

## EARNINGS RELEASE 4Q20

Curitiba, February 11, 2021 – RUMO S.A. (B3: RAIL3) (“Rumo”) announces today its results for the fourth quarter of 2020 (4Q20), comprising October, November and December. The results are presented on a consolidated basis, in accordance with the accounting practices adopted in Brazil and international standards (IFRS). The comparisons made in this report consider the 4Q20 and 4Q19, except when otherwise indicated.

### Rumo Highlights 4Q20 and 2020

- The volume transported in 2020 was 62,5 billion of TKU, 3,9% higher than 2019, reflecting the increase in volume of 7,0% in the North Operation and the impact on the volumes of South Operation due to a weaker crop and the lower demand for industrial products (due to Covid-19), that also affected our Container Operations.
- The EBITDA reached R\$ 3,664 million, with EBITDA Margin of 52,6%. The Adjusted EBITDA was R\$ 3,533 million, 8,4% below 2019, reflecting the more competitive environment due to pavement of BR-163 Highway and lower prices of fuel. The Adjusted EBITDA Margin reached 50,7%, 3,7 p.p. below 2019.
- The net profit was R\$ 305 million, against R\$ 786 million in 2019, due to the lower EBITDA and the increase in financial expenses derived from non-cash effect mark to market (MTM) and the concession fees of Central and Paulista Networks, which were charged in more months in 2020 than in 2019.
- The year 2020 had important progress in the capital structure, with realization of follow-on, prepayment of concession fees and continuous process of liability management. Consequently, the net debt closed the year at R\$ 7,2 billion and the leverage reached 1,9x the broad net debt/Adjusted EBITDA LTM.
- The capex reached R\$ 2,979 million in 2020, in line with the investment plan, reflecting the progress in the construction of Central Network in order to make it operational in the first quarter of 2021, which amounted to R\$ 711 million in the year.

4Q20	4Q19	Chg.%	Summary of Financials (Amounts in BRL mln)	2020	2019	Chg.%
16,197	14,997	8.0%	<b>Total transported volume (million RTK)</b>	62,458	60,096	3.9%
3,533	2,665	32.5%	<b>Total volume loaded (TU '000)</b>	14,447	11,213	28.8%
2,261	1,004	>100%	<b>Logistics solution volume (TU '000)</b>	7,033	4,335	62.2%
1,662	1,664	-0.1%	<b>Net Revenue<sup>1</sup></b>	6,966	7,088	-1.7%
(1,248)	(1,092)	14.3%	Cost of goods sold <sup>2</sup>	(4,722)	(4,609)	2.4%
414	572	-27.7%	<b>Gross profit</b>	2,245	2,479	-9.5%
24.9%	34.4%	-9.5 p.p.	Gross margin (%)	32.2%	35.0%	-2.8 p.p.
(131)	(98)	34.0%	Sales, general, and administrative expenses	(438)	(363)	20.6%
56	(17)	>100%	Other op. revenues (expenses)	128	(25)	>100%
2	6	-66.7%	Equity pickup	13	22	-40.9%
340	464	-26.7%	<b>Operational profit</b>	1,948	2,113	-7.8%
417	434	-3.8%	Depreciation and amortization	1,716	1,716	0.0%
758	897	-15.6%	<b>EBITDA</b>	3,664	3,829	-4.3%
45.6%	53.9%	-8.3 p.p.	EBITDA margin (%)	52.6%	54.0%	-1.4 p.p.
776	913	-15.6%	<b>Adjusted EBITDA<sup>3</sup></b>	3,533	3,857	-8.4%
46.7%	54.8%	-8.2 p.p.	Adjusted EBITDA margin (%)	50.7%	54.4%	-3.7 p.p.
3	202	-98.5%	<b>Net profit</b>	305	786	-61.2%
0.2%	12.1%	-11.9 p.p.	Net margin (%)	4.4%	11.1%	-6.7 p.p.
997	565	76.5%	<b>Capex</b>	2,979	1,943	53.3%

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

Note 2: Includes R\$24.6 million of depreciation and amortization of the Central Network, since it is not yet operational.

Note 3: In the 4Q20 and 2020, without the effects of Central Network, the effects of the renewal of Paulista Network and the Provision for impairment of the West Network, and in the 4Q19 and 2019 without effects of the Central Network.

#### Earnings Conference Call

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

February 12, 2021 (Friday)

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## Letter from the CEO

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2020 presented us many challenges, but also allowed us to achieve great progress in the consolidation of our long-term strategy. We developed our **portfolio** even further by increasing the capacity of the Terminal in Rondonópolis, we signed the early renewal of Paulista Network concession until 2058, and completed the investments to render the Central Network operational at the beginning of 2021, thus making history connecting by rail the state of Goiás and Tocantins to the Port of Santos in São Paulo.

We have improved our **capital structure**, conducting a R\$6.4 billion follow-on offering, the pre-payment of concession fees of Central and Paulista networks worth R\$5.1 billion and the issuance of the first green bond in Latin America railways, thus getting Rumo ready to deliver on its business plan. We have also strengthened the **organizational structure** in key areas such as, Commercial, Pricing, People, Innovation and Regulatory, so we can continue with the solid implementation of our strategy.

We moved our efficiency agenda, with important improvements in several operational metrics, assuring our capacity to grow. In the Port of Santos, we started and will conclude this year transformational investments that will positively affect port capacity and efficiency, as the third line of Paquetá, the addition of a line in Macuco and the expansion of TXXXIX and Termag terminals.

We had significant advances in our **ESG** agenda. With respect to the environment, this year we delivered a reduction of 10% out of 15% of our 2025 target on specific emissions. As for the social component, our personal and railway safety results have been remarkable, having outperformed U.S. Class 1 railways. Regarding governance, we continue to operate at the highest corporate governance level and have recently appointed Janet Drysdale to the Board, who, in addition to being the first woman to hold this position, has broad experience in international railways.

We got off to a better start in 2021 than in 2020 and things are looking up in terms of **competitiveness**. Strong demand for logistics coupled with the recovery of fuel prices brought more favorable market conditions to Rumo. Therefore, we envision an increase in our volume supported by three main drivers: an expansion in the grain market and the recovery of the industrial sector; an increase in market share supported by a higher attractiveness of railway *versus* other logistics alternatives; and the start of the Central Network operation, which has great potential and was well-received by customers.

I conclude reiterating my trust, as well as the entire organization's in the execution of our long-term plan, with strong discipline on capital allocation and an enormous value generation for our shareholders and clients. We are Brazil in motion!

**João Alberto Abreu**  
CEO

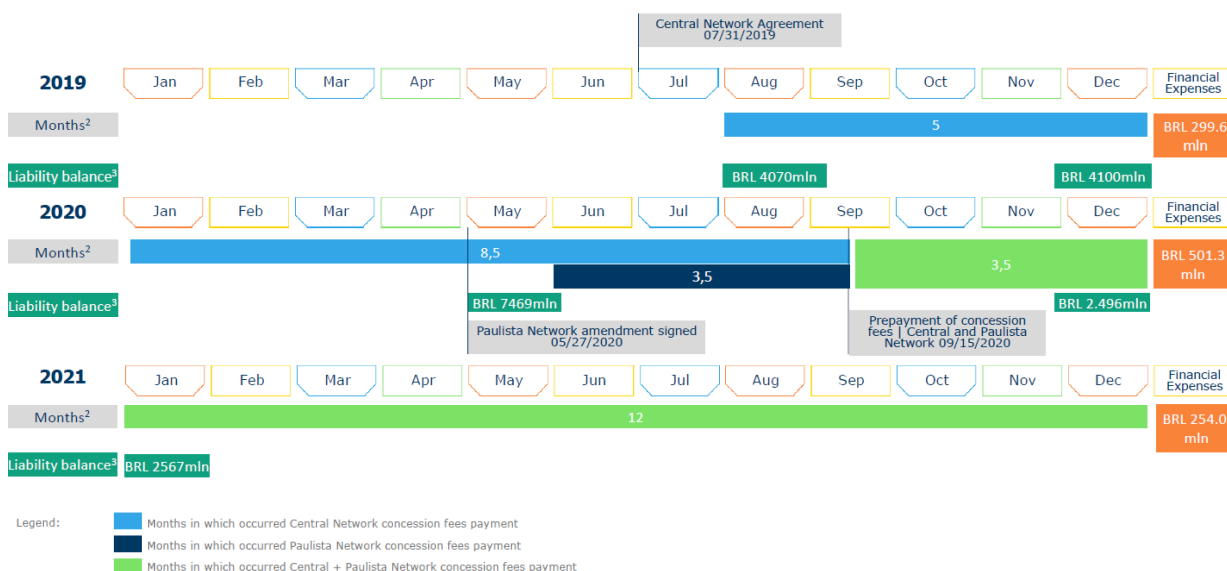
## 1. Right of Use and Leasing IFRS 16 | Concessions Prepayment

The partial prepayment of the concession’s fees of the Central and Paulista Networks in the amount of R\$ 5,1 billion, made on September 15, 2020, caused reduction in the balance of lease liabilities as of the 3Q20.

Balance sheet accounts affected by registration of concession fees (Amounts in BRL mln)	12/31/2020	09/30/2020	06/30/2020
Right-of-use	7,823	7,764	7,797
Lease liabilities <sup>4</sup> (Note 5,6 of quarterly information)	2,913	2,767	7,909

Note 4: Operating and financial leases – IFRS 16.

The partial prepayment reduced the liability balance of operating lease of Central and Paulista Networks, zeroing for the next 15 and 17 years, respectively, the collection of interest and monetary variation in cash flow. In the result, there is a reduction in interest and monetary variation due to a lower liability balance, which does not affect the amortization of the right of use, which continues to be depreciated on a straight-line basis over each agreement.



Note 5: In the months shown there is only mention to Central and Paulista Networks, not considering the concession fees that did not suffer impact due to the prepayment. The liability balance and the amount of financial charges refer to total concession fees – including South Network, Paulista Network – 1st agreement, West Network and Port Elevation.

In 2021, the concession fee expenses should be around R\$ 254 million. From a cash-flow standpoint, we expected roughly R\$ 121 million in interest and R\$ 107 million in amortization.

## 2. Adjusted Results

### 2.1 Central Network

In line with previous quarters and to assure the comparability of results between the years, the consolidated result is presented without the effects of Central Network, which was at preoperating phase in the 4Q20.

### 2.2 Paulista Network Renewal Process

In continuity of the matching of accounts made in the 2Q20, upon signing of the renewal agreement of Paulista Network, there was, during the 4Q20, a progress in the analysis of part of the amount of R\$ 148 million of matching of accounts, which was still pending, generating a gain of R\$ 31 million in the EBITDA, against liability.

### 2.3 Provision for Impairment West Network

Due to the significant reduction in the volume transported by West Network in 2020 and the progress in its re-bidding process, the projections of future generation of cash were affected, indicating Impairment in the Company. After review of these cash flows, the provision for impairment was complemented in the amount of R\$ 144 million - effect that does not impact the cash of the Company and corresponds to the remaining balance of the permanent assets of this subsidiary.

### 2.4 Adjusted Results

Summary of Financial Information (Amounts in R\$ MM)	4Q20	Adjustments Central Network*	Paulista Network	Impairment Provision West Network	Adjusted 4Q20	4Q19	Central Network	Adjusted 4Q19	Chg. %
<b>Net operating revenue</b>	<b>1,662</b>	-	-	-	<b>1,662</b>	<b>1,664</b>	-	<b>1,664</b>	<b>-0,1%</b>
<b>Gross profit</b>	<b>414</b>	-	-	-	<b>414</b>	<b>572</b>	-	<b>572</b>	<b>27,7%</b>
<i>Gross margin (%)</i>	<i>24.9%</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>24.9%</i>	<i>34.4%</i>	<i>n/a</i>	<i>34.4%</i>	<i>-0,3 p.p.</i>
Sales, general, and admin. expenses	(131)	13	-	-	(118)	(98)	15	(83)	42,9%
Other op. revenue (expenses) & eq. pickup	58	25	(31)	37	89	(11)	24	13	>100%
<b>Operational profit</b>	<b>340</b>	<b>38</b>	<b>(31)</b>	<b>37</b>	<b>383</b>	<b>464</b>	<b>39</b>	<b>503</b>	<b>-23,8%</b>
Depreciation and amortization	417	(25)	-	-	393	434	(24)	410	-3,8%
<b>EBITDA</b>	<b>758</b>	<b>13</b>	<b>(31)</b>	<b>37</b>	<b>776</b>	<b>897</b>	<b>16</b>	<b>913</b>	<b>-15,0%</b>
<i>EBITDA margin (%)</i>	<i>45.6%</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>46.7%</i>	<i>53.9%</i>	<i>n/a</i>	<i>54.9%</i>	<i>-1,0 p.p.</i>
<b>Capex</b>	<b>997</b>	<b>(364)</b>	-	-	<b>634</b>	<b>565</b>	-	<b>565</b>	<b>12,1%</b>

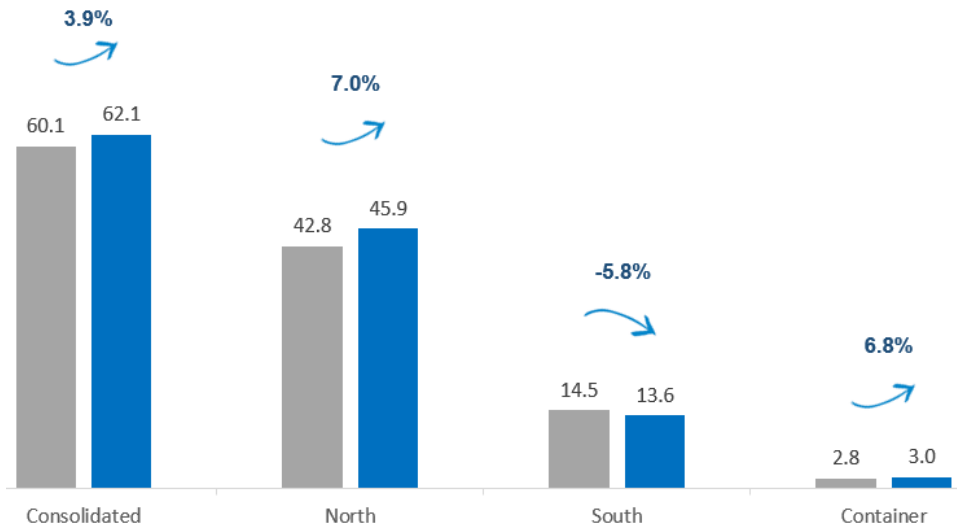
Summary of Financial Information (Amounts in R\$ MM)	2020	Central Network	Paulista Network*	Impairment Provision West Network	Adjusted 2020	2019	Central Network	Adjusted 2019	Chg.%
<b>Net operating revenue</b>	<b>6,966</b>	-	-	-	<b>6,966</b>	<b>7,088</b>	-	<b>7,088</b>	<b>-1.7%</b>
<b>Gross profit</b>	<b>2,245</b>	-	-	-	<b>2,245</b>	<b>2,479</b>	-	<b>2,479</b>	<b>-9.5%</b>
<i>Gross margin (%)</i>	<i>32.2%</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>32.2%</i>	<i>35.0%</i>	<i>n/a</i>	<i>35.0%</i>	<i>-2.8 p.p.</i>
Sales, general, and admin. expenses	(438)	40	-	-	(397)	(363)	27	(336)	9.4%
Other op. revenue (expenses) & eq. pickup	141	99	(315)	144	69	(3)	41	38	>100%
<b>Operational profit</b>	<b>1,948</b>	<b>139</b>	<b>(315)</b>	<b>144</b>	<b>1,916</b>	<b>2,113</b>	<b>68</b>	<b>2,181</b>	<b>-9.3%</b>
Depreciation and amortization	1,716	(98)	-	-	1,618	1,716	(41)	1,675	-5.8%
<b>EBITDA</b>	<b>3,664</b>	<b>40</b>	<b>(315)</b>	<b>144</b>	<b>3,533</b>	<b>3,829</b>	<b>27</b>	<b>3,857</b>	<b>-7.7%</b>
<i>EBITDA margin (%)</i>	<i>52.6%</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>50.7%</i>	<i>54.0%</i>	<i>n/a</i>	<i>54.4%</i>	<i>-3.3 p.p.</i>
<b>Capex</b>	<b>2,979</b>	<b>(711)</b>	-	-	<b>2,268</b>	<b>1,943</b>	-	<b>1,943</b>	<b>16.7%</b>

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

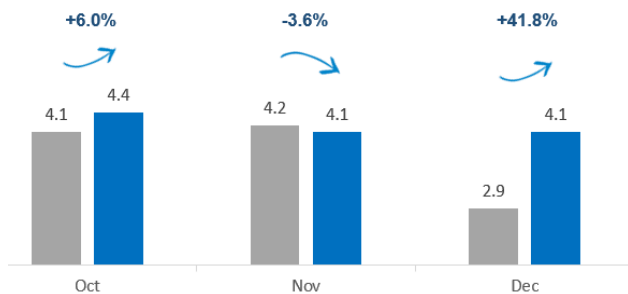
### 3. 4Q20 & 2020 Executive Summary

The volume transported by Rumo in 2020 reached 62,5 billion of TKU, 3,9% higher than 2019. In the North Operation, the volume grew 7,0%, mainly due to the performance of sugar (+87,1%) and fertilizers (+36,4%), which contributed to offset a lower than expected volume of grains, affected (i) by lower level of take or pay agreements at the beginning of the year; (ii) by higher competition derived from the paving of BR-163 and the lower prices of fuel and; (iii) by the fact that the producer held back exports of corn. In the South Operation, the volume fell 5,8%, reflecting (i) the drop of demand in the industrial segment due to Covid-19; and (ii) the low growth of agricultural products, mainly grains (-10,4%), due to low production. The Container Operation presented growth of 6,8% in volume and was subject to the impact of lower demand in the internal market and lower level of export, due to Covid-19.

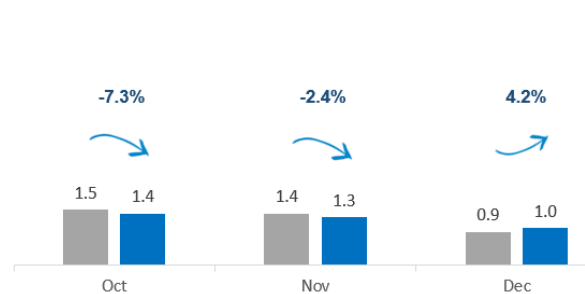
Annual Volume – Consolidated and by operation | 2020  
(bln RTK)



North Operation Volume  
(bln RTK)

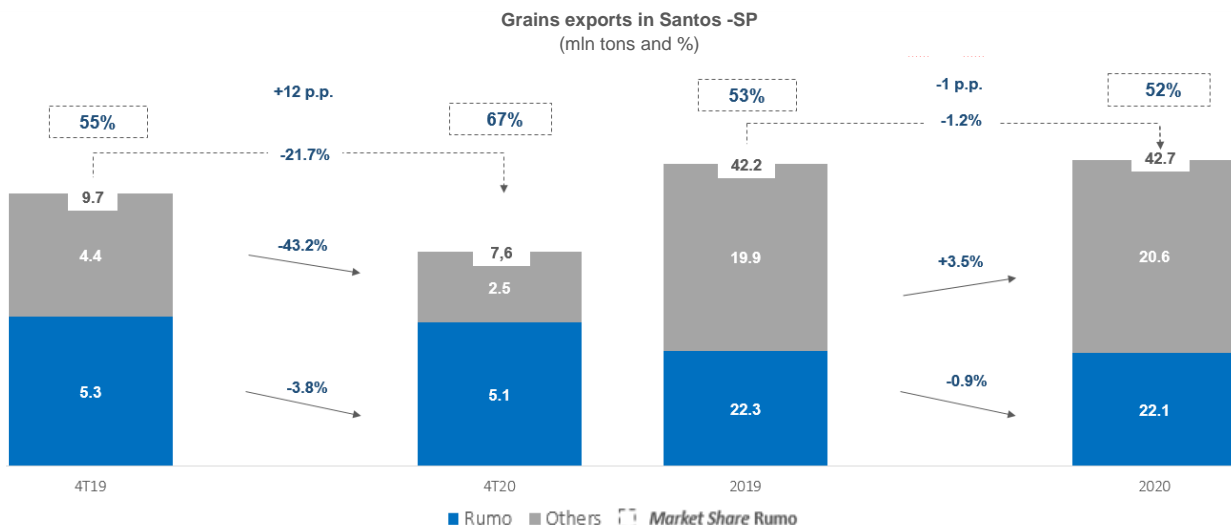


South Operation Volume  
(bln RTK)



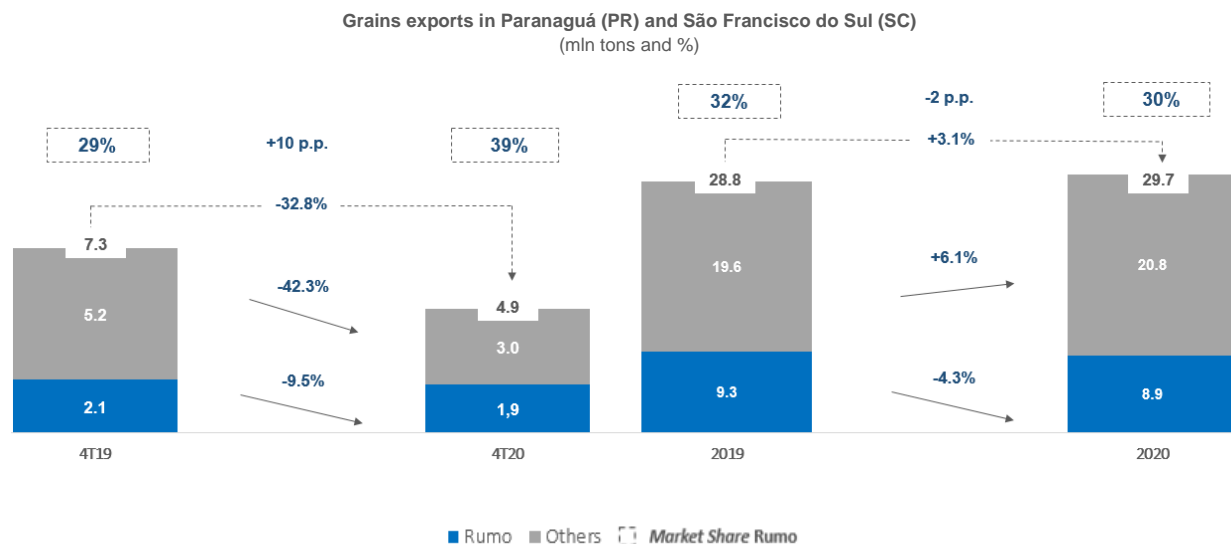
Source: Rumo's internal system

In 2020, Rumo lost 1 p.p. of market share of grains at Port of Santos (SP). In the 4Q20, there was a gain of 12 p.p., reflecting the drop of 68% of exports from states not covered by Rumo and the stable volume of the Company.



Source: Marine Agency and Rumo's System

The South Operation lost 2 p.p. in the market share of transport of grains to the ports of Paranaguá (PR) and São Francisco do Sul (SC) in the year, mainly due to the lower price of fuel which improved the competitiveness of trucks. On the other hand, in the 4Q20, there was a gain of 10 p.p., as a result of the recovery in fuel prices and consequently in the competitiveness of the railway.



Source: Marine Agency and Rumo's System

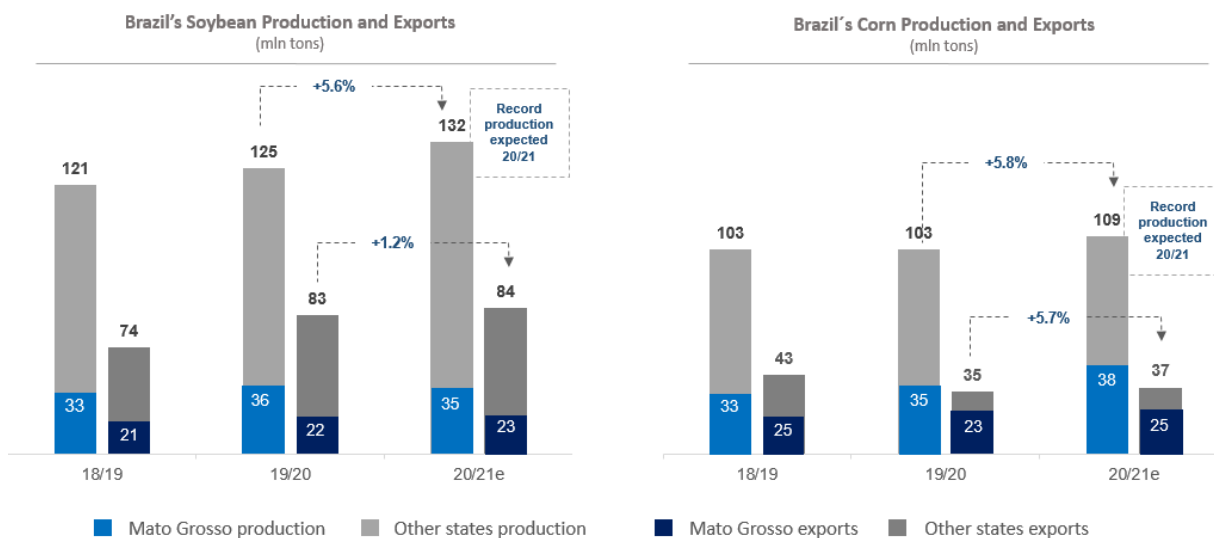
The net revenue totaled R\$ 6,966 million, -1,7% vs, 2019, reflecting the drop of revenue of railway transportation mainly due to the decrease in yields, partially offset by the increase of 26,2% in Port elevations and an increase of 62% in the logistics solution revenues.

The Adjusted EBITDA reached R\$ 3,533 million, with drop of 8,4% compared to 2019, mainly due to a scenario of higher competition, which put pressure on tariffs and volume. The railway variable cost fell 4,3% compared to the volume increase of 3,9%, mainly due to the reduction of 5,2% in the consumption of fuel. The costs in the port elevation segment increased more than volumes due to extraordinary expenses with demurrage. The logistics solution costs increased 46%, whereas the volume grew 62%. The fixed costs and general and administrative expenses increased 6,3%, due to the increase of: (i) SG&A mainly due to higher expenses with cyber security and; (ii) other operating costs, due to a worst mix of cargo and segments with more sugar logistic solution and port elevation. Consequently, the Adjusted EBITDA Margin fell 3,7 p.p., reaching 50,7%.

Rumo presented net profit of R\$ 305 million, compared to 786 million in 2019, due to the lower EBITDA and the increase in financial expenses in view of: (i) the improvement of the estimate of fair-value measurement of financial instruments (MTM), which had non-cash effect in the amount of R\$ 273 million and; (ii) the higher expenses of concession fees of Central and Paulista Networks, due to the recognition in a higher number of months in 2020. The year 2020 was characterized by important advances in the capital structure of the Company: realization of follow-on of R\$ 6,4 billion, prepayment of concession fees in the amount of R\$ 5,1 billion, issuance of a US\$ 500 million green bond, and ongoing process of liability management, resulting in a leverage of 1,9x broad net debt/Adjusted EBITDA LTM.

As to the **soybean market**, in 2021, according to Agroconsult’s projections, Brazil should have a record crop of 132 million tons of soybean - increase of 7,0 million tons in relation to 2019 – of which 84 million should be exported. By analyzing the estimates per state, the highlights are: (i) Mato Grosso, which, despite slight drop in production, has projection growth of exports; (ii) Rio Grande do Sul, with strong expansion of production (6,6 million tons), recovering the crop failure in 2020 and; (iii) Goiás, with estimated production of 13,4 million tons, which begins to be covered by Rumo in 2021.

As to **corn**, Agroconsult’s projections indicate record crop, with increase of 6 million tons, and exports should also increase - approximately 2 million tons. In the analysis by state, the highlights are: (i) Mato Grosso, with growth in production and increase in exports by 2 million tons; (ii) Mato Grosso do Sul and Paraná, which together increased production by 3,5 million tons, recovering from a lower crop in 2019 and; (iii) Goiás, with estimated production of 12,7 million tons, which begins to be covered by Rumo in 2021.



Source: Agroconsult.  
Note: (e) – Estimate

In 2020, in view of the challenges brought by the Covid-19 pandemic, the Company implemented a sound contingency plan following the most restrictive protocols established by the public bodies of the cities where we operate and making important donations. More than 23 thousand tests were made to prevent contagion, in a way that the population was tested more than twice, with positive results totaling only 3,9% - data that reinforces the efficiency of the adopted measures. The Company’s operations, therefore, were not interrupted, with extreme focus on the safety of our employees.

#### 4. Consolidated Operating & Financial Indicators

4Q20	4Q19	Chg.%	Summary of Financial Information (Amounts in BRL mln)	2020	2019	Chg.%
<b>16,197</b>	<b>14,997</b>	<b>8.0%</b>	<b>Total transported volume (million RTK)</b>	<b>62,458</b>	<b>60,096</b>	<b>3.9%</b>
13,216	12,239	8.0%	Agricultural products	51,830	49,333	5.1%
2,150	2,011	6.9%	Industrial products	7,673	7,997	-4.1%
832	748	11.3%	Containers	2,956	2,766	6.9%
83.8	95.9	-12.7%	<i>Average transportation yield (R\$/000 RTK)<sup>6</sup></i>	93.9	101.6	-7.6%
<b>1,662</b>	<b>1,664</b>	<b>-0.1%</b>	<b>Net operating revenue</b>	<b>6,966</b>	<b>7,088</b>	<b>-1.9%</b>
1,358	1,439	-5.7%	Transportation	5,864	6,108	-4.0%
88	65	35.4%	Port loading	359	284	26.4%
210	78	>100%	Logistic solution <sup>7</sup>	647	373	73.7%
6	82	-92.7%	Other revenues <sup>8</sup>	96	322	-70.2%
<b>758</b>	<b>897</b>	<b>-15.6%</b>	<b>EBITDA</b>	<b>3,664</b>	<b>3,829</b>	<b>-4.3%</b>
45.6%	53.9%	-8.3 p.p.	<i>EBITDA margin (%)</i>	52.6%	54.0%	-1.3 p.p.
<b>776</b>	<b>913</b>	<b>-15.0%</b>	<b>Adjusted EBITDA<sup>9</sup></b>	<b>3,533</b>	<b>3,857</b>	<b>-8.4%</b>
46.7%	54.8%	-8.2 p.p.	<i>Adjusted EBITDA margin (%)</i>	50.7%	54.4%	-3.6 p.p.

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

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

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

Note 9: Excludes the effects of Central Network; effects from the Paulista Network renewal process, and provision for impairment of the West Network in 2020, and excluding the effects of the Central Network in 4Q20.

#### Rumo's Consolidated Transported Volume and Yield by Operation

4Q20	4Q19	Chg.%	Operational Figures	2020	2019	Chg.%
<b>16,197</b>	<b>14,997</b>	<b>8.0%</b>	<b>Total transported volume (million RTK)</b>	<b>62,458</b>	<b>60,096</b>	<b>3.9%</b>
<b>13,216</b>	<b>12,239</b>	<b>8.0%</b>	<b>Agricultural products</b>	<b>51,830</b>	<b>49,333</b>	<b>5.1%</b>
273	1,858	-85.3%	Soybean	17,453	16,445	6.1%
2,001	1,876	6.6%	Soybean meal	7,530	6,882	9.4%
7,497	6,568	14.1%	Corn	17,173	19,546	-12.1%
1,902	863	>100%	Sugar	5,011	2,844	76.2%
1,388	1,032	34.5%	Fertilizers	4,465	3,527	26.6%
155	41	>100%	Other	198	89	>100%
<b>2,150</b>	<b>2,011</b>	<b>6.9%</b>	<b>Industrial products</b>	<b>7,673</b>	<b>7,997</b>	<b>-4.1%</b>
1,295	1,139	13.7%	Fuels	4,367	4,688	-6.8%
651	671	-3.1%	Wood, pulp, and paper	2,488	2,441	1.9%
203	200	1.7%	Other	818	868	-6.0%
<b>832</b>	<b>748</b>	<b>11.3%</b>	<b>Containers</b>	<b>2,956</b>	<b>2,766</b>	<b>6.9%</b>

4Q20	4Q19	Chg.	Yield by Operation	2020	2019	Chg.
<b>North Operation</b>						
80,6	97,0	-16.9%	Yield (R\$/000 RTK)	91,8	102,7	-10.6%
73.5%	71.0%	2.5p.p.	% Volume	73.4%	71.3%	2.1p.p.
<b>South Operation</b>						
93,1	92,6	0.6%	Yield (R\$/000 RTK)	101,5	99,2	2.3%
21.3%	24.0%	-2.6p.p.	% Volume	21.8%	24.1%	-2.3p.p.
<b>Container Operation</b>						
90,8	96,9	-6.2%	Yield (R\$/000 RTK)	91,3	97,4	-6.3%
5.1%	5.0%	0.2p.p.	% Volume	4.7%	4.6%	0.1p.p.
<b>Consolidated</b>						
83,8	95,9	-12.7%	Yield (R\$/000 RTK)	93,9	101,6	-7.6%



## Results by Business Unit

### Business Units

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

- **North Operation** North Network, Paulista Network, and Port Operation in Santos.
- **South Operation** West Network and South Network.
- **Container Operation** Container Operation, including Brado Logística.
- **Central Operation<sup>1</sup>** Central Operation, in the pre-operational phase.

Results by Business Unit 4Q20	North Operation	South Operation	Container Operation	Subtotal	Central Operation	Consolidated
Transported volume (million RTK)	11,911	3,454	832	16,197	-	16,197
Net Revenue	1,257	325	80	1,662	-	1,662
Cost of services	(851)	(319)	(78)	(1,248)	-	(1,248)
<b>Gross profit (loss)</b>	<b>406</b>	<b>6</b>	<b>2</b>	<b>414</b>	<b>-</b>	<b>414</b>
Gross margin (%)	32.4%	1.8%	2.3%	24.9%	n.a.	24.9%
Sales, general, and administrative expenses	(85)	(26)	(8)	(118)	(13)	(131)
Other operating revenues (expenses) & eq. pickup <sup>10</sup>	92	(13)	3	82	(25)	58
Depreciation and amortization <sup>11</sup>	269	105	19	393	25	417
<b>EBITDA</b>	<b>682</b>	<b>72</b>	<b>16</b>	<b>770</b>	<b>(13)</b>	<b>758</b>
EBITDA margin (%)	54.2%	22.2%	19.9%	46.7%	n.a.	45.6%
Adjustment EBITDA	(31)	37	-	6	13	19
<b>Adjusted EBITDA<sup>12</sup></b>	<b>651</b>	<b>109</b>	<b>16</b>	<b>776</b>	<b>-</b>	<b>776</b>
Adjusted EBITDA margin (%)	51.8%	33.6%	19.9%	47.1%	n.a.	46.7%

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

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

Result by Business Unit 2020	North Operation	South Operation	Container Operation	Subtotal	Central Operation	Consolidated
Transported volume (million RTK)	45,862	13,640	2,956	62,458	-	62,458
Net revenue	5,271	1,410	286	6,966	-	6,966
Cost of services	(3,134)	(1,294)	(294)	(4,722)	-	(4,722)
<b>Gross profit (loss)</b>	<b>2,137</b>	<b>116</b>	<b>(8)</b>	<b>2,245</b>	<b>-</b>	<b>2,245</b>
Gross margin (%)	40.5%	8.2%	-2.8%	32.2%	n.a.	32.2%
Sales, general, and administrative expenses	(273)	(85)	(39)	(397)	(40)	(438)
Other operating revenues (expenses) & eq. pickup <sup>10</sup>	359	(144)	25	240	(99)	141
Depreciation and amortization <sup>11</sup>	1,058	488	72	1,618	98	1,716
<b>EBITDA</b>	<b>3,281</b>	<b>374</b>	<b>49</b>	<b>3,704</b>	<b>(40)</b>	<b>3,664</b>
EBITDA margin (%)	62.2%	26.5%	17.2%	53.2%	n.a.	52.7%
Adjustments EBITDA	(315)	144	-	(171)	40	(131)
<b>Adjusted EBITDA<sup>12</sup></b>	<b>2,966</b>	<b>518</b>	<b>49</b>	<b>3,533</b>	<b>-</b>	<b>3,533</b>
Adjusted EBITDA margin (%)	56.3%	36.7%	17.2%	50.7%	n.a.	50.7%

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

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

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

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

## North Operation

4Q20	4Q19	Chg. %	Operational figures	2020	2019	Chg. %
<b>11,911</b>	<b>10,654</b>	<b>11.8%</b>	<b>Total transported volume (million RTK)</b>	<b>45,862</b>	<b>42,845</b>	<b>7.0%</b>
<b>10,658</b>	<b>9,651</b>	<b>10.4%</b>	<b>Agricultural products</b>	<b>41,436</b>	<b>38,993</b>	<b>6.3%</b>
-	770	-100.0%	Soybean	12,567	11,329	10.9%
1,868	1,666	12.2%	Soybean meal	6,904	6,166	12.0%
6,477	5,900	9.8%	Corn	15,377	17,200	-10.6%
1,076	439	>100%	Sugar	2,679	1,432	87.1%
1,236	877	40.9%	Fertilizers	3,909	2,866	36.4%
<b>1,253</b>	<b>1,003</b>	<b>25.0%</b>	<b>Industrial products</b>	<b>4,426</b>	<b>3,852</b>	<b>14.9%</b>
805	592	36.0%	Fuels	2,623	2,395	9.5%
448	412	8.7%	Industrials	1,803	1,457	23.7%
80.6	97.0	-16.9%	Average transportation yield	91.8	102.7	-10.6%
<b>3,533</b>	<b>2,665</b>	<b>32.5%</b>	<b>Total volume loaded (TU 000)</b>	<b>14,447</b>	<b>11,213</b>	<b>28.8%</b>
24.9	24.4	2.1%	Average loading yield (R\$/TU)	24.8	25.8	-4.0%

The total volume transported in the North Operation reached 45,9 billion of TKU in 2020, which is 7,0% higher than 2019, with highlight for the volume of sugar (+87,1%), fertilizers (+36,4%) and pulp (+23,7%). The volume of grains remained stable, due to the scenario of higher competition, especially corn, due to the fact that the producer has held back exports.

4Q20	4Q19	Chg. %	Financial Data (Amounts in BRL mln)	2020	2019	Chg. %
<b>1,257</b>	<b>1,243</b>	<b>1.1%</b>	<b>Net operating revenue</b>	<b>5,271</b>	<b>5,314</b>	<b>-0.8%</b>
960	1,033	-7.2%	Transportation	4,210	4,403	-4.4%
210	78	>100%	Logistic solution	647	373	73.5%
88	65	35.4%	Port loading	359	284	26.4%
(1)	67	-98.5%	Other revenues <sup>13</sup>	55	254	-78.3%
<b>(851)</b>	<b>(648)</b>	<b>31.3%</b>	<b>Cost of services</b>	<b>(3,134)</b>	<b>(2,851)</b>	<b>9.9%</b>
(393)	(284)	38.4%	Variable costs	(1,380)	(1,201)	14.9%
(191)	(124)	53.9%	Fixed costs	(702)	(629)	11.6%
(267)	(240)	11.3%	Depreciation and amortization	(1,052)	(1,021)	3.0%
<b>406</b>	<b>595</b>	<b>-31.7%</b>	<b>Gross profit</b>	<b>2,137</b>	<b>2,463</b>	<b>-13.2%</b>
32,4%	47,9%	-15.5 p.p.	Gross margin (%)	40,5%	46,4%	-5.9 p.p.
(85)	(53)	60.4%	Sales, general, and administrative expenses	(273)	(240)	13.7%
92	12	>100%	Other op, revenue (expenses) and equity pickup <sup>14</sup>	359	25	>100%
269	241	11.3%	Depreciation and amortization	1,058	1,026	3.1%
<b>682</b>	<b>795</b>	<b>-14.2%</b>	<b>EBITDA</b>	<b>3,281</b>	<b>3,274</b>	<b>0.2%</b>
54,2%	63,9%	-9.7 p.p.	EBITDA margin (%)	62,2%	61,6%	0.6 p.p.
<b>651</b>	<b>795</b>	<b>-18.1%</b>	<b>Adjusted EBITDA<sup>15</sup></b>	<b>2,966</b>	<b>3,274</b>	<b>-9.4%</b>
51,8%	63,9%	-12.1 p.p.	Adjusted EBITDA margin (%)	56,3%	61,6%	-5.3 p.p.

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

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

Note 15: Excludes the effects of the Paulista Network renewal process in 2020.

**The Adjusted EBITDA totaled R\$ 2,965 million in the year, 9,4% below 2019.** The net revenue from transport was affected by the drop of tariffs by 10,7% in view of: (i) lower prices practiced, due to the paving of BR-163, not yet with the expected toll collection; (ii) lower levels of price of diesel, mainly in the first half and; (iii) the mix of products transported - with higher volume of sugar and industrial. The **fixed cost and general and administrative expenses** increased 11,0%, without the costs of Central Network. The **variable cost** increased 14,9%, affected by the mix of segments, with higher volumes of port elevation and logistic solution. Accordingly, the Adjusted EBITDA Margin reached 56,4%, 5 p.p. below 2019.

## South Operation

4Q20	4Q19	Chg. %	Operational Figures	2020	2019	Chg. %
<b>3,454</b>	<b>3,595</b>	<b>-3.9%</b>	<b>Transported volume (million RTK)</b>	<b>13,640</b>	<b>14,485</b>	<b>-5.8%</b>
<b>2,557</b>	<b>2,588</b>	<b>-1.2%</b>	<b>Agricultural products</b>	<b>10,394</b>	<b>10,340</b>	<b>0.5%</b>
273	1,088	-74.9%	Soybean	4,886	5,116	-4.5%
132	210	-37.0%	Soybean meal	644	716	-10.1%
1,020	669	52.5%	Corn	1,796	2,346	-23.4%
826	424	94.7%	Sugar	2,332	1,412	65.2%
152	155	-1.9%	Fertilizers	556	661	-15.9%
154	41	>100%	Other	180	89	>100%
<b>897</b>	<b>1,007</b>	<b>-10.9%</b>	<b>Industrial products</b>	<b>3,246</b>	<b>4,145</b>	<b>-21.7%</b>
491	548	-10.4%	Fuel	1,744	2,293	-23.9%
203	260	-21.9%	Wood, pulp, and paper	686	984	-30.3%
203	200	1.6%	Other	816	868	-6.0%
<b>93.1</b>	<b>92.6</b>	<b>0.6%</b>	<b>Average transportation yield</b>	<b>101.5</b>	<b>99.2</b>	<b>2.3%</b>

The South Operation presented drop of 5,8% in the volume transported in 2020, reaching 13,6 billion of TKU.

The drop of 10% in the segment of grains was due to, in the soybean, lower competitiveness over trucks, mainly due to the lower price of fuel, and crop failure in Rio Grande do Sul; and, in corn, due to the lower production in Paraná and Mato Grosso do Sul, and the fact that the producer has held back exports. The **industrial products** fell 21,7%, impacted by the drop of transport of fuel and other industrial cargo, due to the reduction of internal consumption in view of the Covid-19 pandemic.

4Q20	4Q19	Chg. %	Financial Data (Amounts in BRL mln)	2020	2019	Chg. %
<b>325</b>	<b>344</b>	<b>-5.6%</b>	<b>Net operating revenue</b>	<b>1,410</b>	<b>1,478</b>	<b>-4.6%</b>
322	333	-3.3%	Transportation	1,384	1,437	-3.6%
3	11	-72.7%	Other revenue <sup>13</sup>	26	41	-36.6%
<b>(319)</b>	<b>(369)</b>	<b>-13.6%</b>	<b>Cost of services</b>	<b>(1,294)</b>	<b>(1,442)</b>	<b>-10.3%</b>
(86)	(95)	-9.4%	Variable costs	(318)	(354)	-10.0%
(128)	(124)	3.2%	Fixed costs	(489)	(517)	-5.5%
(105)	(150)	-30.0%	Depreciation and amortization	(487)	(571)	-14.8%
<b>6</b>	<b>(25)</b>	<b>&gt;100%</b>	<b>Gross profit</b>	<b>116</b>	<b>36</b>	<b>&gt;100%</b>
1.8%	-7.1%	8.9 p.p	Gross margin (%)	8.2%	2.4%	5.8 p.p
(26)	(18)	44.4%	Sales, general, and administrative expenses	(85)	(58)	46.6%
(13)	(4)	>100%	Other op, revenue (expenses) and equity pickup	(144)	4	>100%
105	151	-30.5%	Depreciation and amortization	488	571	-14.6%
<b>72</b>	<b>104</b>	<b>-30.8%</b>	<b>EBITDA</b>	<b>374</b>	<b>553</b>	<b>-32.4%</b>
22.2%	30.2%	-7.9 p.p.	EBITDA margin (%)	26.5%	37.4%	-10.9 p.p.
37	-	>100%	Provision for impairment West Network	144	-	>100%
<b>109</b>	<b>104</b>	<b>4.8%</b>	<b>Adjusted EBITDA</b>	<b>518</b>	<b>553</b>	<b>-6.4%</b>
33.6%	30.2%	3.4 p.p.	Adjusted EBITDA margin(%)	36.7%	37.4%	-0.7 p.p.

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

The EBITDA of the South Operation totaled R\$ 374 million in the year, a drop of 32,4% compared to 2019, due to retraction of volume, since there was gain of efficiency in costs. The **variable cost** presented drop of 10%, higher than the drop of volume (-5,8%). The **fixed costs and general and administrative expenses** remained in line. Accordingly, the Adjusted EBITDA Margin reached 36,7%, 0,7 p.p. below 2019.

## Container Operation

4Q20	4Q19	Chg. %	Operational figures	2020	2019	Chg. %
21,482	21,614	-0.6%	<b>Total volume (containers)</b>	82,771	82,182	0.7%
90.8	96.9	-6.2%	<i>Intermodal average yield (R\$/000 RTK)</i>	91.3	97.4	-6.3%
832	748	11.3%	<b>Total volume (million RTK)</b>	2,956	2,766	6.9%

The volume of the Container Operation in 2020 increased 6,8% compared to 2019, reaching 2,956 million TKU. The result was due to the increase in transport of cotton and refrigerated products in Paraná, even if partially offset by the reduction in the transport of industrial cargo in the domestic market, especially to Mato Grosso, as impact of Covid-19.

4Q20	4Q19	Chg. %	Financial Data (Amounts in BRL mln)	2020	2019	Chg. %
80	77	3.9%	<b>Net operating revenue<sup>17</sup></b>	286	296	-3.4%
76	72	5.6%	Transportation	270	269	0.4%
4	5	-20.0%	Other revenues	16	27	-40.7%
(78)	(76)	2.6%	<b>Cost of services</b>	(294)	(316)	-6.9%
(36)	(36)	n.a.	Variable costs	(128)	(138)	-7.2%
(24)	(23)	4.3%	Fixed costs	(97)	(102)	-5.0%
(18)	(17)	5.9%	Depreciation and amortization	(69)	(75)	-8.0%
2	1	>100%	<b>Gross income (loss)</b>	(8)	(20)	-60.0%
2.3%	0.9%	1.4 p.p	<i>Gross margin (%)</i>	-2.8%	-6.8%	4.0 p.p
(8)	(11)	-27.3%	Sales, general, and administrative expenses	(39)	(38)	2.6%
3	6	-50.0%	Other op, revenue (expenses) and equity pickup	25	9	>100%
19	18	5.6%	Depreciation and amortization	72	78	-7.7%
16	14	14.3%	<b>EBITDA</b>	49	30	66.0%
19.9%	17.6%	2.3 p.p	<i>EBITDA margin (%)</i>	17.2%	10.0%	7.2 p.p

Note 17: Includes revenue from service units.

The Container Operation presented EBITDA of R\$ 49 million in 2020, 66% higher than 2019. The market dynamics mentioned above affected the *mix* of transported cargo, causing loss of tariff of 6,5%. The **variable cost** fell 7,3% in view of more efficient road ends, supported by the efficiency of the terminal. The **fixed cost** and **as general and administrative expenses** remained in line. Due to the end of the decommissioning process of deficit service units in the year, which produced gains in the line of other revenues and in costs. The EBITDA Margin reached 17,2%, 7,2 p.p. higher than last year.

## 5. Other Results

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

4Q20	4Q19	Chg. %	Consolidated Costs (Amounts in BRL mln)	2020	2019	Chg. %
<b>(1,366)</b>	<b>(1,175)</b>	<b>16.3%</b>	<b>Consolidated costs and General and Administrative Expenses</b>	<b>(5,120)</b>	<b>(4,945)</b>	<b>3.5%</b>
<b>(514)</b>	<b>(414)</b>	<b>24.2%</b>	<b>Variable costs</b>	<b>(1,827)</b>	<b>(1,693)</b>	<b>7.9%</b>
(354)	(351)	0.8%	Variable cost of rail transport	(1,310)	(1,369)	-4.3%
(242)	(257)	-5.7%	Fuel and lubricants	(911)	(1,000)	-8.9%
(94)	(79)	18.9%	Own logistics costs <sup>18</sup>	(329)	(296)	11.1%
(18)	(15)	20.3%	Other variable costs <sup>19</sup>	(70)	(73)	-4.1%
(107)	(60)	78.3%	Variable cost Logistic Solution <sup>20</sup>	(450)	(308)	46.1%
(53)	(3)	n.a	Variable cost Elevation	(67)	(16)	n.a
<b>(459)</b>	<b>(351)</b>	<b>30.8%</b>	<b>Fixed costs and General and Administrative Expenses</b>	<b>(1,676)</b>	<b>(1,576)</b>	<b>6.3%</b>
(200)	(185)	8.1%	Payroll expenses	(741)	(757)	-2.0%
(29)	(42)	-31.0%	Maintenance	(144)	(151)	-4.8%
(21)	(24)	-12.4%	Third-party services	(76)	(83)	-8.2%
(53)	(41)	29.3%	Safety and facilities	(186)	(169)	10.1%
(42)	21	n.a.	Other operational costs	(141)	(88)	60.1%
(116)	(80)	45.0%	General and Administrative Expenses	(388)	(328)	18.2%
<b>(392)</b>	<b>(409)</b>	<b>-4.2%</b>	<b>Depreciation and amortization</b>	<b>(1,617)</b>	<b>(1,676)</b>	<b>-3.5%</b>

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

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

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

In 2020, the **variable cost** presented gain of efficiency in the segments of railway transportation and logistics solution. The railway variable cost fell 4,3%, against volume increase of 3,9%, reflecting mainly the reduction of 5,2% in the consumption of fuel by locomotives, result of the focus on improvement of power efficiency. The costs of the logistics solution segment increased 46,1%, below the growth of 62% in volume. Port elevation costs increased more than 100%, in view of extraordinary costs with *demurrage*, due to concentration of sugar volume simultaneously with corn

The **fixed costs and general and administrative expenses** reached R\$ 1,676 million in the year, 6,3% higher than 2019, reflecting increase (i) SG&A mainly due to higher expenses with cyber security and; (ii) other operating costs, due to a worst mix of cargo and segments with more sugar logistic solution and port elevation. The depreciation and amortization costs fell 3,5%.

## Financial Result

4Q20	4Q19	Chg.%	Financial results (Amounts in BRL mln)	2020	2019	Chg.%
<b>(223)</b>	<b>(160)</b>	<b>39.4%</b>	<b>Cost of bank debt<sup>21</sup></b>	<b>(902)</b>	<b>(688)</b>	<b>31.0%</b>
(12)	(12)	n.a.	Charges for over leasing	(48)	(64)	-24.9%
35	42	-16.7%	Financial income from investments	135	155	-12.9%
<b>(200)</b>	<b>(130)</b>	<b>53.8%</b>	<b>(=) Cost of broad net debt</b>	<b>(815)</b>	<b>(598)</b>	<b>36.3%</b>
(19)	(43)	-55.8%	Monetary charges on concession liabilities	(108)	(190)	-43.2%
(64)	(114)	-43.9%	Grants and operating lease <sup>22</sup>	(501)	(300)	67.0%
(23)	(19)	21.1%	Rates on contingencies and contracts	(152)	(84)	81.0%
2	(9)	-	Other financial expenses	102	(27)	-
<b>(304)</b>	<b>(315)</b>	<b>-3.5%</b>	<b>(=) Financial results</b>	<b>(1,474)</b>	<b>(1,198)</b>	<b>23.0%</b>

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

Note 22: Considers IFRS 16 adjustments.

In 2020, the **financial result** presented an increase of 23% compared to 2019, due to (i) higher expenses with concession fees and operating leases and (ii) higher cost of the debt in view of the improvement of the estimate of fair-value measurement of financial instruments (MTM), which had nonrecurring and non-cash effect in the amount of R\$ 273 million.

The cost with **concession fees and operating leases** increased R\$ 200 million in 2020, in view of the early renewal of the concession of Paulista Network, as well as the recording of the concession of Central Network throughout the year. In the quarterly comparison, there was decrease of R\$ 50 million as result of prepayments of maturing installments of the concession fees of its railway concessions, in the total amount of R\$ 5,1 billion. The other financial expenses include the positive effect of R\$ 131,2 million derived from the matching of accounts of the process of renewal of Paulista Network.

## Income Tax and Social Contribution

4Q20	4Q19	Chg. %	Income Tax and Social Contribution (Amounts in BRL mln)	2020	2019	Chg. %
<b>36</b>	<b>149</b>	<b>-75.9%</b>	<b>Income (loss) before IT / SC</b>	<b>475</b>	<b>915</b>	<b>-48.1%</b>
34.0%	34.0%	0 p.p.	Theoretical rate IR / SC	34.0%	34.0%	0 p.p.
<b>(12)</b>	<b>(51)</b>	<b>-76.5%</b>	<b>Theoretical income (expense) with IT / SC</b>	<b>(161)</b>	<b>(311)</b>	<b>-48.1%</b>
<b>Adjustments to calculate effective rate</b>						
(26)	27	>100%	Tax losses and temporary differences not recognized <sup>23</sup>	(145)	(53)	>100%
13	41	-68.3%	Tax incentives arising from the North Network <sup>24</sup>	109	179	-39.1%
(0)	2	>100%	Equity pickup	4	7	-42.9%
(8)	36	>100%	Other effects	23	49	-53.1%
<b>(33)</b>	<b>55</b>	<b>&gt;100%</b>	<b>Income (expense) with IT / SC</b>	<b>(170)</b>	<b>(129)</b>	<b>31.8%</b>
-91.7%	36.9%	-128.6 p.p.	Effective rate (%)	-35.8%	-14.1%	-21.7 p.p.
(10)	(44)	-77.3%	IT/SC current	(242)	(161)	50.4%
(23)	98	>100%	IT/SC deferred	72	32	>100%

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

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

## 6. Loans and Financing

The gross comprehensive indebtedness at the end of the 4Q20, including derivatives, was R\$ 16,3 billion, against R\$ 16,7 billion in the 3Q20. The increase in net indebtedness of 8,8% reflects the effects of lower EBITDA on cash flow. During the year, there were important advances in capital structure: (i) *follow-on* of R\$ 6,4 billion; (ii) prepayment of concession fees of Central and Paulista Networks (R\$ 5,1 billion) and; (iii) ongoing process of *liability management*. Accordingly, the leverage reached **1,9x** (comprehensive net debt/EBITDA).

Total indebtedness (Amounts in BRL mln)	4Q20	2Q20	Chg.%
Commercial banks	1,034	1,045	-1.1%
NCE	1,264	1,251	1.0%
BNDES	3,972	4,255	-6.7%
Debentures	3,420	3,266	4.7%
Senior notes 2024, 2025 e 2028	10,222	11,239	-9.0%
<b>Total bank debt</b>	<b>19,912</b>	<b>21,056</b>	<b>-5.4%</b>
Leases <sup>25</sup>	416	442	-5.9%
Net derivative instruments	(3,989)	(4,758)	-16.2%
<b>Total broad gross debt</b>	<b>16,339</b>	<b>16,740</b>	<b>-2.4%</b>
Cash and cash equivalents and securities	(9,175)	(10,158)	-9.7%
<b>Total broad net debt</b>	<b>7,164</b>	<b>6,582</b>	<b>8.8%</b>
Adjusted EBITDA LTM <sup>26</sup>	3,808	3,911	-2.6%
<b>Leverage (broad net debt / Adjusted EBITDA LTM)</b>	<b>1.9x</b>	<b>1.7x</b>	<b>11.8%</b>

Note 25: Excludes operating lease IFRS 16.

Note 26: The LTM EBITDA refers to the sum of the last 12 months. Excludes the effect of West Network impairment for leverage purposes.

Below is the composition of items that had impact on changes in the consolidated debt of Rumo.

Movement in gross debt (Amounts in BRL mln)	4Q20
<b>Opening balance of broad net debt</b>	<b>6,582</b>
Cash and cash equivalents and marketable securities	(10,158)
Net derivative instruments	(4,758)
<b>Opening balance of broad gross debt</b>	<b>21,498</b>
<b>Items with cash impact</b>	<b>(421)</b>
New funding	37
Amortization of principal	(327)
Amortization of interest rates	(131)
<b>Items without cash impact</b>	<b>(4,737)</b>
Provision for interest rates (accrual)	285
Monetary variation, MTM adjustments of debt, and others	(1,033)
Net derivative instruments	(3,989)
<b>Closing balance of broad gross debt</b>	<b>16,339</b>
Cash and cash equivalents, and marketable securities <sup>20</sup>	(9,175)
<b>Closing balance of broad net debt</b>	<b>7,164</b>

Rumo is subject to certain restrictive contractual clauses related to the level of leverage and coverage of the service of debt in some of its agreements. The more restrictive clauses have annual verification at the end of the year and refer to net comprehensive indebtedness. It includes bank debts, debentures, commercial leases considered as financial leasing, less marketable securities, cash and cash equivalents, restricted cash linked to loans and derivative instruments. The *covenants* for December 2021 are: maximum leverage of 3,0x (comprehensive net debt/EBITDA LTM) and minimum index of interest coverage of 2,0x EBITDA/Financial result.

## 7. Capex

4Q20	4Q19	Chg.%	Investment (Amounts in BRL mln)	2020	2019	Chg.%
997	565	76.5%	<b>Total investments<sup>27</sup></b>	<b>2,979</b>	<b>1,943</b>	<b>53.3%</b>
282	196	43.9%	Recurring	1,108	876	26.5%
715	369	93.8%	Expansion	1,871	1,067	75.4%

Note 27: Values in cash regime.

**In 2020, the capex reached R\$ 2,979 million**, in line with the investment plan of the Company, reflecting the R\$ 711 million invested for operationalization of Central Network.

The recurring capex reached R\$ 1,108 million. The increase was due to (i) higher investments for increase in the security level, which already reaches the average rate<sup>2</sup> of Class I international railways; (ii) the increase in the unit cost of certain components due to exchange rate and IGP-M and; (iii) investments in Central Network.

The expansion capex reached R\$ 1,871 million. The increase in the level of investments derives mainly from work in Central Network that reached R\$ 694 million. In addition, the Company also continues to invest in permanent ways, with substitution of trails and ties; in the expansion of yards to adapt to 120-railcar trains and in improvements in infrastructure. These projects, not only increase the capacity, but also provide higher level of efficiency, which allows, among other gains, reduction in consumption of fuel, fundamental to reduce specific emissions of greenhouse gases.

<sup>2</sup> Rate measured in: accidents/MMtmi (millions of train mile) between 2016 and 2020. Average of 2.5 of Class I international railways. Source: Federal Railroad Administration - <https://railroads.dot.gov/>.



## 8. Cash Flow Statement

Below is the consolidated cash flow of Rumo. The marketable securities were considered as cash in this statement.

	4Q20	4Q19	Indirect Cash Flow (Amounts in BRL mln)	2020	2019	Chg.%
	758	897	EBITDA	3,664	3,829	-4.3%
	(137)	64	Working capital variations and non-cash effects	(821)	(353)	>100%
	38	38	Operating financial result	87	126	-31.0%
<b>(a)</b>	<b>693</b>	<b>999</b>	<b>(=) Operating cash flow (FCO)</b>	<b>2,930</b>	<b>3,603</b>	<b>-18.7%</b>
	(997)	(565)	Capex	(2,979)	(1,943)	53.3%
<b>(b)</b>	<b>(282)</b>	<b>(196)</b>	<b>Recurring</b>	<b>(1,108)</b>	<b>(876)</b>	<b>26.5%</b>
	(715)	(369)	Expansion	(1,871)	(1,067)	75.4%
	-	-	Sale of assets	3	-	>100%
	-	-	Dividends received	4	7	-44.0%
<b>(c)</b>	<b>(997)</b>	<b>(565)</b>	<b>(=) Cash flow from investing activities (FCI)</b>	<b>(2,972)</b>	<b>(1,936)</b>	<b>53.6%</b>
<b>(d)</b>	<b>37</b>	<b>1,105</b>	<b>Funding</b>	<b>6,173</b>	<b>2,402</b>	<b>&gt;100%</b>
<b>(e)</b>	<b>(350)</b>	<b>(250)</b>	<b>Amortization of principal</b>	<b>(6,053)</b>	<b>(2,361)</b>	<b>&gt;100%</b>
	(154)	(159)	Amortization of interest rates	(1,184)	(892)	32.7%
	-	-	Paid dividends	(2)	(4)	-52.4%
<b>(h)</b>	<b>10</b>	<b>-</b>	<b>Capital payment</b>	<b>6,316</b>	<b>-</b>	<b>&gt;100%</b>
	(10)	-	Preferred stock investments	(10)	-	>100%
	8	-	Derivative financial instruments	180	(51)	>100%
	5	7	Restricted cash	124	(31)	>100%
	<b>(454)</b>	<b>703</b>	<b>(=) Cash flow from financing activities (FCF)</b>	<b>5,544</b>	<b>(937)</b>	<b>&gt;100%</b>
<b>(g)</b>	<b>(222)</b>	<b>(0)</b>	<b>Forex variation impact on cash balances</b>	<b>(41)</b>	<b>1</b>	<b>&gt;100%</b>
<b>(f)</b>	<b>(980)</b>	<b>1,137</b>	<b>(=) Net cash generated</b>	<b>5,461</b>	<b>730</b>	<b>&gt;100%</b>
	<b>10,154</b>	<b>2,578</b>	<b>(+) Total cash (includes cash + marketable securities) opening</b>	<b>3,715</b>	<b>2,985</b>	<b>24.5%</b>
	<b>9,175</b>	<b>3,715</b>	<b>(=) Total cash (includes cash + marketable securities) closing</b>	<b>9,175</b>	<b>3,715</b>	<b>&gt;100%</b>
Metrics						
	413	803	<b>(=) Cash generation after recurring capex (a+b)</b>	<b>1,822</b>	<b>2,727</b>	<b>-33.2%</b>
	(302)	434	<b>(=) Cash generation (burn) after FCI Cash generation (consumption) after FCI (a+c)</b>	<b>(42)</b>	<b>1,667</b>	<b>&gt;100%</b>
	(455)	283	<b>(=) Cash generation (consumption) before funding and amortization (f-e-d-g-h)</b>	<b>(934)</b>	<b>688</b>	<b>&gt;100%</b>

## 9. Operating and Financial Performance Indicators

Below is the historical performance of the principal operational and financial indicators,

Operating and Financial Performance Index	4Q20	4Q19	Chg. %	2020	2019	Chg. %
<b>Consolidated</b>						
Operating ratio	80%	73%	9.6%	73%	71%	2.8%
Diesel consumption (liters/ '000 GTK)	3.64	3.83	-5.0%	3.72	3.93	-5.3%
Rail accidents (MM Train/Km)	13.52	16.60	-18.6%	13.52	16.30	-17.1%
Personal accidents (accidents/MM MHW)	0.24	0.40	-40.0%	0.24	0.40	-40.0%
<b>North Operation</b>						
Cycle of railcars <sup>28</sup> (days)	9.1	9.7	-6.2%	9.8	9.9	-1.6%
<b>South Operation</b>						
Cycle of railcars <sup>29</sup> (days)	7.4	6.9	7.2%	6.8	7.0	-2.9%

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

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

**Operating Ratio:** The indicator represents the portion of costs and expenses as percentage of net revenue. In 2020 the costs increased and net revenue dropped 1,7%, reflecting the increase of 3,1% of the indicator.

**Diesel consumption:** The improvement of 5,2% in the indicator in 2020 compared to 2019 reflects higher efficiency in the unit consumption of diesel of locomotives, due to investments in technology and innovation and in permanent way and modernization of the fleet.

**Railway accidents:** The indicator, which measures the number of accidents per million of kilometers, presented reduction of 17,1% in the annual comparison, as result of ongoing efforts and investments of the Company in order to increase the railway safety.

**Personal accidents:** The indicator, which shows the number of accidents with leave, presented significant improvement in the year, with drop of 40,0%, as result of ongoing efforts of the Company in the reduction of personal accidents, with a rate that reaches levels of international railways.

**Railway car cycle:** The improvement in the indicators of the North and South Operations is due to investments made to increase capacity.

## 10. Exhibits

### 10.1 Rumo Financial Statements

#### 10.1.1 Balance Sheet

Balance sheet (Amounts in BRL mln)	12/31/20	09/30/20
<b>Current assets</b>	<b>11,355</b>	<b>11,569</b>
Cash and cash equivalents	7,779	8,474
Marketable securities	1,397	1,680
Trade receivables	421	420
Derivative financial instruments	826	-
Inventories	249	263
Receivables from related parties	46	105
Income tax and social contribution	135	95
Other taxes recoverable	351	400
Dividends and interest on equity receivable	3	3
Other assets	147	129
<b>Non-current assets</b>	<b>34,554</b>	<b>35,034</b>
Trade receivable	7	9
Restricted cash	35	39
Recoverable income tax and social contribution	41	27
Deferred income tax and social contribution	1,271	1,242
Receivables from related parties	94	41
Other taxes recoverable	790	690
Judicial deposits	331	330
Financial and derivative instruments	3,162	4,758
Other assets	51	49
Investments in associates	51	50
Property and equipment	13,646	12,752
Intangible	7,251	7,284
Right of use	7,823	7,764
<b>Total assets</b>	<b>45,908</b>	<b>46,603</b>
<b>Current liabilities</b>	<b>4,856</b>	<b>4,380</b>
Loans, financing, and debentures	2,504	2,271
Leases	511	498
Suppliers	755	613
Labor and social security obligations	139	167
Income tax and social contribution taxes	12	1
Other payable taxes	63	57
Dividends payables	8	7
Leases and concessions	159	113
Payable to related parties	165	157
Deferred revenue	6	6
Other financial liabilities	414	328
Other payables	122	162
<b>Non-current liabilities</b>	<b>25,756</b>	<b>26,935</b>
Loans, financing, and debentures	17,408	18,785
Leases	2,402	2,269
Other payables	2	2
Provision for lawsuits	473	476
Leases and concessions	2,825	2,829
Other financial liabilities	31	-
Deferred income tax and social contribution	2,515	2,464
Deferred revenues	43	45
Other accounts payable	57	66
<b>Shareholders' equity</b>	<b>15,296</b>	<b>15,288</b>
<b>Total liabilities</b>	<b>45,908</b>	<b>46,603</b>

10.1.2 Income Statement

4Q20	4Q19	Chg.%	Income Statement (Amounts in BRL mln)	2020	2019	Chg.%
1,662	1,664	-0.1%	<b>Net operating revenue</b>	6,966	7,088	-1.7%
(1,248)	(1,092)	14.3%	Cost of goods sold	(4,722)	(4,609)	2.4%
414	572	-27.7%	<b>Gross profit</b>	2,245	2,479	-9.5%
(131)	(98)	33.7%	Selling, general and administrative expenses	(438)	(363)	20.6%
56	(17)	>100%	Other net operating income (expenses)	128	(24)	>100%
2	6	-66.7%	Equity pickup	13	22	-40.9%
(304)	(315)	-3.4%	Net financial result	(1,474)	(1,198)	23.0%
(33)	54	>100%	Income tax and social contribution	(170)	(129)	31.8%
3	202	-98.5%	<b>Net profit (loss)</b>	305	786	-61.2%
0.2%	12.1%	-12 p.p.	<i>Net margin (%)</i>	4.4%	11.1%	-6.7 p.p.

10.1.3 Cash Flow

4Q20	4Q19	Accounting cash flow (Amounts in BRL mln)	2020	2019
<b>36</b>	<b>149</b>	<b>Profit before income tax and social contribution</b>	<b>475</b>	<b>915</b>
454	434	Depreciation and amortization	1,860	1,716
(2)	(6)	Equity pickup	(13)	(22)
24	21	Provision for profit sharing and bonuses	48	120
(2)	(3)	Result of disposals of fixed assets and intangible assets	(43)	(4)
21	15	Provision for lawsuits	87	73
-	-	Provision (reversal) for losses on doubtful accounts	1	(11)
4	3	Stock option plan	14	11
(31)	-	Reversal of leases and concessions in dispute	(380)	-
337	333	Interest, monetary and exchange variation, Net	1,537	1,246
(81)	-	Extemporaneous tax credit	(103)	(40)
(0)	(26)	Other	(8)	(90)
<b>752</b>	<b>919</b>	<b>(=) Adjustments</b>	<b>3,474</b>	<b>3,913</b>
6	85	Trade receivables	13	136
(1)	(14)	Related parties, Net	(23)	(11)
(17)	(44)	Taxes	(78)	(131)
16	36	Inventories	(4)	13
(32)	(48)	Labor and social security payable	(94)	(110)
42	31	Suppliers	126	12
-	-	Lease and concession payable	(52)	-
(54)	(59)	Lawsuits	(157)	(145)
67	62	Other financial liabilities	(61)	51
(89)	10	Other assets and liabilities, Net	(238)	(204)
<b>(63)</b>	<b>60</b>	<b>(=) Changes in assets and liabilities</b>	<b>(567)</b>	<b>(389)</b>
<b>689</b>	<b>979</b>	<b>(=) Cash Flow from Operating Activities</b>	<b>2,907</b>	<b>3,524</b>
289	(549)	Marketable securities	379	1,169
5	7	Restricted cash	124	(31)
-	-	Dividends received from subsidiaries and associated companies	4	7
(997)	(565)	Additions to property, plant and equipment, software, and other intangibles	(2,979)	(1,943)
-	-	Cash received on sale of other permanent assets	3	-
<b>(703)</b>	<b>(1,107)</b>	<b>(=) Cash Flow from Investing Activities</b>	<b>(2,469)</b>	<b>(798)</b>
37	1,105	Funding	6,173	2,402
(350)	(250)	Amortization of principal	(6,053)	(2,361)
(154)	(159)	Amortization of interest	(1,184)	(892)
10	-	Capital payment	6,316	-
9	-	Derivative financial instruments	180	(51)
(10)	-	Interest charges on Certificates of Real Estate Receivables	(10)	-
-	-	Dividends paid	(2)	(4)
<b>(459)</b>	<b>696</b>	<b>(=) Cash generated by (used in) financing activities</b>	<b>5,420</b>	<b>(906)</b>
<b>(222)</b>	<b>(0)</b>	<b>Impact of exchange variation in cash balance</b>	<b>(41)</b>	<b>1</b>
<b>(695)</b>	<b>569</b>	<b>(=) Net increase in cash and cash equivalents</b>	<b>5,815</b>	<b>1,822</b>
<b>8,474</b>	<b>1,395</b>	<b>Beginning balance of cash and cash equivalents</b>	<b>1,963</b>	<b>142</b>
<b>7,779</b>	<b>1,963</b>	<b>Final balance of cash and cash equivalents</b>	<b>7,779</b>	<b>1,963</b>