



Rumo S.A.

**Financial statements
December 31, 2021**

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Independent auditor's report on individual and consolidated financial statements

To the Shareholders, Board of Directors and Officers of

Rumo S.A.

Curitiba - PR

Opinion

We have audited the individual and consolidated financial statements of Rumo S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2021, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2021, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

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

Emphasis of matter - Restatement of corresponding figures

As mentioned in Note 3.2, due to the change in the structure of operating segments, the Company has adjusted the disclosure of operating segments for the year ended December 31, 2020, as provided for in NBC TG 22 (R2) - Segment Reporting. Our opinion is not modified in respect of this matter.

Key audit matters

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

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

Capitalization of assets related to the concession infrastructure

As disclosed in Notes 5.12.2 to the financial statements, as at December 31, 2021, the Company has recorded in its property and equipment certain assets directly related to the Company’s concession infrastructure, including wagons, locomotives, structure track, construction in progress and rail and port infrastructure, totaling R\$15,974,562 thousand. The amounts invested in assets related to the concession infrastructure are significant and essential for the maintenance of the infrastructure used in the transportation service. In the year ended December 31, 2021, the Company recognized R\$3,568,475 thousand of additions to costs in these concession infrastructure assets.

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

How our audit addressed this matter

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

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

Realization of deferred income and social contribution taxes

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

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

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

How our audit addressed this matter

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

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

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2021, prepared under the responsibility of Company management, and presented as supplementary information for IFRS purposes, were subjected to audit procedures conducted jointly with the audit of the Company's financial statements. To form our opinion, we evaluate if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined under Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in referred to Accounting Pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.



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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

São Paulo, February 17, 2022.

ERNST & YOUNG

Auditores Independentes S.S.

CRC-2SP034519/O-6

Leonardo Lucas Heron Rebelo da Silva

Accountant CRC-1PR-057007/O-7

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

	Note	Parent Company		Consolidated	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Assets					
Cash and cash equivalents	5.2	791,802	1,568,667	9,448,193	7,778,606
Marketable securities	5.3	109,664	77,976	1,425,897	1,396,723
Trade receivables	5.4	16,850	18,558	482,112	421,322
Derivative financial instruments	5.8	47,527	69,736	48,813	826,340
Inventories	5.10	1,576	1,102	228,923	249,318
Receivables from related parties	4.1	140,082	61,383	36,697	46,179
Income tax and social contribution recoverable		4,957	32,899	177,652	134,928
Other recoverable taxes	5.9	35,570	57,674	421,156	350,883
Dividends and interest on own capital receivable		682	166,900	42	3,195
Other assets		12,318	14,908	111,759	147,262
Current		1,161,028	2,069,803	12,381,244	11,354,756
Trade receivables	5.4	-	867	21,204	7,170
Restricted cash	5.3	87	79	27,809	34,562
Income tax and social contribution recoverable		85,004	-	285,931	40,707
Deferred income tax and social contribution	5.14	-	-	1,662,572	1,270,621
Receivables from related parties	4.1	1,010,045	1,009,516	112,222	94,466
Other recoverable taxes	5.9	-	-	764,987	790,447
Judicial deposits	5.15	31,330	32,216	304,033	330,602
Derivative financial instruments	5.8	327,341	322,920	1,626,008	3,162,184
Other assets		2,877	23,735	39,552	51,061
Investments in subsidiaries and associates	5.11	19,470,074	17,716,404	57,844	50,714
Investment properties	5.12.1	180,534	-	-	-
Property, plant and equipment	5.12.2	152,280	120,284	15,974,562	13,646,248
Intangible assets	5.12.3	308,515	310,696	7,131,645	7,251,432
Right-of-use	5.12.4	-	-	7,784,941	7,823,401
Non-current		21,568,087	19,536,717	35,793,310	34,553,615
Total assets		22,729,115	21,606,520	48,174,554	45,908,371

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

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

	Note	Parent Company		Consolidated	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Liabilities					
Loans, financing and debentures	5.5	251,255	482,421	1,222,674	2,504,223
Lease liabilities	5.6	-	-	382,836	510,701
Derivative financial instruments	5.8	294,571	-	576,749	-
Trade payables	5.7	63,429	72,291	618,658	754,542
Salaries payable		9,595	865	255,963	139,058
Current income and social contribution taxes		197	165	40,430	11,555
Other taxes payable	5.13	1,728	10,008	56,046	62,602
Dividends and interest on own capital payable		41,003	5,250	43,780	7,937
Installment Leases and concessions under litigation	5.16	-	-	160,771	158,705
Payables to related parties	4.1	60,627	241,134	201,660	164,949
Deferred income		2,802	2,802	6,560	6,278
Other financial liabilities	5.1	-	-	576,786	413,470
Other payables		35,317	17,801	298,079	122,139
Current		760,524	832,737	4,440,992	4,856,159
Loans, financing and debentures	5.5	4,948,212	3,934,121	19,956,074	17,407,815
Lease liabilities	5.6	-	-	2,724,044	2,401,617
Other taxes payable	5.13	-	-	396	2,123
Provision for judicial demands	5.15	103,119	52,808	681,079	473,104
Installment Leases and concessions under litigation	5.16	-	-	2,893,477	2,824,637
Provision for capital deficiency	5.11	1,986,962	1,722,771	-	-
Payables to related parties	4.1	39,611	37,212	-	-
Other financial liabilities	5.1	-	-	-	31,425
Deferred income tax and social contribution	5.14	66,351	18,650	2,359,665	2,514,928
Deferred income		13,308	16,110	36,440	43,000
Other payables		15,607	8,505	63,824	57,236
Non-current		7,173,170	5,790,177	28,714,999	25,755,885
Total liabilities		7,933,694	6,622,914	33,155,991	30,612,044
Equity	5.17				
Share capital		12,547,842	16,054,906	12,547,842	16,054,906
Treasury shares		(15,995)	(10,005)	(15,995)	(10,005)
Capital reserve		2,223,031	2,416,193	2,223,031	2,416,193
Equity valuation adjustments		33,016	29,576	33,016	29,576
Profit reserve		7,527	253,599	7,527	253,599
Accumulated result		-	(3,760,663)	-	(3,760,663)
		14,795,421	14,983,606	14,795,421	14,983,606
Equity attributable to:					
Owners of the Company		14,795,421	14,983,606	14,795,421	14,983,606
Non-controlling interests	5.11	-	-	223,142	312,721
Total equity		14,795,421	14,983,606	15,018,563	15,296,327
Total liabilities and equity		22,729,115	21,606,520	48,174,554	45,908,371

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

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

	Note	Parent Company		Consolidated	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net revenue from services	6.1	772,714	950,269	7,439,632	6,966,159
Cost of services	6.2	(666,587)	(731,144)	(5,352,040)	(4,721,507)
Gross profit		106,127	219,125	2,087,592	2,244,652
Selling expenses	6.2	60	594	(38,959)	(30,670)
General and administrative expenses	6.2	(38,106)	(33,558)	(472,739)	(406,975)
Other incomes (expenses), net	6.3	278	23,507	(69,017)	128,387
Operating expenses		(37,768)	(9,457)	(580,715)	(309,258)
Result before equity in earnings of investees and net financial results		68,359	209,668	1,506,877	1,935,394
Equity income on investments	5.11	370,437	267,670	12,857	13,087
Equity result on investments		370,437	267,670	12,857	13,087
Result before financial results and income tax and social contribution		438,796	477,338	1,519,734	1,948,481
Financial expenses		(785,260)	(472,186)	(2,712,877)	(1,894,425)
Financial incomes		209,165	88,693	399,134	176,990
Foreign exchange, net		(42,910)	(72,588)	(489,952)	(1,577,342)
Derivatives		378,448	328,043	1,443,755	1,820,960
Financial results, net	6.4	(240,557)	(128,038)	(1,359,940)	(1,473,817)
Results before income tax and social contribution		198,239	349,300	159,794	474,664
Income tax and social contribution	5.14				
Current		-	(33,487)	(550,528)	(241,863)
Deferred		(47,701)	(18,650)	546,475	71,874
		(47,701)	(52,137)	(4,053)	(169,989)
Result for the year		150,538	297,163	155,741	304,675
Total result attributable to:					
Owners of the Company		150,538	297,163	150,538	297,163
Non-controlling interests		-	-	5,203	7,512
Earnings per share from:	6.6				
Basic				R\$0.08124	R\$0.17857
Diluted				R\$0.08104	R\$0.17810

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

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Result for the year	150,538	297,163	155,741	304,675
Items that will not be reclassified to profit and loss				
Actuarial gains with pension plan	960	571	1,032	865
Taxes on actuarial (gains)	-	-	(72)	(294)
	960	571	960	571
Items that may subsequently be reclassified to profit or loss				
Result on cash flow hedge accounting	(445)	-	(445)	-
Foreign currency translation adjustment effect	2,925	7,958	2,925	7,958
	2,480	7,958	2,480	7,958
Other comprehensive result, net of income tax and social contribution	3,440	8,529	3,440	8,529
Total comprehensive result	153,978	305,692	159,181	313,204
Comprehensive result attributable to:				
Owners of the Company	153,978	305,692	153,978	305,692
Non-controlling interest	-	-	5,203	7,512

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

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

	Attributable to shareholders of the Company								
	Share capital	Treasury share	Capital reserve	Profit reserve	Equity valuation adjustments	Retained earnings (loss)	Total	Non-controlling interest	Total equity
At January 1, 2021	16,054,906	(10,005)	2,416,193	253,599	29,576	(3,760,663)	14,983,606	312,721	15,296,327
Result for the year	-	-	-	-	-	150,538	150,538	5,203	155,741
Other comprehensive income:									
Foreign currency translation effects	-	-	-	-	2,925	-	2,925	-	2,925
Actuarial gain on defined benefit plan	-	-	-	-	960	-	960	-	960
Result on cash flow hedge accounting	-	-	-	-	(445)	-	(445)	-	(445)
Total comprehensive income, net of taxes	-	-	-	-	3,440	150,538	153,978	5,203	159,181
Contributions and distributions to shareholders									
Share-based payment transactions	-	-	34,119	-	-	-	34,119	579	34,698
Stock option exercised	-	23,761	(33,936)	-	-	-	(10,175)	-	(10,175)
Capital decrease (Nota 4.4)	(3,507,064)	-	-	(253,599)	-	3,760,663	-	-	-
Capital reserve	-	-	107,258	-	-	(107,258)	-	-	-
Legal reserve	-	-	-	7,527	-	(7,527)	-	-	-
Effect of dividend distribution to non-controlling shareholders	-	-	(120)	-	-	-	(120)	120	-
Treasury shares acquired	-	(29,751)	-	-	-	-	(29,751)	-	(29,751)
Dividends	-	-	-	-	-	(35,753)	(35,753)	(7,156)	(42,909)
Total of contributions and distributions to shareholders	(3,507,064)	(5,990)	107,321	(246,072)	-	3,610,125	(41,680)	(6,457)	(48,137)
Transactions with owners of the Company									
Acquisition of shareholding interest in subsidiary with a reduction in non-controlling interest (Nota 4.7)	-	-	(300,483)	-	-	-	(300,483)	(88,325)	(388,808)
Total of transactions with owners of the Company	-	-	(300,483)	-	-	-	(300,483)	(88,325)	(388,808)
At December 31, 2021	12,547,842	(15,995)	2,223,031	7,527	33,016	-	14,795,421	223,142	15,018,563

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

	Attributable to shareholders of the Company							Non-	Total equity
	Share capital	Treasury share	Profit reserve	Profit reserve	Equity valuation adjustments	Retained earnings (loss)	Total	controlling interest	
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 year	-	-	-	-	-	297,163	297,163	7,512	304,675
Other comprehensive income:									
Foreign currency translation effects	-	-	-	-	7,958	-	7,958	-	7,958
Actuarial gain on defined benefit plan	-	-	-	-	571	-	571	-	571
Adjustment of attributed cost in associates	-	-	-	-	(30)	30	-	-	-
Total comprehensive income, net of taxes	-	-	-	-	8,499	297,193	305,692	7,512	313,204
Contributions and distributions to shareholders									
Share-based payment transactions	-	-	13,536	-	-	-	13,536	194	13,730
Stock option exercised	-	-	(4,819)	-	-	-	(4,819)	-	(4,819)
Effect of dividend distribution to non-controlling shareholders	-	-	(64)	-	-	-	(64)	64	-
Capital increase	6,400,009	-	-	-	-	-	6,400,009	-	6,400,009
Stock issuance costs	-	-	(65,019)	-	-	-	(65,019)	-	(65,019)
Absorption of retained losses	-	-	-	(52,129)	-	52,129	-	-	-
Treasury shares acquired	-	(10,005)	-	-	-	-	(10,005)	-	(10,005)
Dividends	-	-	-	-	-	-	-	(3,280)	(3,280)
Total of contributions and distributions to shareholders	6,400,009	(10,005)	(56,366)	(52,129)	-	52,129	6,333,638	(3,022)	6,330,616
Transactions with owners of the Company									
Non-controlling interest in subsidiary	-	-	-	-	-	-	-	38,220	38,220
Total of transactions with owners of the Company	-	-	-	-	-	-	-	38,220	38,220
At December 31, 2020	16,054,906	(10,005)		253,599	29,576	(3,760,663)	14,983,606	312,721	15,296,327

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

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

		Parent Company		Consolidated	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash flow from operating activities					
Result before income taxes and social contribution		198,239	349,300	159,794	474,664
Adjustments for:					
Depreciation, amortization and impairment		105,041	100,700	1,830,683	1,859,511
Equity pick-up from controlled and associated companies	5.11	(370,437)	(267,670)	(12,857)	(13,087)
Provision for profit sharing and bonuses		12,207	5,488	180,899	47,505
Result on disposal of fixed and intangible assets	6.3	63	-	(30,325)	(42,576)
Provision for legal proceedings	6.3	36,632	8,286	152,185	86,745
Allowance for doubtful accounts		(60)	(594)	(159)	903
Share-based payment transactions		22,632	13,206	24,522	13,730
Reversal of lease and concession under litigation		-	-	-	(379,636)
Extemporaneous tax credits	6.3	(988)	(3,453)	(49,894)	(102,576)
Provision for take or pay		-	-	(53,858)	(8,542)
Interest, indexation charges and exchange variations, net		269,762	160,026	1,589,342	1,537,425
Other		(2,802)	(2,879)	(4,412)	(378)
		270,289	362,410	3,785,920	3,473,688
Changes in:					
Trade receivables		4,291	6,168	8,266	13,259
Related parties, net		(203,641)	168,632	(6,672)	(22,959)
Other taxes, net		(89,633)	(42,317)	(254,425)	(78,099)
Inventories		(474)	(65)	(5,348)	(4,100)
Salaries payable		2,122	(1,519)	(54,717)	(93,832)
Trade payables		(11,667)	31,124	(22,743)	126,350
Installment payable of leases and concessions under litigation		-	-	(52,160)	(51,947)
Provision for legal proceedings		(15,788)	(13,144)	(102,826)	(157,238)
Other financial liabilities		-	-	47,216	(61,095)
Other assets and liabilities, net		23,399	(48,119)	(2,496)	(237,758)
		(291,391)	100,760	(445,905)	(567,419)
Net cash generated by operating activities		(21,102)	463,170	3,340,015	2,906,269
Cash flow from investing activities					
Capital increase in subsidiary	5.11	(2,385,529)	(6,616,713)	-	-
Sales (purchases) of marketable securities		(26,136)	440,361	29,517	378,672
Restricted cash		(8)	3,432	57,494	124,330
Dividends received from controlled and associated companies		1,034,402	553,374	8,052	3,900
Additions to property, plant and equipment and intangible assets		(253,682)	(6,807)	(3,453,407)	(2,979,213)
Loan agreement		161,075	(1,006,000)	-	-
Cash received on disposal of other fixed assets		-	-	3,090	3,045
Net cash generated (used in) by investing activities		(1,469,878)	(6,632,353)	(3,355,254)	(2,469,266)
Cash flow from financing activities					
Loans, financing and debentures raised	5.5	2,137,343	963,591	7,891,131	6,172,611
Repayment of principal on loans, financing and debentures	5.5	(1,036,835)	(109,604)	(6,631,342)	(653,002)
Payment of interest on loans, financing and debentures	5.5	(416,787)	(122,704)	(1,106,024)	(688,393)
Repayment of principal on financing leases	5.6	-	(192)	(443,096)	(5,400,245)
Payment of interest on financing leases	5.6	-	(10)	(156,372)	(495,146)
Acquisition of non-controlling interests		-	-	(388,739)	-
Additional paid-in capital, net of stock issuance costs		-	6,306,106	-	6,316,106
Purchase of treasury shares		(29,751)	(10,006)	(29,751)	(10,005)
Payment derivative financial instruments		(914)	(3,161)	(507,514)	(4,904)
Receiving derivative financial instruments		61,059	13,124	2,676,669	184,541
Dividends paid		-	-	(7,084)	(1,959)
Net cash generated (used in) by financing activities		714,115	7,037,144	1,297,878	5,419,604
Impact of exchange variation on cash and cash equivalents		-	-	386,948	(41,015)
Increase in cash and cash equivalents, net		(776,865)	867,961	1,669,587	5,815,592
Cash and cash equivalents at beginning of the exercise		1,568,667	700,706	7,778,606	1,963,014
Cash and cash equivalents at end of the exercise		791,802	1,568,667	9,448,193	7,778,606
Additional information:					
Income tax and social contribution paid		640	3,457	73,649	11,876

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

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

- **Transactions that did not involve cash**

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

- (i) Recognition of right-of-use assets with offsetting entry to the lease liability for R\$ 57,507 (R\$ 3,522,469 on December 31, 2020), related to new contracts covered by the lease standard (Note 5.12.4);
- (ii) Acquisition of assets with payment in installments of R\$ 115,069 on December 31, 2021 (R\$ 289,198 on December 31, 2020).

- **Presentation of interest and dividends**

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

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

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue				
Sales of products and services net of returns	826,317	1,004,507	7,900,613	7,335,839
Other operating revenue, net	1,028	7,033	115,349	468,973
Gain (loss) due to reduction in the recoverable amount of accounts receivable	60	594	159	(903)
	827,405	1,012,134	8,016,121	7,803,909
Raw materials acquired from third parties				
Cost of services rendered	(523,373)	(686,540)	(2,832,634)	(2,253,066)
Materials, energy, third party services, others	(78,058)	58,416	(629,102)	(319,757)
Impairment of assets	-	-	-	(143,984)
	(601,431)	(628,124)	(3,461,736)	(2,716,807)
Gross value added	225,974	384,010	4,554,385	5,087,102
Retention				
Depreciation and amortization	(105,041)	(100,700)	(1,830,683)	(1,715,527)
	(105,041)	(100,700)	(1,830,683)	(1,715,527)
Net value added	120,933	283,310	2,723,702	3,371,575
Value added transferred in				
Equity in subsidiaries and associates	370,437	267,670	12,857	13,087
Rentals received	39,202	25,200	-	-
Financial incomes	209,165	88,693	399,134	176,990
	618,804	381,563	411,991	190,077
Value added to be distributed	739,737	664,873	3,135,693	3,561,652
Distribution of value added				
Employee and social charges	77,450	38,209	1,029,430	809,479
Remuneration	68,686	27,298	758,716	578,793
Benefits	8,186	7,202	234,337	192,729
Severance Indemnity Fund - FGTS	578	3,709	36,377	37,957
Taxes and contributions	60,485	112,332	52,686	652,507
Federal	56,679	110,271	194,858	511,222
State	1,685	909	(196,924)	104,047
Municipal	2,121	1,152	54,752	37,238
Third party capital remuneration	451,264	217,169	1,897,836	1,794,991
Interest	449,722	216,731	1,759,074	1,650,807
Concession contract leases and leases	1,542	438	138,762	144,184
Equity capital remuneration	150,538	297,163	155,741	304,675
Dividends	35,753	-	35,753	-
Non-controlling interests	-	-	5,203	7,512
Result for the year	114,785	297,163	114,785	297,163
	739,737	664,873	3,135,693	3,561,652

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

1 Company and group information

1.1 Operations

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

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

On September 20, 2021, the Company entered into the Adhesion Agreement with the State of Mato Grosso, with the purpose of building, operating, exploring and maintaining, through authorization, under the private law regime, accepting all expenses and risks operational, of a railroad that independently connects the road-rail terminal of Rondonópolis/MT to Cuiabá/MT and to Lucas do Rio Verde/MT. The project represents an extension of the operation in the Midwest region.

Notes to 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, concession of railway services and port terminals, whose scope and concession terms are as follows:

Companies	Concession ending	Coverage areas
Rumo S.A.	September 2066	Mato Grosso State
Subsidiaries		
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 IAS 16 / CPC 27 - Property, plant, and equipment.

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

1.3 Group information

a) Subsidiaries:

The Company's consolidated financial statements include:

Subsidiaries	Directly and indirectly subsidiaries	
	December 31, 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. ⁽ⁱ⁾	77.65%	62.22%
Brado Logística S.A. ⁽ⁱ⁾	77.65%	62.22%
ALL Mesopotâmica S.A.	70.56%	70.56%
ALL Central S.A.	73.55%	73.55%
Servicios de Inversión Logística Integrales S.A	100.00%	100.00%
Terminal São Simão S.A.	51.00%	51.00%

- (i) The Company ended the arbitration proceeding procedure against the non-controlling interests of Brado Logística e Participações S.A, acquiring a 15.43% interest in the capital stock (Note 4.7), which led Rumo to increase its interest to 77.65%.

b) Associates:

The Company has a 30% interest in Rhall Terminais Ltda. (30% in 2020), 19.85% at Termag S.A. (19.85% in 2020), 9.92% at TGG S.A. (9.92% in 2020) and 49.62% at Terminal XXXIX S.A. (49.62% in 2020). 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 31, 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).

2 Basis of preparation and general accounting policies

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

2.1 Declaration of conformity

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

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

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

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

These individual and consolidated financial statements were authorized for issue by the Board of Directors on February 17, 2022.

2.2 General accounting policies

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

a) Use of judgments and estimates

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

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

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

Judgments:

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

- **Note 5.6 - Lease liabilities:** Term of the lease if the Company is reasonably sure of exercising extension options.
- **Note 5.12.1 – Investment property:** In the classification of the leasing of the parent's property as a lessor.

Uncertainties about assumptions and estimates:

The uncertainties related to assumptions and estimates as of December 31, 2021 that have a significant risk of resulting in a material adjustment to the accounting balances of assets and liabilities in the next year involve the following topics:

- **Note 5.4 – Trade receivables:** Measurement of expected credit loss for accounts receivable and contractual assets: main assumptions in determining the weighted average rate of expected loss;
- **Note 5.6 – Lease liabilities:** In the estimate of the incremental rate on loans, prepared using observable data (such as market interest rates), when available, and considering in this estimate aspects that are specific to the Company (such as the credit rating);
- **Notes 5.12.1 and 5.12.2 - Property, plant, equipment and intangible assets:** Impairment test for intangible assets and goodwill: main assumptions regarding recoverable amounts;
- **Note 5.14 - Income tax and social contribution:** Recognition of deferred tax assets: availability of future taxable income against which deductible temporary differences and tax losses can be used;
- **Note 5.15 - Provision for legal claims:** Recognition and measurement of provisions and contingencies: main assumptions about the probability and magnitude of outflows;
- **Note 6.5 - Share-based payments:** Estimated loss of instruments during the vesting period;
- **Note 2.3 - Fair values:** Measurement of the fair values of financial assets and liabilities based on observable market data.

b) Functional and presentation currency

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

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

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

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

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

The exchange rates of the Brazilian Real (R\$) for the functional currencies of its subsidiaries as of December 31, 2021 and 2020 are:

Currency	December 31, 2021	December 31, 2020
U.S. Dollar	5.5805	5.1967
Argentinian Peso	0.0544	0.0619

2.3 Measurement of fair value

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

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

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

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

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

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

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

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

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

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

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

Loans	Company	December 31, 2021	December 31, 2020
Senior Notes Due 2024 ⁽ⁱ⁾	Rumo Luxembourg	-	104.17%
Senior Notes Due 2025	Rumo Luxembourg	103.04%	105.96%
Senior Notes Due 2028	Rumo Luxembourg	103.32%	108.75%
Senior Notes Due 2032 ⁽ⁱⁱ⁾	Rumo Luxembourg	94.37%	-

- (i) During the year ended December 31, 2021, the Company prepaid the debt, as per Note 4.3.
- (ii) Funding carried out during the quarter ended September 30, 2021, as per Note 4.8.

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

	Book value		Assets and liabilities measured at fair value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
			Level 2	Level 2
Assets				
Marketable securities	1,425,897	1,396,723	1,425,897	1,396,723
Derivative financial instruments	1,674,821	3,988,524	1,674,821	3,988,524
Total	3,100,718	5,385,247	3,100,718	5,385,247
Liabilities				
Derivative financial instruments	(576,749)	-	(576,749)	-
Loans, financing and debentures	(12,325,852)	(10,925,462)	(12,325,852)	(10,925,462)
Total	(12,902,601)	(10,925,462)	(12,902,601)	(10,925,462)

2.4 New standards and interpretations not yet effective

The Company did not promote changes in accounting policies during the year ended December 31, 2021.

2.4.1 New pronouncements, interpretations and changes

The Company did not adopt, in advance, any pronouncement, interpretation, or amendment issued that is not yet in force. The interpretations and changes that took effect in the year ended December 31, 2021, did not generate significant impacts on the Company's financial statements:

- Amendment to CPC 38 and CPC 48 (IFRS 9) - arising from the reform of the European reference interest rate;
- Amendment to CPC 16 (IFRS 3) - regarding changes in the conceptual framework;
- Amendments to CPC 27 (IAS 16) - regarding revenues before use;
- CPC 50 (IFRS 17) - Insurance Contracts;
- Amendments to CPC 26 (IAS 1) - regarding the classification of liabilities (current and non-current);
- Amendment to CPC 23 (IAS 8) - regarding changes in accounting estimates; and
- Amendments to CPC 32 (IAS 12) - regarding deferred taxes.

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

3 Business, operations and management of the Company

3.1 Objectives and policies for risk management of financial instruments

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

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

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

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

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

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

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

a) Market risk

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

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

i. Foreign exchange risk

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

	December 31, 2021	December 31, 2020
Cash and cash equivalents	2,819,027	2,614,419
Trade receivables	18,876	7,117
Trade payables	(3,365)	(55,572)
Loans, financing and debentures	(8,727,064)	(11,091,184)
Exchange rate derivatives	5,920,072	8,500,680
Lease liabilities	(108,365)	(99,217)
	(80,819)	(123,757)

Notes to financial statements

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

Based on financial instruments denominated in US dollars and euros, as of December 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 Real against foreign currencies in the probable scenario, and for increases and decreases of 25% and 50%, as follows:

Instrument	Risk factor	December 31, 2021				
		Probable	25%	50%	-25%	-50%
Cash and cash equivalents	Exchange fluctuation	60,366	780,215	1,500,063	(659,482)	(1,379,331)
Trade receivables	Exchange fluctuation	458	5,292	10,125	(4,375)	(9,209)
Trade payables	Exchange fluctuation	(29)	805	1,640	(863)	(1,697)
Exchange rate derivatives	Exchange fluctuation	128,261	1,640,345	3,152,428	(1,383,822)	(2,895,905)
Loans, financing and debentures	Exchange fluctuation	(188,370)	(2,417,228)	(4,646,087)	2,040,489	4,269,347
Lease liabilities	Exchange fluctuation	(2,321)	(29,992)	(57,663)	25,351	53,022
Impacts on result of the year		(1,635)	(20,563)	(39,494)	17,298	36,227

The probable scenario uses the U.S. Dollar and euro projected by a specialized consultancy for December 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:

	December 31, 2021	Scenario				
		Probable	25%	50%	-25%	-50%
U.S. Dollar	5.5805	5.7000	7.1250	8.5500	4.2750	2.8500
Euro	6.3210	6.5550	8.1938	9.8325	4.9163	3.2775

Notes to financial statements

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

ii. Interest rate risk

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

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

Exposure interest rate	December 31, 2021				
	Probable	25%	50%	-25%	-50%
Financial investments	964,300	1,205,375	1,446,450	723,225	482,150
Marketable securities	158,956	198,695	238,434	119,217	79,478
Restricted cash	3,179	3,974	4,768	2,384	1,589
Loans, financing and debentures	(1,151,268)	(1,337,688)	(1,524,108)	(964,848)	(778,428)
Interest rate derivatives	(982,504)	(1,255,354)	(1,528,205)	(709,654)	(436,803)
Lease liabilities	(371,433)	(371,433)	(371,433)	(371,433)	(371,433)
Installment Leases and concessions under litigation	(121,902)	(152,377)	(182,853)	(91,426)	(60,951)
Other financial liabilities	(71,996)	(88,073)	(104,151)	(55,918)	(39,840)
Impacts on result of the year	(1,572,668)	(1,796,881)	(2,021,098)	(1,348,453)	(1,124,238)

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

	Probable	25%	50%	-25%	-50%
SELIC	11.15%	13.94%	16.73%	8.36%	5.58%
CDI	11.15%	13.94%	16.73%	8.36%	5.58%
TJLP	6.60%	8.25%	9.90%	4.95%	3.30%
IPCA	4.61%	5.76%	6.91%	3.46%	2.30%

Notes to financial statements
(In thousands of Brazilian Reais - 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:

	December 31, 2021	December 31, 2020
Cash and cash equivalents ⁽ⁱ⁾	9,448,193	7,778,606
Marketable securities ⁽ⁱ⁾	1,425,897	1,396,723
Restricted cash ⁽ⁱ⁾	27,809	34,562
Trade receivables ⁽ⁱⁱ⁾	503,316	428,492
Receivables from related parties ⁽ⁱⁱ⁾	148,919	140,645
Derivative financial instruments ⁽ⁱ⁾	1,674,821	3,988,524
	<u>13,228,955</u>	<u>13,767,552</u>

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

Notes to financial statements

(In thousands of Brazilian 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:

	December 31, 2021
AA	1,442,359
AAA	10,557,612
Total	11,999,971

c) Liquidity risk

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

Notes to financial statements

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

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

	December 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	(1,330,327)	(1,038,976)	(4,839,846)	(20,267,406)	(27,476,555)	(25,468,560)
Trade payables	(618,658)	-	-	-	(618,658)	(754,542)
Other financial liabilities	(576,786)	-	-	-	(576,786)	(413,470)
Tax installments	(902)	-	-	-	(902)	(2,903)
Lease liabilities	(394,130)	(392,960)	(1,078,341)	(13,612,803)	(15,478,234)	(14,240,845)
Installment Leases and concessions under litigation	(187,972)	(201,876)	(198,532)	(596,696)	(1,185,076)	(1,219,188)
Payables to related parties	(201,660)	-	-	-	(201,660)	(164,949)
Dividends payable	(43,780)	-	-	-	(43,780)	(7,937)
Derivative financial instruments	(527,935)	(570,300)	(218,610)	2,414,918	1,098,073	3,988,524
	(3,882,150)	(2,204,112)	(6,335,329)	(32,061,987)	(44,483,578)	(38,283,870)

3.2 Segment information

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

In February 2021, Rumo Malha Central began its operational phase, and due to its operation being interconnected to those of Malhas Paulista and Norte, the Company's Management decided to present the effects of the Central operation with those of the North operation. The balances of the Central Operation for the period ended December 31, 2020 were reclassified to the North Operation for comparative purposes, and are presented as "represented".

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 the same accounting practices used in the preparation of the consolidated information.

Notes to financial statements

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

Exercise:	December 31, 2021				December 31, 2020			
	North Operations	South Operations	Container Operations	Consolidated	North Operations (restated)	South Operations	Container Operations	Consolidated
Results by segment								
Net revenue	5,479,583	1,624,084	335,965	7,439,632	5,270,435	1,409,872	285,852	6,966,159
Cost of services	(3,523,822)	(1,499,951)	(328,266)	(5,352,040)	(3,132,957)	(1,294,591)	(293,959)	(4,721,507)
Gross profit	1,955,761	124,133	7,699	2,087,593	2,137,478	115,281	(8,107)	2,244,652
Gross margin (%)	35.69%	7.64%	2.29%	28.06%	40.56%	8.18%	-2.84%	32.22%
Selling, general and administrative expenses	(384,204)	(91,982)	(35,514)	(511,698)	(313,264)	(84,914)	(39,468)	(437,646)
Other operational income (expenses) and equity	(17,912)	(61,569)	23,321	(56,160)	260,789	(143,908)	24,593	141,474
Depreciation and amortization	1,254,350	521,847	54,486	1,830,683	1,155,804	487,614	72,109	1,715,527
EBITDA	2,807,996	492,429	49,992	3,350,417	3,240,807	374,073	49,127	3,664,007
Margin EBITDA (%)	51.24%	30.32%	14.88%	45.03%	61.49%	26.53%	17.19%	52.60%
Impairment	-	-	-	-	-	143,984	-	143,984
EBITDA adjusted	2,807,996	492,429	49,992	3,350,417	3,240,807	518,057	49,127	3,807,991
Margin EBITDA adjusted (%)	51.24%	30.32%	14.88%	45.03%	61.49%	36.74%	17.19%	54.66%

Main customers

The Company has a client that individually contributed with a share of 10.04%, of net operating revenue in 2021 with an approximate amount of R\$ 660,860. In 2020, the same client contributed 10.61% of net revenue, with an approximate value of R\$ 633,140.

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

4 Transactions and significant events

4.1 Related parties

Accounting policy:

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

a) Summary of balance with related parties

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Current assets				
Commercial operations				
Rumo Malha Norte S.A.	8,321	2,028	-	-
Rumo Malha Paulista S.A.	20,786	2,061	-	-
Rumo Malha Sul S.A.	1,276	1,289	-	-
Rumo Malha Central S.A.	2,169	3,882	-	-
Raízen S.A.	6	149	10,351	7,841
Raízen Energia S.A.	4,787	7,776	11,984	23,287
Brado Logística S.A.	32	32	-	-
Elevações Portuárias S.A.	2,155	2,642	-	-
Terminal São Simão S.A.	162	-	-	-
ALL Argentina	48,615	-	-	-
Termag - Terminal Marítimo de Guarujá S.A.	-	-	14,286	14,286
Other	353	394	76	765
	88,662	20,253	36,697	46,179
Corporate operation / agreements				
Rumo Maha Central S.A.	51,420	41,130	-	-
	51,420	41,130	-	-
	140,082	61,383	36,697	46,179
Non-current assets				
Commercial operations				
Termag - Terminal Marítimo de Guarujá S.A.	-	-	64,286	48,571
Raízen S.A.	-	-	47,731	45,709
	-	-	112,017	94,280
Financial operations				
Logisport Armazéns Gerais S.A.	6,720	6,190	-	-
Rumo Malha Central S.A.	1,000,000	1,000,000	-	-
Other	3,325	3,326	205	186
	1,010,045	1,009,516	205	186
	1,010,045	1,009,516	112,222	94,466
Total	1,098,707	1,029,769	148,919	140,645

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Current liabilities				
Commercial operations				
Rumo Malha Norte S.A.	6,333	6,307	-	-
Rumo Malha Sul S.A.	9,298	12,180	-	-
Rumo Malha Paulista S.A.	35,136	213,386	-	-
Rumo Malha Oeste S.A.	141	857	-	-
Raízen S.A.	1	-	168,914	142,979
Raízen Energia S.A.	4,588	4,822	19,036	12,992
Cosan S.A.	1,099	1,126	3,930	3,298
Cosan Lubrificantes e Especialidades S.A.	-	352	5,139	4,543
Logisport Armazéns Gerais S.A.	1,254	457	-	-
Elevações Portuárias S.A.	1,674	632	-	-
Other	1,103	1,015	4,641	1,137
	60,627	241,134	201,660	164,949
Non-current liabilities				
Commercial operations				
Boswells S.A.	34,878	32,479	-	-
Other	4,733	4,733	-	-
	39,611	37,212	-	-
Total	100,238	278,346	201,660	164,949

*(In thousands of Brazilian Reals - R\$, unless otherwise stated)***b) Transactions with related parties**

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Operating income				
Raízen Energia S.A. ⁽ⁱ⁾	237,484	316,605	363,576	456,705
Raízen S.A. ⁽ⁱⁱ⁾	-	-	173,374	150,949
Rumo Malha Norte S.A.	34,781	16,966	-	-
Rumo Malha Paulista S.A. ⁽ⁱⁱⁱ⁾	273,152	314,252	-	-
Elevações Portuárias S.A.	25,200	25,200	-	-
Other	9,711	-	21,923	4,862
	580,328	673,023	558,873	612,516
Purchases of products / inputs / services				
Raízen S.A. ^(iv)	-	-	(1,540,181)	(1,128,479)
Logisport Armazéns Gerais S.A.	(3,620)	(3,963)	-	-
Rumo Malha Paulista S.A. ^(v)	(204,557)	(216,949)	-	-
Raízen Energia S.A.	-	-	(2,431)	-
Cosan Lubrificantes e Especialidades S.A. ^(vi)	(27)	(9)	(56,652)	(37,263)
Rumo Malha Sul S.A.	(26,810)	(9,349)	-	-
Other	-	-	(439)	(2,400)
	(235,014)	(230,270)	(1,599,703)	(1,168,142)
Shared expenses				
Cosan S.A. ^(vii)	(2,486)	(4,501)	(3,571)	(4,501)
Elevações Portuárias S.A.	2,594	1,658	-	-
Rumo Malha Oeste S.A.	807	483	-	-
Rumo Malha Paulista S.A.	17,217	10,224	-	-
Rumo Malha Sul S.A.	11,392	5,775	-	-
Rumo Malha Norte S.A.	11,844	4,485	-	-
Rumo Malha Central S.A.	868	-	-	-
Terminal São Simão S.A.	110	-	-	-
Raízen Energia S.A. ^(vii)	-	(299)	(30,454)	(30,874)
	42,346	17,825	(34,025)	(35,375)
Financial result				
Rumo Malha Central S.A.	176,153	41,130	-	-
Rumo Malha Norte S.A.	(17,794)	(25,238)	-	-
Other	(1,867)	(7,288)	136	47
	156,492	8,604	136	47

- (i) The provision of services in the year ended December 31, 2021 and 2020 for Raízen Energia and its subsidiaries refers mainly to transportation, storage and port elevation, contracted under market conditions.
- (ii) Provision of fuel transportation services for the year ended December 31, 2021 and 2020 for Raízen Combustíveis and its subsidiaries, contracted under market conditions.
- (iii) Remuneration for investment in assets related to the contract for rail transportation services of sugar with Rumo Malha Paulista (see item v).

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

- (iv) Acquisition of fuels (diesel for use in locomotives) during the years ended December 31, 2021 and 2020 from Raízen S.A. and its subsidiaries, under market conditions.
- (v) Rail transportation service provided by Rumo Malha Paulista. The service contract involved investments made by the Company in railway assets of Rumo Malha Paulista, signed under market conditions.
- (vi) Acquisition of lubricants in the years ended December 31, 2021 and 2020 from Cosan Lubrificantes, under market conditions.
- (vii) Apportionment of the cost of corporate activities and the Raízen shared services center.

c) Remuneration of directors and officers

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

The fixed and variable compensation of key people, including directors and board members, are recorded in the consolidated income statement for the year, including charges, as follows

	December 31, 2021	December 31, 2020
Short-term benefits to employees and managers	31,607	28,172
Transactions with share-based payments	23,571	5,660
	55,178	33,832

4.2 COVID-19 pandemic

On March 11, 2020, the World Health Organization officially declared this Outbreak of Covid-19 a global pandemic. As of March 17, 2020, Brazil, 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 say that new restrictive measures will not be implemented.

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 years ended December 31, 2021 and 2020. 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.

The Company assessed the circumstances that could indicate impairment of its non-financial assets and concluded that there were no changes motivated by the pandemic for the year ended December 31, 2021, in the impairment loss indicators.

4.3 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 conditions established in the contract signed in February 2017. The derivatives contracted to protect the operation were settled in the same period.

4.4 Reduction of the Company's share capital and profit reserves by absorbing accumulated losses

On April 27, 2021, through the Annual and Extraordinary General Meeting, Management proposed the absorption of all the accumulated losses in the financial statements as of December 31, 2020, in the amount of R\$ 3,760,663. For the absorption of the accumulated loss was used the profit reserve of R\$ 253,599 and capital in the amount of R\$ 3,507,064, without cancellation of shares.

4.5 Issue of debentures Rumo Malha Paulista S.A.

On April 19, 2021, the Board of Directors approved the 2nd issue of simple debentures by the subsidiary Rumo Malha Paulista, non-convertible into shares, unsecured, with an additional personal guarantee, in two series of R\$ 750,000 with a total value of R\$ 1,500,000.

The first series has a term of six years at an average cost of CDI +1.69%. The second has a term of ten years at an average cost of IPCA + 4.60%. The two series will have semiannual interest payments and the funds from this funding will be used for investment.

4.6 Issue of debentures Rumo S.A.

On July 6, 2021, the Company raised R\$ 1,043,434 referring to the 16th issue of simple, non-convertible, unsecured debentures, divided into two series, the first of which has an amount of R\$ 784,619, with a rate of IPCA+4.50% and a tenor of 10 years, while the second is R\$ 258,815 with a rate of IPCA+4.54% and a maturity of 15 years. Both series will have semiannual interest payments and principal amortization in the last three years. The funds from this fundraising will be used for investment.

4.7 Acquisition of interest in Brado Logística e Participações S.A.

During the quarter ended September 30, 2021, the Company definitively terminated the arbitration procedure with the non-controlling shareholders of Brado Logística e Participações S.A. (Logística Brasil – Investimento e Participações Fund, Dimitrio Markakis and Deminvest Empreendimentos e Participações), acquiring through the subsidiary ALL Armazéns Gerais Ltda for R\$ 388,739, 2,000,000 shares, representing 15.42% of the capital stock, increasing the interest of the Company to 77.65%, causing an effect on equity of R\$ 300,483 and R\$ 88,325 by the reduction for non-controlling shareholders.

4.8 2032 Senior Notes Funding

In September 2021, the Company raised funds abroad through the issuance of Bonds (Senior Notes) with sustainable targets linked to the reduction in the emission of carbon dioxide, in the amount of USD 500,000, equivalent to R\$ 2,719,700 on September 30, 2021, with pre-fixed rate 4.20% p.y. and maturity in January 2032 (Note 5.5). The net proceeds from this operation will be used for corporate purposes, including the prepayment of debts.

4.9 Issue of debentures Rumo Malha Paulista

On October 22, 2021, the 3rd issue of simple debentures of the subsidiary Rumo Malha Paulista, non-convertible into shares, unsecured, with additional personal guarantee, in two series of R\$750,000 and R\$500,000 with a total value of R\$1,250,000. The issue was approved by the Board of Directors on September 17, 2021.

The first series has a term of six years at a cost of CDI + 1.30% while the second has a term of twelve years indexed to IPCA + 5.73%. Both series will have semiannual interest and principal payments at maturity. The funds from this funding will be used within the scope of its ordinary management business and infrastructure investments.

4.10 Administrative process

On November 3, 2021, a decision was rendered in the administrative proceeding before the Administrative Council for Economic Defense ("CADE"), to determine the representation made by a former client against the Company, considering the sugar market operated by the Rumo concession Malha Paulista SA (Company's subsidiary).

In the judgment of the administrative proceeding, among other points, it sentenced the Company to pay a fine in the amount of R\$ 247,173, a decision that was upheld in the judgment of the motion for clarification. The establishment of such amount is contrary to precedents of CADE itself, either in relation to the calculation basis or in relation to the rate used, which is why the Company filed an action for annulment of such decision.

Based on the technical analysis of its external legal body, the Company assesses as probable the risk of loss of a portion in the amount of R\$ 22,761 (for which it recorded a provision) and classifies the difference as a possible contingency.

4.11 Subsequent events

On January 18, 2022, the Company prepaid the Senior Notes 2025, in the amount of USD 500,000, equivalent to R\$ 2,780,550, with original maturity in January 2025, in accordance with the conditions established in the transaction agreement signed in January 2018. The derivatives contracted to hedge the operation were partially settled at the rate of 50%, the remaining balance (USD 250,000) was designated for the operation maturing in 2032.

5 Detailed information about assets and liabilities

5.1 Financial assets and liabilities

Accounting policy:

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

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

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

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

Financial assets and liabilities consist of:

	Note	December 31, 2021	December 31, 2020
Assets			
Fair value through profit or loss			
Marketable securities	5.3	1,425,897	1,396,723
Derivate financial instruments	5.8	1,674,821	3,988,524
		3,100,718	5,385,247
Amortized cost			
Cash and cash equivalents	5.2	9,448,193	7,778,606
Trade receivables	5.4	503,316	428,492
Related parties receivable	4.1	148,919	140,645
Restricted cash	5.3	27,809	34,562
		10,128,237	8,382,305
Total		13,228,955	13,767,552
Liabilities			
Amortized cost			
Loans, financing and debentures	5.5	8,852,896	8,986,576
Lease liabilities	5.6	3,106,880	2,912,318
Trade payables	5.7	618,658	754,542
Other financial liabilities	3.1	576,786	413,470
Related parties payable	4.1	201,660	164,949
Dividends payable		43,780	7,937
Installment Leases and concessions under	5.16	1,145,450	1,154,919
Debt payment in installments	5.13	649	2,791
		14,546,759	14,397,502
Fair value through profit or loss			
Derivate financial instruments	5.8	576,749	-
Loans and financing	5.5	12,325,852	10,925,462
		12,902,601	10,925,462
Total		27,449,360	25,322,964

On December 31, 2021, the consolidated balance anticipated by our suppliers with financial institutions was R\$ 576,786 (R\$ 413,470 as of December 31, 2020). These operations had Banco Itaú and Banco Bradesco as counterparties, at an average rate of 10.60% a.a. (3.00% a.a. on December 31, 2020). The average term of these operations is around 90 days.

Notes to financial statements
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5.2 Cash and cash equivalents

Accounting policy:

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash and bank accounts	1,264	511	946,000	2,815,882
Financial Investments	790,538	1,568,156	8,502,193	4,962,724
	791,802	1,568,667	9,448,193	7,778,606

Financial investments are composed as follows:

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Bank investments				
Repurchase Agreements	-	-	145,761	-
Bank certificate of deposits - CDB ⁽ⁱ⁾	790,538	1,568,156	6,434,419	4,904,934
Other investments ⁽ⁱⁱ⁾	-	-	1,922,013	57,790
	790,538	1,568,156	8,502,193	4,962,724

- (i) The Company's financial investments are remunerated at rates around 101.6% of the Brazilian interbank offer rate (Interbank Deposit Certificate), or CDI, on December 31, 2021 (102.1% of the CDI on December 2020). The sensitivity analysis of interest rate risks is presented in note 3.1.
- (ii) Basically refers to time deposits at Bradesco Cayman and Banco do Brasil London for the amounts of Rumo Luxemburgo, for the raising of Senior Notes (Bond) maturing in 2032, with a weighted remuneration of 49 bps (0.47% p.a.) on December 31, 2021.

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

5.3 Securities and restricted cash

Accounting policy:

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

Marketable securities

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Government bonds ⁽ⁱ⁾	109,057	71,302	1,416,958	1,272,316
Bank certificate of deposits - CDB ⁽ⁱⁱ⁾	-	6,258	1,052	116,963
Financial letters ⁽ⁱⁱⁱ⁾	607	416	7,887	7,444
	109,664	77,976	1,425,897	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 maturity between two and five years.

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

Restricted cash

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Investments linked to loans	-	-	20,000	-
Securities pledged as collateral	87	79	7,809	34,562
	87	79	27,809	34,562

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

5.4 Trade receivables

Accounting policy:

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

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

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Domestic – Brazilian Reais	17,470	20,105	462,301	382,806
Export – Foreign currency	-	-	46,979	51,365
	17,470	20,105	509,280	434,171
Allowance for doubtful accounts	(620)	(680)	(5,964)	(5,679)
	(620)	(680)	(5,964)	(5,679)
Total	16,850	19,425	503,316	428,492
Current	16,850	18,558	482,112	421,322
Non-current	-	867	21,204	7,170
Total	16,850	19,425	503,316	428,498

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

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Not overdue	9,771	17,635	436,778	282,671
Overdue:				
From 1 to 30 days	6,692	1,380	22,816	111,164
From 31 to 60 days	42	170	1,283	9,276
From 61 to 90 days	-	93	18,323	8,906
More than 90 days	965	827	30,080	22,154
Allowance for doubtful accounts	(620)	(680)	(5,964)	(5,679)
	16,850	19,425	503,316	428,492

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

	Parent Company	Consolidated
At January 1, 2020	(1,887)	(5,486)
Provision	(291)	(7,277)
Reversal and write-off	1,498	7,084
At December 31, 2020	(680)	(5,679)
Provision	(126)	(4,218)
Reversal and write-off	186	3,933
At December 31, 2021	(620)	(5,964)

5.5 Loans, financing and debentures

Accounting policy:

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

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

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

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

Description	Financial charges		Parent Company		Consolidated		Maturity date	Goal
	Index	Average interest rate	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020		
Secured								
Finame (BNDES)	Pre-fixed	5.69%	214,134	291,547	461,756	647,435	January/2025	Investment
	URTJLP	10.34%	-	-	-	396	March/2022	Investment
Finem (BNDES)	Pre-fixed	3.50%	-	-	727	1,077	January/2024	Investment
	URTJLP	7.49%	511	24,610	2,598,623	3,321,839	December/2029	Investment
	IPCA	7.46%	-	-	-	796	November/2021	Investment
NCE	CDI + 1.03%	10.79%	-	-	86,707	82,185	February/2023	Working capital
	CDI + 0.80%	10.02%	-	-	515,928	505,061	December/2023	Working capital
	CDI + 3.50% p.y.	5.01%	-	-	-	208,464	March/2021	Working capital
	CDI + 3.15% p.y.	5.11%	-	-	-	468,516	March/2021	Working capital
	CDI + 2.25% p.y.	12.29%	-	-	60,700	-	May/2026	Working capital
	Pre-fixed (US\$)							
Senior Notes 2024	(ii)	7.38%	-	-	-	4,514,289	February/2024	Investment
	Pre-fixed (US\$)							
Senior Notes 2025	(iii)	5.88%	-	-	2,981,335	3,067,359	January/2025	Investment
Senior Notes 2028	Pre-fixed (US\$)							
	(iv)	5.25%	-	-	2,700,621	2,640,840	January/2028	Investment
	Pre-fixed (US\$)							
Senior Notes 2032	(v)	4.20%	-	-	2,800,716	-	January/2032	Investment
ECA	Euribor (EUR) (vi)	0.58%	-	-	95,460	104,108	September/2026	Investment
CCB	IPCA	11.08%	-	-	646,624	239,068	January/2048	Working capital
Loan 4131	Pre-fixed (US\$)							
	(vii)	0.90%	148,932	483,625	148,932	483,625	November/2022	Working capital
	CDI	4.60%	-	-	-	206,908	April/2021	Working capital
			363,577	799,782	13,098,129	16,491,966		
Debentures								
Non-convertible debentures	IPCA + 4.68%	9.24%	-	-	-	595,847	February/2026	Investment
	IPCA + 4.50%							
	(viii)	14.97%	1,483,873	739,202	1,483,873	739,202	June/2031	Investment
	IPCA + 3.90%	14.31%	1,018,844	1,025,777	1,018,844	1,025,777	October/2029	Investment
	IPCA + 4.00%	14.42%	952,671	255,501	952,671	255,501	December/2035	Investment
	IPCA + 6.80%	17.50%	891,972	803,745	891,972	803,745	April/2030	Investment
	IPCA + 4.77%	15.27%	-	-	694,898	-	jun/2031	Investment
	IPCA + 5.73%	16.33%	-	-	505,584	-	out/2033	Investment
	IPCA + 4.54%	15.02%	126,668	-	126,668	-	jun/2036	Investment
	IPCA + 3.60%	11.53%	361,862	-	361,862	-	dez/2030	Investment
	IPCA + 4.68%	15.17%	-	-	543,752	-	fev/2026	Investment
	CDI + 1.79%	11.10%	-	-	753,770	-	jun/2027	Investment
	CDI + 1.30%	10.57%	-	-	746,725	-	out/2027	Investment
Private debentures	CDI + 0.50%	6.68%	-	792,535	-	-	January/2023	Working capital
			4,835,890	3,616,760	8,080,619	3,420,072		
Total			5,199,467	4,416,542	21,178,748	19,912,038		
Current			251,255	482,421	1,222,674	2,504,223		
Non-current			4,948,212	3,934,121	19,956,074	17,407,815		

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

Notes to financial statements

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

- (ii) This debt had swap contracts for 145% of the CDI, which represented an average rate of 6.47% a.a.
- (iii) Debt with swap to 127% of the CDI, which represented an average rate of 5.67% in 2021.
- (iv) Debt with swap to 115% of the CDI, which represented an average rate of 5.12% in 2021.
- (v) Debt with swap to 114% of the CDI, which represented an average rate of 5.10% in 2021.
- (vi) Debt with swap for 108% of the CDI, which represented an average rate of 4.82% in 2021.
- (vii) Debt with swap for 118% of the CDI, which represented an average rate of 5.27% in 2021.
- (viii) Debt with swap for 103% of the CDI, which represented an average rate of 4.60% in 2021.

Non-current loans have the following maturities:

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
13 to 24 months	57,735	410,856	1,100,449	1,135,485
25 to 36 months	18,657	855,323	654,268	1,056,521
37 to 48 months	-	53,841	3,327,224	5,069,301
49 to 60 months	-	-	768,035	3,552,834
61 to 72 months	707,800	-	2,123,463	404,760
73 to 84 months	1,149,964	644,507	4,115,472	917,765
85 to 96 months	1,198,666	920,598	1,730,170	3,788,409
Thereafter	1,815,390	1,048,996	6,136,993	1,482,740
	4,948,212	3,934,121	19,956,074	17,407,815

Notes to financial statements

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

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

	Consolidated	
	December 31, 2021	December 31, 2020
Brazilian Reais (R\$)	12,451,684	9,101,817
Dollar (US\$) ⁽ⁱ⁾	8,631,604	10,706,113
EUR ⁽ⁱ⁾	95,460	104,108
Total	21,178,748	19,912,038

- (i) As of December 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 year ended December 31, 2021 and 2020:

	Parent Company	Consolidated
At January 1, 2020	3,192,051	11,719,737
Proceeds from debts	963,591	6,172,611
Interest, monetary and exchange correction	493,208	3,361,085
Repayment of principal	(109,604)	(653,002)
Payments of interest from debts	(122,704)	(688,393)
At December 31, 2020	4,416,542	19,912,038
Proceeds from debts	2,137,343	7,891,131
Interest, monetary and exchange correction	99,204	1,112,945
Repayment of principal	(1,036,835)	(6,631,342)
Payments of interest from debts	(416,787)	(1,106,024)
At December 31, 2021	5,199,467	21,178,748

a) Warranties

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 0.82% per year or by real guarantees (assets) and guarantee account. As of December 31, 2021, the balance of bank guarantees contracted was R\$ 3,328,076 (R\$ 3,687,323 as of December 31, 2020).

To calculate the average rates, the annual average CDI of 4.45% (2.78% as of December 31, 2020) and TJLP of 4.80% (4.87% as of December 31, 2020) were considered on an annual basis.

b) Unused credit lines

As of December 31, 2021, the Company had lines of credit in banks with AA rating, which were not used, in the total amount of R\$ 898,023 (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 ⁽ⁱ⁾ / EBITDA $\leq 3.0x$ in December, 2021	2.79
EBITDA/ Consolidated financial result ⁽ⁱⁱ⁾ $\geq 2.0x$ in December, 2021	4.91

- (i) The net financial debt is composed of bank debts, debentures, commercial leases considered as financial leasing less cash and cash equivalents, marketable securities, restricted cash from financial investments linked to loans 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.

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. As of December 31, 2021, the Company and its subsidiaries were complying with all restrictive financial covenants.

d) ESG commitments

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

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

5.6 Lease liabilities

Accounting policy:

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

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

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

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

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

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

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	Consolidated leases		
	Financial	Operational - concessions	Operating Others
At January 1, 2020	429,591	3,943,486	156,063
Additions	87,811	3,406,560	28,098
Interest appropriation and exchange variation	61,487	380,331	148,441
Repayment of principal on financing leases	(102,148)	(5,179,294)	(118,803)
Payment of interest on financing leases	(60,619)	(376,718)	(57,809)
Contractual adjustment	-	266,296	11,282
Transfers between liabilities ⁽ⁱ⁾	-	(111,737)	-
At January 1, 2021	416,122	2,328,924	167,272
Additions ⁽ⁱ⁾	-	15,108	42,399
Interest appropriation	38,775	343,585	26,668
Repayment of principal on financing leases	(283,908)	(119,812)	(39,376)
Payment of interest on financing leases	(4,655)	(132,767)	(18,950)
Contractual adjustment	12,192	282,497	86,945
Transfers between liabilities ⁽ⁱ⁾	-	(54,139)	-
At December 31, 2021	178,526	2,663,396	264,958
Current	50,490	274,774	57,572
Non-current	128,036	2,388,622	207,386
	178,526	2,663,396	264,958

- (i) Transfer of the installments in litigation to the lease and concessions under litigation item (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 classification as a finance lease.

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

	Consolidated	
	December 31, 2021	December 31, 2020
Variable lease payments not included in the measurement of lease liabilities	35,482	24,045
Expenses relating to short-term leases	30,507	34,101
Expenses relating to leases of low-value assets, excluding short-term leases	978	1,547
	66,967	59,693

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(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% were used, according to the term of each contract.

In compliance with CVM Instruction Circular Official Letter 2/2019, if, in transactions where the incremental rate is used, the measurement was made at the present value of expected installments plus projected future inflation, the balances of lease liabilities, the right to use, financial expense and depreciation expense for the fiscal year ended December 31, 2021, would be those presented in the "Official note" column:

Accounts	2021			2020		
	Registered	Official note	% Variation	Registered	Official note	% Variation
Lease liabilities	(2,121,577)	(2,287,777)	8%	(2,120,613)	(2,273,916)	7%
Residual right of use	6,743,631	6,755,661	0%	6,991,664	7,017,560	0%
Financial expense	(253,446)	(265,511)	5%	(462,664)	(480,669)	4%
Depreciation expense	(280,462)	(285,462)	2%	(245,946)	(261,076)	6%

The balances recorded by the Company include the Malha Central contract and the renewal addendum to the Malha Paulista contract, which have an implicit rate identified, so that their appreciation does not generate distortions in the liabilities and usage rights covered by the CVM Circular Letter. As of December 31, 2021, the lease liability of these contracts was R\$ 1,185,207 (R\$ 983,576 as of 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 as of December 31, 2021 is R\$ 6,154 (R\$ 4,713 as of December 31, 2020).

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5.7 Trade payables

Accounting policy:

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Material and services suppliers	52,276	54,562	602,215	721,600
Fuels and lubricants suppliers	-	-	118	727
Other	11,153	17,729	16,325	32,215
Total	63,429	72,291	618,658	754,542

5.8 Derivative financial instruments

Accounting policy:

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

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

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

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

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

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

	Notional		Fair value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Foreign exchange and interest rate derivatives				
Swap contracts (interest and exchange)	6,084,673	4,648,615	1,020,158	3,579,657
Swap contracts (interest and inflation)	6,590,408	2,229,136	77,914	408,867
	12,675,081	6,877,751	1,098,072	3,988,524
Current			48,813	826,340
Non-current			1,626,008	3,162,184
Assets			1,674,821	3,988,524
Current			(576,749)	-
Liabilities			(576,749)	-
			1,098,072	3,988,524

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.

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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:

Exchange rate hedge			Book value (R\$)		Result Fair value adjustment	
			December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Debt						
Senior Notes 2024	US\$ + 7.4%	-	-	(4,514,289)	-	(959,017)
Senior Notes 2025	US\$ + 5.9%	(1,740,550)	-	(3,067,359)	355,409	(779,581)
Senior Notes 2028	US\$ + 5.3%	(2,791,600)	(2,700,621)	-	108,756	-
Senior Notes 2032	US\$ + 4.2%	(2,758,400)	(2,800,716)	-	(14,775)	-
Total		(7,290,550)	(5,501,337)	(7,581,648)	449,390	(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	-	-	1,341,379	-	825,015
Foreign exchange and interest swap	BRL + 115% do CDI	2,791,600	266,526	-	277,542	-
Foreign exchange and interest swap	BRL + 117% do CDI	2,259,375	675,572	-	675,572	-
Total		5,050,975	942,098	3,459,407	953,114	1,846,060
Total net		(2,239,575)	(4,559,239)	(4,122,241)	1,402,504	107,462

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Interest rate hedge		Nocional R\$	Book value R\$		Result Fair value adjustment	
			December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Debt						
Debentures	IPCA + 3.87%	(1,200,000)	(1,073,505)	-	179,462	-
Debentures	IPCA + 3.90%	(906,856)	(1,018,844)	(1,025,777)	138,695	(192,446)
Debentures	IPCA + 4.00%	(222,280)	(241,028)	(255,501)	45,092	(46,991)
Debentures	IPCA + 4.60%	(750,000)	(694,898)	-	70,578	-
Debentures	IPCA + 4.50%	(784,619)	(807,074)	-	93,506	-
Debentures	IPCA + 4.54%	(258,815)	(126,668)	-	41,741	-
Debentures	IPCA + 6.80%	(907,838)	(891,972)	-	2,962	-
Debentures	IPCA + 5.73%	(500,000)	(505,584)	-	16,861	-
Total		(5,530,408)	(5,359,573)	(1,281,278)	588,897	(239,437)
Derivative instruments						
Inflation and interest swaps	107% do CDI	1,200,000	(69,068)	-	(76,276)	-
Inflation and interest swaps	104% do CDI	927,136	76,570	144,137	(59,219)	149,663
Inflation and interest swaps	108% do CDI	227,828	14,541	32,556	(16,195)	33,932
Inflation and interest swaps	112% do CDI	750,000	(17,887)	-	(22,287)	-
Inflation and interest swaps	108% do CDI	784,619	(49,657)	-	(55,296)	-
Inflation and interest swaps	109% do CDI	258,815	(27,283)	-	(29,193)	-
Inflation and interest swaps	118% do CDI	907,838	5,322	-	5,322	-
Inflation and interest swaps	109% do CDI	500,000	(8,344)	-	(8,344)	-
Total		5,556,236	(75,806)	176,693	(261,488)	183,595
Total net		25,828	(5,435,379)	(1,104,585)	327,409	(55,842)

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

b) Fair value options

Certain derivative instruments have not been linked to documented 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 R\$	Book value R\$		Result Fair value adjustment	
			December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Debt						
Debentures	IPCA+4.68%	(500,000)	(543,752)	(595,847)	82,474	(48,142)
Debentures	IPCA+4.50%	(600,000)	(676,798)	(739,202)	131,153	(55,116)
Total		(1,100,000)	(1,220,550)	(1,335,049)	213,627	(103,258)
Derivative instruments						
Inflation and interest swaps	107% do CDI	500,000	71,375	96,931	(11,682)	39,232
Inflation and interest swaps	103% do CDI	600,000	82,344	135,244	(41,468)	56,915
Total		1,100,000	153,719	232,175	(53,150)	96,147
Total net		-	(1,066,831)	(1,102,874)	160,477	(7,111)

Foreign exchange risk		Nocional R\$	Book value R\$		Result Fair value adjustment	
			December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Debt						
ECA	EUR + 0.58%	(100,198)	(95,460)	(95,373)	(1,337)	(36,481)
Loan 4131	USD + 2.20%	(220,000)	(148,932)	(485,978)	4,412	(64,235)
Total		(320,198)	(244,392)	(581,351)	3,075	(100,716)
Derivative instruments						
Foreign exchange and interest swap	BRL + 108% do CDI	100,198	30,535	39,529	(3,096)	36,165
Foreign exchange and interest swap	BRL + 118% do CDI	220,000	47,527	80,720	20,019	66,700
Total		320,198	78,062	120,249	16,923	102,865
Total net		-	(166,330)	(461,102)	19,998	2,149

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

5.9 Other taxes recoverable

Accounting Policy:

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
COFINS - Social security financing contribution	26,523	45,069	307,077	303,727
PIS - Social integration program	6,026	9,589	109,822	115,642
ICMS - State VAT ⁽ⁱ⁾	-	-	662,945	595,450
ICMS - CIAP ⁽ⁱⁱ⁾	-	-	83,178	106,243
Other	3,021	3,016	23,121	20,268
	35,570	57,674	1,186,143	1,141,330
Current	35,570	57,674	421,156	350,883
Non-current	-	-	764,987	790,447
	35,570	57,674	1,186,143	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.

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

5.10 Inventories

Accounting policy:

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

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Parts and accessories	1,412	910	180,286	219,831
Fuels and lubricants	23	27	17,143	6,807
Warehouse and other	141	165	31,494	22,680
	1,576	1,102	228,923	249,318

The balances are presented net of the provision for obsolete inventories of R\$ 3,407 as of December 31, 2021 (R\$ 7,256 as of December 31, 2020).

5.11 Investments in associates and provision for unsecured liabilities

(a) Subsidiaries and associates

Accounting policy:

a) Subsidiaries

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

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

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

b) Associates

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

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

In accordance with the equity method, the participation of associates attributable to the Company in the profit or loss for the period of such investments is recorded in the income statement, under "Equity in results". Unrealized gains and losses arising from transactions between the Company and the investees are eliminated based on the percentage of participation of these investees. The other comprehensive income of subsidiaries, associates and jointly controlled entities are recorded directly in the Company's shareholders' equity, under "Other comprehensive income".

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

i. **Parent Company**

	Total shares of the investee	Shares held by the Company	Percentage of participation
Elevações Portuárias	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	10,065,556	77.65%
Paranaguá S.A.	6,119,802	6,113,851	99.90%
Logisport Armazéns	2,040,816	1,040,816	51.00%
Terminal São Simão S.A.	78,000,000	39,780,000	51.00%
Rumo Malha Sul S.A.	6,677,710,494,907	6,677,710,494,907	100.00%
ALL Argentina S.A.	9,703,000	8,826,110	90.96%
Rumo Luxembourg Sarl	500,000	500,000	100.00%
Rumo Malha Paulista	5,032,794,458,529	5,032,794,458,529	100.00%
ALL Amazéns Gerais	376,560,990	376,560,990	100.00%
Rumo Malha Oeste S.A.	478,460,074	478,460,074	100.00%

Notes to financial statements

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

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

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

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

Notes to financial statements

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

	At January 1, 2020	Equity pick- up	Capital increase (reduction) / AFAC	Dividends and Interest on own capital receivable	Comprehensi ve income	Initial adoption of standard CPC 06 R2/ IFRS 16	Other	Amortization of the concession right	At December 31, 2020
Elevações Portuárias S.A.	707,336	61,399	-	(44,950)	17	-	-	-	723,802
Rumo Intermodal S.A.	40,005	3,499	(20,000)	-	422	-	-	-	23,926
Rumo Malha Central S.A.	328,740	(256,049)	2,800,000	-	-	-	-	-	2,872,691
Rumo Malha Norte S.A.	8,317,416	673,856	-	(676,655)	73	-	(29,879)	-	8,284,811
Boswells S.A.	25,574	-	-	-	7,399	-	-	-	32,973
Brado Participações S.A.	371,867	6,185	-	(1,398)	-	-	-	332	376,986
Paranaguá S.A.	20,394	1,271	1,390	-	(2,234)	-	-	-	20,821
Logisport Armazéns Gerais S.A.	73,143	1,956	-	(609)	-	-	-	-	74,490
Rumo Luxembourg Sarl	50,064	(45,658)	-	-	-	-	-	-	4,406
Rumo Malha Paulista S.A.	-	283,841	2,900,000	-	68	201,620	(19,733)	-	3,365,796
Terminal São Simão S.A.	-	17	39,780	-	-	-	-	-	39,797
Rumo Malha Sul S.A.	1,730,253	(134,706)	300,000	-	358	-	-	-	1,895,905
Total investment in associates	11,664,792	595,611	6,021,170	(723,612)	6,103	201,620	(49,612)	332	17,716,404
ALL Argentina S.A.	(21,111)	(2,806)	-	-	2,379	-	-	-	(21,538)
Rumo Malha Paulista S.A.	(318,462)	(75,461)	595,543	-	-	(201,620)	-	-	-
Rumo Malha Oeste S.A.	(1,451,606)	(249,674)	-	-	47	-	-	-	(1,701,233)
Total investment in unsecured liability	(1,791,179)	(327,941)	595,543	-	2,426	(201,620)	-	-	(1,722,771)
Total	9,873,613	267,670	6,616,713	(723,612)	8,529	-	(49,612)	332	15,993,633

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

Financial information of subsidiaries and associates:

	December 31, 2021				December 31, 2020			
	Assets	Liabilities	Net equity and (unsecured liabilities)	Profit (loss) of the year	Assets	Liabilities	Net equity and (unsecured liabilities)	Profit (loss) of the year
Elevações Portuárias S.A.	925,490	199,547	725,943	80,151	918,960	195,158	723,802	61,399
Rumo Intermodal S.A.	33,836	32,232	1,604	(17,956)	34,662	10,736	23,926	3,499
Rumo Malha Central S.A.	6,872,692	4,265,146	2,607,546	(264,699)	5,041,849	2,169,159	2,872,690	(256,049)
Rumo Malha Norte S.A.	9,123,392	4,953,300	4,170,092	1,157,996	16,355,228	12,552,278	3,802,950	701,710
Boswells S.A.	34,893	-	34,893	(513)	32,973	-	32,973	-
Brado Participações S.A.	1,039,813	467,268	572,545	1,770	891,438	320,467	570,971	8,799
Paranaguá S.A.	17,493	203	17,290	(1,035)	20,995	152	20,843	1,273
Logisport Armazéns Gerais S.A.	53,453	30,268	23,185	4,540	55,295	28,149	27,146	4,935
ALL Argentina S.A.	6,610	77,004	(70,394)	(1,377)	6,572	30,248	(23,676)	(3,085)
Rumo Luxembourg Sarl	8,481,108	8,471,588	9,520	5,115	9,279,021	9,274,616	4,405	(45,658)
Rumo Malha Paulista S.A.	14,085,618	9,746,480	4,339,138	(267,610)	10,719,689	7,313,028	3,406,661	176,322
Rumo Malha Oeste S.A.	133,336	2,056,267	(1,922,931)	(221,802)	176,391	1,877,627	(1,701,236)	(249,674)
Rumo Malha Sul S.A.	6,219,436	3,635,342	2,584,094	(115,668)	4,460,509	2,561,460	1,899,049	(144,206)
ALL Armazéns Gerais Ltda.	90,593	536	90,057	4,856	-	-	-	-
Terminal São Simão S.A.	99,218	20,824	78,394	483	98,310	20,276	78,034	34

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

ii. Consolidated

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

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

	At January 1, 2020	Equity pick-up	Dividends	Other	At December 31, 2020
Rhall Terminais Ltda.	4,148	851	(1,234)	-	3,765
Termag - Terminal Marítimo de Guarujá S.A.	5,214	2,659	-	(6,200)	1,673
TGG - Terminal de Granéis do Guarujá S.A.	18,247	3,535	(3,103)	-	18,679
Terminal XXXIX S.A.	24,404	6,042	(3,849)	-	26,597
Total investments in unsecured liabilities	52,013	13,087	(8,186)	(6,200)	50,714

Financial information of subsidiaries and associates:

	December 31, 2021				December 31, 2020			
	Assets	Liabilities	Net equity and (unsecured liabilities)	Profit (loss) of the year	Assets	Liabilities	Net equity and (unsecured liabilities)	Profit (loss) of the year
Rhall Terminais Ltda.	31,068	14,708	16,360	4,073	26,371	13,821	12,550	9,578
Termag - Terminal Marítimo de Guarujá S.A.	276,284	252,483	23,801	11,726	229,586	221,232	8,354	7,721
TGG - Terminal de Granéis do Guarujá S.A.	253,310	76,257	177,053	37,150	271,125	84,313	186,812	38,301
Terminal XXXIX S.A.	335,511	273,747	61,764	10,075	171,072	117,877	53,195	11,667

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

(b) Participation of non-controlling shareholders**Accounting policy:**

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

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

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

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

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

	At January 1, 2020	Result of Non- controlling interests	Dividends	Stock option plan	Capital increase	Other	At December 31, 2020
Rumo Malha Norte S.A.	9,903	1,862	(1,850)	-	-	64	9,979
Brado Participações S.A.	225,889	3,755	(845)	194	-	-	228,993
Logisport Armazéns Gerais S.A.	34,219	1,879	(585)	-	-	-	35,513
Terminal São Simão S.A.	-	16	-	-	38,220	-	38,236
Total non-controlling interest	270,011	7,512	(3,280)	194	38,220	64	312,721

Notes to financial statements

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

Summary balance sheet:

	Rumo Malha Norte S.A.		Brado Participações S.A.		Logisport Armazéns Gerais S.A.	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Assets						
Current	1,468,342	3,755,283	297,834	242,869	16,777	15,202
Non-current	7,655,050	12,599,945	741,979	648,569	36,676	40,093
Total assets	9,123,392	16,355,228	1,039,813	891,438	53,453	55,295
Liabilities						
Current	1,084,042	1,972,340	175,898	152,336	14,737	12,201
Non-current	3,869,258	10,579,938	291,370	168,131	15,531	15,948
Total liabilities	4,953,300	12,552,278	467,268	320,467	30,268	28,149
Shareholders' equity	4,170,092	3,802,950	572,545	570,971	23,185	27,146

Summary income statement and other comprehensive income:

	Rumo Malha Norte S.A.		Brado Participações S.A.		Logisport Armazéns Gerais S.A.	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net income	3,745,014	3,781,915	335,374	283,133	24,853	22,088
Result before taxes	1,407,307	870,421	3,462	14,222	5,796	6,010
Income tax and social contribution	(249,311)	(168,711)	(1,692)	(5,423)	(1,256)	(1,075)
Result for the year	1,157,996	701,710	1,770	8,799	4,540	4,935
Other comprehensive result	2,527	(174)	-	-	-	-
Total comprehensive result	1,160,523	701,536	1,770	8,799	4,540	4,935
Dividends paid	(956,917)	(511,477)	(2,090)	(2,239)	(8,650)	(612)

Notes to financial statements

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

Summary cash flow statement:

	Rumo Malha Norte S.A.		Brado Participações S.A.		Logisport Armazéns Gerais S.A.	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net cash (used in) generated from operating activities	3,068,810	1,952,526	8,490	53,015	10,192	4,398
Net cash (used in) generated investing activities	395,654	(261,609)	(22,273)	(40,135)	2,846	(6,928)
Net cash (used in) generated from financing activities	(5,523,404)	(379,324)	3,957	23,532	(13,168)	2,651
Increase (decrease) in cash and cash equivalents	(2,058,940)	1,311,593	(9,826)	36,412	(130)	121
Cash and cash equivalents at beginning of the year	2,232,565	920,972	77,302	40,890	136	15
Cash and cash equivalents at end of the year	173,625	2,232,565	67,476	77,302	6	136

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

Accounting policy:

Impairment

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

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

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

Analysis of impairment

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

During the year ended December 31, 2021, the Company did not identify additional indicators of impairment, so that no impairment test was necessary for fixed assets, rights of use and intangible assets with a defined useful life.

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

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

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

5.12.1 Investment Properties

Accounting policy:

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

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

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

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

5.12.2 Property, Plant and Equipment

Accounting policy:

Recognition and measurement

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

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

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

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

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

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

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

Notes to financial statements

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

Reconciliation of book value

	Consolidated						Parent Company
	Land, buildings and improvements	Machinery, equipment and facilities	Freight cars and locomotives (i)	Track structure	Construction in progress	Other assets	Total
Cost:							
At January 1, 2020	1,019,909	984,565	8,207,826	8,603,070	1,478,836	835,602	21,129,808
Additions	146	717	17,900	1,193	3,248,397	58	3,268,411
Write-off	(532)	-	(94,689)	-	(507)	(21,265)	(116,993)
Transfers	369,899	187,873	796,982	645,612	(1,973,975)	55,560	81,951
At January 1, 2021	1,389,422	1,173,155	8,928,019	9,249,875	2,752,751	869,955	24,363,177
Additions	1,216	426	1,685	6,502	3,558,060	586	3,568,475
Write-off	-	(34,036)	(117,585)	(758)	-	(82,350)	(234,729)
Transfers	410,812	528,479	1,134,327	1,360,830	(3,361,473)	12,513	85,488
At December 31, 2021	1,801,450	1,668,024	9,946,446	10,616,449	2,949,338	800,704	27,782,411
Depreciation and Impairment:							
At January 1, 2020	(355,050)	(450,856)	(4,149,884)	(3,875,123)	(6,870)	(521,857)	(9,359,640)
Additions	(50,219)	(116,580)	(566,259)	(511,696)	(2,048)	(23,325)	(1,270,127)
Write-off	-	-	90,668	-	-	18,286	108,954
Transfers	(76,224)	11,646	(59,353)	67,841	2,795	197	(53,098)
Impairment	(2,811)	(8,898)	(31,405)	(80,340)	(7,256)	(12,308)	(143,018)
At January 1, 2021	(484,304)	(564,688)	(4,716,233)	(4,399,318)	(13,379)	(539,007)	(10,716,929)
Additions	(82,350)	(176,813)	(532,542)	(550,970)	-	(19,458)	(1,362,133)
Write-off	3,899	33,919	105,967	196	-	77,832	221,813
Transfers	(24,535)	9,548	67,092	(2,603)	-	(102)	49,400
At December 31, 2021	(587,290)	(698,034)	(5,075,716)	(4,952,695)	(13,379)	(480,735)	(11,807,849)
At January 1, 2021	905,118	608,467	4,211,786	4,850,557	2,739,372	330,948	13,646,248
At December 31, 2021	1,214,160	969,990	4,870,730	5,663,754	2,935,959	319,969	15,974,562

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

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

Capitalization of borrowing costs

In the year ended December 31, 2021, capitalized loan costs were R\$ 70,609 (R\$ 34,107 as of December 31, 2019), using an average rate of 11.81% (8.40% on December 31, 2020) to capitalize borrowing costs.

5.12.3 Intangible assets and goodwill

Accounting policy:

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

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

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

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

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

Notes to financial statements

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

			Consolidated			Parent Company
	Goodwill ⁽ⁱ⁾	Concession rights ⁽ⁱⁱ⁾	Operating license	Other	Total	Total
Cost:						
At January 1, 2020	100,451	8,012,731	343,348	206,667	8,663,197	614,854
Additions	-	5,227	-	4,445	9,672	-
Transfers	-	-	-	19,365	19,365	-
At January 1, 2021	100,451	8,017,958	343,348	230,477	8,692,234	614,854
Additions	-	-	35,834	922	36,756	35,834
Disposals	-	-	-	(3,790)	(3,790)	(1,601)
Transfers	-	(40,340)	-	24,611	(15,729)	546
At December 31, 2021	100,451	7,977,618	379,182	252,220	8,709,471	649,633
Amortization:						
At January 1, 2020	-	(1,002,735)	(143,675)	(141,754)	(1,288,164)	(265,198)
Additions	-	(121,574)	(11,774)	(19,290)	(152,638)	(38,960)
At January 1, 2021	-	(1,124,309)	(155,449)	(161,044)	(1,440,802)	(304,158)
Additions	-	(121,481)	(11,838)	(21,614)	(154,933)	(38,578)
Disposals	-	-	-	3,790	3,790	1,602
Transfers	-	20,946	-	(6,827)	14,119	16
At December 31, 2021	-	(1,224,844)	(167,287)	(185,695)	(1,577,826)	(341,118)
At January 1, 2021	100,451	6,893,649	187,899	69,433	7,251,432	310,696
At December 31, 2021	100,451	6,752,774	211,895	66,525	7,131,645	308,515

- (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 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.

5.12.4 Right-of-use

Accounting policy:

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

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

Notes to financial statements

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

	Consolidated						
	Land, buildings and improvements	Machinery, equipment and facilities	Freight cars and locomotives	Software	Vehicles	Port and track structure	Total
Cost amount:							
At January 1, 2020	178,441	11,667	1,038,641	66,931	14,259	3,803,953	5,113,892
Additions	91,095	8,512	864	15,438	-	3,406,560	3,522,469
Contractual adjustment	834	10,397	1,783	-	(334)	251,854	264,534
Transfers to permanent assets	-	-	(107,963)	-	-	-	(107,963)
At January 1, 2021	270,370	30,576	933,325	82,369	13,925	7,462,367	8,792,932
Additions	-	29,168	43	-	13,188	15,108	57,507
Contractual adjustment	41,618	47,577	5,242	4,659	41	282,497	381,634
Transfers to permanent assets	(230,004)	-	-	-	-	40,340	(189,664)
At December 31, 2021	81,984	107,321	938,610	87,028	27,154	7,800,312	9,042,409
Amortization:							
At January 1, 2020	(68,332)	(3,029)	(367,072)	(7,594)	(6,457)	(250,456)	(702,940)
Additions	(27,226)	(3,162)	(53,413)	(4,940)	(6,572)	(230,057)	(325,370)
Transfers to permanent assets	-	-	59,745	-	-	-	59,745
Impairment	-	-	-	-	-	(966)	(966)
At January 1, 2021	(95,558)	(6,191)	(360,740)	(12,534)	(13,029)	(481,479)	(969,531)
Additions	(17,451)	(8,962)	(38,478)	(4,425)	(773)	(274,228)	(344,317)
Transfers to permanent assets	77,310	-	-	-	-	(20,930)	56,380
At December 31, 2021	(35,699)	(15,153)	(399,218)	(16,959)	(13,802)	(776,637)	(1,257,468)
At January 1, 2021	174,812	24,385	572,585	69,835	896	6,980,888	7,823,401
At December 31, 2021	46,285	92,168	539,392	70,069	13,352	7,023,675	7,784,941

5.13 Other taxes payable

Accounting policy:

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
ICMS - State VAT	259	189	12,523	16,481
INSS - Social security	171	221	10,526	10,272
PIS - Social integration program	5	1,458	1,753	2,074
COFINS - Social security financing contribution	70	6,898	11,223	9,962
Installment of tax debts	902	902	649	2,791
ISS - Municipal service tax	-	-	8,906	12,107
IOF - Tax on financial operations	75	16	2,647	256
Other	246	324	8,215	10,782
	1,728	10,008	56,442	64,725
Current	1,728	10,008	56,046	62,602
Non-current	-	-	396	2,123
	1,728	10,008	56,442	64,725

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

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

	Consolidated	
	December 31, 2021	December 31, 2020
13 to 24 months	-	373
25 to 36 months	-	235
37 to 48 months	-	235
49 to 60 months	-	215
61 to 72 months	-	53
73 to 84 months	-	53
85 to 96 months	-	53
From 97 months	396	906
	396	2,123

5.14 Income tax and social contribution

Accounting policy:

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

i. Current tax

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

ii. Deferred tax

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

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

c) taxable temporary differences resulting from the initial recognition of goodwill.

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

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

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

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

iii. Fiscal exposure

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

iv. Recoverability of deferred income tax and social contribution

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

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

a) Reconciliation of income tax and social contribution expenses

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Result before income tax and social contribution	198,239	349,300	159,794	474,664
Income tax and social contribution expense at nominal rate (34%)	(67,401)	(118,762)	(54,330)	(161,386)
Adjustments to determine the effective rate				
Equity pick-up	125,948	91,008	4,371	4,450
Result of companies abroad	-	-	631	(16,223)
Exploration profit ⁽ⁱ⁾	-	-	199,687	109,081
Unrecognized NOLs and temporary differences ⁽ⁱⁱ⁾	(88,875)	(32,042)	(202,089)	(145,326)
Effect of amortization of goodwill	(16,869)	(16,869)	1,271	1,271
Interest on own capital	(9,520)	(8,942)	-	-
Other	9,016	33,470	46,406	38,144
Tax and social contribution (current and deferred)	(47,701)	(52,137)	(4,053)	(169,989)
Effective rate - %	24.06%	14.93%	2.54%	35.81%

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

Notes to financial statements

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

b) Deferred income tax assets and liabilities

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Assets credits from:				
Tax losses carry forwards - income tax	331,252	250,871	2,222,384	1,841,755
Tax losses of social contribution	130,064	101,127	812,156	675,123
Temporary differences:				
Provision for judicial demands	36,796	19,723	266,298	197,431
Impairment provision	30,327	30,327	193,207	226,092
Allowance for doubtful accounts	211	231	14,898	14,752
Provision for non-performing tax	-	-	43,668	45,149
Provision for profit sharing	3,018	115	47,628	9,058
Exchange variation - Loans and financing	18,971	28,461	171,517	595,580
Review of useful life - Fixed assets	-	-	304,088	635,363
Fair value adjustment on debts	-	77,667	49,323	526,001
Business combination - Fixed assets	1,964	2,143	47,138	58,255
Transactions with share-based payments	28,930	14,009	28,930	14,009
Lease liabilities	-	-	440,192	183,629
Unrealized result from derivatives	-	-	46,100	-
Temporary differences from other provisions	5,229	5,715	120,239	95,191
Other	8,532	-	240,256	248,860
Deferred taxes - Assets	595,294	530,389	5,048,022	5,366,248
(-) Unrecognized deferred assets credits	(432,880)	(344,005)	(2,460,278)	(2,281,470)
Liabilities credits from:				
Temporary differences:				
Provision for judicial demands	-	-	(138)	-
Exchange variation - Loans and financing	-	-	(717)	(185)
Business combination - Fixed assets	-	-	(22,820)	(23,349)
Tax goodwill amortized	-	-	(24,838)	(24,838)
Lease liabilities	(826)	(826)	(7,672)	(205,844)
Unrealized result from derivatives	(27,191)	(139,588)	(287,505)	(1,464,591)
Fair value adjustment on debts	(138,921)	-	(177,092)	-
Review of useful life - Fixed assets	(4,637)	(3,416)	(154,676)	(5,728)
Business combination - Intangible assets	(57,190)	(61,204)	(2,526,961)	(2,549,151)
Other	-	-	(82,418)	(55,399)
Deferred taxes - Liabilities	(228,765)	(205,034)	(3,284,837)	(4,329,085)
Total deferred taxes	(66,351)	(18,650)	(697,093)	(1,244,307)
Deferred assets	-	-	1,662,572	1,270,621
Deferred liabilities	(66,351)	(18,650)	(2,359,665)	(2,514,928)
Total	(66,351)	(18,650)	(697,093)	(1,244,307)

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

c) Realization of deferred income tax and social contribution

The Company evaluated the term for offsetting its deferred tax credits on tax losses, negative social contribution basis, and temporary differences by projecting its taxable profit over the term of the concessions. The projection was based on economic assumptions of inflation and interest, volume transported based on the growth of agricultural production, and exports projected in its areas of operation and market conditions for its services, validated by management. In the year ended December 31, 2021, the Company continued to monitor the observed impacts of the COVID-19 pandemic, evaluated the impacts of the increase in interest rates and considered that the potential effects should not affect the medium and long-term projections to the point of jeopardizing the realization balances. The results projected by the Company generate the following expected realization on December 31, 2021:

	Deferred asset
2022	94,996
2023	48,999
2024	48,695
2025	48,695
2026	24,106
2027 to 2032	17,838
2033 to 2037	479,789
2038 to 2042	899,454
Total	<u>1,662,572</u>

d) Deferred tax movements

	Consolidated
At January 1, 2020	<u>(1,316,367)</u>
Income statement	71,874
Actuarial liability	(74)
Others	260
At January 1, 2021	<u>(1,244,307)</u>
Income statement	546,475
Actuarial liability	(72)
Other	811
At December 31, 2021	<u>(697,093)</u>

e) Analytical movement of deferred tax

i. Deferred tax assets

	Tax loss and negative basis	Provisions	Exchange variation	Review of useful life - Fixed assets	Adjustment to fair value of debt	Business combination - Fixed assets	Transactions with share-based payments	Lease liabilities	Unrealized income from derivatives	Other	Total
At January 1, 2020	2,435,877	499,417	68,532	666,982	174,687	73,208	7,938	175,662	-	207,250	4,309,553
(Charged) / credited to the result of the year	81,001	(6,935)	-	(31,619)	351,314	(14,953)	6,071	7,967	-	136,801	529,647
Exchange differences	-	-	527,048	-	-	-	-	-	-	-	527,048
At December 31, 2020	2,516,878	492,482	595,580	635,363	526,001	58,255	14,009	183,629	-	344,051	5,366,248
(Charged) / credited to the result of the year	517,662	73,217	-	(331,275)	(476,678)	(11,117)	14,921	256,563	46,100	16,444	105,837
Exchange differences	-	-	(424,063)	-	-	-	-	-	-	-	(424,063)
At December 31, 2021	3,034,540	565,699	171,517	304,088	49,323	47,138	28,930	440,192	46,100	360,495	5,048,022

ii. Deferred tax liabilities

	Tax goodwill amortized	Provisions	Exchange variation	Review of useful life - Fixed assets	Adjustment to fair value of debt	Business combination - Fixed assets	Business combination - Intangible assets	Lease liabilities	Unrealized income from derivatives	Unregistered credits	Other	Total
At January 1, 2020	(24,838)	-	-	(965)	(91)	(23,915)	(2,573,178)	(215,561)	(556,031)	(2,183,537)	(47,804)	(5,625,920)
(Charged) / credited to the result of the year	-	-	-	(4,763)	91	566	24,027	9,717	(908,560)	(97,933)	(7,595)	(984,450)
Exchange differences	-	-	(185)	-	-	-	-	-	-	-	-	(185)
At December 31, 2020	(24,838)	-	(185)	(5,728)	-	(23,349)	(2,549,151)	(205,844)	(1,464,591)	(2,281,470)	(55,399)	(6,610,555)
(Charged) / credited to the result of the year	-	(138)	-	(148,948)	(177,092)	529	22,190	198,172	1,177,086	(178,808)	(27,019)	865,972
Exchange differences	-	-	(532)	-	-	-	-	-	-	-	-	(532)
At December 31, 2021	(24,838)	(138)	(717)	(154,676)	(177,092)	(22,820)	(2,526,961)	(7,672)	(287,505)	(2,460,278)	(82,418)	(5,745,115)

Notes to financial statements
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5.15 Provision for lawsuits and deposits

Accounting policy:

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

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

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

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

Provision for judicial demands				
	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Taxes	2,328	2,235	81,375	79,447
Civil, regulatory and environmental	57,486	17,782	313,930	150,173
Labor	43,305	32,791	285,774	243,484
	103,119	52,808	681,079	473,104

Judicial deposits				
	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Taxes	13,349	13,477	48,183	46,770
Civil, regulatory and environmental	2,507	2,565	49,270	59,413
Labor	15,474	16,174	206,580	224,419
	31,330	32,216	304,033	330,602

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

Changes in provisions for legal claims:

	Parent Company			
	Taxes	Civil, regulatory and environmental	Labor	Total
At January 1, 2020	2,453	7,791	37,833	48,077
Provision	22	3,600	4,896	8,518
Settlement or write-offs	(372)	(5,020)	(12,064)	(17,456)
Monetary restatement ⁽ⁱ⁾	132	11,411	2,126	13,669
At December 31, 2020	2,235	17,782	32,791	52,808
Provision	19	22,100	12,277	34,396
Settlement or write-offs	-	(17,288)	(12,373)	(29,661)
Monetary restatement ⁽ⁱ⁾	74	34,892	10,610	45,576
At December 31, 2021	2,328	57,486	43,305	103,119

	Consolidated			
	Taxes	Civil, regulatory and environmental	Labor	Total
At January 1, 2020	79,006	137,081	264,856	480,943
Provision	1,502	15,645	49,510	66,657
Settlement or write-offs	(2,005)	(45,320)	(95,022)	(142,347)
Monetary restatement ⁽ⁱ⁾	944	42,767	24,140	67,851
At December 31, 2020	79,447	150,173	243,484	473,104
Provision	1,879	47,913	97,751	147,543
Settlement or write-offs	(1,413)	(38,091)	(99,268)	(138,772)
Monetary restatement ⁽ⁱ⁾	1,462	153,935	43,807	199,204
At December 31, 2021	81,375	313,930	285,774	681,079

(i) Includes write-off of interest.

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

*(In thousands of Brazilian Reals - R\$, unless otherwise stated)***a) Probable losses**

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
ICMS- State VAT- credit ⁽ⁱ⁾	-	-	50,588	51,470
PIS and COFINS	-	-	2,084	2,050
INSS - National Social Security Institute	677	664	25,275	24,093
Other	1,651	1,571	3,428	1,834
	2,328	2,235	81,375	79,447

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

- **Civil, Environmental and Regulatory:** The main civil environmental and regulatory provisions are related to Public Civil Actions, commercial discussions with former clients and indemnities related to alleged damages.

b) Possible losses

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Tributary	1,043,703	974,492	3,806,708	3,655,279
Civil, regulatory and environmental	392,792	160,054	4,562,663	3,765,974
Labor	113,659	122,066	788,764	865,222
	1,550,154	1,256,612	9,158,135	8,286,475

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

• **Tax:**

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Capital gain ⁽ⁱ⁾	29,516	84,953	29,516	84,953
Isolated fine federal tax - REPORTO ⁽ⁱⁱ⁾	363,750	457,381	461,747	473,690
IRPJ/CSLL ⁽ⁱⁱⁱ⁾	324,758	278,315	549,890	510,401
ICMS ^(iv)	-	92	952,284	1,120,336
IRRF ^(v)	56,857	55,259	136,945	133,837
PIS/COFINS ^(vi)	164,415	3,981	1,077,706	868,789
Foreign financial operations ^(vii)	-	-	8,450	29,136
MP 470 installment debts ^(viii)	-	-	155,069	116,276
Stock option plan ^(ix)	54,747	53,695	65,260	63,986
IOF on loan ^(x)	17,204	14,886	136,286	14,886
Compensation with credit award ^(xi)	-	-	46,661	45,609
Other	32,456	25,930	186,894	193,380
	1,043,703	974,492	3,806,708	3,655,279

- (i) Tax assessment notices issued by the Federal Revenue Service in 2011 and 2013 and 2019 against the Company related to: a) disallowance of goodwill expense based on future profitability, as well as financial expenses; b) non-taxation of supposed capital gain on the sale of equity interest in a Company of the same economic group; and c) supposed capital gain on the incorporation of shares in companies of the same economic group. In 2019, the Company were definitively successful in reducing the capital gain launch base. Adjusted contingency regarding definitive success.
- (ii) The Company was assessed for not considering the tax benefits of REPORTO (suspension of PIS and COFINS), under the allegation that the locomotives and wagons acquired in the year 2010 to 2012 were used outside the limits of the port area. Consequently, PIS and COFINS were required, in addition to the isolated fine corresponding to 50% of the value of the acquired assets.

- (iii) Tax assessment notices requiring IRPJ and CSLL related: (a) Goodwill Malha Norte: Tax assessment notices issued for the collection of IRPJ and CSLL, combined with interest on late payment and official and isolated fines. According to the Federal Revenue, Rumo Malha Norte would have unduly amortized the goodwill from the acquisition of the companies Brasil Ferrovias S.A. and Novoeste Brasil S.A. (b) GIF, TPG and Teaçu premiums. Infraction notices drawn up for the collection of IRPJ and CSLL, combined with an official fine and late payment interest, in addition to an isolated fine, for the following reasons: Deduction, from the actual profit and the CSLL calculation base, from the amount corresponding to the amortization in acquisition of interest in Teaçu Armazéns Gerais S.A.; Deduction, from real profit and CSLL calculation base, of the amount corresponding to the amortization of goodwill paid by the companies TPG Participações S.A. and GIF LOG Participações S.A. on the acquisition of shares issued by Rumo Logística S.A.; (c) Labor provisions: In 2009, under the allegation that the Company would have excluded labor provisions from the calculation of taxable income and the adjusted calculation base of CSLL. In the understanding of the Tax Authorities, the write-offs of the labor provisions were made by the Company without the individualization of the processes (provisions and reversals), which would have an impact on the tax assessment. The likelihood of loss is possible, considering that the occurrence of the decay and that the Company complied with all tax rules related to the addition and exclusion of provisions in the calculation of IRPJ and CSLL.
- (iv) The ICMS claims are substantially related to the following items a) Tax assessment notices drawn up by the State Treasury Department for alleged failure to pay ICMS in the provision of rail transport services for goods destined for export; undue crediting of ICMS for alleged bookkeeping in the Book of Entries of Entries of amounts higher than those calculated in the Tax Books; undue crediting of ICMS for purchases supposedly classified as use and consumption. Fines of 50% of the tax amount and 100% of the credit amount considered undue were also included. All assessments were challenged, since there is a favorable position for taxpayers consolidated in the higher courts, based on STJ Precedent 649, as well as the Federal Constitution and Complementary Law 87/1996; b) the tax authorities of the State of Mato Grosso promoted the drawing up of several Term of Seizure and Deposit (TADs) aiming at the collection of ICMS and a fine of 50% on the value of the assessed operations, under the mistaken understanding that the exit operations of goods destined for export would have the DACTEs (Auxiliary Document of the Electronic Transport Bill) cancelled, with the supposed characterization of disreputable documentation, pursuant to Articles 35-A and 35-B of State Law 7098/98. The Company contests the assessments and seeks to demonstrate to the Tax Authorities that the goods transported were duly covered by suitable tax documentation; c) collection of ICMS, for the years 2018 and 2019, on the acquisition of wagons as a result of the alleged non-exemption provided for by the Tax Regime for Incentive to Modernization and Expansion of the Port Structure - REPORTO by the São Paulo tax authorities.

- (v) Rumo Malha Paulista had part of its IRPJ credit balance offset partially disallowed by the IRS based on the argument that the Company would not be entitled to IRRF offset on swap transactions.
- (vi) The administrative demands of PIS and COFINS are related, substantially, to the disallowances of PIS and COFINS credits by the non-cumulative system related to the following items: a) credits posted extemporaneously without prior correction of tax returns; b) credits on expenses arising from mutual traffic contracts; c) credits related to expenses with services classified as inputs in the activity developed by the company that supposedly were not proven during the Inspection; d) credits on employee transportation expenses; e) credits related to electricity expenses; f) credits on expenses with machine leases and rentals that were not proven in the course of the Inspection; g) credits on expenses in the acquisition of machinery, equipment and other assets incorporated into the company's fixed assets and h) isolated fine corresponding to 50% of the value of the credits.
- (vii) Tax assessment notice issued to demand differences in IRPJ, CSL, PIS and COFINS, related to calendar years from 2005 to 2008, as a result of the following infractions: a) improper calculation of PIS and COFINS credits on inputs used in the locomotive repair; b) undue deduction from taxable income and from CSL's calculation basis of financial expenses arising from loans entered into with financial institutions abroad; c) improper exclusion from the taxable income and CSL's calculation basis of financial income arising from bonds issued by the government of Austria and the government of Spain, the latter through the Official Credit Institute ("ICO"), a public company he bound; d) error in accounting and improper exclusion in the taxable income and in CSL's calculation basis of gains earned on swap operations and non-taxation of financial income earned with such contracts by PIS and COFINS; e) undue exclusion from the taxable income and from the CSL calculation basis carried out as PIS and COFINS credits; f) undue exclusion from the taxable income and from the calculation basis of the CSL carried out as deferred CSL; and g) insufficient payment of IRPJ and CSL advances, which led to the application of an isolated ex officio fine in the percentage of 50%, concomitantly with ex officio fines of 75%. In 2019, we were definitively successful with regard to the entirety of infractions "a", "b", "d", "e" and "f", as well as part of infraction "c", to recognize the possibility of exclusion. of the taxable income and the basis for calculating the CSL of the revenues arising from the Austrian public debt securities acquired on July 24, 2006 and, as a consequence, of part of the infraction "g", to the extent of the partial cancellation of item "c" . Adjusted contingency regarding definitive success. The remainder of item "g" remains under administrative discussion. The discussion on the remainder of item "c" ended at the administrative level and continued at the judicial level.
- (viii) The Federal Revenue Service partially rejected the requests for installment payments of federal tax debts made by Rumo Malha Sul and Rumo Intermodal, on the grounds that the tax losses offered by the companies were not sufficient to settle the respective debts. The probability of loss is considered as possible, since the losses identified existed and were available for that use.

- (ix) Tax assessment notices drawn up against the Company for the collection of social security contributions (20% of the amount paid) of amounts referring to the Stock Option Plan granted to employees, administrators and third parties. The main basis for the assessment is the alleged remuneration.
- (x) The Federal Tax Authorities intends to enforce the IOF levy on current accounts held by the parent company for affiliates/subsidiaries (the most substantial part of the assessment). In the opinion of the tax authorities, the use of an accounting item such as advances of expenses to related companies, without a formal loan agreement, characterizes the existence of a current account, and the IOF due must be determined according to the rules specific to revolving credit operations. The tax assessment notices are still being challenged at the administrative level, and b) Infraction notice issued by the Federal Tax Authorities against Rumo Malha Norte for alleged lack of payment of IOF in the period 2017 and 2018, related to the collection in alleged financial transactions between the group companies, essentially on the remittance of amounts resulting from mutual traffic between Malha Norte and Malha Paulista, contracts with Raízen and other amounts listed in other accounting accounts.
- (xi) Rumo Malha Sul transmitted nineteen clearing statements (DCOMP) via the PERD / COMP electronic system, referring to "premium credit", using credit acquired from third parties (Fibra S.A. Indústria e Comércio and others). Such Dcomps for referring to credit of third parties and also to "credit - premium", in accordance with the current legislation, were considered as not declared in Decision Order contained in the administrative process, with awareness to the taxpayer on 09/24/2013, giving rise thus the application of a 75% fine in compliance with art. 18, §4 of Law No. 10,833 / 2003.

- **Civil, regulatory and environmental:**

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Civil (i) (ii) (iii)	157,503	111,478	2,700,703	2,440,468
Regulatory (iv) (v)	234,155	47,501	1,156,243	728,064
Environmental (vi)	1,134	1,075	705,717	597,442
	392,792	160,054	4,562,663	3,765,974

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

(i) Rumo Malha Norte, Rumo Malha Sul, Rumo Malha Paulista and Rumo S.A. are parties to a confidential arbitration procedure, the total value of which amounts to R\$ 1,128,164. The proceeding was initiated by the opposing party on the grounds that the Company had given rise to the termination of the rail transport and investment service contract, in view of which it claimed compensation. Rumo filed a counterclaim, through which it intends to recognize the groundlessness of the claims of the opposing party, as well as the liability of the opposing party to bear the losses and damages resulting from its unreasonable termination. The company's request for the production of evidence was denied and after closing arguments, in May 2021, a sentence was handed down, partially judging the requests made by the opposing party. The sentence, however, is illiquid, and the determination of the value of the sentence will be made through the liquidation of sentence. The arbitration proceeding is suspended due to subsequent findings concerning the bias of one of the arbitrators of the arbitration panel. At the present time, the decision of the Special Committee constituted to determine the partiality of the contested arbitrator is awaited. Due to the illiquidity of the award, as well as the suspension of the arbitration to determine the arbitrator's partiality, the amounts are classified as a possible contingency.

(ii) Rumo Intermodal, upon taking over the business activities of another Company, not belonging to the Group, assumed the responsibility for payment related to the lawsuit arising from the dispute over the trademark, the amount involved in which is R\$ 167,765. There was an equitable reduction of the amount to R\$ 15,000, with an appeal by both parties. If this third company loses the demand and is obliged to make payment, it may sue Rumo in return, based on such obligation. The lawsuit is in the judgment settlement phase, and a provision has been set up for R\$ 15,237 for the claim.

(iii) Rumo Malha Sul is a party to a conduct adjustment agreement signed with the Federal Public Prosecutor's Office, in which the latter alleges that Rumo would not be carrying out cargo transport in the Presidente Prudente region and, as a result, requested the execution of a daily fine, as well as the increase in the amount of the fine. Rumo, in turn, filed a declaratory action to give the correct interpretation to the TAC, since its commitment was to try to get enough cargo to carry out the transport. Periodically, the company holds seminars in the region, but so far it has not been able to attract people interested in providing the services. The claims are in the lower court, awaiting court decision. The total contingency of the case is R\$ 103,907, with 50% of the amounts provisioned and the remainder classified as possible.

(iv) In November 2021, CADE, in the judgment of the administrative proceeding initiated by the representation of a former client, among other points, sentenced the Company to pay a fine in the amount of R\$ 247,172, a decision that was upheld in the judgment of the declaration embargoes. The establishment of such amount is contrary to precedents of CADE itself, either in relation to the calculation basis or in relation to the rate used, which is why the Company filed an action for annulment of such decision. Based on the technical analysis of its external legal body, the Company assesses as probable the risk of loss of a portion in the amount of R\$ 22,761 (for which it recorded a provision) and classifies the difference as a possible contingency.

(v) Rumo Malha Sul filed a lawsuit against ANTT to prevent registration with CADIN due to alleged debts of quarterly installments of the concession agreement, which were not paid due to compensation made with labor debts that were the obligation of the extinct Rede Ferroviária Federal SA. There was a decision in favor of Rumo, preventing registration with CADIN, as well as stating that it is possible to offset amounts. Currently, the collection of credits and debits is awaited for administrative compensation. The amount involved is R\$ 127,820.

(vi) Rumo Malha Sul was assessed, in 2014, by IBAMA for alleged oil spills in violation of regulations. An administrative appeal was filed and a decision at the administrative level has been awaited since 2015. The amount involved is R\$ 140,098.

- **Labor:**

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Labor claims	113,659	122,066	788,764	865,222
	113,659	122,066	788,764	865,222

In 2010, Prumo Engenharia Ltda. ("Prumo Engenharia"), a service provider of then ALL - América Latina Logística SA ("ALL"), was accused of incurring irregular labor practices while performing engineering services for the Company's subsidiary, currently Rumo Malha Paulista. Although Prumo Engenharia assumed full responsibility for the condition of the workers in question, Rumo Malha Paulista was unduly included, in the Company's view, in the list of employers of the Ministry of Labor, and a preliminary injunction was granted determining the exclusion of said list until the final decision of the judicial process, which is being processed in secret.

The Public Ministry of Labor also filed a public civil action (ACP) against Malha Paulista, without the inclusion of Prumo in the lawsuit, requiring the payment of indemnity for collective moral damages in the amount of R\$ 100 million (among other commitments), partially judged proceeding condemning the Company in obligations to do and not to do, in how, in collective moral damage of R\$ 15 million. In addition to demonstrating that the Company did not participate in the practice of irregularities, the Company believes that the action should be brought against Prumo, which is discussed in an appeal. The risk of loss is considered possible and the case is awaiting a decision by the Superior Labor Court.

5.16 Liabilities, provisions and commitments to the Granting Authority

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

a) Installment of leases and concessions under litigation

Accounting policy:

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

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

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

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

	December 31, 2021	December 31, 2020
Court discussion:		
Rumo Malha Paulista	55,170	101,871
Rumo Malha Oeste	1,747,233	1,617,764
	1,802,403	1,719,635
Railroad concession:		
Rumo Malha Paulista	1,145,450	1,154,919
	1,145,450	1,154,919
Payables:		
Rumo Malha Sul	85,713	84,637
Rumo Malha Paulista	20,682	24,151
	106,395	108,788
Total	3,054,248	2,983,342
Current	160,771	158,705
Non-current	2,893,477	2,824,637
	3,054,248	2,983,342

Lease and concession under litigation:

On July 21, 2020, the Company filed with the National Land Transport Agency (ANTT), a request to join a third-party re-bidding process for the purpose of the Concession Agreement entered into between Malha Oeste and the Federal Government, through the Ministry of Transport ("Re-bidding Process"), pursuant to Law No. 13,448 of June 5, 2017 and regulated by Decree No. 9,957 of August 7, 2019.

Judicial deposits related to the aforementioned lawsuits total:

	December 31, 2021	December 31, 2020
Rumo Malha Oeste	22,119	22,119
	22,119	22,119

*(In thousands of Brazilian Reals - R\$, unless otherwise stated)***Leases and grants under IFRS16 (Note 5.6)**

	December 31, 2021	December 31, 2020
Leases:		
Rumo Malha Sul	623,155	600,745
Rumo Malha Paulista	508,169	475,647
Rumo Malha Oeste	216,101	179,568
Elevações Portuárias	97,046	76,925
Portofer	13,921	12,463
	1,458,392	1,345,348
Grants:		
Rumo Malha Paulista (renewal)	590,594	492,222
Malha Central	614,410	491,354
	1,205,004	983,576
Total	2,663,396	2,328,924
Current	274,774	232,212
Non-current	2,388,622	2,096,712
	2,663,396	2,328,924

b) Investment commitments

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

The renewal addendum to the concession of Malha Paulista, which foresees the execution long with the concession of a set of investment projects to increase capacity and reduce urban conflicts, estimated by the agency at R\$ 6,100,000 (value updated until December 2017). Of this amount, around R\$ 3,000,000 comprise the obligations, whose physical execution was 16% until the balance sheet date.

The Malha Central sub-concession contract provides for investments with a fixed term (one to three years from the signing of the contract), estimated by ANTT at R\$ 645,573. As of December 31, 2021, the physical execution of the obligation book projects was 65%.

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. As of December 31, 2021, the subsidiary had made investments at a cost of R\$ 270,629.

5.17 Shareholders' equity

a) Share capital

Accounting policy:

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

On April 27, 2021, as resolved at the Annual and Extraordinary Shareholders' Meeting, the Company reduced its share capital in the amount of R\$ 3,507,064, without canceling shares, to absorb accumulated losses (Note 4.4).

After the reduction, the subscribed and fully paid-in capital as of December 31, 2021 is R\$ 12,547,842 (R\$ 16,054,906 as of December 31, 2020) and is represented by 1,854,158,791 nominative, book-entry and worthless common shares nominal.

As of December 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	2,749,957	0.15%
Tresuary	839,673	0.05%
Free Float	1,217,034,017	65.64%
Total of Outstanding Shares	1,854,158,791	100.00%

b) Capital reserve

Accounting policy:

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

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

- c) Increase of R\$ 34,119 in transactions with payment based on shares;
- d) R\$ 33,936 decrease for the options on exercised shares;
- e) R\$ 120 decrease related to the effect of the distribution of dividends to preferred shareholders in the subsidiary Rumo Malha Norte.

c) Legal reserve

Accounting policy:

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

For the year ended December 31, 2021, the Company allocated the amount of R\$ 7,527 (on December 31, 2020 there was no allocation of legal reserve).

d) Treasury shares

On October 28, 2020, the repurchase plan of 21,482,277 shares was approved, which represents 1.16% of the Company's share capital, the plan the term of 18 months, that is, until April 29, 2022.

Notes to financial statements

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

As of December 31, 2021, the Company had 839,673 treasury shares (532,000 on December 31, 2020), whose market price was R\$ 17.76 (R\$ 19.34 on December 31, 2020).

e) Profit Reserve

On April 27, 2021, as resolved at the Annual and Extraordinary Shareholders' Meeting, the Company used profit reserves in the amount of R\$ 253,599 to absorb the accumulated loss. (Note 4.4)

f) Other comprehensive income

	December 31, 2020	Base	Deferred tax	Net	December 31, 2021
Effects of foreign currency translation - Investee	29,394	2,925	-	2,925	32,319
Actuarial gains with pension plan	(2,622)	1,455	(495)	960	(1,662)
Attributed cost	2,804	(445)	-	(445)	2,359
Total	29,576	3,935	(495)	3,440	33,016

	At December 31, 2018	Base	Deferred tax	Net	December 31, 2020
Effects of foreign currency translation - Investee	21,436	7,958	-	7,958	29,394
Actuarial losses with pension plan	(3,193)	865	(294)	571	(2,622)
Attributed cost	2,834	(30)	-	(30)	2,804
Total	21,077	8,793	(294)	8,499	29,576

g) Dividends

On December 31, 2021, the Company allocated minimum mandatory dividends in the amount of R\$ 35,753, as shown below:

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

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

6 Detailed information on income statement

6.1 Net operating revenue

Accounting policies

i. Service revenue

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

Service prices are fixed based on service orders or contracts. The Company's revenue is basically comprised of rail freight, road freight, container transport and port elevation services, which is why the above criteria are normally met to the extent that the logistics service is provided.

ii. Deferred revenue

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

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Gross revenue from sales of services	826,317	1,004,507	7,944,312	7,349,804
Taxes and deductions on sales of services	(53,603)	(54,238)	(504,680)	(383,645)
Net revenue	772,714	950,269	7,439,632	6,966,159

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

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

Breakdown of net revenue by service:

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cargo transportation	772,714	950,269	6,847,070	6,388,273
Cargo elevation	-	-	418,657	377,502
Right of passage	-	-	156,229	173,358
Other	-	-	17,676	27,026
Net revenue	772,714	950,269	7,439,632	6,966,159

6.2 Costs and expenses by nature

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

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Material for use and consumption	(1,005)	(1,064)	(154,970)	(152,667)
Employee benefit expense	(26,965)	(18,656)	(1,153,700)	(932,421)
Depreciation and amortization	(105,041)	(100,700)	(1,830,683)	(1,617,447)
Third-party services expense	(10,291)	(6,036)	(397,241)	(373,470)
Transportation and elevation expenses	(544,877)	(621,776)	(2,128,043)	(1,809,056)
Rental expenses or operating leasing (Note 5.6)	-	-	(66,967)	(59,693)
Other expenses	(16,454)	(15,876)	(132,134)	(214,398)
	(704,633)	(764,108)	(5,863,738)	(5,159,152)
Cost of services provided	(666,587)	(731,144)	(5,352,040)	(4,721,507)
Selling expenses	60	594	(38,959)	(30,670)
General and administrative expenses	(38,106)	(33,558)	(472,739)	(406,975)
	(704,633)	(764,108)	(5,863,738)	(5,159,152)

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

6.3 Other operating income (expenses), net

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net effect of judicial proceedings	(36,632)	(8,286)	(152,185)	(86,745)
Rental and leases revenue	39,202	25,200	-	-
Result on sale of scrap / eventual	1,836	7,775	64,541	37,888
Amortization of use rights ⁽ⁱ⁾	-	-	-	(97,560)
Result on disposals of fixed assets and intangible assets	(63)	-	30,325	42,576
Extemporaneous tax credit	988	3,453	49,894	102,576
Settlement of disputes in the renewal process ⁽ⁱⁱ⁾	-	-	52,963	278,496
Loss from impairment (Note 5.12.2)	-	-	-	(143,984)
Reform of assets allocated to income ⁽ⁱⁱⁱ⁾	-	-	(40,191)	-
Other	(5,053)	(4,635)	(74,364)	(4,860)
	278	23,507	(69,017)	128,387

(i) Due to Malha Central having started its operations at the beginning of 2021, the depreciation of right-of-use assets started to be recognized as costs of services provided (Note 6.2).

(ii) Reversal of leasing liabilities in dispute registered, related to labor credits from recourse lawsuits.

(iii) Asset refurbishment cost recognized directly in income for the year by subsidiary with provision for impairment of assets.

6.4 Financial results

Accounting policy:

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

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

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

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

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

The details of financial income and costs are as follows:

	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cost of gross debt				
Interest and monetary variation	(691,711)	(430,964)	(1,596,347)	(1,075,759)
Net exchange rate changes on debts	(40,080)	(68,111)	(473,854)	(1,562,336)
Result from derivatives and fair value	378,448	328,043	1,443,755	1,820,960
Early settlement premium and funding	(40,665)	(18,344)	(329,346)	(48,020)
Guarantees and warranties on loans	(2,701)	(3,462)	(36,628)	(36,316)
	(396,709)	(192,838)	(992,420)	(901,471)
Cash investment income	40,759	49,234	310,736	134,983
	40,759	49,234	310,736	134,983
	-	-	-	-
Cost of debt, net	(355,950)	(143,604)	(681,684)	(766,488)
Other charges and monetary variations	-	-	-	-
Interest on other receivables	168,406	39,459	88,398	42,007
Lease and concessions under litigation	-	-	(133,173)	(108,016)
Lease liabilities	-	(10)	(398,737)	(549,489)
Banking expenses and other	(3,315)	(4,767)	(26,258)	(54,862)
Reversal of lease liability charges under	-	-	-	131,243
Interest on contingencies and commercial contracts	(33,981)	(9,686)	(212,380)	(152,484)
Foreign exchange e derivatives	(2,830)	(4,477)	(16,098)	(15,006)
Interest on other liabilities	(12,887)	(4,953)	19,992	(722)
	115,393	15,566	(678,256)	(707,329)
Finance result, net	(240,557)	(128,038)	(1,359,940)	(1,473,817)
Reconciliation				
Financial expenses	(785,260)	(472,186)	(2,712,877)	(1,894,425)
Financial income	209,165	88,693	399,134	176,990
Exchange variation	(42,910)	(72,588)	(489,952)	(1,577,342)
Derivatives	378,448	328,043	1,443,755	1,820,960
Finance result, net	(240,557)	(128,038)	(1,359,940)	(1,473,817)

(i) Positive effect related to the portion of charges included in the reversal of lease liabilities in litigation registered in May (Note 5.16.a).

6.5 Share-based payment

Accounting policy:

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

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

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

a) Description of the agreements

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

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

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

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

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

The programs plans granted by the Company as of December 31, 2021 can be grouped according to terms and conditions into:

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

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

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

Notes to financial statements

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

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

Stock Options Plans	Lack period (years)	Grant date	Interest rate	Volatility	Granted shares	Exercised / cancelled	Effective on December 31, 2020	Market price on grant date - R\$	Fair value on grant date - R\$
2016 Plan	5	January 2, 2017	11.33%	42.75%	1,476,000	(1,476,000)	-	6.10	6.10
2017 Plan	5	September 1, 2017	9.93%	29.76%	870,900	(255,250)	615,650	10.42	10.42
2018 Plan	5	August 1, 2018	10.93%	31.97%	1,149,544	(308,417)	841,127	13.94	13.94
2019 Plan	5	August 15, 2019	6.28%	27.46%	843,152	(147,214)	695,938	22.18	22.17
2020 Plan	5	November 11, 2020	6.94%	41.03%	776,142	(115,303)	660,839	20.02	20.01
2021 Special	5	May 05, 2021	7.65%	26.06%	1,481,000	(414,702)	1,066,298	20.85	20.84
2021 Plan	3	September 15, 2021	10.01%	26.51%	1,560,393	(8,422)	1,551,971	18.20	18.19
					8,157,131	(2,725,308)	5,431,823		

b) Reconciliation of shares granted in circulation

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

	Antiga ALL		Rumo S.A
	Number of options	Average exercise price	Number of shares
At January 1, 2020	150,662	56.61	5,228,186
Granted	-	-	776,142
Lost / cancelled	(51,311)	-	(1,325,548)
Exercised / delivered	-	73.59	(146,019)
At December 31, 2020	99,351	68.54	4,532,761
Granted	-	-	3,041,393
Exercised / delivered	-	85.41	(1,436,653)
Lost / cancelled	(54,859)	-	(705,678)
At December 31, 2021	44,492	74.99	5,431,823

- (i) The average exercise price is R\$ 0.01 (one cent) for programs granted by the Company.
- (ii) The remaining options were forfeited on February 6, 2022, without being exercised.

c) Expense recognized in profit or loss

In the year ended December 31, 2021, R\$ 34,698 was recognized as expenses related to the appropriation of the "Stock Options" programs (R\$ 13,730 on December 31, 2020).

6.6 Earnings per share

Accounting policy:

a) Basic earnings per share

Basic earnings per share are calculated by dividing:

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

b) Diluted earnings per share

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

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

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

Notes to financial statements

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

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

Basic and diluted

	December 31, 2021	December 31, 2020
Basic and diluted result for the year attributable to controlling shareholders	150,538	297,163
Denominator:		
Weighted average number of common share	1,852,890	1,664,084
Diluted effects:		
Dilutive effect - Stock option plan	4,708	4,456
Weighted average number of common share - diluted	1,857,598	1,668,540
Basic earnings per common share	R\$0.08124	R\$0.17857
Diluted earnings per common share	R\$0.08104	R\$0.17810

EARNINGS RELEASE 4Q21

Curitiba, February 17, 2022 – RUMO S.A. (B3: RAIL3) (“Rumo”) today announces its results for the fourth quarter of 2021 (4Q21), consisting of October, November, and December. 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 4Q21 and 4Q20, except when otherwise indicated.

Rumo 4Q21 and 2021 Highlights

- The crop failure caused a 38.4% decline in Brazil's corn exports in the 20/21 crop. Despite this fact, Rumo's market share gain commercial strategy led to a transported volume of 64.0 billion RTK, 2.5% higher than the 2020 volume.
- In 2021, Rumo gained 3.7 p.p of market share in Mato Grosso. In Goiás, Rumo reached in December, a market share of 54%.
- EBITDA totaled R\$419 million in 4Q21, pressured by lower tariff in the quarter, coupled with higher variable costs, mainly fuel, and the inflation over fixed costs.
- EBITDA totaled R\$3,350 million in 2021, 8.6% lower than in 2020, driven by lower margins and volume due to corn crop failure.
- Net income came to R\$156 million in 2021, an effect of a lower EBITDA. Net debt totaled R\$9.4 billion in 4Q21 and leverage stood at 2.8x comprehensive net debt/LTM EBITDA.
- Capex totaled R\$3,453 million in 2021, in line with the investment plan.

4Q21	4Q20	Chg.%	Summary of financial information (Amounts in BRL mln)	2021	2020	Chg.%
15,883	16,197	-1.9%	Total transported volume (millions RTK)	64,028	62,458	2.5%
2,897	3,533	-18.0%	Total volume loaded (TU '000)	12,493	14,447	-13.5%
1,561	2,261	-30.9%	Logistics solution volume	5,526	7,033	-21.4%
1,512	1,662	-9.0%	Net revenue ¹	7,440	6,966	6.8%
(1,371)	(1,248)	9.9%	Cost of goods sold	(5,352)	(4,722)	13.3%
141	414	-65.9%	Gross profit	2,088	2,244	-7.0%
9.3%	24.9%	-15.6 p.p.	Gross margin (%)	28.1%	32.2%	-4.2 p.p.
(144)	(131)	9.7%	Sales, general and administrative expenses	(512)	(438)	17.0%
(60)	56	>100%	Other op. revenues (expenses)	(69)	128	>100%
1	2	-25.0%	Equity pickup	13	13	n/a
(62)	340	>100%	Operational profit	1,520	1,948	-22.0%
481	417	15.3%	Depreciation and amortization	1,831	1,716	6.7%
419	757	-44.6%	EBITDA	3,350	3,664	-8.6%
27.7%	45.6%	-17.8 p.p.	EBITDA margin (%)	45.0%	52.6%	-7.6 p.p.
(384)	3	>100%	Net profit (loss)	156	305	-48.9%
-25.4%	0.2%	-25.6 p.p.	Net margin (%)	2.2%	4.4%	-2.3 p.p.
701	997	-29.7%	Capex	3,453	2,979	15.9%

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

February 18, 2022

English* - 2:00 p.m. (Brasília time)

*With simultaneous translation to Portuguese

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Letter from the CEO

Speaking of 2021, we need to go back to early in the year, when Rumo was very clear about its key priority for 2021. Volume growth with market share gains to test its mounting installed capacity.

The corn crop failure, that reduced by 10 million tons Rumo's potential market, did not prevent us from reaching our all-time highest volume. This achievement was possible through market share gains in our operations, pursuing additional volumes in new geographies, farther from our terminals. We again reinforce that we have an unrivaled logistics solution, in terms of competitiveness.

The agreement signed for the first state railway in Mato Grosso meant outstanding advances for the regulatory agenda, a 730 km-railway between Rondonópolis and Lucas do Rio Verde. We also benefited from evolution of MRS network concession renewal which will cut by 58% the trackage rights charged from Rumo, besides ensuring additional investments and capacity for the "Ferradura" railway system.

We saw structural deliveries, two new terminals of Central Network kicked off their activities, and in December we reached 54% grains market share in the state of Goiás. The Port of Santos saw relevant works to expand capacity and efficiency, the third line of Paquetá and Macuco expansion, both on the right edge, which together, ensure other 12 million tons/year of capacity.

From an operational standpoint, the first-year operating a 120-railcar train, with a new communication structure through Santos mountain range, and a new generation of circulation optimizers came above our expectations, reducing our cycle compared to 2020, and will enable us to considerably review our Capex plan for the upcoming years. This is efficiency definitively playing a leading role in our capacity growth key driver.

Irrespective of North Network expansion, Rumo will consistently sustain its strategy of stepping up capacity to the best price possible. We will move on our commercial expansion in the state of Mato Grosso, which this year, will receive an installation license for Lucas de Rio Verde. We will continue pursuing accelerated volume growth in the state of Goiás, that needs to be filled quickly. These projects are milestones for Rumo, and it will place Brazil as one of the countries with the most efficient and competitive agribusiness infrastructure.

Lastly, I also point out our advances in the sustainability agenda, we remain being guided by our 10 sustainable development commitments, improving railway energy efficiency and seeking to mitigate the climate change-related impacts.

João Alberto Abreu
CEO

Comparable Result

In this section, we present the fourth quarter and the 2021 financial year results, adjusted by the effects of the early renewal of the Paulista Network, excluding the Central Network results 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)	4Q21	Cental Network	Comparable 4Q21	4Q20	Cental Network	Paulista Network ²	Comparable 4Q20	Chg.%
Logistics solution volume	15,883	(942)	14,941	16,197	-	-	16,197	-7.8%
Net revenue	1,512	(76)	1,437	1,662	-	-	1,662	-13.6%
Gross profit	141	24	165	414	-	-	414	-60.3%
<i>Gross margin (%)</i>	9.3%	-31.1%	11.4%	24.9%	n/a	n/a	24.9%	-13.5 p.p.
Sales, general and administrative expenses	(144)	13	(131)	(131)	13	-	(118)	10.7%
Other op. revenues (expenses) & eq. pickup	(59)	-	(59)	58	25	(31)	51	>100%
Operational profit	(62)	37	(25)	340	38	(31)	347	>100%
Depreciation and amortization	481	(49)	432	417	(25)	-	392	10.2%
EBITDA	419	(12)	407	757	13	(31)	739	-45.0%
<i>EBITDA margin (%)</i>	27.7%	16.6%	28.3%	45.6%	n/a	n/a	44.5%	-16.2 p.p.
Capex	701	(67)	634	997	(364)	-	633	0.1%

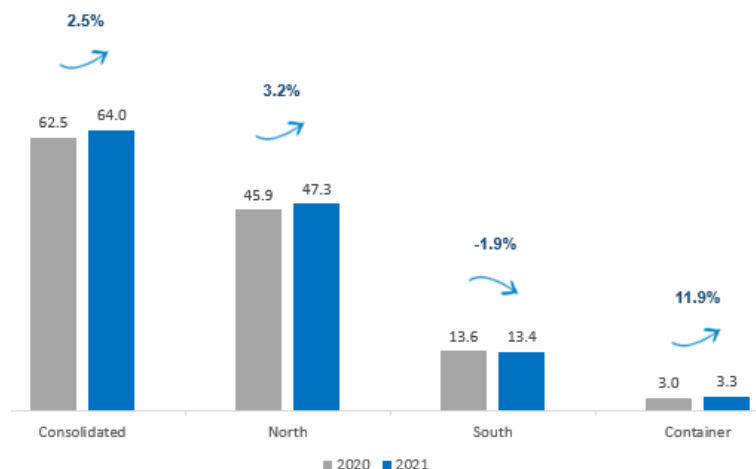
Summary of financial information (Amounts in BRL mln)	2021	Cental Network	Paulista Network ²	Comparable 2021	2020	Cental Network	Paulista Network ²	Comparable 2020	Chg.%
Logistics solution volume	64,028	(3,679)	-	60,349	62,458	-	-	62,458	-3.4%
Net revenue	7,440	(408)	-	7,032	6,966	-	-	6,966	0.9%
Gross profit	2,088	(75)	-	2,013	2,244	-	-	2,244	-10.4%
<i>Gross margin (%)</i>	28.1%	18.1%	n/a	28.6%	32.2%	n/a	n/a	32.2%	-4 p.p.
Sales, general and admin. expenses	(512)	36	-	(476)	(438)	40	-	(397)	20.2%
Other op. rev. (expenses) & eq. pickup	(56)	1	(53)	(108)	141	99	(316)	(76)	43.6%
Operational profit	1,520	(38)	(53)	1,429	1,948	139	(316)	1,771	-19.5%
Depreciation and amortization	1,831	(153)	-	1,678	1,716	(98)	-	1,618	3.7%
EBITDA	3,350	(191)	(53)	3,107	3,664	41	(316)	3,389	-8.5%
<i>EBITDA margin (%)</i>	45.0%	47.2%	n/a	44.1%	52.6%	n/a	n/a	48.7%	-4.5 p.p.
Capex	3,453	(921)	-	2,533	2,979	(711)	-	2,268	12%

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

1. 4Q21 Executive Summary

Rumo's transported volume reached **64.0 billion RTK in 2021, 2.5% higher than the previous year**, driven by corn crop failure in the second half of the year, which was mitigated by a commercial strategy that resulted in market share gain. **North Operation** saw a 3.2% increase in transported volumes, despite a 30.3% lower transported corn volume. In **South Operation**, the transported volume dropped 1.9%, as a result of more severe crop failure effects leading corn transported volume to plummet 78.3%. **Container Operation** surged 11.9% from the total transported volume, due to higher exports flow and volumes recovered in the domestic market, wherein Brado enjoyed growth.

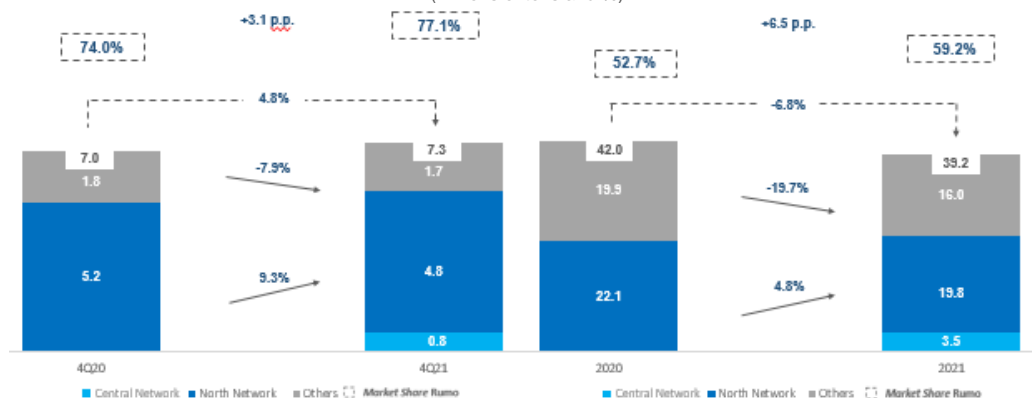
Annual Volume - Consolidated and by Operation
(bln RTK)



Source: Rumo System

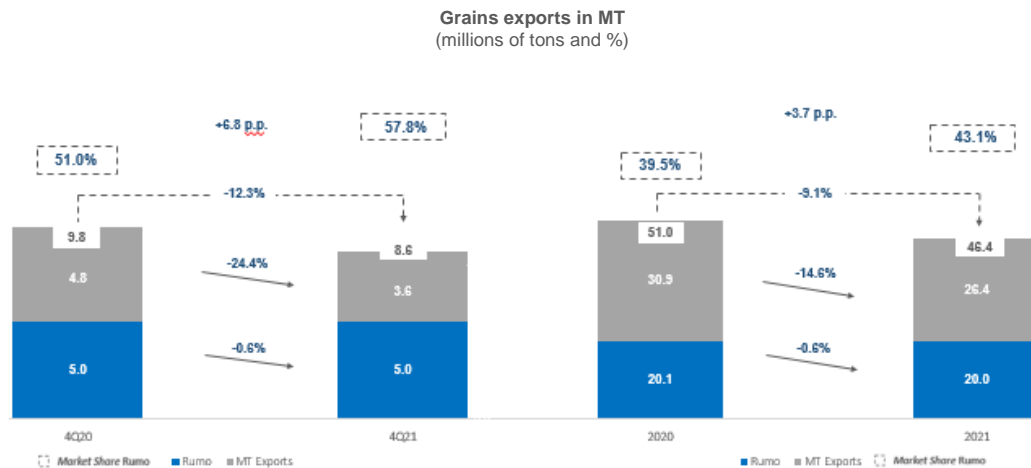
Rumo gained a **6.5 p.p market share of grains exported via Port of Santos (SP) in 2021 compared to the previous year**, despite a 6.8% decline in grains exported via Port of Santos. The grains volume transported by the Company to the Port of Santos grew by 4.8%, bolstered by Central Network startup.

Grains exports through the Port of Santos (SP) and Rumo market share
(millions of tons and %)



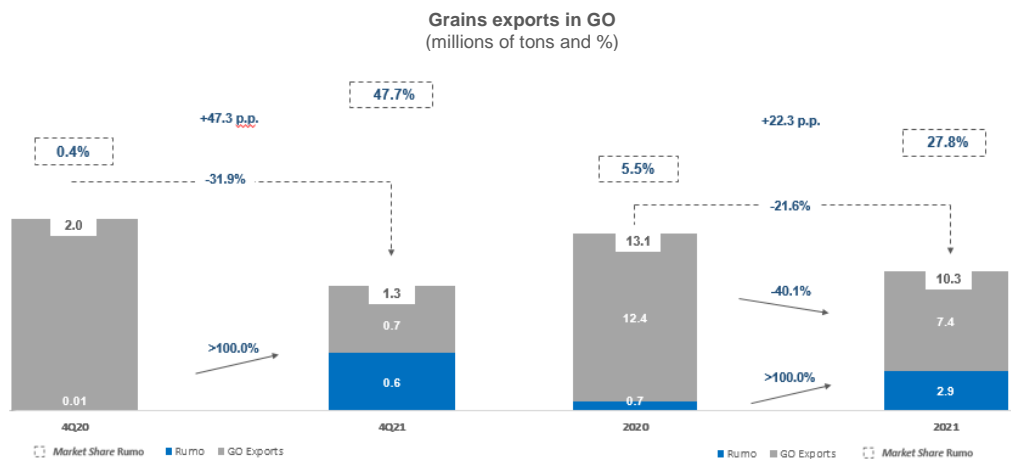
Source: Shipping Agency and Rumo System

When it comes to Mato Grosso grains exports, we saw a **3.7 p.p. market share gain**, although the Mato Grosso market reported a 9.1% decline in grain exports in 2021, reinforcing North Network's competitiveness strategy.



Source: Rumo System

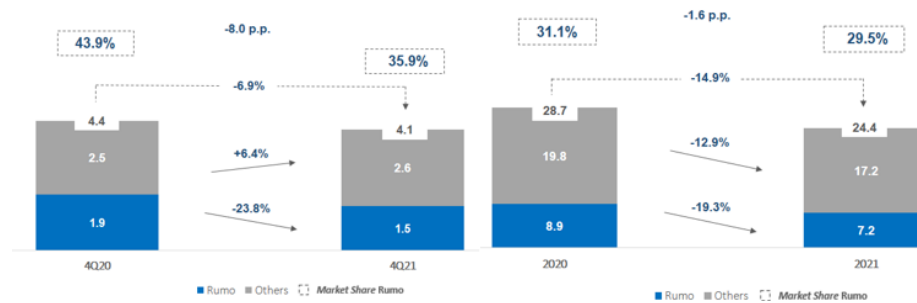
In the state of Goiás, despite a 21.6% shrinkage in grains exports, the startup of Simão and Rio Verde terminals made Rumo reach 47.7% market share in 4Q21, and 54% in December.



Source: Rumo System

South Operation lost 1.6 p.p. market share in grains transported to the ports of Paranaguá (PR) and São Francisco do Sul (SC). Volume to the South ports dropped 19.3%, while the market plummeted 14.9%. A temporary exemption of Paraná toll tariffs and corn crop failure drove truck freight shrinkage. During the same period, railway tariffs increased 14.7%, resulting in a lower market share for Rumo.

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

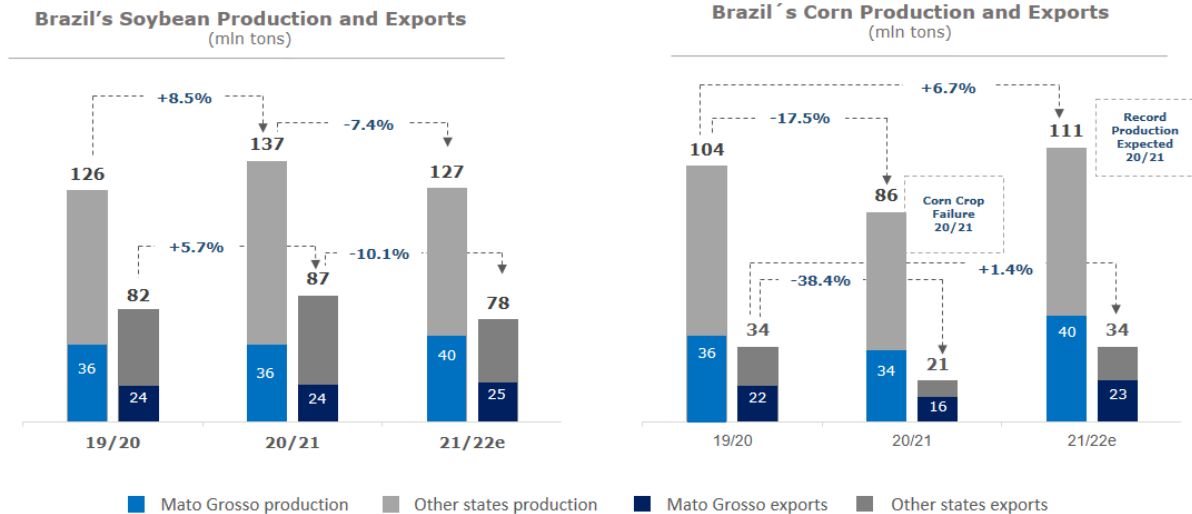
Net revenue totaled R\$7,440 million in 2021, 6.8% higher than in 2020, due to a 4.5% increase in consolidated tariff and 2.5% in volume. First-half tariffs reflected fuel price adjustments; in the second half these were adversely affected by corn crop failure, grains volume caught in more distant regions, and also by grains spot prices squeeze.

EBITDA came to R\$419 million in 4Q21 and R\$3,350 million in 2021. Due to corn crop failure in the second half of the year, the volume and tariff growth, with the strategy of gaining market share, that was designed to take advantage of all the installed capacity, was insufficient to cover the higher variable cost and inflationary pressure over fixed costs. As a result, the EBITDA margin ended in 2021 at 45%. **Variable cost** rose 18.3%, driven by a 47% fuel price increase that resulted in 43.5% higher fuel expenses, despite a 3.5% energy efficiency gain. **Fixed costs, general and administrative expenses** surged 9.3%, primarily due to inflation and collective bargaining agreement effects, besides the Central Network startup.

Rumo posted a **net income** of R\$156 million in 2021, driven by the same variables that affected EBITDA. Net debt totaled R\$9.4 billion in 2021 and leverage reached 2.8x comprehensive net debt/LTM EBITDA.

Regarding the **soybean** market, in 2022, according to Agroconsult's projections, Brazil should have a harvest of 127 million tons of which 78 million should be exported. The states of Mato Grosso and Goiás expect records of production in 2022. While the state of Mato Grosso should produce nearly 40 million tons, 11.2% higher than the 20/21 crop, the state of Goiás expects to produce 15 million tons, 10.6% higher than the previous crop. Despite expected growth in the Mid-West region, the South region dry season has been reducing domestic production estimates, especially in the states of Rio Grande do Sul and Paraná. Among the key regions in which we operate, until February 10, 2022, soybean harvest in the South and Mid-West regions reported significant advances compared to the last five-year average, especially in the states of Mato Grosso and Paraná, where harvest reached 56.6% and 23.5% respectively, vs. the 41.4% and 11.9% averages on the same date.

As reported in previous quarters, **corn** crop failure impacted exports volume across the Brazilian states in the second half of 2021, also raised the need for Mato Grosso to address the low availability of this commodity in other domestic market states. We estimate a record production for 2022, nearly 111 million tons, of which, approximately 34 million should be exported, or a 62% increase compared to 2021. Unlike 2021 which saw soybean crop delay, a significant planting and harvest anticipation compared to the last five-year average, should allow a more favorable window for corn cultivation and harvest, thus, for the time being, we can see a positive outlook for the 2022 crop. Until February 10, 2022, corn planted in the Mid-South region reached 41.6% of the planted area, versus the last five-year average of 24.8%. In the state of Mato Grosso, the indicator stood at 63.9% and in Paraná 33.5%, while the historical average for the states on the same date is 42.4% and 15.1%, respectively.



Source: IM Rumo, Agroconsult and Cargonave.
Note: (e) – estimate

In the **environmental, social, and governance (ESG) agenda**, the Company reported relevant advances. Below, are the 2021 highlights:

Sustainability Indexes:

For the first time, in 2022, Rumo joins the Corporate Sustainability Index (ISE). Rumo is the single logistics company to compose Brazil's Stock Exchange (B3) key sustainability index portfolio. Rumo also advanced climate change mitigation actions, represented by an improved grade in the Carbon Disclosure Program (CDP), from B- to B+. Rumo also composes the Efficient Carbon Index portfolio - ICO2, an indicator created by B3 in partnership with Brazilian Development Bank (BNDES). This index is composed of companies' stocks participating in IBRX-50 (average stock performance tracking changes in the prices of 50 most actively traded and representative stocks of the Brazilian stock market), that undertook to assume transparent practices concerning greenhouse gases emissions (GHG), affirming their concern with global warming.

Advances and commitments:

For the first time, our Annual Sustainability Report indicators were assured by a third party, reiterating data reliability and our commitment to transparency. The Report also includes relevant improvements, such as the creation of two new sustainable development commitments, focused on devising sustainability actions with customers and suppliers, besides the target of ensuring the 100% traceability of agricultural commodities by 2025. In 2021, we also included ESG goals in employees' variable compensation and we reported an increased number of women holding positions in our Board of Directors, who currently represent 3 out of 10 sitting members. The Rumo Institute was created in the third quarter and initiated its activities targeting youngsters and adolescents. The first class was inaugurated in the city of Rondonópolis/MT. Rumo also adhered to the Ethos Institute's Business Pact for Integrity and Against Corruption and is a signatory of the UN Women Empowerment Principles. Reinforcing its strategy of raising sustainability-related funds, Rumo carried out two operations in 2021, ending the year with 30.5% of sustainable debts compared to the total.

Recognitions:

Reinforcing the Company's commitment to transforming the railway modal and Brazil's logistics chain, Rumo was ranked first in the "Logistics" category by the "As melhores da Isto É Dinheiro 2021" award and in the "Infrastructure" category by Época 360°. Rumo is also ranked amongst the 150 most groundbreaking companies, according to "Valor

Econômico”, and won the Gold Seal by the Brazilian GHG Protocol Program. Rumo won the Women on Board Seal from UN Women as recognition, for maintaining, at least, two women on board.

2. Consolidated Operating and Financial Indicators

4Q21	4Q20	Chg.%	Summary of financial information (Amounts in BRL mln)	2021	2020	Chg.%
15,883	16,197	-1.9%	Total transported volume (millions RTK)	64,028	62,458	2.5%
12,852	13,216	-2.8%	Agricultural products	51,800	51,830	-0.1%
2,145	273	>100%	Soybean	20,892	17,453	19.7%
2,116	2,001	5.8%	Soybean meal	8,512	7,548	12.8%
5,834	7,497	-22.2%	Corn	12,538	17,173	-27.0%
1,269	1,902	-33.3%	Sugar	4,668	5,011	-6.8%
1,309	1,388	-5.7%	Fertilizers	5,008	4,465	12.2%
177	155	15.0%	Others	182	180	-1.1%
2,199	2,150	2.3%	Industrial products	8,918	7,672	16.2%
1,330	1,295	2.7%	Fuels	5,298	4,367	21.3%
869	854	1.7%	Wood, pulp and paper	3,619	3,305	9.5%
832	832	n/a	Containers	3,309	2,956	11.9%
78.6	83.8	-6.1%	<i>Average transportation yield (R\$/000 RTK)³</i>	<i>98.1</i>	<i>93.9</i>	<i>4.5%</i>
1,512	1,662	-9.0%	Net revenue	7,440	6,966	6.8%
1,249	1,358	-7.9%	Transportation	6,279	5,864	7.1%
88	88	n/a	Port loading	353	359	-1.7%
135	210	-35.7%	Logistic solution ⁴	501	647	-22.5%
40	6	>100%	Other revenues ⁵	307	96	>100%
419	757	-44.7%	EBITDA	3,350	3,664	-8.6%
27.7%	46.0%	-18.2 p.p.	<i>EBITDA margin (%)</i>	<i>45.0%</i>	<i>52.6%</i>	<i>-14.6%</i>

Note 3: Average transport tariff considering the final value of the customer (container), 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 executed according to commercial agreements (take-or-pay), among others.

4Q21	4Q20	Chg.	Yield by Operation North Operation ⁶	2021	2020	Chg.
69.7	80.6	-13.5%	Yield (R\$/000 RTK)	92.9	91.8	1.2%
75.1%	73.5%	1.5 p.p.	% Volume	73.9%	73.4%	0.5 p.p.
South Operation						
105.8	93.1	13.6%	Yield (R\$/000 RTK)	116.4	101.5	14.7%
19.7%	21.3%	-1.6 p.p.	% Volume	20.9%	21.8%	-0.9 p.p.
Container Operation						
105.0	90.8	15.6%	Yield (R\$/000 RTK)	97.5	91.3	6.8%
5.2%	5.1%	0.1 p.p.	% Volume	5.2%	4.7%	0.4 p.p.
Consolidated						
78.6	83.8	-6.1%	Yield (R\$/000 RTK)	98.1	93.9	4.5%

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

3. 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 4Q21	North Operation ⁷	South Operation	Container Operation	Consolidated
Transported volume (million RTK)	11,923	3,128	832	15,883
Net revenue	1,075	347	91	1,512
Costs of services	(913)	(370)	(88)	(1,371)
Gross profit (loss)	162	(24)	3	141
Gross margin (%)	15.1%	-6.9%	2.8%	9.3%
Seles, general and administrative expenses	(111)	(23)	(9)	(144)
Other operating revenue (expenses) & eq. pickup	(67)	(12)	19	(59)
Depreciation and amortization	333	133	15	481
EBITDA	317	75	27	419
EBITDA margin (%)	29.5%	21.6%	29.9%	27.7%

Results by business unit 2021	North Operation ⁷	South Operation	Container Operation	Consolidated
Transported volume (million RTK)	47,335	13,383	3,309	64,028
Net revenue	5,480	1,624	336	7,440
Costs of services	(3,524)	(1,500)	(328)	(5,352)
Gross profit (loss)	1,956	124	8	2,088
Gross margin (%)	35.7%	7.6%	2.3%	28.1%
Seles, general and administrative expenses	(384)	(92)	(36)	(512)
Other operating revenue (expenses) & eq. pickup	(18)	(62)	23	(56)
Depreciation and amortization	1,254	522	54	1,831
EBITDA	2,808	492	50	3,350
EBITDA margin (%)	51.2%	30.3%	14.9%	45.0%

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

North Operation

4Q21	4Q20	Chg.%	Operational figures	2021	2020	Chg.%
11,923	11,911	0.1%	Total transported volume (millions RTK)	47,335	45,862	3.2%
10,547	10,658	-1.0%	Agricultural products - Consolidated	42,060	41,436	1.5%
9,605	10,658	-9.9%	Agricultural products - North and Paulista Operation	38,381	41,436	-7.4%
943	-	>100%	Soybean	13,642	12,567	8.5%
1,703	1,868	-8.8%	Soybean meal	7,348	6,904	6.4%
5,162	6,477	-20.3%	Corn	10,714	15,377	-30.3%
641	1,076	-40.5%	Sugar	2,267	2,679	-15.4%
1,156	1,236	-6.5%	Fertilizers	4,410	3,909	12.8%
942	-	>100%	Agricultural products - Central Operation	3,679	-	>100%
230	-	>100%	Soybean	1,815	-	>100%
223	-	>100%	Soybean meal	429	-	>100%
488	-	>100%	Corn	1,434	-	>100%
1,376	1,253	9.8%	Industrial products - North and Paulista Operation	5,275	4,426	19.2%
870	805	8.1%	Fuels	3,381	2,623	28.9%
506	448	12.9%	Industrials	1,895	1,803	5.1%
69.7	80.6	-13.5%	<i>Average transportation yield^b</i>	<i>92.9</i>	<i>91.8</i>	<i>1.2%</i>
2,897	3,533	-18.0%	Total volume loaded (TU '000)	12,493	14,447	-13.5%
30.3	24.9	21.9%	<i>Average loading yield (R\$/TU)</i>	<i>28.2</i>	<i>24.8</i>	<i>13.7%</i>

Note 8: The 4Q21 tariff considers the volumes of Central Network, which became operational in the first quarter.

Total volume transported in North Operation reached 47.3 billion RTK in 2021, 3.2% higher than in 2020. Performance was primarily impacted by corn crop failure, resulting in a 30.3% corn loss compared to the previous year. A reduced volume was mitigated by market share gains and improved fuel and fertilizer transportation performance that jumped 28.9% and 12.8% respectively, besides the Central Network startup that recorded 3.7 billion RTK in 2021.

4Q21	4Q20 ⁹	Chg.%	Financial results (Amounts in BRL mln)	2021	2020 ⁹	Chg.%
1,075	1,257	-14.5%	Net revenue	5,480	5,271	4.0%
831	960	-13.4%	Transportation	4,399	4,210	4.5%
135	210	-35.7%	Logistic solution	501	647	-22.5%
88	88	0.0%	Port loading	353	359	-1.7%
21	(1)	>100%	Other revenues ¹⁰	227	55	>100%
(913)	(851)	7.3%	Costs of services	(3,524)	(3,134)	12.4%
(384)	(391)	-1.8%	Variable costs	(1,529)	(1,362)	12.3%
(198)	(193)	2.4%	Fixed costs	(750)	(720)	4.1%
(331)	(267)	24.0%	Depreciation and amortization	(1,245)	(1,052)	18.3%
162	406	-60.1%	Gross profit	1,956	2,137	-8.5%
15.1%	32.4%	-17.3p.p.	<i>Gross margin (%)</i>	<i>35.7%</i>	<i>40.5%</i>	<i>-4.8 p.p.</i>
(111)	(98)	14.1%	Selling, general and administrative expenses	(384)	(313)	22.7%
(67)	67	>100%	Other op. revenue (expenses) and equity pickup	(18)	261	>100%
333	294	13.5%	Depreciation and amortization	1,254	1,156	8.5%
317	669	-52.6%	EBITDA	2,808	3,240	-13.3%
29.5%	54.2%	-25 p.p.	<i>EBITDA margin (%)</i>	<i>51.2%</i>	<i>61.6%</i>	<i>-10 p.p.</i>

Note 9: It includes the effects of Central Network in 4Q20, therefore, the 4Q20 results differ from previously published figures.

Note 10: It Includes revenue from the right-of-way of other railways and revenue from volumes contracted and not executed according to commercial agreements (take-or-pay) and transshipment volume.

EBITDA totaled R\$317 million in 4Q21 and R\$2,808 million in 2021, 13.3% lower than in the previous year. Corn crop failure impacted volumes and tariffs in the second half. Fuel costs transfer structure also drove lower EBITDA margin. **Fixed costs, general and administrative expenses** increased by 9.8% year-on-year, driven by higher personnel expenses (collective bargaining agreement), other expenses inflation, and the Central Network startup. **Variable costs** surged 12.3%, mainly due to 46% higher fuel prices, despite a 4% energy efficiency gain.

South Operation

4Q21	4Q20	Chg.%	Operational figures	2021	2020	Chg.%
3,128	3,454	-9.4%	Transported volume (million RTK)	13,383	13,640	-1.9%
2,305	2,557	-9.9%	Agricultural products	9,740	10,394	-6.3%
972	273	>100%	Soybean	5,435	4,886	11.2%
189	132	43.1%	Soybean meal	735	644	14.1%
183	1,020	-82.0%	Corn	390	1,796	-78.3%
628	826	-23.9%	Sugar	2,401	2,332	2.9%
153	152	1.0%	Fertilizers	598	556	7.6%
178	155	15.0%	Other	182	180	0.8%
823	897	-8.2%	Industrial products	3,642	3,246	12.2%
460	491	-6.1%	Fuel	1,918	1,744	9.9%
363	406	-10.6%	Wood, pulp and paper	1,725	1,502	14.8%
105.8	93.1	13.6%	Average transportation yield	116.4	101.5	14.7%

South Operation saw a 1.9% decrease in volume transported in 2021 to 13.4 billion RTK, reflecting the corn crop failure, more severe in the South region states, and the effects of temporary toll exemption in the state of Paraná. Other segments saw growth in 2021, especially industrial cargo (14.8%), soybean (11.2%), and fuel (9.9%).

4Q21	4Q20	Chg.%	Financial results (Amounts in BRL mln)	2021	2020	Chg.%
347	325	6.7%	Net operating revenue	1,624	1,410	15.2%
331	322	2.9%	Transportation	1,558	1,384	12.5%
16	3	-100.0%	Other revenues ¹¹	66	26	-100.0%
(370)	(319)	16.0%	Cost of services	(1,500)	(1,295)	15.9%
(113)	(86)	31.5%	Variable costs	(436)	(318)	36.8%
(125)	(128)	-2.9%	Fixed costs	(543)	(489)	11.0%
(133)	(105)	26.4%	Depreciation and amortization	(521)	(487)	7.0%
(24)	6	>100%	Gross profit	124	115	7.3%
-6.9%	1.7%	-8.6 p.p.	Gross margin (%)	7.6%	8.2%	-0.6 p.p.
(23)	(26)	-11.4%	Seles, general and administrative expenses	(92)	(85)	8.3%
(12)	(13)	-8.5%	Other op. revenues (expenses) and equity pickup	(62)	(144)	-57.2%
133	105	26.4%	Depreciation and amortization	522	488	7.0%
75	72	3.7%	EBITDA	492	374	31.6%
21.6%	22.2%	-0.6 p.p.	EBITDA margin (%)	30.3%	26.5%	3.8 p.p.

Note 11: It includes revenue from volumes contracted and not executed according to commercial agreements (take-or-pay).

EBITDA totaled R\$75 million in 4Q21 and R\$492 million in 2021, 31.6% higher than in the previous year, mainly reflecting a 14.7% increased tariff. Variable cost surged 36.8%, primarily driven by a 48% fuel price increase, while energy efficiency improved 1.6%. Fixed costs, general and administrative expenses rose 10.6%, mainly due to inflation and collective bargaining agreement effects. As a result, the EBITDA margin reached 30.3%, 3.8 p.p. higher than in 2020.

Container Operation

4Q21	4Q20	Chg.%	Operational figures	2021	2020	Chg.%
21,915	21,482	2.0%	Total volume (Containers '000)	87,363	82,771	5.5%
105.0	90.8	15.6%	Intermodal average yield (R\$/000 RTK)	97.5	91.3	6.8%
832	832	n/a	Total volume (millions RTK)	3,309	2,956	11.9%

Container Operation volumes in 2021 increased 11.9% vs. 2020 to 3,309 million RTK, on the back of domestic market upturn, wherein Brado saw a solid expansion, +50% increase in agricultural products transportation and +40% of loads destined to Mato Grosso, especially agricultural pesticides, animal food, and fertilizers. Also, product export flow advanced, such as timber and cotton.

4Q21	4Q20	Chg.%	Financial results (Amounts in BRL mln)	2021	2020	Chg.%
91	80	14.1%	Net revenue	336	286	17.5%
87	76	15.6%	Transportation	323	270	19.5%
3	4	-14.2%	Others revenues ¹²	13	16	-16.3%
(88)	(78)	13.5%	Costs of services	(328)	(294)	11.7%
(49)	(36)	36.9%	Variable costs	(177)	(128)	38.3%
(25)	(24)	2.5%	Fixed costs	(98)	(97)	0.6%
(15)	(18)	-17.7%	Depreciation and amortization	(54)	(69)	-22.2%
3	2	40.3%	Gross profit	8	(8)	>100%
2.8%	2.3%	0.5 p.p.	Gross margin (%)	2.3%	-2.8%	5.1 p.p.
(9)	(8)	21.6%	Seles, general and administrative expenses	(36)	(39)	-10.0%
19	3	>100%	Other op. revenues (expenses) and equity pickup	23	25	-5.2%
15	19	-20.8%	Depreciation and amortization	54	72	-24.4%
27	16	71.9%	EBITDA	50	49	1.8%
29.9%	19.9%	10.1 p.p.	EBITDA margin (%)	14.9%	17.2%	-2.3 p.p.

Note 12: Includes revenue from service units.

Container Operation recorded an EBITDA of R\$27 million in 4Q21 and R\$50 million in 2021, 1.8% higher than in 2020. Net operating revenue jumped 17.5%, due to an improved mix of products and favorable tariff negotiation. Variable cost increased 38.3%, mainly due to higher fuel prices and higher road freight costs. Fixed cost, general and administrative expenses plummeted 1.5%. EBITDA margin reached 14.9% in 2021.

4. Other Results

Breakdown of Costs of Services Rendered, General & Administrative Expenses

4Q21	4Q20	Chg %	Consolidated Costs and Expenses (Amounts in BRL mln)	2021	2020	Chg %
(1,515)	(1,379)	9.9%	Consolidated costs and General and administrative expenses	(5,864)	(5,159)	13.7%
(546)	(512)	6.5%	Variable Costs	(2,142)	(1,810)	18.3%
(461)	(349)	31.8%	Variable cost of rail transport	(1,783)	(1,290)	38.1%
(337)	(242)	39.2%	Fuel and lubricants	(1,307)	(911)	43.5%
(105)	(92)	14.2%	Own logistic costs ¹³	(403)	(311)	29.6%
(18)	(15)	20.8%	Other variable costs ¹⁴	(73)	(69)	5.8%
(89)	(110)	-19.6%	Variable cost Logistic Solution ¹⁵	(346)	(452)	-23.4%
4	(53)	>100%	Variable cost Elevation	(13)	(67)	-81.4%
(488)	(474)	2.9%	Fixed Costs and General and Administrative Expenses	(1,891)	(1,731)	9.3%
(230)	(200)	15.2%	Payroll expenses	(891)	(741)	20.2%
(21)	(29)	-29.3%	Maintenance	(141)	(141)	n/a
(23)	(21)	13.5%	Third-party services	(92)	(76)	21.0%
(45)	(53)	-14.7%	Safety and facilities	(185)	(186)	-0.2%
(28)	(43)	-35.4%	Other operational costs	(81)	(159)	-49.2%
(141)	(129)	9.5%	General and administrative expenses	(501)	(428)	17.1%
(481)	(392)	22.6%	Depreciation and Amortization	(1,831)	(1,618)	13.1%

Note 13: Own logistics costs include sand, right-of-way, terminals, and other variable costs.

Note 14: Costs with rental of rolling stock, electricity, roadside in the Container Operation, and take-or-pay.

Note 15: Freight costs with third parties include road and rail freight contracted with other concessionaires.

In 2021, **variable cost** surged 18.3% vs. 2020. Higher fuel expenses stemmed from 47% higher fuel price, despite a 3.5% energy efficiency gain. Logistics costs soared 29.6%, driven by inflation effects, increased road costs, and Central Network startup.

Fixed costs, general, and administrative expenses rose 9.3% vs. 2020, reflecting higher expenses due to inflation, collective bargaining agreement, and the Central Network startup. Depreciation and amortization costs rose 13.1%, driven by higher investment levels.

Financial Results

4Q21	4Q20	Chg.%	Financial Results (Amounts in BRL mln)	2021	2020	Chg.%
(368)	(223)	65.2%	Cost of bank debt¹⁶	(992)	(901)	10.1%
(2)	(12)	-83.2%	Charges over leasing	(31)	(48)	-35.5%
139	35	>100%	Financial income from investments	311	135	>100%
(232)	(200)	16.2%	(=) Cost of broad net debt	(713)	(815)	-12.5%
(54)	(19)	>100%	Monetary variation on liabilities of concessions	(133)	(108)	23.3%
(78)	(64)	21.8%	Concession fee and operating lease ¹⁷	(368)	(501)	-26.7%
(103)	(23)	>100%	Rates on contingencies and contracts	(212)	(152)	39.7%
22	2	>100%	Other financial expenses	66	102	-35.3%
(445)	(304)	46.4%	(=) Financial result	(1,360)	(1,474)	-7.7%

Note 16: Includes interest, monetary variation, net income from derivative and other debt charges.

Note 17: It considers adjustments in accordance with IFRS 16.

The financial result in 2021 came nearly 8% lower than in 2020. Bank debt cost surged due to CDI (interbank deposit certificate) increase, besides a higher gross debt balance on the back of funding in the period. This increase was partially mitigated by financial investments yield since cash in the period also increased. In addition, the following effects drove 2021 results compared to the previous year: (i) R\$183 million swap curve gain in the dissolution of 2024 and 2025 bonds; and (ii) an adverse effect in 2020, of R\$173 million, stemming from a change in the Company's derivatives mark-to-market methodology.

Lease liability expenses plummeted nearly 27% vs. 2020, reflecting lower prepayments of falling-due installments of railway concessions totaling R\$5.1 billion, in September 2020.

Income Tax and Social Contribution

4Q21	4Q20	Chg.%	Income tax and social contribution (Amounts in BRL mln)	2021	2020	Chg.%
(507)	36	>100%	Income (loss) before IT / SC	160	475	-66.3%
34.0%	34.0%	0 p.p.	<i>Theoretical rate IT / SC</i>	34.0%	34.0%	0 p.p.
172	(12)	>100%	Theoretical income (expenses) with IT / SC	(54)	(161)	-66.3%
Adjustments to calculate the effective rate						
(82)	(26)	>100%	Tax losses and temporary differences not recognized ¹⁸	(202)	(145)	39.3%
3	13	-76.0%	Tax incentives arising from the North Network ¹⁹	200	109	83.5%
1	1	n/a	Equity pickup	4	4	n/a
29	(8)	>100%	Other effects	48	23	>100%
123	(33)	>100%	Income (expenses) with IT / SC	(4)	(170)	-97.4%
-24.3%	-91.7%	67.4 p.p.	<i>Effective rate (%)</i>	-2.5%	-35.8%	33.3 p.p.
(75)	(10)	>100%	IT/SC current	(551)	(242)	>100%
198	(23)	>100%	IT/SC deferred	546	72	>100%

Note 18: 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 calculation.

Note 19: The North Network has SUDAM benefit which entitles a 75% reduction of IRPJ – corporate income tax (25% tax rate) until 2023.

5. Loans and Financing

Gross comprehensive indebtedness at the end of 4Q21 totaled R\$20.3 billion, 10.8% higher than in 3Q21, mainly reflecting the 3rd debenture funding at Rumo Malha Paulista S.A., as well as the disbursement of Senior Notes 2032 at Rumo Luxembourg S.a.r.l. Also, a hedge structure linked to Bond 2025 was partially dissolved, resulting in a lower balance of net derivative instruments, which drove higher gross comprehensive debt. Net indebtedness totaled R\$9.4 billion. As a result, leverage reached **2.8x** (comprehensive net debt/LTM EBITDA).

Total indebtedness (Amounts in BRL mln)	4Q21	3Q21	Chg.%
Commercial banks	891	758	17.6%
NCE	663	652	1.7%
BNDES	3,061	3,231	-5.3%
Debentures	8,081	6,866	17.7%
Senior notes 2024, 2025 and 2028	8,483	8,319	2.0%
Total bank debt	21,179	19,826	6.8%
Leases ²⁰	179	193	-7.3%
Net derivative instruments	(1,098)	(1,741)	-36.9%
Total broad gross debt	20,260	18,278	10.8%
Cash and cash equivalents and securities	(10,874)	(9,278)	17.2%
Total broad net debt	9,385	9,000	4.3%
Adjusted EBITDA LTM ²¹	3,350	3,725	-10.1%
Leverage (Broad net debt / Adjusted EBITDA LTM)	2.8x	2.4x	16.7%

Note 20: Excludes operating lease IFRS 16.

Note 21: The LTM EBITDA refers to the sum of the last 12 months of EBITDA.

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

Bank gross indebtedness (Amounts in BRL mln)	4Q21
Inicial balance of broad net debt	9,000
Cash, cash equivalents and marketable securities	(9,278)
Inicial balance of gross broad debt	18,278
Itens with cash impact	1,432
New funding	1,514
Amortization of principal	(356)
Amortization of interest rates	(253)
Net derivative instruments	527
Itens without cash impact	550
Provision for interest rates (accrual)	272
Monetary variation, MTM adjustment of debt, and others	161
Net derivative instruments	116
Closing balance of broad net debt	20,260
Cash and cash equivalents and marketable securities	(10,874)
Closing balance of broad net debt	9,385

Rumo is subject to certain restrictive contractual clauses referring to the level of leverage in a few contracts. The most restrictive provisions are verified annually at the end of the year and refer to net comprehensive indebtedness. This includes bank debts, debentures, leases considered as finance leases, net of 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/LTM EBITDA) and a minimum interest coverage ratio of 2.0x EBITDA / Financial Results.

6. Capex

4Q21	4Q20	Chg. %	Investments (Amounts in BRL mln)	2021	2020	Chg.%
701	997	-29.7%	Total investments²²	3,453	2,979	15.9%
304	282	7.8%	Recurring	1,122	1,108	1.2%
397	715	-44.5%	Expansion	2,332	1,871	24.6%

Note 22: Cash basis amounts

Capex in 2021 came to **R\$3,453 million**, in line with the Company's investment plan.

Recurring Capex reached R\$1,122 million in 2021, 1.2% higher than in the previous year.

Expansion Capex totaled R\$2,332 million. The increase primarily stems from the first half relating to investment portfolio works of Paulista Network's renewal and the Central Network operational stage. The Company also continues investing in infrastructure to operate 120 railcars, expand crossing yards, and operational improvement investments, such as fuel stations. These projects, besides increasing capacity, and offering a higher efficiency level, allow, among other gains, to diminish fuel consumption, essential for reducing specific greenhouse gases emissions.

7. Cash Flow Statement

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

	4Q21	4Q20	Indirect cash flow (Amounts in BRL mln)	2021	2020	Chg.%
	419	757	EBITDA	3,350	3,664	-8.6%
	305	(102)	Working capital variations and non-cash effects	(240)	(821)	-70.8%
	127	38	Operating financial result	288	87	>100%
(a)	851	695	(=) Operating cash flow (FCO)	3,399	2,930	16.0%
	(701)	(997)	Capex	(3,453)	(2,979)	15.9%
(b)	(304)	(282)	Recurring	(1,122)	(1,108)	1.2%
	(397)	(715)	Expansion	(2,332)	(1,871)	24.6%
	-	-	Sales of asset	3	3	3.3%
	-	-	Dividends received	8	4	>100%
(c)	(701)	(997)	(=) Cash flow from investing activities (FCI)	(3,442)	(2,972)	15.8%
(d)	1,514	37	Funding	7,891	6,173	27.8%
(e)	(399)	(350)	Amortization of principal	(7,074)	(6,053)	16.9%
	(290)	(154)	Amortization of interest rates	(1,262)	(1,184)	6.7%
	-	-	Paid dividends	(7)	(2)	>100%
(f)	-	10	Capital payment	-	6,316	>100%
	-	(10)	Preferred stock investments	(30)	(10)	>100%
	527	8	Derivative financial instruments	2,169	180	>100%
	1	5	Restricted cash	57	124	-54.1%
	-	-	Acquisition of non-controlling interests	(389)	-	>100%
	1,353	(454)	(=) Cash flow from financing activities (FCF)	1,355	5,544	-75.6%
(g)	94	(222)	Forex variation impact on cash balances	387	(41)	>100%
(h)	1,597	(979)	(=) Net cash generated	1,699	5,461	-68.9%
	9,278	10,154	(+) Total cash (includes cash + markeratble securites) opening	9,175	3,715	>100%
	10,874	9,175	(+) Total cash (includes cash + markeratble securites) closing	10,874	9,175	18.5%
Metrics						
	547	413	(=) Cash generation after recurring capex (a+ b)	2,277	1,822	25.0%
	150	(302)	(=) Cash generation (burn) after FCI cash generation (consumption) after FCI (a+ c)	(43)	(42)	1.9%

8. Operational and Financial Performance Indicators

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

Operating and financial performance index	4Q21	4Q20	Chg.%	2021	2020	Chg.%
Consolidated						
Operating ratio ²³	100%	82%	21.7%	79%	75%	5.2%
Diesel consumption (liters/ '000 GTK)	3.42	3.64	-6.0%	3.59	3.72	-3.7%
Rail accidents (MM Train/ Km)	13.58	13.52	0.4%	13.58	13.52	0.4%
Personal accidents (accidents/bMM MHW) ²⁴	0.25	0.24	4.2%	0.25	0.24	4.2%
North operation²⁵						
Cycle of railcars (days)	8.9	9.1	-2.2%	8.9	9.4	-5.3%
South operation²⁶						
Cycle of railcars (days)	8.3	7.5	10.7%	7.0	7.0	n/a

Note 23: As of 2021, the indicator considers the Central Network Operation. 2020 information was also updated.

Note 24: It considers the average of the last 12 months of lost-time accidents (CAF) and without lost time (SAF) indicators.

Note 25: It considers the Rondonópolis (MT) - Santos (SP) grain cycle. The 2020 indicators were reviewed after adjustments to the system basis.

Note 26: It considers the Northern Paraná grain cycle - Ports of Paranaguá (PR) and São Francisco do Sul (SC). The 2020 indicators were reviewed after adjustments to the system basis.

Operating Ratio: The indicator represents the share of costs and expenses as a percentage of net revenue. In 2021, net revenue grew by 6.8%, but lower than higher costs, resulting in a 5.2% increase of this indicator.

Diesel consumption: The 4% improvement in the indicator in 2021 and 2020 reflects the greater efficiency in diesel unit consumption of locomotives, due to investments in technology and innovation and in permanent way and fleet modernization.

Rail accidents: The indicator, which measures the number of accidents per million kilometers came in line, 0.4% higher than in 2020.

Personal accidents: In 2021, the indicator that indicates the number of lost-time injury frequency (LTIF) stood at 0.15, while the number of restricted work accidents stood at 0.10. The recordable incident rate came 4.2% higher than in the previous year. The Company continues to focus on maintaining, on average, an index of lost-time rate at 0.15 by 2025, according to commitment assumed in 2020.

Cycle time of railcars: Indicators at North Operation improved 5.3% compared to the previous year while coming in line in South Operation, impacted by corn crop failure that hit the region in the second half of the year.

9. 2022 Guidance

According to Material Fact released on this date, this section includes 2022 projections estimated in nominal terms, excluding new M&A projects, new concessions, authorizations, and the start of the Lucas do Rio Verde and Cuiabá extension project. For the time being, the long-term guidance until 2025 remains unaltered.

	2021	2022 Guidance	Change %
Volume (RTK bln)	64,0	$72.0 \leq \Delta \leq 76.0$	16%
EBITDA (BRL mln)	3.350	$4,100 \leq \Delta \leq 4,500$	28%
Capex (BRL mln)	3.453	$2,700 \leq \Delta \leq 2,900$	-19%

10. Exhibits

10.1 Rumo Financial Statements

10.1.1 Balance Sheet

Balance sheet (Amounts in BRL mln)	12/31/21	09/30/21
Current assets	12,381	10,880
Cash and cash equivalents	9,448	8,343
Marketable securities	1,426	935
Trade receivables	482	665
Derivative financial instruments	49	39
Inventories	229	281
Receivables from related parties	37	40
Income tax and social contribution recoverable	178	105
Other recoverable taxes	421	369
Other assets	112	103
Non-current assets	35,793	35,341
Trade receivables	21	6
Restricted cash	28	32
Income tax and social contribution recoverable	286	188
Deferred income tax and social contribution	1,663	1,518
Receivables from related parties	112	116
Other recoverable taxes	765	850
Judicial deposits	304	321
Derivative financial instruments	1,626	1,904
Other assets	40	55
Investments in associates	58	57
Property, plant and equipment	15,975	15,493
Intangible assets	7,132	7,155
Right-of-use	7,785	7,647
Total assets	48,175	46,222
Current liabilities	4,441	3,705
Loans, financing and debentures	1,223	1,219
Lease liabilities	383	368
Derivative financial instruments	577	200
Trade payables	619	474
Salaries payable	256	237
Current income and social contribution taxes	40	21
Other taxes payable	56	38
Dividends and interest on own capital payable	44	7
Intallment leases and concessions under litigation	161	160
Payables to related parties	202	195
Deferred income	7	7
Other financial liabilities	577	587
Other payables	298	192
Non-current liabilities	28,715	27,085
Loans, financing and debentures	19,956	18,607
Lease liabilities	2,724	2,567
Derivative financial instruments	-	2
Other taxes payable	0	0
Provision for judicial demands	681	571
Intallment leases and concessions under litigation	2,893	2,828
Deferred income tax and social contribution	2,360	2,413
Deferred income	36	38
Other payables	64	59
Equity	15,019	15,432
Total liabilities	48,175	46,222

10.1.2 Income Statement

4Q21	4Q20	Chg. %	Income statement (Amounts in BRL mln)	2021	2020	Chg.%
1,512	1,662	-9.0%	Net revenue from services	7,440	6,966	6.8%
(1,371)	(1,248)	9.9%	Cost of services	(5,352)	(4,722)	13.4%
141	414	-65.9%	Gross profit	2,088	2,245	-7.0%
(144)	(131)	9.9%	Sales, general & administrative expenses	(512)	(438)	16.9%
(60)	56	>100%	Other incomes (expenses), net	(69)	128	>100%
1	2	-50.0%	Equity pick-up	13	13	n/a
(445)	(304)	46.4%	Financial results, net	(1,360)	(1,474)	-7.7%
123	(33)	>100%	Income tax and social contribution	(4)	(170)	-97.6%
(384)	3	>100%	Net income (loss)	156	305	-48.9%
-25.4%	0.2%	-25.6 p.p.	<i>Net margin (%)</i>	2.1%	4.4%	-2.3 p.p.

10.1.3 Cash Flows

4Q21	4Q20	Accounting cash flow (Amounts in BRL mln)	2021	2020
(506)	36	Profit before income tax and social contribution	160	475
481	454	Depreciation and amortization	1,831	1,860
(1)	(2)	Equity pickup	(13)	(13)
56	24	Provision for profit sharing and bonuses	181	48
(27)	(2)	Result on disposals of fixed assets and intangible assets	(30)	(43)
58	21	Provision for lawsuits	152	87
0	(1)	Provision (reversal) for losses on doubtful accounts	(0)	1
6	4	Stock option plan	25	14
-	(31)	Leases and concessions	-	(380)
555	337	Interest, monetary and exchange variations, net	1,589	1,537
(4)	(81)	Extemporaneous tax credit	(50)	(103)
71	(8)	Others	(58)	(9)
689	752	(=) Adjustments:	3,786	3,474
98	6	Trade receivables	8	13
10	(1)	Related parties, Net	(7)	(23)
(46)	(17)	Other taxes, net	(254)	(78)
15	16	Inventories	(5)	(4)
(33)	(32)	Labor and social security payable	(55)	(94)
47	42	Suppliers	(23)	126
-	-	Leases and concessions payable	(52)	(52)
(32)	(54)	Advances to suppliers	(103)	(157)
-	67	Other financial liabilities	47	(61)
86	(89)	Other assets and liabilities, Net	(2)	(238)
145	(63)	(=) Changes in assets and liabilities	(446)	(567)
834	689	(=) Cash Flow from Operating Activities	3,340	2,906
(475)	289	Marketable securities	30	379
1	5	Restricted cash	57	124
-	-	Dividends received from subsidiaries and associates companies	8	4
(701)	(997)	Additions to property, plant and equipment, software, and other intangibles	(3,453)	(2,979)
-	-	Cash received on disposal of other fixed assets	3	3
(1,175)	(703)	(=) Cash Flow from Investing Activities	(3,355)	(2,469)
1,514	37	Funding	7,891	6,173
(399)	(350)	Amortization of principal	(7,074)	(6,053)
(290)	(154)	Amortization of interest	(1,262)	(1,184)
-	10	Payment of capital, net of share issue costs	-	6,316
527	9	Derivative financial instruments	2,169	180
-	-	Acquisition of non-controlling interest	(389)	-
-	(10)	Payments of interest on real estate receivables certificate	(30)	(10)
-	-	Dividends paid	(7)	(2)
1,352	(459)	(=) Cash generated by (used in) financing activities	1,298	5,420
94	(222)	Impact of exchange variation in cash balance	387	(41)
1,106	(695)	(=) Net increase in cash and cash equivalents	1,670	5,816
8,342	8,474	Beginning balance of cash and cash equivalents	7,779	1,963
9,448	7,779	Final balance of cash and cash equivalents	9,448	7,779