsult's projections, Brazil should have a record harvest of 137 million tons - an increase of 11.0 million tons compared to 2020 - of which 85 million should be exported. For Mato Grosso, according to the consultancy, an increase of 2 million tons in exports is projected, which should extend the window until July. In Rio Grande do Sul state, a strong expansion of production (8.3 million tons) is expected, recovering from the crop failure of 2020, and in Goiás, state that started to be served by Rumo in March, representing a new market, production is estimated at 13.4 million tons.

In the analysis of **corn** projections, according to AgRural, a reduction of 8 million tons in the country's production and a decrease of 6 million tons in the export volume are indicated. For Mato Grosso, exports should account 1 million tons less than in 2020. In Mato Grosso do Sul and Paraná, production is estimated at 20.0 million tons, and in Goiás, production can reach 11.1 million tons, which represents an additional volume opportunity, given the recently consolidated geographic expansion. Corn volumes contracted for the second half of the year are substantially higher than those negotiated at the same time in 2020 for the equivalent period, but there's still room for the evolution of agreements for the fourth quarter.



Source: Agroconsult
Note: (e) – estimate

Regarding **environmental, social and governance** aspects (ESG), Rumo delivers, in another quarter, positive advances in its main indicators. Fuel consumption decreased by 5.0%, as a result of the continuous investment in technologies, infrastructure works and more modern materials that, in addition to contributing to the reduction of fuel use, reduce emissions of greenhouse gases into the atmosphere. On the social side, we continue to reinforce our approach to the communities we go through with our more than 14 thousand km of lines, and the construction works to resolve urban conflicts in Paulista Network continues at a strong pace, bringing more quality of life to the population that lives around it. Also, internally, we formed affinity groups, one of initiatives in the field of diversity that explores the inclusion and development of an increasingly diverse and respectful environment. With regards to governance, the second woman joined the Board of Directors, reinforcing the commitment to the plurality of competencies within the Company. Finally, in April we issued the first debt linked to sustainability goals in the local market - SLB, Sustainability Linked Bond -, an operation that reiterates Rumo's commitment to sustainable development. These and other important initiatives, together with the results obtained during the year 2020, will be reported in the next sustainability report, in June 2021.

4. Consolidated Operating and Financial Indicators

Summary of financial information (Amounts in BRL mIn)	1Q21	1Q20	Chg.%
Total transported volume (millions RTK)	13,873	12,297	12.8%
Agricultural products	11,018	9,868	11.7%
Soybean	7,311	6,810	7.4%
Soybean meal	1,752	1,505	16.4%
Corn	205	149	38.2%
Sugar	600	561	7.0%
Fertilizers	1,145	800	43.2%
Others	4	44	-91.6%
Industrial products	2,128	1,742	22.1%
Fuels	1,248	992	25.7%
Wood, pulp and paper	665	560	18.7%
Others	215	190	13.3%
Container	727	687	5.9%
<i>Average transportation yield (R\$/000 RTK)³</i>	<i>104.9</i>	<i>99.1</i>	<i>5.9%</i>
Net revenue	1,746	1,424	22.6%
Transportation	1,460	1,219	19.7%
Port loading ⁴	74	62	20.6%
Logistic solution ⁵	88	102	-13.4%
Others	124	42	>100%
EBITDA	832	577	44.2%
<i>EBITDA margin (%)</i>	<i>47.7%</i>	<i>40.5%</i>	<i>7.1 p.p</i>

Note 3: Average transport tariff considering the final value of the customer (container) and without take or pay and right of way.

Note 4: Revenue from sugar transportation using other railways or road transport.

Note 5: Includes revenue for the right of way of other highways, and revenue for volumes contracted and not carried out in accordance with commercial agreements (take or pay), among others.

Yield by Operation	1Q21	1Q20	Chg.
North Operation⁶			
Yield (R\$/000 RTK)	102.0	98.9	3.1%
% Volume	76.2%	73.8%	2,3 p.p.
South Operation			
Yield (R\$/000 RTK)	118.5	100.9	17.5%
% Volume	18.6%	20.6%	-2 p.p.
Container			
Yield (R\$/000 RTK)	98.0	95.2	2.9%
% Volume	5.2%	5.6%	-0,3 p.p.
Consolidated			
Yield (R\$/000 RTK)	104.9	99.1	5.9%

Note 6: As of 1Q21, includes the values of the Central Network.

Results by Business Units

Business Units

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

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

Results by business unit 1Q21	North Operation ⁷	South Operation	Container Operation	Consolidated
Transported volume (million RTK)	10,566	2,580	727	13,873
Net revenue	1,336	336	74	1,746
Costs of services	(819)	(326)	(74)	(1,219)
Gross profit	517	10	1	527
Gross margin (%)	38.7%	2.9%	0.8%	30.2%
Selling expenses, general and administrative expenses	(80)	(20)	(8)	(108)
Other operating revenue (expenses) and equity pickup	2	(16)	(0)	(14)
Depreciation and amortization ³	293	124	10	428
EBITDA	732	98	3	832
EBITDA margin (%)	54.8%	29.1%	3.4%	47.7%

Note 7: As of 1Q21, it includes the values of Central Network.

North Operation

Operational figures	1Q21	1Q20	Chg.%
Total transported volume (millions RTK)	10,566	9,080	16.4%
Agricultural products - Consolidated	9,369	8,091	15.8%
Agricultural products - North and Paulista Operation	9,041	8,091	11.7%
Soybean	5,996	5,674	5.7%
Soybean meal	1,652	1,359	21.6%
Corn	43	2	>100%
Sugar	311	370	-15.7%
Fertilizers	1,038	669	55.2%
Others	-	18	-100%
Agricultural products - Central Operation	328	-	>100%
Soybean	328	-	>100%
Industrial products - North and Paulista Operation	1,197	989	21.0%
Fuels	760	584	30.1%
Industrials	437	405	7.9%
<i>Average transportation yield⁸</i>	<i>102.0</i>	<i>98.9</i>	<i>3.1%</i>
Total volume loaded (TU '000)	2,864	2,545	12.5%
<i>Average loading yield (R\$/TU)</i>	<i>25.9</i>	<i>24.2</i>	<i>7.2%</i>

Note 8: * The tariff for 1Q21 considers the volumes of North Network, which became operational in this quarter.

Total volume transported in North Operation reached 10.6 billion RTK, up 16.4%, on the back of the performance of fertilizers (+55.2%) and industrial products (+21.0%). The grain segment showed significant growth in March, (+86.0%), which contributed to quarter result (+14.0%), despite the late entry of the soybean harvest.

Financial results (Amounts in BRL mln)	1Q21	1Q20 ⁹	Chg.%
Net revenue	1,336	1,085	23.1%
Transportation	1,083	898	20.5%
Logistic solution	88	102	-13.4%
Port loading	74	62	20.6%
Other revenues ¹⁰	90	23	>100%
Costs of services	(819)	(719)	13.9%
Variable costs	(329)	(267)	23.3%
Fixed costs	(198)	(172)	15.4%
Depreciation and amortization	(291)	(280)	3.9%
Gross profit	517	366	41.2%
<i>Gross margin (%)</i>	<i>38.7%</i>	<i>33.7%</i>	<i>5 p.p.</i>
Selling, general and administrative expenses	(80)	(76)	5.2%
Other op. revenue (expenses) and equity pickup	2	(57)	>100%
Depreciation and amortization	293	282	4.1%
EBITDA	732	514	42.3%
<i>EBITDA margin (%)</i>	<i>54.8%</i>	<i>47.4%</i>	<i>7.4 p.p.</i>
Comparable EBITDA¹¹	713	590	20.8%
<i>Comparable EBITDA margin (%)</i>	<i>53.4%</i>	<i>54.4%</i>	<i>-1.0 p.p.</i>

Note 9: It includes the effects of Central Network in 1Q20, therefore, the results for 1Q20 differ from previously published figures.

Note 10: It includes revenue for the right of way of other railways and revenue for volumes contracted and not carried out in accordance with commercial agreements (take or pay).

Note 11: It excludes the impacts of the renewal of Paulista Network and the values of Central Network.

EBITDA totaled R\$ 732 million, up 42.3%. Excluding the effect of Paulista Network early renewal in 1Q20, and of Central Network in both quarters, comparable result grows by 20.8%. Net revenue grew 23.1%, reflecting gains in volume and tariffs. **Fixed costs and general and administrative expenses** increased by 12.1% due to the entry into operation of Central Network, the expansion of Rondonópolis terminal, and the effects of inflation and collective bargaining agreement. **Variable costs** rose 23.3%, due to higher volumes (+16.4%), the increase in fuel prices (+20.0%), and gains in energy efficiency (-6.0%). As a result, EBITDA margin reached 54.8%, 7.4 p.p. over 1Q20.

South Operation

Operational figures	1Q21	1Q20	Chg.%
Transported volume (million RTK)	2,580	2,530	2.0%
Agricultural products	1,649	1,777	-7.2%
Soybean	987	1,137	-13.2%
Soybean meal	100	147	-31.8%
Corn	162	146	10.9%
Sugar	289	191	50.9%
Fertilizers	107	131	-18.0%
Other	4	25	-85.6%
Industrial products	931	753	23.6%
Fuel	488	408	19.6%
Wood, pulp and paper	228	155	47.1%
Other	215	190	13.3%
Average transportation yield	118.5	100.9	17.5%

South Operation presented a 2.0% increase in volume transported, reaching 2.6 billion RTK, reflecting the recovery of the industrial segment (+23.6%) and higher volumes of sugar (+50.9%). The grain segment decreased (-13.0%), as the soybean harvest started only in mid-March.

Financial results (Amounts in BRL mln)	1Q21	1Q20	Chg.%
Net revenue	336	268	25.5%
Transportation	306	255	19.8%
Other revenues ¹²	30	13	>100%
Cost of services	(326)	(303)	7.6%
Variable costs	(80)	(68)	16.7%
Fixed costs	(123)	(115)	6.4%
Depreciation and amortization	(124)	(120)	3.6%
Gross profit	10	(35)	>100%
Gross margin (%)	2.9%	-13.3%	16,2 p.p.
Seles, general and administrative expenses	(20)	(18)	9.0%
Other op. revenues (expenses) and equity pickup	(16)	(8)	>100%
Depreciation and amortization	124	120	3.6%
EBITDA	98	59	66.9%
EBITDA margin (%)	29.1%	22.0%	7,1 p.p.

Note 12: It includes revenue for volumes contracted and not performed according to commercial agreements (take or pay).

EBITDA totaled R\$ 98 million in 1Q21, up 66.9%, due to the significant gain in tariff (17.5%), as a result of the impact of seasonality, with the concentration of volumes in March - month with higher tariffs -, and the largest harvest in Rio Grande do Sul state, which allowed for better contract negotiations. Variable cost grew 16.7%, due to the 2.0% growth in volume, and the 19.0% increase in the cost of diesel. Fixed costs and general and administrative expenses rose 7.5%, due to the effects of inflation and collective bargaining agreement. As a result, adjusted EBITDA margin reached 29.1%, 7.1 p.p. over 1Q20.

Container Operation

Operational figures	1Q21	1Q20	Chg.%
Total volume	21,175	19,691	7.5%
<i>Average yield (R\$ '000/containers)</i>	<i>98.0</i>	<i>95.2</i>	<i>2.9%</i>
Total volume (millions RTK)	727	687	5.9%

Container Operation volumes in 1Q21 increased 5.9%, reaching 727 million RTK, a limited growth impacted by lower exports to India, due to Covid-19; and refrigerated products, as a consequence of higher prices in the domestic market.

Financial results (Amounts in BRL mln)	1Q21	1Q20	Chg.%
Net revenue	74	71	5.0%
Transportation	71	65	9.0%
Other revenues ¹³	3	5	-44.2%
Costs of services	(74)	(73)	1.0%
Variable costs	(38)	(33)	17.2%
Fixed costs	(26)	(23)	11.1%
Depreciation and amortization	(10)	(17)	-43.7%
Gross (loss) profit	1	(2)	>100%
<i>Gross margin (%)</i>	<i>0.8%</i>	<i>-3.1%</i>	<i>3,9 p.p.</i>
Selling, general and administrative expenses	(8)	(11)	-21.5%
Other op. revenues (expenses) and equity pickup	(0)	(1)	-62.6%
Depreciation and amortization	10	18	-41.2%
EBITDA	3	4	-42.4%
<i>EBITDA margin (%)</i>	<i>3.4%</i>	<i>6.2%</i>	<i>-2,8 p.p.</i>

Note 13: It includes revenue from service units.

Container Operation presented an EBITDA of R\$ 3 million, 42.4% below 1Q20. This result reflects the lowest volume level historically achieved in the first quarter. The variable cost increased 17.2% due to the increase in the price of fuel and the higher road freight costs. Fixed cost and general and administrative expenses remained in line. EBITDA margin reached 3.4%, 2.8 p.p. below 1Q20.

5. Other Results

Breakdown of Costs, Services Rendered, General and Administrative Expenses

Consolidated costs and expenses (Amounts in BRL mln)	1Q21	1Q20	Chg.%
Consolidated costs and General and administrative expenses	(1,327)	(1,200)	10.6%
Variable Costs	(447)	(368)	21.5%
Variable cost of rail transport	(365)	(290)	25.9%
Fuel and lubricants	(268)	(210)	27.5%
Own logistic costs ¹⁴	(81)	(63)	28.9%
Other variable costs ¹⁵	(17)	(17)	-5.2%
Variable cost Logistic Solution ¹⁶	(78)	(74)	4.3%
Variable cost Elevation	(4)	(3)	31.6%
Fixed Costs and General and Administrative Expenses	(452)	(413)	9.5%
Payroll expenses	(208)	(188)	10.8%
Maintenance	(37)	(30)	24.7%
Third-party services	(21)	(17)	21.5%
Safety and facilities	(48)	(43)	11.5%
Other operational costs	(32)	(32)	0.5%
General and administrative expenses	(106)	(103)	2.6%
Depreciation and Amortization¹⁷	(428)	(419)	2.0%

Note 14: Own logistics costs include sand, right of way, terminals and other variable costs.

Note 15: Costs with rental of rolling stock, electricity, road side in the Operation Container, and take or pay.

Note 16: Hiring of road and rail freight with other concessionaires.

Note 17: Depreciation in 1Q20 differs from that previously presented, since Central Network, at the time, was non-operating, therefore, depreciation expense was recorded under 'Other income and expenses'.

In 1Q21, **variable cost** grew by 21.5%, reflecting the higher volumes, coupled with the 20% increase in fuel costs and a 5.0% gain in energy efficiency.

Fixed costs and general and administrative expenses reached R\$ 452 million in the quarter, 9.5% above 1Q20, reflecting higher costs with maintenance, services with third parties and security & facilities, due to the entry of the Central Network into operation and the expansion of Rondonópolis terminal, in addition to the impact of inflation and collective bargaining agreement. Depreciation and amortization costs rose 2.0%.

Financial Results

Financial results (Amounts in BRL mln)	1Q21	1Q20	Chg.%
Cost of bank debt ¹⁸	(51)	(325)	-84.3%
Charges over leasing	(11)	(12)	-8.3%
Financial income from investments	37	28	32.6%
(=) Cost of broad net debt	(25)	(310)	-91.9%
Monetary variation on liabilities of concessions	(25)	(35)	-28.2%
Concession Fee and operating lease ¹⁹	(118)	(122)	-3.3%
Rates on contingencies and contracts	(36)	(50)	-28.0%
Other financial expenses	(2)	(14)	-86.0%
(=) Financial result	(205)	(531)	-61.4%

Note 18: It includes interest, monetary variation, net income from derivatives and other debt charges.

Note 19: It considers adjustments in accordance with IFRS 16.

Financial Result in 1Q21 was 61.4% lower than in 1Q20, mainly due to an extraordinary effect of the dismantling of the swaps related to the prepayment of 2024 Senior notes, which generated a positive effect on the result of R\$ 203.3 million. In addition, yields from financial investments also increased 32.6% compared to the previous year, due to the higher cash flow in the period.

Income Tax and social Contribution

Income tax and social contribution (Amounts in BRL mln)	1Q21	1Q20	Chg.%
Income (loss) before IT / SC	200	(373)	>100%
<i>Theoretical rate IT / SC</i>	<i>34.0%</i>	<i>34.0%</i>	<i>0 p.p.</i>
Theoretical income (expenses) with IT / SC	(68)	127	>100%
Adjustments to calculate the effective rate			
Tax losses and temporary differences not recognized ²⁰	(63)	(34)	85.3%
Tax incentives arising from the North Network ²¹	89	-	>100%
Equity pickup	0	1	-49.1%
Other effects	16	5	>100%
Income (expenses) with IT / SC	(25)	99	>100%
<i>Effective rate (%)</i>	<i>-12.5%</i>	<i>-26.5%</i>	<i>14 p.p.</i>
IT/SC current	(307)	(36)	>100%
IT/SC deferred	282	135	>100%

Note 20: We did not record deferred income tax and social contributions on tax losses for certain companies due to a lack of prospects for future taxable income.

Note 21: North Network benefits from the Amazon Development Office (SUDAM) that entitles a 75% reduction in corporate income tax (rate of 25%) until 2023.

6. Loans and Financing

Gross comprehensive indebtedness at the end of 1Q21 was R\$ 13.6 billion, against R\$ 16.3 billion in 4Q20, reflecting the advanced payment of 2024 Senior Notes. Net indebtedness stood at R\$ 8.1 billion. As a result, leverage reached **2.0x** (comprehensive net debt/EBITDA).

Total indebtedness (Amounts in BRL mln)	1Q21	4Q20	Chg.%
Commercial banks	906	1,034	-12.4%
NCE	585	1,264	-53.8%
BNDES	3,664	3,972	-7.7%
Debentures	4,466	3,420	30.6%
Senior notes 2024 and 2025	5,974	10,222	-41.6%
Total bank debt	15,595	19,912	-21.7%
Leases ²²	397	416	-4.7%
Net derivative instruments	(2,384)	(3,989)	-40.2%
Total broad gross debt	13,608	16,339	-16.7%
Cash and cash equivalents and securities	(5,471)	(9,175)	-40.4%
Total broad net debt	8,137	7,164	13.6%
Adjusted EBITDA LTM ²³	4,063	3,808	6.7%
Leverage (broad net debt / EBITDA LTM)	2,0x	1,9x	5.3%

Note 22: It does not include IFRS 16 operating leases.

Note 23: Adjusted LTM EBITDA refers to the sum of the last twelve months of EBITDA, and the effects of the West Network impairment were disregarded.

Below is a breakdown of items that had an impact on the movement of Rumo's consolidated debt.

Bank gross indebtedness (Amounts in BRL mln)	1Q21
Inicial balance of broad net debt	7,164
Cash, cash equivalents and marketable securities	(9,175)
Net derivative instruments	(3,989)
Inicial balance of gross broad debt	20,328
Items with cash impact	(4,964)
New funding	1,164
Amortization of principal	(5,639)
Amortization of interest rates	(488)
Items without cash impact	(1,757)
Provision for interest rates (accrual)	285
Monetary variation, MTM adjustment of debt, and others	342
Net derivative instruments	(2,384)
Closing balance of broad net debt	13,608
Cash and cash equivalents and marketable securities	(5,471)
Closing balance of broad net debt	8,137

Rumo is subject to certain restrictive contractual clauses referring to the level of leverage and debt service coverage in some of its contracts. The most restrictive provisions are verified annually at the end of the year and refer to net comprehensive indebtedness. This includes bank debts, debentures, leases considered as finance leases, less securities, cash and cash equivalents, restricted cash linked to loans and derivative instruments. The covenants for December 2021 are: maximum leverage of 3.0x (comprehensive net debt / EBITDA LTM) and minimum interest coverage ratio of 2.0x EBITDA / Financial Results.

7. Capex

Investments (Amounts in BRL mln)	1Q21	1Q20	Chg. %
Total investments²⁴	937	561	67.0%
Recurring	281	213	32.1%
Expansion	656	348	88.5%

Note 24: Values on a cash basis.

Capex in 1Q21 reached R\$ 937 million, in line with the Company's investment plan, reflecting R\$ 365 million invested in Central Network so it became operational in March.

Recurring capex reached R\$ 281 million, 32.1% above 1Q20, however, lower than the levels of recurring capex presented between 2Q20 and 4Q20 (phasing).

Expansion capex reached R\$ 656 million. The increase in the level of investments resulted mainly from the works in Central Network, which reached R\$ 365 million. In addition, the Company also continues to invest in the permanent line, replacing rails and sleepers; in the expansion of yards to adapt to the 120 railcar trains and in improvements in infrastructure. These projects, in addition to increasing capacity, bring a higher level of efficiency, which allows, among other gains, the reduction of fuel consumption, essential for reducing specific emissions of greenhouse gases.

8. Cash Flow Statement

Below we show Rumo's consolidated cash flow statement. The securities were considered as cash in this statement.

Indirect cash flow (Amounts in BRL mln)	1Q21	1Q20
EBITDA	832	577
Working capital variations and non-cash effects	(433)	(527)
Operating financial result	43	(17)
(=) Operating cash flow (FCO) (a)	442	34
Capex	(937)	(561)
Recurring (b)	(281)	(213)
Expansion	(656)	(348)
Dividends received	-	0
(=) Cash flow from investing activities (FCI) (c)	(937)	(561)
Funding (d)	1,163	930
Amortization of principal (e)	(5,676)	(273)
Amortization of interest rates	(523)	(383)
Preferred stock investments	(30)	-
Derivative financial instruments	1,580	25
Restricted cash	60	25
(=) Cash flow from financing activities (FCF)	(3,426)	324
Forex variation impact on cash balances (g)	216	1
(=) Net cash generated (f)	(3,705)	(201)
(+) Total cash (includes cash + marketable securities) opening	9,175	3,715
(+) Total cash (includes cash + marketable securities) closing	5,471	3,513
Metrics		
(=) Cash generation after recurring capex (a+ b)	161	(179)
(=) Cash generation (burn) after FCI cash generation (consumption) after FCI (a+ c)	(495)	(527)
(=) Cash generation (consumption) before funding and amortization (f-e-d-g-h)	592	(860)

9. Operational and Financial Performance Indicators

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

Indicadores de Desempenho Operacional e Financeiro	1T21	1T20	Var. %
Consolidado			
Operating ratio	75%	84%	-10,7%
Consumo de diesel (litros/ '000 TKB)	3,77	3,97	-5,0%
Acidentes ferroviários (MM Trem/ Km)	11,95	16,25	-26,5%
Acidentes pessoais (MM Acidentes/ HHT)	0,17	0,13	30,8%
Operação Norte²⁸			
Ciclo de vagões (dias)	8,6	12,7	-32,3%
Operação Sul²⁹			
Ciclo de vagões (dias)	6,8	8,3	-18,1%

Note 25: It considers the Rondonópolis (MT) - Santos (SP) grain cycle.

Note 26: It considers the Northern Paraná grain cycle - Ports of Paranaguá (PR) and São Francisco do Sul (SC).

Operating Ratio: The indicator represents the share of costs and expenses as a percentage of net revenue. In 1Q21, costs rose less than net revenue (+22.6%), reflecting the 10.7% drop in the indicator.

Diesel consumption: The 5.0% improvement in the indicator in 1Q21 compared to 1Q20 reflects the greater efficiency in diesel unit consumption of locomotives, due to investments in technology and innovation and in the permanent way and fleet modernization.

Rail accidents: The indicator, which measures the number of accidents per million kilometers, showed an important reduction of 26.5% in the quarterly comparison, as a result of the Company's continuous efforts and investments to increase rail safety.

Personal accidents: The indicator, which indicates the number of accidents with lost time, closed at 0.17. The Company remains focused on maintaining the rate at 0.15, on average, until 2025, according to the commitment assumed in 2020.

Cycle time of railcars: The improvement in the indicators in the North and South Operations is a reflection of the investments made to increase capacity.

11. Exhibits

11.1 Rumo Financial Statements

11.1.1 Balance Sheet

Balance sheet (Amounts in BRL mln)	03/31/21	12/31/20
Current assets	7,097	10,942
Cash and cash equivalents	3,725	7,779
Marketable securities	1,746	1,397
Trade receivables	615	421
Derivative financial instruments	162	413
Inventories	258	249
Receivables from related parties	40	46
Income tax and social contribution	94	135
Other taxes recoverable	327	351
Dividends and interest on own capital receivable	6	3
Other assets	124	147
Non-current assets	34,406	34,967
Trade Receivable	6	7
Restricted Cash	30	35
Income Tax and Social Contribution	145	41
Deferred Income Tax and Social Contribution	1,382	1,271
Peer Company Receivables	123	94
Investments	810	790
Lawsuits	331	331
Derivative and Financial Instruments	2,221	3,575
Other Assets	59	51
Investments in Associates	50	51
Property and Equipment	14,247	13,646
Intangible	7,214	7,251
Right of use	7,788	7,823
Total Assets	41,503	45,908
Current Liabilities	3,688	4,856
Loans, Financing and Debentures	1,547	2,504
Leases	514	511
Trade Accounts Payable	496	755
Labor and Social Security Obligations	134	139
Income Tax and Social Contribution Taxes	6	12
Other Payable Taxes	43	63
Dividends Payables	10	8
Leases and Concessions	160	159
Payable to Related Parties	229	165
Deferred Revenue	7	6
Other Financial Liabilities	389	413
Other Payables	153	122
Non - Current Liabilities	22,367	25,756
Loans, Financing and Debentures	14,048	17,408
Leases	2,477	2,402
Other Payables	2	2
Provision for lawsuits	503	473
Leases and Concessions	2,856	2,825
Other Financial Liabilities		
Deferred Income Tax and Social Contribution	2,344	2,515
Deferred Revenues	40	43
Other Payables	96	57
Equity	15,447	15,296
Total Liabilities	41,503	45,908

11.1.2 Income Statement

Income statement (Amounts in BRL mln)	1Q21	1Q20	Chg.%
Net revenue	1,746	1,424	22.6%
Cost of goods sold	(1,219)	(1,071)	13.8%
Gross profit	527	352	49.6%
Selling, general and administrative expenses	(108)	(105)	3.2%
Other net operating income (expenses)	(16)	(92)	-83.0%
Equity pickup	1	2	-41.7%
Financial result, net	(205)	(531)	-61.4%
Income tax and social contribution	(25)	99	>100%
Net profit (loss)	175	(274)	>100%
<i>Net margin (%)</i>	<i>10.0%</i>	<i>-19.2%</i>	<i>29.2 p.p.</i>

11.1.3 Cash flows

Fluxo de caixa contábil (Amounts in BRL mln)	1Q21	1Q20
Profit before income tax and social contribution	200	(373)
Depreciation and amortization	428	419
Equity Pickup	(1)	(2)
Provision for profit sharing and bonuses	35	23
Result on disposals of fixed assets and intangible assets	(1)	(1)
Provision for lawsuits	23	19
Provision (reversal) for losses on doubtful accounts	(0)	1
Stock option plan	4	3
Interest, monetary and exchange variations, Net	235	505
Extemporaneous tax credit	-	(12)
Take or Pay provision	(109)	1
Others	(8)	(0)
(=) Adjustments:	805	583
Trade receivables	(81)	(113)
Related parties, Net	34	(29)
Taxes	(59)	(30)
Inventories	(6)	(16)
Labor and social security payable	(40)	(86)
Suppliers	(133)	(56)
Advances to suppliers	(24)	(17)
Other financial liabilities	(62)	(152)
Other assets and liabilities, Net	(5)	(59)
(=) Changes in assets and liabilities	(376)	(558)
(=) Cash Flow from Operating Activities	429	25
Marketable securities	(336)	1,424
Restricted cash	60	25
Dividends received from subsidiaries and associates companies	-	0
Additions to property, plant and equipment, software, and other intangibles	(937)	(561)
(=) Cash Flow from Investing Activities	(1,213)	888
Funding	1,163	930
Amortization of principal	(5,676)	(273)
Amortization of interest	(523)	(383)
Derivative financial instruments	1,580	25
Payments of interest on real estate receivables certificate	(30)	-
(=) Cash generated by (used in) financing activities	(3,485)	299
Impact of exchange variation in cash balance	216	1
(=) Net increase in cash and cash equivalents	(4,054)	1,214
Beginning balance of cash and cash equivalents	7,779	1,963
Final balance of cash and cash equivalents	3,725	3,177