



Rumo S.A.

Interim financial statements

(Free translation from the original prepared in Portuguese)

March 31, 2020

Contents

Independent auditor's review report on quarterly information	3
Statement of financial position	5
Statement of profit or loss	7
Statement of other comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	11
Statement of value added	13
Notes to interim financial statements	14

A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and consolidated Interim Financial Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 and the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on quarterly information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial statement, contained in the Quarterly Information Form (ITR) of -Rumo S.A. ("Company") for the quarter ended March 31, 2020, comprising the statement of financial position as of March 31, 2020 and the related statements of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for the three month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and the consolidated interim financial information

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

Other matters

Statements of value added

The abovementioned quarterly information includes the statement of value added (SVA) for the three month period ended March 31, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall interim financial information.

Audit and review of the corresponding amounts

The audit of the statement of financial position, individual and consolidated, as of December 31, 2019 and the review of interim financial information, individual and consolidated, for the quarter ended March 31, 2019, presented for comparison purposes, were conducted under the responsibility of other independent auditors which issued an audit opinion and a review report without modification, dated February 13, 2020 and May 9, 2019, respectively.

São Paulo, May 27, 2020.

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

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

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

	Note	Parent Company		Consolidated	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Assets					
Cash and cash equivalents	5.2	1,367,710	700,706	3,176,947	1,963,014
Marketable securities	5.3	44,358	511,725	336,238	1,751,853
Trade receivables	5.4	14,014	15,111	503,206	385,563
Inventories	5.10	763	1,036	263,807	248,456
Receivables from related parties	4.3	39,433	16,762	17,027	11,657
Income tax and social contribution recoverable		20,846	16,343	34,671	138,005
Other recoverable taxes	5.9	36,470	30,618	376,421	347,316
Dividends and interest on own capital receivable		1,457	674	4,966	644
Other assets		20,441	9,510	132,720	102,962
Current		1,545,492	1,302,485	4,846,003	4,949,470
Trade receivables	5.4	4,406	5,422	11,829	13,686
Restricted cash	5.3	3,535	3,511	129,667	147,910
Income tax and social contribution recoverable		-	-	225,945	168,089
Deferred income tax and social contribution	5.14	-	-	1,260,461	1,174,484
Receivables from related parties	4.3	3,326	3,326	38,758	36,407
Other recoverable taxes	5.9	-	-	671,985	663,584
Judicial deposits	5.15	23,291	22,806	419,492	415,246
Derivative financial instruments	5.8	170,532	92,795	3,971,929	1,624,023
Other assets		4,433	3,974	26,530	31,599
Investments in subsidiaries and associates	5.11	11,505,509	11,664,792	49,245	52,013
Property, plant and equipment	5.12.1	125,420	125,601	12,027,768	11,770,168
Intangible assets	5.12.2	339,882	349,656	7,339,735	7,375,033
Right-of-use	5.12.3	-	-	4,354,703	4,410,952
Non-current		12,180,334	12,271,883	30,528,047	27,883,194
Total assets		13,725,826	13,574,368	35,374,050	32,832,664

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

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

	Note	Parent Company		Consolidated	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Liabilities					
Loans, financing and debentures	5.5	176,620	969,054	1,607,562	1,064,846
Lease liabilities	5.6	112	192	549,134	534,245
Trade payables	5.7	55,958	55,109	452,563	513,325
Salaries payable		786	12,065	147,004	216,685
Current income and social contribution taxes		-	208	1,096	7,658
Other taxes payable	5.13	6,703	4,321	27,233	33,726
Dividends and interest on own capital payable		5,250	5,250	7,422	7,146
Leases and concessions in dispute	5.16	-	-	9,945	9,847
Payables to related parties	4.3	94,861	47,895	124,632	139,747
Deferred income		2,802	2,802	6,358	7,601
Other financial liabilities	3.1	-	-	289,692	410,952
Other payable		10,634	9,003	77,242	91,274
Current		353,726	1,105,899	3,299,883	3,037,052
Loans, financing and debentures	5.5	3,268,094	2,222,997	13,228,294	10,654,891
Lease liabilities	5.6	-	-	3,959,657	3,994,895
Derivative financial instruments	5.8	-	-	-	482
Other taxes payable	5.13	-	-	2,270	7,580
Provision for judicial demands	5.15	46,493	48,077	480,142	480,943
Leases and concessions in dispute	5.16	-	-	3,507,576	3,445,033
Provision for capital deficiency	5.11	1,908,867	1,791,179	-	-
Payables to related parties	4.3	37,225	29,925	-	-
Deferred income tax and social contribution	5.14	-	-	2,442,155	2,490,851
Deferred income		18,211	18,912	47,689	48,036
Other payable		11,981	13,103	57,076	58,614
Non-current		5,290,871	4,124,193	23,724,859	21,181,325
Total liabilities		5,644,597	5,230,092	27,024,742	24,218,377
Shareholders' equity	5.17				
Share capital		9,654,897	9,654,897	9,654,897	9,654,897
Capital reserve		2,475,852	2,472,559	2,475,852	2,472,559
Equity valuation adjustments		27,296	21,077	27,296	21,077
Profit reserve		305,728	305,728	305,728	305,728
Accumulated losses		(4,382,544)	(4,109,985)	(4,382,544)	(4,109,985)
		8,081,229	8,344,276	8,081,229	8,344,276
Equity attributable to:					
Owners of the Company		8,081,229	8,344,276	8,081,229	8,344,276
Non-controlling interests	5.11	-	-	268,079	270,011
Total equity		8,081,229	8,344,276	8,349,308	8,614,287
Total liabilities and equity		13,725,826	13,574,368	35,374,050	32,832,664

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

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

	Note	Parent Company		Consolidated	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Net revenue from services	6.1	164,893	160,750	1,423,563	1,634,946
Cost of services	6.2	(119,997)	(130,207)	(1,071,168)	(1,153,475)
Gross profit		44,896	30,543	352,395	481,471
Selling expenses	6.2	43	(78)	(9,152)	(2,843)
General and administrative expenses	6.2	(35,520)	(10,575)	(95,668)	(82,609)
Other income (expenses), net	6.3	11,828	(4,127)	(91,903)	(21,527)
Operating expenses		(23,649)	(14,780)	(196,723)	(106,979)
Equity income on investments	5.11	(269,565)	59,025	2,420	4,750
Result before financial results and income tax and social contribution		(248,318)	74,788	158,092	379,242
Financial expenses		(37,142)	(47,628)	(456,812)	(343,386)
Financial incomes		12,277	1,614	36,390	41,778
Foreign exchange, net		(74,873)	(1,925)	(1,575,764)	(26,945)
Derivatives		75,466	(379)	1,465,498	4,017
Financial results, net	6.4	(24,272)	(48,318)	(530,688)	(324,536)
Results before income tax and social contribution		(272,590)	26,470	(372,596)	54,706
Income tax and social contribution	5.14				
Current		-	(116)	(35,622)	(19,738)
Deferred		-	-	134,454	(8,073)
		-	(116)	98,832	(27,811)
Result for the period		(272,590)	26,354	(273,764)	26,895
Total result attributable to:					
Owners of the Company		(272,590)	26,354	(272,590)	26,354
Non-controlling interests		-	-	(1,174)	541
Earning per share from:	6.6				
Basic				(R\$0.17484)	R\$0.01690
Diluted				(R\$0.17484)	R\$0.01680

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

Statement of other comprehensive income
(In thousands of Brazilian Reais - R\$)

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Result for the period	(272,590)	26,354	(273,764)	26,895
Items that will not be reclassified to profit or loss				
Actuarial losses with pension plan	6	-	6	-
	6	-	6	-
Items that may subsequently be reclassified to profit or loss				
Foreign currency translation adjustment effect	6,244	273	6,244	273
	6,244	273	6,244	273
Other comprehensive results, net of income tax and social contribution	6,250	273	6,250	273
Total comprehensive result	(266,340)	26,627	(267,514)	27,168
Comprehensive result attributable to:				
Owners of the Company	(266,340)	26,627	(266,340)	26,627
Non-controlling interest	-	-	(1,174)	541

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

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

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

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

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

	Attributable to shareholders of the Company					Total	Non-controlling interest	Total equity
	Share capital	Capital reserve	Profit reserve	Equity valuation adjustments	Accumulated losses			
At December 31, 2018	9,654,897	2,462,045	266,817	18,907	(4,374,466)	8,028,200	266,423	8,294,623
Adjustment on initial application of CPC 06 R2 / IFRS 16	-	-	-	-	(532,350)	(532,350)	-	(532,350)
At January 1, 2019	9,654,897	2,462,045	266,817	18,907	(4,906,816)	7,495,850	266,423	7,762,273
Result for the period	-	-	-	-	26,354	26,354	541	26,895
Other comprehensive income:								
Foreign currency translation effects	-	-	-	273	-	273	-	273
Adjustment of attributed cost in associates	-	-	-	87	(87)	-	-	-
Total comprehensive income, net of taxes	-	-	-	360	26,267	26,627	541	27,168
Contributions and distributions to shareholders								
Share-based payment transactions	-	2,238	-	-	-	2,238	-	2,238
Dividends	-	-	-	-	-	-	(1,357)	(1,357)
Total of contributions and distributions to shareholders	-	2,238	-	-	-	2,238	(1,357)	881
At March 31, 2019	9,654,897	2,464,283	266,817	19,267	(4,880,549)	7,524,715	265,607	7,790,322

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

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

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash flow from operating activities				
Result before income taxes and social contribution	(272,590)	26,470	(372,596)	54,706
Adjustments for:				
Depreciation and amortization	25,218	25,571	419,186	422,455
Equity pick-up from controlled and associated companies	269,565	(59,025)	(2,420)	(4,750)
Provision for profit sharing and bonuses	163	554	22,633	33,242
Result on disposal of fixed and intangible assets	-	-	(1,229)	505
Provision for legal proceedings	36	8,018	19,048	22,487
Gain (loss) due to reduction in the recoverable amount of accounts receivable	(25)	78	1,193	(692)
Share-based payment transactions	3,149	2,238	3,149	2,238
Extemporaneous tax credits	(91)	-	(11,676)	-
Interest, indexation charges and exchange variations, net	30,846	43,835	505,365	332,438
Other	(762)	(823)	1,100	3,486
	55,509	46,916	583,753	866,115
Changes in:				
Trade receivables	3,239	(1,276)	(113,312)	1,519
Related parties, net	14,136	(37,418)	(28,750)	5,934
Other taxes, net	(8,806)	(3,615)	(29,914)	(25,770)
Inventories	273	(219)	(16,324)	(4,262)
Salaries payable	(1,282)	(1,698)	(85,898)	(101,380)
Trade payables	757	(6,074)	(56,354)	(17,925)
Provision for judicial demands	(1,596)	(2,414)	(16,690)	(18,388)
Other financial liabilities	-	-	(152,379)	(78,707)
Other assets and liabilities, net	(11,580)	(7,620)	(58,753)	(105,264)
	(4,859)	(60,334)	(558,374)	(344,243)
Net cash generated (used in) by operating activities	50,650	(13,418)	25,379	521,872
Cash flow from investing activities				
Capital increase in subsidiary	-	(601,020)	-	-
Sales of marketable securities	470,326	83,986	1,424,262	1,264,984
Restricted cash	(23)	(29)	24,854	(10,900)
Dividends received from controlled and associated companies	612	16,150	300	1,949
Additions to property, plant and equipment and intangible assets	(2,859)	(927)	(561,094)	(542,608)
Net cash generated (used in) by investing activities	468,056	(501,840)	888,322	713,425
Cash flow from financing activities				
Loans, financing and debentures raised	202,226	586,000	929,976	1,315,477
Repayment of principal on loans, financing and debentures	(29,999)	(45,527)	(221,579)	(1,356,922)
Payment of interest on loans, financing and debentures	(21,571)	(9,884)	(273,286)	(257,279)
Repayment of principal on financing leases	(80)	(74)	(51,461)	(56,061)
Payment of interest on financing leases	(7)	(13)	(109,707)	(39,616)
Payment derivative financial instruments	(2,271)	(1,668)	(3,880)	(24,112)
Receiving derivative financial instruments	-	-	28,768	-
Dividends paid	-	-	-	(438)
Net cash generated (used in) by financing activities	148,298	528,834	298,831	(418,951)
Impact of exchange variation on cash and cash equivalents	-	-	1,401	226
Increase in cash and cash equivalents, net	667,004	13,576	1,213,933	816,572
Cash and cash equivalents at beginning of the period	700,706	595	1,963,014	141,527
Cash and cash equivalents at end of the period	1,367,710	14,171	3,176,947	958,099
Additional information:				
Income tax and social contribution paid	1,505	2,495	5,542	4,385

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

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

- **Transactions that did not involve cash**

The Company presents its statements of cash flows using the indirect method. During the period ended on March 31, 2020, the Company carried out the following transactions that did not involve cash and, therefore, are not reflected in the consolidated cash flow statement:

- Provision for social security tax assets related to the recovery of credits on the contribution limit for third-party accounts and taxation of co-participation expenses for health plans, food vouchers and transportation vouchers, for R\$ 12,874, of which R\$ 11,628 are recorded under the heading “Extemporaneous tax credits” disclosed in note 6.3 and R\$ 1,246 under the heading “Interest, monetary and exchange transfers, reduction” disclosed in note 6.4; and
- Acquisition of assets by payment in installments for R\$ 18,464 on March 31, 2020 (R\$ 7,798 on March 31, 2019).

- **Presentation of interest and dividends**

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

Interest received or paid are classified as cash flow in financing activities, as it considers that they refer to the costs of obtaining financial resources.

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

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue				
Sales of products and services net of returns	174,618	169,660	1,498,351	1,722,437
Other operating revenue, net	6,849	769	16,119	6,593
Gain (loss) due to reduction in the recoverable amount of accounts receivable	25	(78)	(1,193)	692
	181,492	170,351	1,513,277	1,729,722
Raw materials acquired from third parties				
Cost of services rendered	(111,236)	(122,493)	(489,067)	(421,432)
Materials, energy, third party services, other	(11,605)	6,933	(147,457)	(226,409)
	(122,841)	(115,560)	(636,524)	(647,841)
Gross value added	58,651	54,791	876,753	1,081,881
Retention				
Depreciation and amortization	(25,218)	(25,571)	(419,186)	(422,455)
	(25,218)	(25,571)	(419,186)	(422,455)
Net value added	33,433	29,220	457,567	659,426
Value added transferred in				
Equity in subsidiaries and associates	(269,565)	59,025	2,420	4,750
Rentals received	6,300	3,360	-	-
Financial incomes	12,277	1,614	36,390	41,778
	(250,988)	63,999	38,810	46,528
Total value added to be distributed	(217,555)	93,219	496,377	705,954
Distribution of value added				
Employee and social charges	6,690	5,686	176,344	195,327
Remuneration	5,380	5,040	120,536	138,299
Benefits	1,252	578	47,237	49,369
Severance Indemnity Fund - FGTS	58	68	8,571	7,659
Taxes, fees and contributions	11,343	10,247	(3,834)	99,637
Federal	11,212	9,567	(31,112)	68,832
State	9	169	21,414	24,591
Municipal	122	511	5,864	6,214
Third party capital remuneration	37,002	50,932	597,631	384,095
Interest	36,549	49,932	567,078	366,314
Leasing	453	1,000	30,553	17,781
Equity capital remuneration	(272,590)	26,354	(273,764)	26,895
Non-controlling interests	-	-	(1,174)	541
Result for the period	(272,590)	26,354	(272,590)	26,354
	(217,555)	93,219	496,377	705,954

The accompanying notes are an integral part of these interim 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 code RAIL3, and its headquarters in the city of Curitiba, State of Paraná, Brazil.

The Company is a service provider in the logistics sector (transportation and elevation), mainly for the export of commodities, offering an integrated solution for transportation, handling, storage and shipping from the production centers to the main ports in the south and southeast of Brazil, and also holds interests in other companies and ventures related to logistic.

The Company operates in the rail transportation segment in 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.

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

1.2 The concession of railway operations and port terminals

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

Companies	End of concession	Coverage areas
Subsidiaries		
Elevações Portuárias	March 2036	Port of Santos-SP
Rumo Malha Paulista	December 2028	São Paulo State
Rumo Malha Sul	February 2027	South and São Paulo State
Rumo Malha Oeste	June 2026	Midwest and São Paulo State
Rumo Malha Norte	May 2079	Midwest
Rumo Malha Central	July 2049	North, Midwest and São Paulo State
Portofer	June 2025	Port of Santos-SP
Associates		
Terminal XXXIX	October 2050	Port of Santos-SP
TGG - Terminal de Granéis do Guarujá	August 2027	Port of Santos-SP
Termag - Terminal Marítimo de Guarujá	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 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 does not apply to the Company and therefore the assets acquired by it are treated under IFRS 16 / CPC 06 (R2) Leases and IAS 16 / CPC 27 - Property, plant and equipment.

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

1.3 Group information

a) Subsidiaries:

The Company's consolidated financial statements include:

Subsidiaries	Directly and indirectly subsidiaries	
	March 31, 2020	December 31, 2019
Logisport Armazéns Gerais S.A.	51.00%	51.00%
Elevações Portuárias S.A.	100.00%	100.00%
Rumo Luxembourg Sarl	100.00%	100.00%
Rumo Intermodal S.A.	100.00%	100.00%
Rumo Malha Oeste S.A.	100.00%	100.00%
Rumo Malha Paulista S.A.	100.00%	100.00%
Rumo Malha Sul S.A.	100.00%	100.00%
Rumo Malha Norte S.A.	99.74%	99.74%
Rumo Malha Central S.A.	100.00%	100.00%
Boswells S.A.	100.00%	100.00%
ALL Argentina S.A.	100.00%	100.00%
Paranaguá S.A.	100.00%	100.00%
ALL Armazéns Gerais Ltda.	100.00%	100.00%
Portofer Ltda.	100.00%	100.00%
Brado Logística e Participações S.A.	62.22%	62.22%
Brado Logística S.A.	62.22%	62.22%
ALL Mesopotâmica S.A.	70.56%	70.56%
ALL Central S.A.	73.55%	73.55%
Servicios de Inversión Logística Integrales S.A	100.00%	100.00%

b) Associates:

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

c) Group control:

The Company is a direct subsidiary of Cosan Logística S.A. ("Cosan Logística"), which holds 28.47% of its capital. The Company's final parent Company is Cosan Limited, listed on the New York Stock Exchange, or "NYSE" (ticker - CZZ).

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

2 Basis of preparation and general accounting policies

2.1 Declaration of conformity

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

The information in the notes that had no significant changes compared to December 31, 2019, has not been fully presented in this quarterly information.

The interim financial statements were authorized for issue by the Board of Directors on May 27, 2020.

2.2 General accounting policies

These interim financial statements have been prepared following the basis of preparation and accounting policies consistent with those adopted in the preparation of the financial statements of December 31, 2019, and should be read together.

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

2.3 Measurement of fair value

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

Loans	Company	March 31, 2020	December 31, 2019
Senior Notes Due 2024	Rumo Luxembourg	99.73 %	107.90 %
Senior Notes Due 2025	Rumo Luxembourg	93.89 %	107.27 %

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

	Book value		Assets and liabilities measured at fair value	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
			Level 2	Level 2
Assets				
Marketable securities	336,238	1,751,853	336,238	1,751,853
Derivative financial instruments	3,971,929	1,624,023	3,971,929	1,624,023
Total	4,308,167	3,375,876	4,308,167	3,375,876
Liabilities				
Derivative financial instruments	-	(482)	-	(482)
Loans, financing and debentures	(9,621,366)	(7,036,181)	(9,621,366)	(7,036,181)
Total	(9,621,366)	(7,036,663)	(9,621,366)	(7,036,663)

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

3 Business, operations, and management of the Company

3.1 Objectives and policies for risk management of financial instruments

a) Market risk

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

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

i. Foreign exchange risk

On March 31, 2020, and December 31, 2019, the Company had the following net exposure to the exchange rate variation of assets and liabilities denominated in foreign currency:

	March 31, 2020	December 31, 2019
Cash and cash equivalents	7,099	11,884
Trade receivables	13,507	11,372
Trade payables - suppliers	(14,249)	(6,639)
Loans, financing and debentures	(8,432,665)	(5,798,048)
Exchange rate derivatives (notional) ⁽ⁱ⁾	8,488,369	5,845,793
Lease liabilities	(81,680)	(65,348)
	<u>(19,619)</u>	<u>(986)</u>

- (i) These balances are equivalent to the notional amount in U.S. Dollars and Euro converted to R\$ at the rate of March 31, 2020.

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

Based on financial instruments denominated in U.S. Dollars and euros, as of March 31, 2020, the Company sensitized the positive or negative effect on the result, before taxes, resulting from a reasonably possible strengthening (weakening) of the Brazilian Real against foreign currencies in the probable scenario, and for increases and decreases of 25% and 50%, as follows:

Instrument	Risk factor	Scenario				
		Probable	25%	50%	-25%	-50%
Cash and cash equivalents	Exchange fluctuation	(1,009)	514	2,036	(2,532)	(4,054)
Trade receivables	Exchange fluctuation	(1,919)	978	3,875	(4,816)	(7,713)
Suppliers	Exchange fluctuation	2,025	(1,031)	(4,087)	5,081	8,137
Exchange rate derivatives (notional)	Exchange fluctuation	(1,207,023)	613,313	2,433,650	(3,027,359)	(4,847,696)
Loans, financing and debentures	Exchange fluctuation	1,199,108	(609,281)	(2,417,671)	3,007,497	4,815,887
Lease liabilities	Exchange fluctuation	11,606	(5,912)	(23,431)	29,124	46,643
Impacts on result of the period		2,788	(1,419)	(5,628)	6,995	11,204

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

	March 31, 2020	Scenario				
		Probable	25%	50%	-25%	-50%
U.S. Dollar	5.1987	4.4600	5.5750	6.6900	3.3450	2.2300
Euro	5.7264	4.8600	6.0750	7.2900	3.6450	2.4300

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

ii. Interest rate risk

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

The sensitivity analysis below shows the annual impact on interest expenses on loans and financing, and the remuneration of financial investments (before taxes), keeping the other variables in the probable scenario with increases and decreases of 25% and 50% in interest rates:

Exposure interest rate	Scenario				
	Probable	25%	50%	-25%	-50%
Financial investments	115,959	211,845	240,835	20,072	(8,917)
Marketable securities	12,273	22,421	18,409	2,124	6,136
Restricted cash	4,733	5,916	7,099	3,550	2,366
Loans, financing and debentures	(441,382)	(496,979)	(552,575)	(385,793)	(330,189)
Interest rate derivatives	-	(7,636)	(16,120)	7,636	16,120
Lease liabilities	(478,616)	(480,790)	(482,964)	(476,443)	(474,269)
Other financial liabilities	(138,963)	(173,704)	(208,445)	(104,222)	(69,482)
Impacts on result of the period	<u>(925,996)</u>	<u>(918,927)</u>	<u>(993,761)</u>	<u>(933,076)</u>	<u>(858,235)</u>

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

	Scenario				
	Probable	25%	50%	-25%	-50%
SELIC	3.65%	4.56%	5.48%	2.74%	1.83%
CDI	3.65%	4.56%	5.48%	2.74%	1.83%
TJLP	5.10%	6.38%	7.65%	3.83%	2.55%
IPCA	3.12%	3.90%	4.68%	2.34%	1.56%

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

b) Credit risk

The Company's regular operations expose it to potential defaults when customers, suppliers and counterparties fail to meet their financial or other commitments. The Company seeks to mitigate this risk by carrying out transactions with a diverse set of counterparties. However, the Company remains subject to unexpected financial failures by third parties that could interrupt its operations. The exposure to credit risk was as follows:

	March 31, 2020	December 31, 2019
Cash and cash equivalents ⁽ⁱ⁾	3,176,947	1,963,014
Marketable securities ⁽ⁱ⁾	336,238	1,751,853
Restricted cash ⁽ⁱ⁾	129,667	147,910
Trade receivables ⁽ⁱⁱ⁾	515,035	399,249
Receivables from related parties ⁽ⁱⁱ⁾	55,785	48,064
Derivative financial instruments	3,971,929	1,624,023
	<u>8,185,601</u>	<u>5,934,113</u>

- (i) The credit risk of balances with banks and financial institutions is managed by the Company's Treasury following the established policy. The excess resources are invested only in approved counterparties and within the limit established for each one. The credit limit of counterparties is reviewed annually and can be updated throughout the year. These limits are established to minimize the concentration of risks and, thus, mitigate the financial loss in the event of the potential bankruptcy of counterparty. The Company's maximum exposure to credit risk in relation to the balance sheet components on March 31, 2020, and December 31, 2019, is the amount recorded.
- (ii) The client's credit risk is managed centrally by each business segment, being subject to the procedures, controls, and policy established by the Company in relation to this risk. Credit limits are established for all customers based on internal classification criteria. The customer's credit quality is assessed based on an extensive internal credit rating procedure. Receivables from open customers are monitored frequently. The need for a provision for impairment is analyzed at each date reported on an individual basis for the main customers. Besides, a large number of accounts receivable with smaller balances are grouped into homogeneous groups, and in these cases, the recoverable loss is assessed collectively. The calculation is based on effective historical data.

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

The Company is exposed to risks related to its cash management and temporary investment activities.

Net assets are mainly invested in government securities and other investments in banks with a minimum grade of "A". The credit risk of balances with banks and financial institutions is managed by the treasury department, following the Company's policy.

Excess fund investments are made only with approved counterparties and within the credit limits attributed to each counterparty. Counterparty credit limits are reviewed annually and may be updated throughout the year. The limits are defined to minimize the concentration of risks and, therefore, mitigate the financial loss through the failure of the counterparty to make payments. The credit risk of cash and cash equivalents, marketable securities, restricted cash and derivative financial instruments is determined by rating agencies widely accepted by the market and are arranged as follows:

	March 31, 2020
AA	626,245
AAA	6,988,536
Total	<u>7,614,781</u>

Customer credit risk is managed by each business segment, subject to the procedures, controls and policy established by the Company in relation to this risk. Credit limits are established for all customers based on internal classification criteria. Receivables from open customers are monitored frequently.

The need for a provision for impairment is analyzed at each balance sheet date on an individual basis for the main customers. In addition, a large number of accounts receivable with smaller balances are grouped into homogeneous groups and, in these cases, the recoverable loss is assessed collectively. The calculation is based on effective historical data.

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

c) Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries find it difficult to settle 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 settle falling due obligations, under normal and stress conditions, without causing unacceptable losses or with the risk of damaging the reputation of the Company and its subsidiaries.

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

	March 31, 2020				December 31, 2019
	Up to 1 year	1 - 2 years	3 - 5 years	More than 5 years	Total
Loans, financing and debentures	(1,711,628)	(1,785,235)	(9,942,294)	(2,991,793)	(16,430,950)
Trade payables - suppliers	(452,563)	-	-	-	(452,563)
Other financial liabilities ⁽ⁱ⁾	(289,692)	-	-	-	(289,692)
Tax installments	(2,635)	(417)	(497)	(500)	(4,049)
Lease liabilities	(731,357)	(691,325)	(2,004,065)	(8,186,493)	(11,613,240)
Payables to related parties	(124,632)	-	-	-	(124,632)
Dividends payable	(7,422)	-	-	-	(7,422)
Derivative financial instruments	259,251	230,417	3,220,837	261,424	3,971,929
	<u>(3,060,678)</u>	<u>(2,246,560)</u>	<u>(8,726,019)</u>	<u>(10,917,362)</u>	<u>(24,950,619)</u>
					<u>(28,717,447)</u>

- (i) On March 31, 2020, the consolidated balance anticipated by our suppliers with financial institutions was R\$ 289,692 (R\$ 410,952 on December 31, 2019). These operations had Banco Itaú and Banco Bradesco as counterparty, at an average rate of 4.71% p.a. The average term of these operations, which are recorded at the present value at the rate previously mentioned, is 3 months.

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

3.2 Segment information

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

Operating segments

The Company's management is structured in four segments:

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

Period:	March 31, 2020					March 31, 2019			
	North Operations	South Operations	Central Operations	Container Operations	Consolidated	North Operations	South Operations	Container Operations	Consolidated
Results by segment									
Net revenue	1,084,961	267,879	-	70,723	1,423,563	1,240,003	328,422	66,521	1,634,946
Cost of services	(694,852)	(303,381)	-	(72,935)	(1,071,168)	(714,058)	(357,715)	(81,701)	(1,153,474)
Gross profit	390,109	(35,502)	-	(2,212)	352,395	525,945	(29,293)	(15,180)	481,472
Gross margin (%)	35.96%	-13.25%	0.00%	-3.13%	24.75%	42.41%	-8.92%	-22.82%	29.45%
Selling, general and administrative expenses	(64,508)	(17,893)	(11,852)	(10,567)	(104,820)	(58,706)	(17,353)	(9,397)	(85,456)
Other operational income (expenses) and equity	(56,710)	(7,741)	(24,374)	(658)	(89,483)	(17,870)	(23)	1,117	(16,776)
Depreciation and amortization	257,353	119,818	24,206	17,809	419,186	250,569	149,176	22,710	422,455
EBITDA	526,244	58,682	(12,020)	4,372	577,278	699,938	102,507	(750)	801,695
Margin EBITDA (%)	48.50%	21.91%	0.00%	6.18%	40.55%	56.45%	31.21%	-1.13%	49.03%

4 Transactions and significant events

4.1 COVID-19 pandemic

4.1.1 General context

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

The Company operates in the cargo transport and logistics sector, an activity classified as essential by the Brazilian authorities, according to Law 13,979/2020. With a series of health protocols, the Company has maintained its activities, however, the restrictive measures adopted to contain the progress of Covid-19 and its consequences on economic activity, can significantly affect the Company's operations and financial condition in the following aspects:

- (1) Revenue decline due to declining demand for services in markets impacted by measures of distancing and social isolation: fuel transportation (affected by the drop in consumption) and transportation of industrial products (affected by the decline in economic activity and industrial activities);
- (2) Risk of interruptions in operations: possible lack of control of the pandemic in the sites where the Company operates may lead to the hardening of social isolation measures and, in an extreme scenario, lead to the interruption of essential activities;
- (3) Credit scarcity and increased capital cost: Covid-19's impact on the world economy and investors' aversion to risk can reduce financing alternatives and increase the cost of capital to the point of affecting the Company's liquidity position and investment capacity.

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

- (4) Asset deterioration: (i) the Company's financial assets may be affected by the impact that the economic downturn resulting from social distancing measures may generate on counterparties; (2) long-term assets may have their realization impaired if the pandemic progresses to the point of disrupting the Company's operations.

4.1.2 Impacts on the preparation of quarterly information

Rumo's operations did not suffer major impacts due to the pandemic in the quarter ended March 31, 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.

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

Despite not projecting a significant change in its cash generation and the increase in financial cost, the Company chose to keep liquidity at a higher level, foreseeing a period of uncertainties in the market. The cash strengthening movement began in the quarter ended March 31, 2020, with new funding of R\$ 852,272, as well as the temporary suspension of payments of financing installments (standstill) with BNDES. Financial covenants are measured annually on the balance sheet base date.

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

The Company assessed the circumstances that could indicate impairment of its non-financial assets and concluded that there were no changes in circumstances that would indicate a loss by impairment. As so far the pandemic has not been interrupting the Company's operations, the current forecast of financial impact resulting from Covid-19 in cash-generating units ("UGC") is limited, and short-term. Therefore, the main long-term assumptions applied in the preparation of cash flow models would not have significant changes for the impairment indicator assessment. Our projections for the recovery of deferred taxes are based on the same scenarios and assumptions above.

As for the discount rate, another relevant variable in the analysis of long-term asset realization, the Company believes that amid the high market volatility there will be a shift in cash flow between the months with circulation restrictions for the subsequent months, which associated with the low level of interest in Brazil, our weighted average cost of capital should not undergo material changes, despite the short-term fluctuations of some macroeconomic assumptions due to the impacts of the Covid-19 pandemic.

Losses due to the non-recoverability of financial assets continue to be calculated based on the credit risk analysis, which also includes the history of losses, the individual situation of counterparties, the situation of the economic group to which they belong, the real guarantees for debts and macroeconomic indicators as of March 31, 2020.

Counterparty credit risk for cash assets and cash equivalents, marketable securities, restricted cash and, derivative financial instruments is determined by classification agencies widely accepted by the market. Balances are allocated to institutions with a minimum grade of "A". As of March 31, 2020, no worsening of the credit risk of these counterparties was observed.

The maximum exposure to credit risk of the Company's clients, net of losses due to the non-recoverability of financial assets, is the value of the accounts receivable. Considering that: (i) the average billing term for the Company's customers is very short; and (ii) the clients of portfolios most susceptible to credit deterioration began to have the exposure constantly monitored, as of March 31, 2020, the Company does not foresee additional losses in its balance of accounts receivable.

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

4.1.3 Evolution after balance sheet date (Subsequent events)

After the balance sheet closing date and until the date of release of this quarterly information, the following facts involving the pandemic deserve to be highlighted:

Health safety protocols have been improved and implemented with the Company's employees, third parties involved in the provision of services and government authorities in the Company's site of operation, in a joint effort to minimize the progress of the pandemic.

The Company's operations continued without interruption stemming from the restrictive measures imposed by the fight against the pandemic. The transport of products destined for export continues to register good demand, while the portfolios with products associated with domestic consumption, mainly industrial products and fuels, register a reduction in demand compatible with the activities of each market.

The strategy of strengthening the cash position through new funding continued to be implemented. R\$ 2,535,046 were contracted after the balance sheet closing date:

Description	Fund-raising date	Amount	Index	Maturity date
Loan 4131	April/2020	200,000	CDI + 2.9% p.a. + 0.5% <i>flat fee</i>	April/2021
BNDES - Finem	May/2020	1,075,607	TJLP + 2.1% p.a.	September/2029
	May/2020	459,439	TJLP + 2.1% p.a.	September/2029
Debenture	May/2020	800,000	IPCA + 6.3% p.a.	March/2030

Government incentive benefits to the productive sectors have been discussed, however, no measure implemented to date has a relevant impact on the Company.

4.2 Cyber attack

On March 11, 2020, the Company and its subsidiaries suffered a ransomware cyberattack that caused a partial and temporary disruption of its operations. The affected entities in our group implemented their contingency plans, continued to operate partially during the cyber attack, and progressively reconnected their operating systems since the month-long attack.

After the incident, the group took some additional preventive measures to reduce cyber risks, including hiring a company to perform forensic work on the attack, which affected part of the environment hosted in the data center located in the Group's Shared Services Center, as well as user machines (desktops and laptops) connected to the network. Based on the experience and tools of the contracted company, interviews with Information Technology (IT) personnel, and technical evidence present in the environment, it was possible to determine a list of servers to be verified. Although it was not possible to find the input vector of the attack, it was possible to identify, in the IT view, satisfactorily, the process and characteristics of the attack for further evolution of the technological environment.

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

4.3 Related parties

a) Summary of balance with related parties

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current assets				
Commercial operations				
Cosan S.A.	282	282	377	377
Rumo Malha Norte S.A.	5,868	6,295	-	-
Rumo Malha Paulista S.A.	16,692	1,457	-	-
Rumo Malha Central S.A.	3,810	3,510	-	-
Raízen Combustíveis S.A.	149	149	2,515	4,950
Raízen Energia S.A.	8,120	1,987	13,964	6,103
Elevações Portuárias S.A.	4,033	2,474	-	-
Other	479	608	171	227
	39,433	16,762	17,027	11,657
Non-current assets				
Commercial operations				
Raízen Combustíveis S.A.	-	-	38,562	36,243
	-	-	38,562	36,243
Financial operations				
Other	3,326	3,326	196	164
	3,326	3,326	196	164
	3,326	3,326	38,758	36,407
Total	42,759	20,088	55,785	48,064

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

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current liabilities				
Commercial operations				
Rumo Malha Norte S.A.	16,889	5,164	-	-
Rumo Malha Sul S.A.	3,112	1	-	-
Rumo Malha Paulista S.A.	60,462	34,175	-	-
Rumo Malha Oeste S.A.	1,286	857	-	-
Portofer Transporte Ferroviário Ltda.	633	-	-	-
Raízen Combustíveis S.A.	1	1	105,293	115,387
Raízen Energia S.A.	5,791	5,698	14,414	15,336
Cosan S.A.	798	504	813	3,068
Cosan Lubrificantes e Especialidades S.A.	352	356	2,913	4,104
Logisport Armazéns Gerais S.A.	764	126	-	-
Elevações Portuárias S.A.	3,758	1	-	-
Other	1,015	1,012	1,199	1,852
	94,861	47,895	124,632	139,747
Non-current liabilities				
Commercial operations				
Boswells	32,492	25,192	-	-
Other	4,733	4,733	-	-
	37,225	29,925	-	-
Total	132,086	77,820	124,632	139,747

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

b) Transactions with related parties

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Operating income				
Raízen Energia S.A.	65,386	78,836	105,109	104,223
Raízen Combustíveis S.A.	-	-	33,060	41,975
Rumo Malha Norte S.A.	4,038	3,756	-	-
Rumo Malha Paulista S.A.	64,757	50,439	-	-
Elevações Portuárias S.A.	6,300	3,360	-	-
Other	-	-	268	3,972
	140,481	136,391	138,437	150,170
Purchases of products / inputs				
Raízen Combustíveis S.A.	-	-	(250,897)	(278,308)
Logisport Armazéns Gerais S.A.	(816)	(624)	-	-
Rumo Malha Paulista S.A.	(29,172)	(18,872)	-	-
Cosan Lubrificantes e Especialidades S.A.	-	(18)	(7,409)	(9,232)
Other	-	-	(252)	(198)
	(29,988)	(19,514)	(258,558)	(287,738)
Shared expenses				
Cosan S.A.	(931)	(2,744)	(931)	(2,744)
Elevações Portuárias S.A.	(243)	(121)	-	-
Rumo Malha Oeste S.A.	(185)	(80)	-	-
Rumo Malha Paulista S.A.	(2,181)	(691)	-	-
Rumo Malha Sul S.A.	(4,664)	97	-	-
Rumo Malha Norte S.A.	(17,283)	(1,270)	-	-
Raízen Energia S.A.	(496)	(592)	(10,112)	(8,583)
	(25,983)	(5,401)	(11,043)	(11,327)
Financial result				
Rumo Malha Norte S.A.	(8,813)	-	-	-
Other	(7,300)	(137)	-	(30)
	(16,113)	(137)	-	(30)

c) Remuneration of directors and officers

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

	March 31, 2020	March 31, 2019
Short-term benefits to employees and managers	10,413	10,813
Transactions with share-based payments	1,426	988
	11,839	11,801

4.4 Subsequent events

4.4.1 Evolution of the COVID-19 Pandemic

For comments on the evolution of the Covid-19 Pandemic: (i) on the Company's activities; and (ii) the funding made by the Company to raise the level of liquidity during the crisis, see topic 4.1.3.

4.4.2 Concession renewal

As of May 27, 2020, Malha Paulista has signed, together with the BRAZILIAN FEDERAL GOVERNMENT and through the Brazil's National Land Transportation Agency ("ANTT"), the "2nd Amendment to the Concession Agreement for Rumo Malha Paulista S.A. – RMP of December 30, 1998" and its respective appendixes ("Amendment"). The document grants Malha Paulista the right to extend the term of its concession agreement, provided that it complies with certain obligations ("Renewal").

The Company hereby clarifies that Brazil's Federal Court of Auditors has examined the terms of the Amendment in detail and authorized its execution, in accordance with the dispatch issued on May 20, 2020, under TC 009.032/2016-9.

According to public documents, the new grant amount for the concession will be approximately R\$ 2,911,965 (amounts as of December, 2017), to be paid in quarterly installments over the course of the agreement's term, which is expected to expire in 2058, and investments are estimated at R\$ 6,100,000 (as well, amounts as of December, 2017) within the same period.

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

5 Detailed information about assets and liabilities

5.1 Financial assets and liabilities

Financial assets and liabilities consist of:

	March 31, 2020	December 31, 2019
Assets		
Fair value through profit or loss		
Marketable securities	336,238	1,751,853
Derivate financial instruments	3,971,929	1,624,023
	4,308,167	3,375,876
Amortized cost		
Cash and cash equivalents	3,176,947	1,963,014
Trade receivables	515,035	399,249
Related parties receivable	55,785	48,064
Restricted cash	129,667	147,910
	3,877,434	2,558,237
Total	8,185,601	5,934,113
Liabilities		
Amortized cost		
Loans, financing and debentures	5,214,490	4,683,556
Lease liabilities	4,508,791	4,529,140
Trade payables - suppliers	452,563	513,325
Other financial liabilities	289,692	410,952
Related parties payable	124,632	139,747
Dividends payable	7,422	7,146
Debt payment in installments	3,874	10,942
	10,601,464	10,294,808
Fair value through profit or loss		
Derivate financial instruments	-	482
Loans and financing	9,621,366	7,036,181
	9,621,366	7,036,663
Total	20,222,830	17,331,471

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

5.2 Cash and cash equivalents

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Cash and bank accounts	429	255	35,761	18,642
Financial Investments	1,367,281	700,451	3,141,186	1,944,372
	1,367,710	700,706	3,176,947	1,963,014

Financial investments are composed as follows:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Bank investments				
Bank certificate of deposits - CDB	1,367,281	700,451	3,119,165	1,944,372
Other investments	-	-	22,021	-
	1,367,281	700,451	3,141,186	1,944,372

5.3 Marketable securities and restricted cash

Marketable securities

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Government bonds ⁽ⁱ⁾	29,707	435,054	222,524	1,355,980
Bank certificate of deposits - CDB ⁽ⁱⁱ⁾	8,641	55,230	68,829	125,413
Financial letters ⁽ⁱⁱⁱ⁾	6,010	21,441	44,885	270,460
	44,358	511,725	336,238	1,751,853

- (i) Government securities classified as fair value through profit or loss have an interest rate linked to SELIC and mature between two and five years.
- (ii) Bank deposit certificates have an interest rate linked to the CDI and mature between two and five years.
- (iii) Financial letters have an interest rate linked to the CDI, and daily liquidity, according to the Company's liquidity policy.

Restricted cash

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Investments linked to loans	-	-	68,649	86,681
Securities pledged as collateral	3,535	3,511	61,018	61,229
	3,535	3,511	129,667	147,910

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

5.4 Trade receivables

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Domestic – Brazilian Reais	20,283	22,420	469,935	355,733
Export – Foreign currency	-	-	52,092	49,002
	20,283	22,420	522,027	404,735
Allowance for doubtful accounts	(1,863)	(1,887)	(6,992)	(5,486)
	(1,863)	(1,887)	(6,992)	(5,486)
Total	18,420	20,533	515,035	399,249
Current	14,014	15,111	503,206	385,563
Non-current	4,406	5,422	11,829	13,686
Total	18,420	20,533	515,035	399,249

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

5.5 Loans, financing and debentures

Description	Financial charges		Parent Company		Consolidated		Maturity date	Goal
	Index	Average interest rate	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019		
Loans and financing								
Finame (BNDES)	Pre-fixed	5.39%	349,554	368,904	787,326	834,035	January/2025	Acquisition
	URTJLP	7.35%	-	-	3,476	4,952	March/2022	Acquisition
	Selic	5.51%	-	-	-	1,118	March/2020	Acquisition
Finem (BNDES)	Pre-fixed	3.50%	-	-	1,339	1,426	January/2024	Acquisition
	URTJLP	7.42%	44,849	55,565	2,048,571	2,213,704	December/2029	Acquisition
	IPCA	10.79%	-	-	1,578	1,528	November/2021	Acquisition
NCE	Selic	5.51%	-	-	745	-	September/2020	Acquisition
	CDI + 1.03%	2.92%	-	-	80,192	-	February/2023	Working capital
	CDI + 0.80%	4.48%	-	-	503,293	512,078	December/2023	Working capital
	CDI + 3.05% p.a.	6.81%	-	-	200,259	-	March/2021	Working capital
	CDI + 3.15% p.a.	6.91%	-	-	448,033	-	March/2021	Working capital
	Pre-fixed (US\$)	7.38%	-	-	4,754,702	3,318,895	February/2024	Acquisition
	Pre-fixed (US\$)	5.88%	-	-	3,087,079	2,182,089	January/2025	Acquisition
ECA	Euribor + 0.58% (EUR)	0.58%	-	-	95,957	79,528	September/2026	Acquisition
Loan 4131	Dollar (US\$)	1.36%	494,927	217,537	494,927	217,537	November/2022	Working capital
			889,330	642,006	12,507,477	9,366,890		
Debentures								
Non-convertible debentures	IPCA + 4.68%	7.66%	-	-	549,105	570,098	February/2026	Acquisition
	IPCA + 4.50%	7.48%	639,596	668,034	639,596	668,034	February/2029	Acquisition
	IPCA + 3.90%	6.86%	915,255	895,249	915,255	895,249	October/2029	Acquisition
	IPCA + 4.00%	6.96%	224,423	219,466	224,423	219,466	October/2029	Acquisition
	CDI + 1.30% p.a.	8.28%	776,110	767,296	-	-	December/2020	Working capital
			2,555,384	2,550,045	2,328,379	2,352,847		
Total			3,444,714	3,192,051	14,835,856	11,719,737		
Current			176,620	969,054	1,607,562	1,064,846		
Non-current			3,268,094	2,222,997	13,228,294	10,654,891		

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

Non-current loans have the following maturities:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
13 to 24 months	419,406	190,701	1,085,503	758,822
25 to 36 months	216,093	179,241	856,560	718,195
37 to 48 months	64,415	66,658	5,346,715	793,073
49 to 60 months	41,648	51,191	3,512,334	3,676,142
61 to 72 months	-	-	340,844	2,493,341
73 to 84 months	194,943	-	303,786	225,554
85 to 96 months	586,211	572,993	679,842	670,435
Thereafter	1,745,378	1,162,213	1,102,710	1,319,329
	3,268,094	2,222,997	13,228,294	10,654,891

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

	Consolidated	
	March 31, 2020	December 31, 2019
Brazilian Reals (R\$)	6,403,191	5,921,690
Dollar (US\$) ⁽ⁱ⁾	8,336,708	5,718,519
EUR ⁽ⁱ⁾	95,957	79,528
Total	14,835,856	11,719,737

- (i) As of March 31, 2020, all these debts denominated in foreign currency, in the subsidiaries, are protected against foreign exchange risk through derivatives (Note 5.8).

Below the movement of loans, financing and debentures for the three-month period ended on March 31, 2020:

	Parent Company	Consolidated
At January 1, 2020	3,192,051	11,719,737
Proceeds from debts	202,226	929,976
Interest, monetary and exchange correction	102,007	2,681,008
Repayments of principal from debts	(29,999)	(221,579)
Payments of interest from debts	(21,571)	(273,286)
At March 31, 2020	3,444,714	14,835,856

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

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 a bank guarantee, with an average cost of 0.87% per year or by real guarantees (assets) and guarantee account. On March 31, 2020, the balance of bank guarantees contracted was R\$ 2,737,558 (R\$ 1,387,627 on December 31, 2019).

To calculate the average rates, the annual average CDI of 5.40% and TJLP of 5.72% were considered on an annual basis.

b) Unused credit lines

On March 31, 2020, the Company had lines of credit in banks with AA rating, which were not used, in the total amount of R\$ 1,946,194 (R\$ 1,946,194 on December 31, 2019).

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 shown below:

Goal	Index
Net financial debt/ EBITDA \leq 3.3x in December, 2020	2.13
EBITDA/ Consolidated financial result \geq 2.00x in December, 2020	12.11

On March 31, 2020, the Company and its subsidiaries were complying with all restrictive financial covenants.

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

5.6 Lease liabilities

	Consolidated leases		
	Financial	Operational	Totals
At January 1, 2020	429,591	4,099,549	4,529,140
Appropriation of interest and exchange variation	15,857	131,347	147,204
Transfers between liabilities ⁽ⁱ⁾	-	(29,894)	(29,894)
Repayments of principal from debts	(25,336)	(26,125)	(51,461)
Payments of interest from debts	(15,701)	(94,006)	(109,707)
Contractual adjustment	-	23,509	23,509
At March 31, 2020	404,411	4,104,380	4,508,791
Current	94,284	454,850	549,134
Non-current	310,127	3,649,530	3,959,657
	404,411	4,104,380	4,508,791

(i) Transfer of installments under litigation to leasing and concessions (Note 5.16).

The lease agreements have different terms, with the last due date occurring in June 2049 (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.

Besides the amortization and appropriation of interest and exchange variation highlighted in the previous tables, the following impact on income during the period ended March 31, 2020, are recorded for other lease agreements that are not included in the measurement of lease liabilities:

	Consolidate
	March 31, 2020
Variable lease payments not included in the measurement of lease liabilities	5,701
Expenses relating to short-term leases	162
Expenses relating to leases of low-value assets, excluding short-term leases	10,965
	16,828

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

Additional Information

The Company, in full compliance with the rules, in the measurement and remeasurement of its lease liabilities and the right of use, proceeded to discount the present value of future lease installments without projecting the future inflation in the installments to be discounted.

The incremental rate of interest used by the Company has been determined based on the interest rates to which the Company has access, for terms similar to its contracts, adjusted to the Brazilian market. Rates between 10.9% to 14.2% have been used, according to the term of each contract.

In compliance with CVM Instruction Circular Official Letter 2/2019, if, in transactions where the incremental rate is used, the measurement was made at the present value of expected installments plus projected future inflation, the balances of lease liabilities, right-of-use, financial expense and depreciation expense for the period ended March 31, 2020, would be those presented in the "Official note" column:

Accounts	March 31, 2020		
	Registered	Official note	% Variation
Lease liabilities	3,785,252	3,976,189	5%
Residual right of use	3,586,318	3,687,634	3%
Financial expense	251,831	271,970	8%
Depreciation expense	(135,793)	(153,209)	13%

The balances recorded by the Company include the Malha Central contract, which has an implicit rate identified so that its appreciation does not generate distortions in the liabilities and right-of-use that are the object of the CVM Circular Note. On March 31, 2020, the lease liability for this contract was R\$ 2,725,468.

The Company recorded lease liabilities at the present value of the installments due, that is, including any tax credits to which it will be entitled at the time of the lease payments. The potential PIS / COFINS credit included in liabilities on March 31, 2020, is R\$ 4,975.

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

5.7 Suppliers

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Material and services suppliers	38,482	44,090	428,623	495,837
Fuels and lubricants suppliers	-	-	467	370
Other	17,476	11,019	23,473	17,118
Total	55,958	55,109	452,563	513,325

5.8 Derivative financial instruments

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	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Foreign exchange and interest rate derivatives				
Swap contracts (interest and exchange)	6,860,002	5,534,936	3,971,929	1,623,541
	6,860,002	5,534,936	3,971,929	1,623,541
Assets			3,971,929	1,624,023
Liabilities			-	(482)
			3,971,929	1,623,541

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

Derivatives are used only for the purpose of economic hedging and not as speculative investments.

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

Fair value hedge

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:

	Notional	Book value (R\$)		Balance sheet	Fair value adjustment	
		March 31, 2020	December 31, 2019		March 31, 2020	December 31, 2019
Senior Notes 2024	(3,899,025)	(4,754,702)	(3,318,895)		(1,555,863)	(471,159)
Senior Notes 2025	(2,599,350)	(3,087,079)	(2,182,089)		(965,774)	(295,208)
Debt	(6,498,375)	(7,841,781)	(5,500,984)	Loan, financing and debentures	(2,521,637)	(766,367)
Foreign exchange and interest swap	6,498,375	3,722,499	1,468,503		2,282,764	541,942
Derivative	6,498,375	3,722,499	1,468,503	Derivative financial instruments	2,282,764	541,942
Total	-	(4,119,282)	(4,032,481)		(238,873)	(224,425)

5.9 Other recoverable taxes

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
COFINS - Social security financing contribution	27,642	22,909	240,475	253,755
PIS - Social integration program	5,805	4,778	124,633	94,739
ICMS - State VAT ⁽ⁱ⁾	-	-	538,458	522,820
ICMS - CIAP ⁽ⁱⁱ⁾	-	-	121,311	129,000
Other	3,023	2,931	23,529	10,586
	36,470	30,618	1,048,406	1,010,900
Current	36,470	30,618	376,421	347,316
Non-current	-	-	671,985	663,584
	36,470	30,618	1,048,406	1,010,900

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

5.10 Inventories

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Parts and accessories	599	943	243,517	236,347
Fuels and lubricants	19	-	3,823	6,894
Warehouse and other	145	93	16,467	5,215
	763	1,036	263,807	248,456

The balances are presented net of the provision for obsolete inventories of R\$ 6,201 on March 31, 2020 (R\$ 5,492 on December 31, 2019).

5.11 Investments in associates and provision for unsecured liabilities

(a) Subsidiaries and associates

Below are investments in subsidiaries and associates that are material for the Company on March 31, 2020, and December 31, 2019:

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	91,064,313	91,064,313	100.00%
Rumo Malha Central	250,000,000	250,000,000	100.00%
Rumo Malha Norte	1,189,412,363	1,186,268,176	99.74%
Boswells	3,265,000	3,265,000	100.00%
Brado Participações	12,962,963	8,065,556	62.22%
Paranaguá S.A.	6,119,802	6,113,851	99.90%
Logisport	2,040,816	1,040,816	51.00%
Rumo Malha Sul	6,677,710,494,907	6,677,710,494,907	100.00%
ALL Argentina	9,703,000	8,826,110	90.96%
Rumo Luxembourg Sarl	500,000	500,000	100.00%
Rumo Malha Paulista	90,826,624,247	90,826,624,247	100.00%
Rumo Malha Oeste	478,460,074	478,460,074	100.00%

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

	At January 1, 2020	Equity pick- up	Dividends and interest on own capital receivable	Comprehensive income	Other	Amortization of the concession right	Stock option plan	At March 31, 2020	Equity income on March 31, 2019
Elevações Portuárias	707,336	(1,079)	-	-	-	-	-	706,257	13,940
Rumo Intermodal	40,005	115	-	(409)	-	-	-	39,711	(369)
Rumo Malha Central	328,740	(69,884)	-	-	-	-	-	258,856	-
Rumo Malha Norte	8,317,416	(9,053)	-	(1)	4	(7,470)	-	8,300,896	158,516
Boswells	25,574	-	-	7,412	-	-	-	32,986	-
Brado Participações	371,867	(2,070)	(1,398)	-	-	-	143	368,542	(82)
Paranaguá S.A.	20,394	(221)	-	4,030	-	-	-	24,203	116
Logisport	73,143	96	-	-	-	-	-	73,239	166
Rumo Luxembourg Sarl	50,064	12,247	-	-	-	-	-	62,311	(1,977)
Rumo Malha Sul	1,730,253	(91,745)	-	-	-	-	-	1,638,508	(59,176)
Total investment in associates	11,664,792	(161,594)	(1,398)	11,032	4	(7,470)	143	11,505,509	111,134
ALL Argentina	(21,111)	(397)	-	(4,782)	-	-	-	(26,290)	(541)
Rumo Malha Paulista	(318,462)	(78,839)	-	-	(645)	(4,290)	-	(402,236)	(11,072)
Rumo Malha Oeste	(1,451,606)	(28,735)	-	-	-	-	-	(1,480,341)	(40,496)
Total investment in unsecured liability	(1,791,179)	(107,971)	-	(4,782)	(645)	(4,290)	-	(1,908,867)	(52,109)
Total	9,873,613	(269,565)	(1,398)	6,250	(641)	(11,760)	143	9,596,642	59,025

Notes to the interim financial statements
(In thousands of Brazilian Reals - 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 S.A.	500,000	99,246	19.85%
TGG S.A.	79,747,000	7,914,609	9.92%
Terminal XXXIX S.A.	200,000	99,246	49.62%

	At January 1, 2020	Equity pick-up	Dividends	At March 31, 2020	Equity income on March 31, 2019
Rhall Terminais Ltda.	4,148	(8)	-	4,140	-
Termag S.A.	5,214	1,726	-	6,940	1,320
TGG S.A.	18,247	(232)	(1,337)	16,678	920
Terminal XXXIX S.A.	24,404	934	(3,851)	21,487	2,510
Total investments in associates	52,013	2,420	(5,188)	49,245	4,750

(b) Participation of non-controlling shareholders

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

	Total shares of the investee	Shares held by the Company	Percentage of participation
Rumo Malha Norte	1,189,412,363	3,144,187	0.26%
Brado Participações	12,962,963	4,897,407	37.78%
Logisport	2,040,816	1,000,000	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, 2020	Equity pick-up	Dividends	Stock option plan	At March 31, 2020	Equity income on March 31, 2019
Rumo Malha Norte	9,903	(24)	-	-	9,879	432
Brado Participações	225,889	(1,242)	(845)	87	223,889	(50)
Logisport	34,219	92	-	-	34,311	159
Total investments in associates	270,011	(1,174)	(845)	87	268,079	541

5.12 Property, plant and equipment, intangible assets and right-of-use**5.12.1 Property, Plant and Equipment****Reconciliation of book value**

	Consolidated						Parent Company
	Land, buildings and improvements	Machinery, equipment and facilities	Freight cars and locomotives ⁽ⁱ⁾	Track structure	Construction in progress	Other assets	Total
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	30	365	2,338	1,913	574,869	43	579,558
Write-off	-	-	(20,294)	-	-	-	(20,294)
Transfers	10,734	14,518	106,140	133,488	(274,796)	5,319	(4,597)
At March 31, 2020	1,030,673	999,448	8,296,010	8,738,471	1,778,909	840,964	21,684,475
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	(12,557)	(30,298)	(143,165)	(125,050)	-	(4,958)	(316,028)
Write-off	-	-	16,960	-	-	-	16,960
Transfers	-	-	142	-	1,859	-	2,001
At March 31, 2020	(367,607)	(481,154)	(4,275,947)	(4,000,173)	(5,011)	(526,815)	(9,656,707)
At January 1, 2020	664,859	533,709	4,057,942	4,727,947	1,471,966	313,745	11,770,168
At March 31, 2020	663,066	518,294	4,020,063	4,738,298	1,773,898	314,149	12,027,768

(i) On March 31, 2020, wagons and locomotives for R\$ 745,203 (R\$ 745,203 on December 31, 2019), were pledged to guarantee bank loans (Note 5.5).

Notes to the interim financial statements

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

Capitalization of loan costs

The period ended on March 31, 2020, the capitalized loan costs for R\$ 3,008.

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

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

5.12.2 Intangible assets and goodwill

	Consolidated				Parent Company
	Goodwill ⁽ⁱ⁾	Concession rights ⁽ⁱⁱ⁾	Operating license	Other	Total
Cost:					
At January 1, 2020	100,451	8,012,731	343,348	206,667	8,663,197
Additions	-	-	-	715	715
Transfers	-	-	-	1,624	1,624
At March 31, 2020	100,451	8,012,731	343,348	209,006	8,665,536
Amortization and Impairment:					
At January 1, 2020	-	(1,002,735)	(143,675)	(141,754)	(1,288,164)
Additions	-	(33,202)	-	(4,435)	(37,637)
At March 31, 2020	-	(1,035,937)	(143,675)	(146,189)	(1,325,801)
At January 1, 2020	100,451	7,009,996	199,673	64,913	7,375,033
At March 31, 2020	100,451	6,976,794	199,673	62,817	7,339,735

- (i) Goodwill from a business combination from previous years, of which R\$ 62,922 from Terminal T-16 in Santos and R\$ 37,529 from indirect subsidiary Logisport, presented only in the consolidated.
- (ii) Refers to the concession contract of Rumo Malha Norte. The asset was identified and measured at fair value in the business combination between Rumo and ALL. The amount will be amortized until the end of the concession in 2079, being recorded in the income statement, under costs of services provided, in the depreciation and amortization group.

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

Analysis of impairment

The period ended on March 31, 2020, no indicators for additional impairment tests were identified. We assessed the effects of the COVID-19 pandemic and, despite some impacts in this quarter, we do not foresee any deterioration in the medium and long-term indicators, as of December 31, 2019.

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.

5.12.3 Right-of-use

	Consolidated						
	Land, buildings and improvements	Machinery, equipment and facilities	Freight cars and locomotives	Software	Vehicles	Port and track structure	Total
Cost amount:							
At January 1, 2020	178,441	11,667	1,038,641	66,931	14,259	3,803,953	5,113,892
Contractual adjustment	2	-	1,448	-	(421)	22,480	23,509
Write-off	(203)	-	-	-	-	-	(203)
At March 31, 2020	178,240	11,667	1,040,089	66,931	13,838	3,826,433	5,137,198
Amortization:							
At January 1, 2020	(68,332)	(3,029)	(367,072)	(7,594)	(6,457)	(250,456)	(702,940)
Additions	(5,215)	(815)	(14,992)	(1,633)	(1,626)	(45,695)	(69,976)
Impairment	-	-	-	-	-	(9,579)	(9,579)
At March 31, 2020	(73,547)	(3,844)	(382,064)	(9,227)	(8,083)	(305,730)	(782,495)
At January 1, 2020	110,109	8,638	671,569	59,337	7,802	3,553,497	4,410,952
At March 31, 2020	104,693	7,823	658,025	57,704	5,755	3,520,703	4,354,703

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

5.13 Other taxes payable

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
ICMS - State VAT	3	32	1,251	3,142
INSS - Social security	184	194	6,588	9,383
PIS - Social integration program	930	511	1,244	703
COFINS - Social security financing contribution	4,392	2,475	5,908	3,427
Installment of tax debts	902	902	3,874	10,942
ISS - Municipal service tax	-	-	4,482	6,753
IOF - Tax on financial operations	252	45	743	309
Other	40	162	5,413	6,647
	6,703	4,321	29,503	41,306
Current	6,703	4,321	27,233	33,726
Non-current	-	-	2,270	7,580
	6,703	4,321	29,503	41,306

5.14 Income tax and social contribution

a) Reconciliation of income tax and social contribution expenses

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Result before income tax and social contribution	(272,590)	26,470	(372,596)	54,706
Income tax and social contribution expense at nominal rate (34%)	92,681	(8,999)	126,683	(18,600)
Adjustments to determine the effective rate				
Equity pick-up	(91,652)	20,068	823	1,615
Result of companies abroad	-	-	3,931	(879)
Exploration profit	-	-	-	27,974
Unrecognized NOLs and temporary differences ⁽ⁱ⁾	3,190	(6,976)	(33,770)	(36,676)
Non-deductible expenses (donations, gifts, etc.)	(1)	(1)	22	(82)
Effect of amortization of goodwill	(4,217)	(4,217)	318	318
Other	(1)	9	825	(1,481)
Tax and social contribution (current and deferred)	-	(116)	98,832	(27,811)
Effective rate - %	0.00%	0.44%	26.53%	50.84%

- (i) Refers mainly to tax losses and temporary differences of the Company, Rumo Malha Sul, and Rumo Malha Oeste, which, under current conditions, do not meet the requirements for accounting for said income tax and social contribution assets deferred due to the lack of predictability of future generation of tax profits.

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

b) Deferred income tax assets and liabilities

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

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Assets credits from:				
Tax losses carry forwards - income tax	257,840	250,279	1,870,257	1,782,085
Tax losses of social contribution	103,637	100,914	685,533	653,792
Temporary differences:				
Provision for judicial demands	17,497	18,015	200,272	200,872
Impairment provision	30,327	30,327	197,206	203,057
Allowance for doubtful accounts	633	642	15,065	14,648
Provision for non-performing tax	-	-	41,642	41,295
Provision for profit sharing	4	3,887	6,596	39,545
Exchange variation - Loans and financing ⁽ⁱ⁾	25,981	2,826	596,912	68,532
Review of useful life - Fixed assets	-	-	664,249	666,017
Fair value adjustment on debts	15,257	22,773	485,548	174,596
Temporary differences from other provisions	4,552	-	86,429	80,405
Business combination - Fixed assets	1,965	1,885	41,652	49,293
Other	9,006	12,291	161,095	122,318
Deferred taxes - Assets	466,699	443,839	5,052,456	4,096,455
(-) Unrecognized deferred assets credits	(342,239)	(345,429)	(2,212,473)	(2,183,537)
Liabilities credits from:				
Temporary differences:				
Tax goodwill amortized	-	-	(24,838)	(24,838)
Lease liabilities	(815)	(809)	(35,401)	(36,589)
Unrealized result from derivatives	(57,871)	(31,441)	(1,354,483)	(556,031)
Review of useful life - Fixed assets	(1,577)	(965)	-	-
Business combination - Intangible assets	(64,197)	(65,195)	(2,566,719)	(2,573,178)
Other	-	-	(40,236)	(38,649)
Deferred taxes - Liabilities	(124,460)	(98,410)	(4,021,677)	(3,229,285)
Total deferred taxes	-	-	(1,181,694)	(1,316,367)
Deferred assets	-	-	1,260,461	1,174,484
Deferred liabilities	-	-	(2,442,155)	(2,490,851)
Total	-	-	(1,181,694)	(1,316,367)

- (i) The Company opted for the cash regime for the taxation of the exchange variation of loans and financing for the period ended on March 31, 2020.

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

c) Realization of deferred income tax and social contribution

At the end of the fiscal year 2019, the Company evaluated the term for offsetting its deferred assets tax credits on tax losses, negative social contribution base, and temporary differences by projecting its taxable income over the term of the concessions. The projection was based on economic assumptions of inflation and interest, volume transported based on the growth of agricultural production and exports projected in its areas of operation and market conditions for its services, validated by management. In the quarter ended on March 31, 2020, the Company evaluated the observed impacts of the COVID-19 pandemic and judged that the potential effects should not affect the medium and long-term projections to the point of impairing the realization of the balances.

d) Deferred tax movements

	Consolidate
At January 1, 2020	<u>(1,316,367)</u>
Result	134,454
Other	219
At March 31, 2020	<u><u>(1,181,694)</u></u>

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

e) Analytical movement of deferred tax

i. Deferred tax assets

	Tax loss and negative basis	Employee benefits	Provisions	Fixed asset	Unregistered credits	Other	Total
At January 1, 2020	2,435,877	47,483	540,277	666,017	(1,893,494)	182,912	1,979,072
(Charged) / credited to the result of the period	119,912	(31,879)	333	(1,768)	(39,798)	37,716	84,516
Exchange differences	-	-	-	-	(23,155)	528,380	505,225
At March 31, 2020	2,555,789	15,604	540,610	664,249	(1,956,447)	749,008	2,568,813

ii. Deferred tax liabilities

	Intangible	Unrealized income from derivatives	Lease liabilities	Adjustment to fair value of debt	Unregistered credits	Other	Total
At January 1, 2020	(2,573,178)	(556,031)	(36,589)	174,596	(290,044)	(14,194)	(3,295,440)
(Charged) / credited to the result of the period	6,459	(798,452)	1,299	310,952	34,017	(9,515)	(455,240)
from comprehensive results	-	-	(111)	-	-	284	173
At March 31, 2020	(2,566,719)	(1,354,483)	(35,401)	485,548	(256,027)	(23,425)	(3,750,507)

Notes to the interim financial statements

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

5.15 Provision for judicial demands

On March 31, 2020, and December 31, 2019, the Company records provisions for legal claims in relation to:

	Provision for judicial demands			
	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Taxes	2,203	2,453	79,291	79,006
Civil, regulatory and environmental	8,140	7,791	141,234	137,081
Labor	36,150	37,833	259,617	264,856
	46,493	48,077	480,142	480,943

	Judicial deposits			
	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Taxes	6,316	6,485	38,172	37,999
Civil, regulatory and environmental	2,279	2,172	175,880	178,033
Labor	14,696	14,149	205,440	199,214
	23,291	22,806	419,492	415,246

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 in the period	-	39	1,058	1,097
Settlement or write-offs	(258)	-	(3,583)	(3,841)
Monetary restatement ⁽ⁱ⁾	8	310	842	1,160
At March 31, 2020	2,203	8,140	36,150	46,493

	Consolidated			
	Taxes	Civil, regulatory and environmental	Labor	Total
At January 1, 2020	79,006	137,081	264,856	480,943
Provision in the period	133	1,626	9,379	11,138
Settlement or write-offs	(234)	(3,091)	(19,912)	(23,237)
Monetary restatement ⁽ⁱ⁾	386	5,618	5,294	11,298
At March 31, 2020	79,291	141,234	259,617	480,142

(i) Includes write-off of interest.

Notes to the interim financial statements

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

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

a) Probable losses

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

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
ICMS credit ⁽ⁱ⁾	-	-	51,083	50,921
PIS and COFINS	-	-	2,033	2,023
INSS - National Social Security Institute	657	654	23,442	23,175
Other	1,546	1,799	2,733	2,887
	2,203	2,453	79,291	79,006

- (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.

b) Possible losses

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

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Taxes	1,019,396	1,013,112	2,680,510	2,651,196
Civil, regulatory and environmental	286,423	278,115	3,441,707	3,402,591
Labor	114,095	113,049	875,027	875,178
	1,419,914	1,404,276	6,997,244	6,928,965

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

• **Taxes:**

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Capital gain	84,167	83,734	84,167	83,734
Isolated fine federal tax	470,905	467,718	486,924	483,577
IRPJ/CSLL	264,255	262,384	477,895	474,832
ICMS	78	78	854,748	839,812
IRRF	54,452	54,008	132,266	131,402
PIS/COFINS	3,932	4,600	155,793	155,411
Foreign financial operations	-	-	28,855	28,701
MP 470 installment debts	-	-	115,504	115,080
Stock option plan	60,260	59,956	70,438	70,072
IOF on mutual	53,973	53,765	53,973	53,765
Compensation with credit award	-	-	45,077	44,784
Other	27,374	26,869	174,870	170,026
	1,019,396	1,013,112	2,680,510	2,651,196

• **Civil, regulatory and environmental:**

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Civil	255,504	247,614	2,154,281	2,080,218
Regulatory	29,789	29,525	766,668	802,906
Environmental	1,130	976	520,758	519,467
	286,423	278,115	3,441,707	3,402,591

• **Labor:**

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Labor claims	114,095	113,049	875,027	875,178
	114,095	113,049	875,027	875,178

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

5.16 Leases and concessions in dispute

	March 31, 2020			December 31, 2019
	Leases	Concessions	Total	Total
<u>Amounts payables:</u>				
Rumo Malha Sul	-	36,239	36,239	36,621
Rumo Malha Paulista	-	19,853	19,853	20,003
	-	56,092	56,092	56,624
<u>Amounts under judicial discussions:</u>				
Rumo Malha Paulista	1,906,059	-	1,906,059	1,870,018
Rumo Malha Oeste	1,466,648	88,722	1,555,370	1,528,238
	3,372,707	88,722	3,461,429	3,398,256
Total	3,372,707	144,814	3,517,521	3,454,880
Current			9,945	9,847
Non-current			3,507,576	3,445,033
			3,517,521	3,454,880

Judicial deposits related to the aforementioned lawsuits total:

	March 31, 2020	December 31, 2019
Rumo Malha Paulista	119,806	119,806
Rumo Malha Oeste	22,119	21,703
	141,925	141,509

Judicial deposits are accounted for in the “regulatory” group, according to Note 5.15.

Still within the scope of the disputes involving the Malha Oeste, in January 2020 the National Land Transport Agency (ANTT) decided to initiate an Ordinary Administrative Proceeding to generate a conclusive report as to the suitability, or not, of the declaration of expiry of the concession of the Malha Oeste by the Union. The analysis will be conducted by a commission to be appointed by the Infrastructure and Railroad Cargo Transport Services area.

Management, supported by the opinion of its lawyers, assesses the risk of loss as possible.

Notes to the interim financial statements

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

5.17 Shareholders' equity

a) Share capital

The subscribed and fully paid-in capital on March 31, 2020, and December 31, 2019, is R\$ 9,654,897 and is represented by 1,559,015,898 registered, book-entry common shares with no par value.

As of March 31, 2020, the Company's capital stock consists of the following:

	Ordinary shares	
	Quantity	%
Shareholders		
Cosan Logística S.A.	443,843,194	28.47%
Julia Arduini	59,511,402	3.82%
Board of Directors	1,912,620	0.12%
Free Float	1,053,748,682	67.59%
Total of Outstanding Shares	1,559,015,898	100.00%

b) Tax incentives - SUDAM

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

For the period ended March 31, 2020, there was no reduction effect due to the tax loss assessed by the subsidiary Rumo Malha Norte (R\$ 27,974 on March 31, 2019).

Notes to the interim financial statements

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

6 Detailed information on income statement

6.1 Net operating revenue

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

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Gross revenue from sales of services	174,618	169,660	1,498,350	1,722,438
Taxes and deductions on sales of services	(9,725)	(8,910)	(74,787)	(87,492)
Net revenue	164,893	160,750	1,423,563	1,634,946

6.2 Costs and expenses by nature

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

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Material for use and consumption	(162)	(105)	(29,710)	(33,114)
Employee benefit expense	(31,435)	(3,836)	(237,114)	(224,055)
Depreciation and amortization	(25,218)	(25,571)	(419,186)	(422,455)
Third-party services expense	(1,704)	(2,092)	(87,798)	(75,859)
Transportation and elevation expenses	(92,241)	(101,701)	(366,348)	(418,324)
Other expenses	(4,714)	(7,555)	(35,832)	(65,120)
	(155,474)	(140,860)	(1,175,988)	(1,238,927)
Cost of services provided	(119,997)	(130,207)	(1,071,168)	(1,153,475)
Selling expenses	43	(78)	(9,152)	(2,843)
General and administrative expenses	(35,520)	(10,575)	(95,668)	(82,609)
	(155,474)	(140,860)	(1,175,988)	(1,238,927)

Notes to the interim financial statements

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

6.3 Other operating income (expenses), net

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Net effect of judicial proceedings	(35)	(8,018)	(19,048)	(22,487)
Rental and leases revenue	6,300	3,360	-	-
Result on sale of scrap / eventual	7,035	955	7,252	9,234
Amortization of right-of-use ⁽ⁱ⁾	-	-	(24,206)	-
Result on disposals of fixed assets and intangible assets	-	-	1,229	(505)
Extemporaneous tax credits	91	-	11,676	-
Settlement of disputes in the renewal process ⁽ⁱⁱ⁾	-	-	(63,509)	-
Other	(1,563)	(424)	(5,297)	(7,769)
	11,828	(4,127)	(91,903)	(21,527)

- (i) The depreciation of the right-of-use assets of Malha Central is being presented as "Other operating expenses" while the entity is not generating revenues".
- (ii) Administrative and judicial disputes involving the Granting Authority and Malha Paulista, whose discussion the Company waived as a prerequisite for the conclusion of the process of early renewal of the concession, one of the requirements imposed by the Federal Court of Audit (TCU).

Notes to the interim financial statements

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

6.4 Financial results

The details of financial income and costs are as follows:

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cost of gross debt				
Interest and monetary variation	(61,219)	(24,946)	(208,013)	(175,756)
Net exchange rate changes on debts	(68,157)	(1,149)	(1,567,390)	(26,452)
Result from derivatives and fair value	104,494	(7,672)	1,465,498	4,071
Amortization of funding expenses	(2,953)	(373)	(10,092)	(13,099)
Guarantees and warranties on loans	(928)	(5,161)	(5,467)	(13,084)
	(28,763)	(39,301)	(325,464)	(224,320)
Cash investment income	11,907	1,303	27,868	33,306
	11,907	1,303	27,868	33,306
Cost of debt, net	(16,856)	(37,998)	(297,596)	(191,014)
Other charges and monetary variations				
Interest on other receivables	371	207	8,522	4,595
Lease and concessions in dispute	-	-	(34,792)	(48,611)
Lease liabilities	(7)	(18)	(133,976)	(47,422)
Banking expenses and other	(393)	(226)	(12,782)	(14,293)
Interest on contingencies and commercial contracts	(33)	(9,417)	(50,245)	(26,639)
Foreign exchange e derivatives	(6,715)	(776)	(8,374)	(548)
Interest on other liabilities	(639)	(90)	(1,445)	(604)
	(7,416)	(10,320)	(233,092)	(133,522)
Finance result, net	(24,272)	(48,318)	(530,688)	(324,536)
Reconciliation				
Financial expenses	(37,142)	(47,628)	(456,812)	(343,386)
Financial income	12,277	1,614	36,390	41,778
Exchange variation	(74,873)	(1,925)	(1,575,764)	(26,945)
Derivatives	75,466	(379)	1,465,498	4,017
Finance result, net	(24,272)	(48,318)	(530,688)	(324,536)

Notes to the interim financial statements

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

6.5 Share-based payment

The following share-based payment agreements:

Stock Grants Plans	Lack period (years)	Grant date	Interest rate	Volatility	Granted shares	Exercised / cancelled	Effective on December 31, 2019	Market price on grant date - R\$	Fair value on grant date - R\$
2015 Plan	5	October 1, 2015	11.33%	42.75%	1,485,900	(258,300)	1,227,600	6.10	6.10
2016 Plan	5	January 2, 2017	11.33%	42.75%	1,476,000	(226,900)	1,249,100	6.10	6.10
2017 Plan	5	September 1, 2017	9.93%	29.76%	870,900	(131,300)	739,600	10.42	10.42
2018 Plan	5	August 1, 2018	10.93%	31.97%	1,149,544	(155,621)	993,923	13.94	13.94
2019 Plan	5	August 15, 2019	6.28%	27.46%	843,152	(18,367)	824,785	22.17	22.17
					5,825,496	(790,488)	5,035,008		

a) Reconciliation of shares granted in circulation

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

	<i>Stock option</i> Rumo S.A		<i>Stock grant</i> Rumo S.A
	Number of options	Average exercise price	Number of shares
At January 1, 2020	150,662	57.06	5,228,186
Exercised / delivered	-	-	(83,764)
Lost / cancelled	(51,311)	60.77	(109,414)
At March 31, 2020	99,351	56.60	5,035,008

b) Expense recognized in profit or loss

In the period ended on March 31, 2020, R\$ 3,148 was recognized as expenses related to the appropriation of the "Stock Grant" Plans (R\$ 2,238 on March 31, 2019).

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

6.6 Earnings per share

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

The following table shows the calculation of earnings per share (in thousands, except per share) for the period ended March 31, 2020, and 2019:

Basic and diluted

	March 31, 2020	December 31, 2019
Result for the period	(272,590)	26,354
Diluted effects:		
Dilutive effect - Brado Logística	-	(40)
Diluted result for the period attributable to controlling shareholders	(272,590)	26,314
Denominator:		
Weighted average number of common share	1,559,115	1,559,214
Diluted effects:		
Dilutive effect - Brado Logística	-	3,264
Dilutive effect - Stock option plan	-	3,986
Weighted average number of common share - diluted	1,559,115	1,566,464
Basic earnings per common share	(R\$0.17484)	R\$0.01690
Diluted earnings per common share	(R\$0.17484)	R\$0.01680

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

Thinning instruments

The non-controlling shareholders of the indirect subsidiary Brado, are entitled to exercise the Liquidity Option provided for in the shareholders' agreement signed on August 5, 2013. This option consists of replacing the totality of the shares held by said non-controlling shareholders with a number of shares determined according to the established exchange ratio, which takes into account the economic value to be established for both the Brado business and the Company's business. At the Company's sole discretion, an equivalent cash payment is also possible. The assumptions of value and form of settlement are subject to the decision of the arbitration procedure and on March 31, 2020, the effect is antidilutive, while on March 31, 2019, it is the best estimate of 3,264 shares, with dilutive effect, which are therefore considered in the analysis of diluted earnings per share.

The Company has share-based compensation plans, as detailed in note 6.5, whose instruments (restricted options or shares). As of March 31, 2020, and 2019, they have no dilutive effect.

EARNINGS RELEASE 1Q20

Curitiba, May 27, 2020 – RUMO S.A. (B3: RAIL3) (“Rumo”) today announces its results for the first quarter of 2020 (1Q20), including January, February, and March. The results are consolidated in accordance with the accounting criteria adopted in Brazil and International Financial Reporting Standards (IFRS). Comparisons in this report consider 1Q20 and 1Q19 unless otherwise indicated.

Rumo 1Q20 Highlights

- Total transported volume in 1Q20 reached 12.3 billion RTK, 7.6% lower than in 1Q19, due to late start of soybean crop and operational constraints in March.
- This quarter we reported EBITDA and net income/loss **adjusted** to ensure (i) comparison with 1Q19 by excluding Central Network’s costs and expenses in 1Q20; and (ii) excluding expenses related to Paulista Network’s concession renewal process.
- Adjusted EBITDA totaled R\$653 million, down by 19%, with a margin of 45.9%, impacted by (i) lower volume, reflecting the late start of soybean harvest season compared to 1Q19 and operational constraints in March and (ii) yield drop in the quarter.
- Adjusted net loss totaled R\$136 million *versus* a net income of R\$27 million in 1Q19, on the back of lower EBITDA and the non-recurring, non-cash impact of derivatives MtM.
- Adjusted leverage reached 2.1x broad net debt/LTM EBITDA at the end of 1Q20.
- Capex totaled R\$561 million in 1Q20, 3.4% higher than in 1Q19.

Summary of Financials (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
Total transported volume (million RTK)	12,297	13,306	-7.6%
Total volume loaded (TU ‘000)	2,545	2,820	-9.8%
Net Revenue¹	1,424	1,635	-12.9%
Cost of goods sold	(1,071)	(1,154)	-7.2%
Gross profit	353	481	-26.6%
<i>Gross margin (%)</i>	<i>24.8%</i>	<i>29.4%</i>	<i>-4.6 p.p.</i>
Sales, general, and administrative expenses	(105)	(86)	22.1%
Other op. revenues (expenses) and equity pickup ²	(90)	(16)	>100%
Operational profit	158	379	-58.6%
Depreciation and amortization	419	422	-0.7%
EBITDA	577	802	-28.1%
<i>EBITDA margin (%)</i>	<i>40.5%</i>	<i>49.1%</i>	<i>-8.5 p.p.</i>
Adjusted EBITDA*	653	802	-18.6%
<i>Adjusted EBITDA margin (%)</i>	<i>45.9%</i>	<i>49.1%</i>	<i>-3.2 p.p.</i>
Net profit (loss)	(274)	27	>100%
<i>Net margin (%)</i>	<i>-19.2%</i>	<i>1.7%</i>	<i>-20.9 p.p.</i>
Adjusted net profit (loss)*	(136)	27	>100%
<i>Adjusted net margin (%)</i>	<i>-9.6%</i>	<i>1.7%</i>	<i>-11.2 p.p.</i>
Capex	561	543	3.4%

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 D&A of Central Network, once it is a non-operational business.

Note (*): Excluding the effects of Central Network and the effects of the Paulista Network renewal process.

Conference Call

English* - 2:00 p.m. (Brasília time)

With simultaneous translation into Portuguese

May 28, 2020 (Thursday)

Dial-in: +55 11 3181 8565

+55 11 4210 1803

Dial-in (US): +1 844 204 8942

+1 412 717 9627

Password: RUMO

Investor Relations

E-mail: ir@rumolog.com

Phone: +55 41 2141-7555

Website: ri.rumolog.com



1. Crisis Management | Covid-19

Reaffirming its commitment to the country's development, Rumo set up a Crisis Committee in response to COVID-19, through which implemented measures to best **protect the health and safety** of its employees, and also to **preserve its liquidity** and financial health, as well as promoted **contributions to public authorities**.

Protocols, prevention measures, and financial health

On March 20, 2020, the Federal Decree No. 10.282 categorized **general cargo transportation as an essential service**, thus, Rumo promptly adopted measures to ensure the compliance with the **protocols** set forth by public authorities **and to protect the health** of its employees and related persons.

At the 24/7 Operation Control Center (CCO), a special restructuring plan was put in place: during shift changes, information is now conveyed through video or virtual files, and circulation areas have been modified to ensure a safe distance is maintained between professionals.

In our main transshipment terminal, in **Rondonópolis (MT)**, a special 24/7 **structure to assist truck drivers** was set. Nursing technicians take truck drivers' temperatures and provide them masks and health instructions. A special cargo unload line-up was created and permanence is restricted to the minimum necessary in emergency cases. The same measures were implemented at the **Port of Santos**, and, in collaboration with other terminals, Rumo donated hand sanitizer gel and adopted measures to ensure its employees' health and safety.

All these actions and protocols jointly put into effect by public authorities and other entities **allowed Rumo to continue operating without disruption**. Operations at ports continue, and ongoing work at Central Network and Rondonópolis Terminal remain uninterrupted. Rumo, thus, was able to continue delivering services to its clients, what has been particularly important as they have seen an increase in demand for logistics, in a scenario of Brazilian real depreciation.

On the financial side, Rumo adopted a conservative position to preserve its liquidity by means of funding to reinforce its **cash**, reaching a **comfortable position** to overcome the challenges presented by this critical economic scenario.

Social responsibility

Demands were identified to control the pandemic with the health departments of 27 municipalities in 7 Brazilian states within Rumo's concession areas. Rumo donated **critical equipment to Intensive Care Units (ICUs)**, 28,000 liters of hand sanitizer gel, 2,400 units of bed linen, 84,000 liters of cleaning products, and 12,000 tons of food.

Rumo also entered into partnerships with (i) Comunitas¹ (jointly with MRS and VLI), donating **school meals** to children in the Santos metropolitan region; and (ii) with SEST/SENAT² (jointly with the concessionaire Rota do Oeste and Trizy³) to provide over 2,000 truck drivers with food and hand sanitizer.

Jointly with Cosan, Rumo made a **public commitment not to dismiss any of its personnel**. Home office was implemented for administrative employees and all facilities and processes were fine-tuned to protect the physical and psychological health of field professionals. Moreover, employees in the risk group were instructed to adopt specific social distancing, care, and monitoring measures.

¹ Social organization specialized in public-private partnerships, working jointly with state and municipal governments, modeling the social private investment to support public policies. Website: <https://www.comunitas.org/>.

² Transport Social Services and National Transport Learning Service. Website: <https://www.sestsenat.org.br/>.

³ Technology and Services Company, headquartered in Ponta Grossa-PR. Website: <https://www.trizy.com.br/>.

2. Adjusted Result

For a better analysis of results, we report the adjustments referring to the Central Network and Paulista Network renewal process as detailed below.

2.1 Central Network

As of July 2019, Rumo started reporting consolidated results including the Central Network's figures. During the first six months of 2020, reported results will not be comparable to the previous year, as the Central Network's concession agreement was signed on July 31, 2019. In the second half of 2020, costs and expenses referring to this new operation will be higher than in this quarter since, although pre-operational, a dedicated structure to monitor investments has been set up. This operation's net loss includes R\$46.9 million of impact referring to this network's concession fee amount.

2.2 Paulista Network Renewal Process

After the sign-off of the Paulista Network's renewal, as per Material Fact from May 27, 2020, two agreements were settled between Rumo and the National Agency of Land Transportation (ANTT):

(i) the Company's payment of controversial fines to ANTT, resulting in impacts on EBITDA and financial result of R\$64 million and R\$39 million, respectively;

(ii) the accounts offsetting between concession liabilities and credits from labor claims previously paid by Rumo, which will generate result gains of R\$468 million (equally not recurring) in 2Q20. On top of that, other credits are still subject to confirmation.

2.3 Adjusted Result

Summary of Financial Information (Amounts in R\$ MM)	1Q20	Adjustment Central Network	Adjustment Paulista Network	Adjusted 1Q20	1Q19	Chg. %
Net operating revenue	1,424	-	-	1,424	1,635	-12.9%
Gross profit	353	-	-	353	481	-26.6%
<i>Gross margin (%)</i>	24.8%	-	-	24.8%	29.5%	-4.6 p.p.
Sales, general and administrative expenses	(105)	12	-	(93)	(86)	8.1%
Other op. revenues (expenses) and equity pickup	(90)	24	64	(2)	(16)	-87.5%
Operational profit	158	36	64	257	379	-32.2%
Depreciation and amortization	(419)	(24)	-	(395)	(422)	>100%
EBITDA	577	12	64	653	802	-18.6%
<i>EBITDA margin (%)</i>	40.5%	-	-	45.9%	49.1%	-3.2 p.p.
Net profit (loss)	(274)	70	68	(136)	27	>100%
<i>Net margin (%)</i>	-19.2%	-	-	-9.6%	1.7%	-11.2 p.p.
Capex	561	14	-	547	543	0.7%

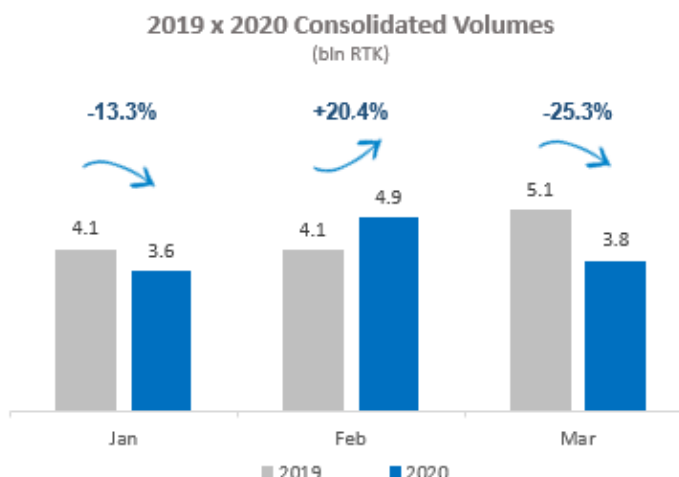
Other sections of this Earnings Release report the consolidated result unless otherwise indicated.

3. 1Q20 Executive Summary

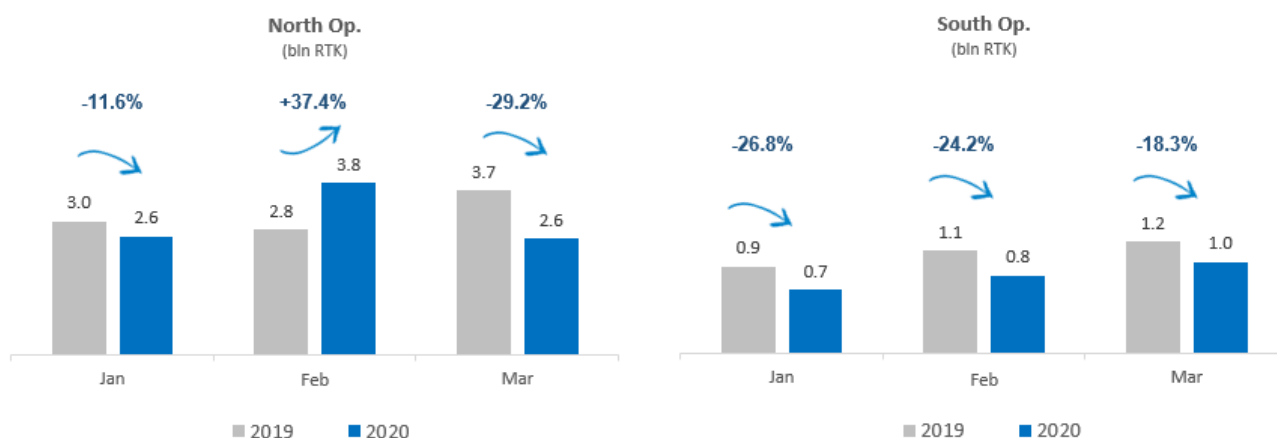
Rumo's transported volume in 1Q20 came in 7.6% lower to 12.3 billion RTK. The result was impacted by:

- (a) North Operation: (i) late start of soybean harvest season compared to 1Q19 (seasonality); (ii) lower corn carryover inventories in January; (iii) rainfall on Santos hills and at the Port of Santos (SP) in March, 73% above the average for the month⁴ and; (iv) cyberattack;
- (b) South Operation: (i) late start of soybean harvest season; (ii) decreased industrial volume due to Covid-19 outbreak; (iii) soybean crop failure in the State of Rio Grande do Sul and; (iv) cyberattack.

January, as expected, recorded lower volumes, impacted by the late start of the soybean harvest season. **February**, in turn, recorded 20% growth, on the back of a positive operational performance coupled with increased capacity. In **March**, although the market was strong, the Company experienced operational constraints in the first half of the month due to above-average rainfall in Santos (SP), causing loss of volume; and in the second half, a cyberattack⁵ hampered the recovery of volume.



Source: Rumo Internal System



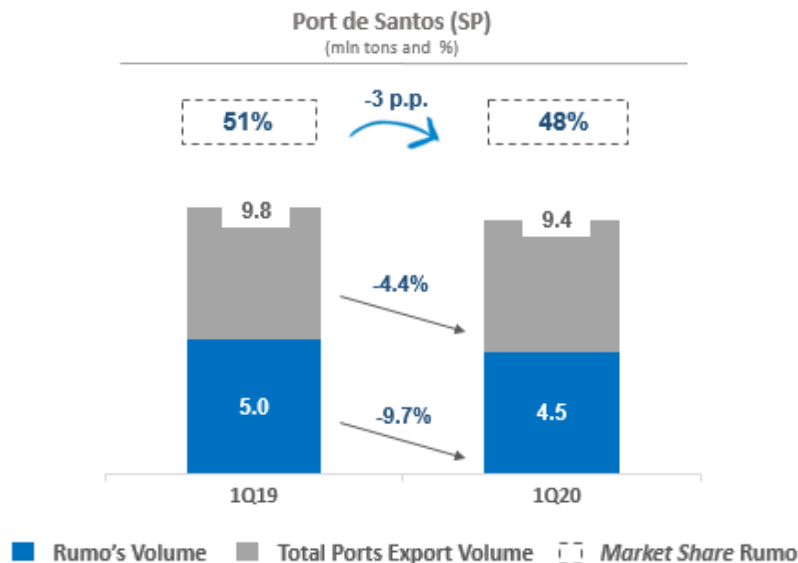
Source: Rumo Internal System

⁴ Source: Santos local government. Available at: https://www.santos.sp.gov.br/?q=pluviometria-tabela&field_data_medicao=2020-03.

⁵ According to Notice to the Market released by the Company on March 15, 2020.

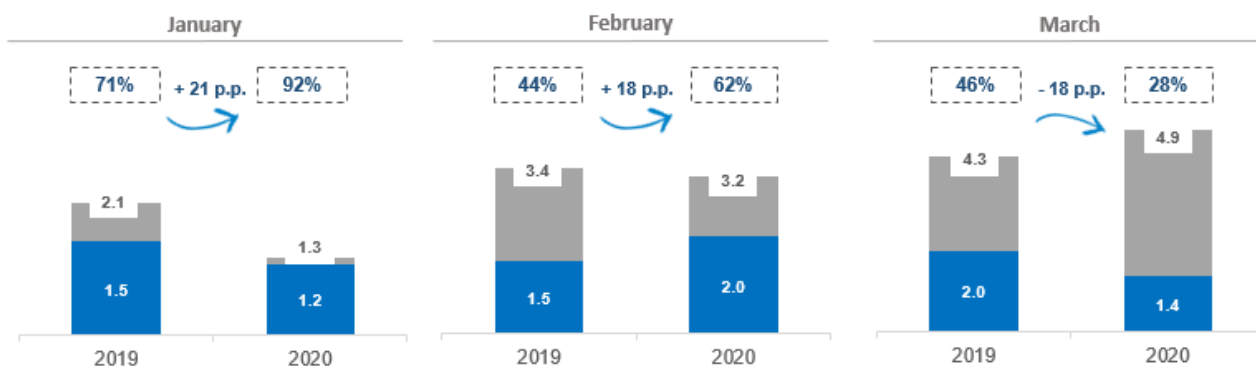
Rumo decreased its volume of grains transported to the Port of Santos (SP) by 9.7% in 1Q20, while total exports by this Port fell 4.4%, resulting in a market share loss of 3 p.p. This result reflected the 18 p.p. loss of market share in March on the back of operational constraints, since in January and February, Rumo significantly increased its market share in this port.

Rumo's Quarterly Volume and Market Share Evolution in Transportation at the Port of Santos



Source: Marine Agency

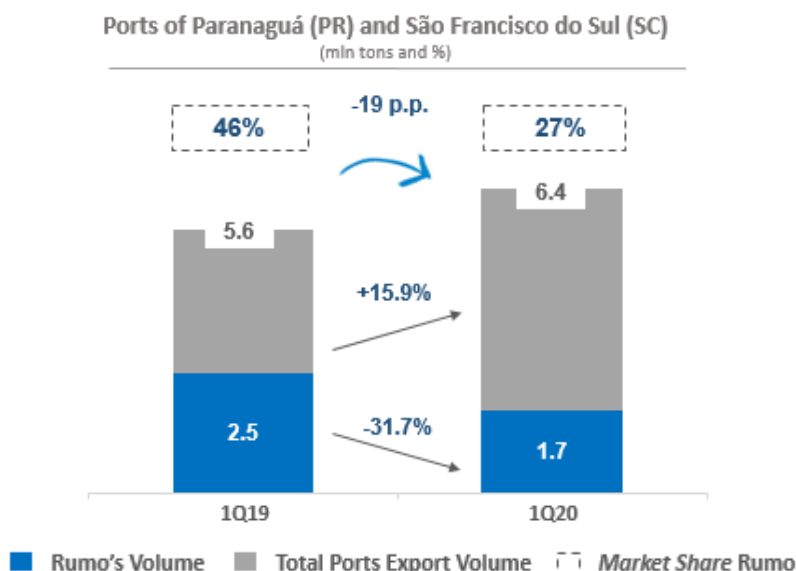
Rumo's Monthly Volume and Market Share Evolution in Transportation at the Port of Santos



Source: Marine Agency

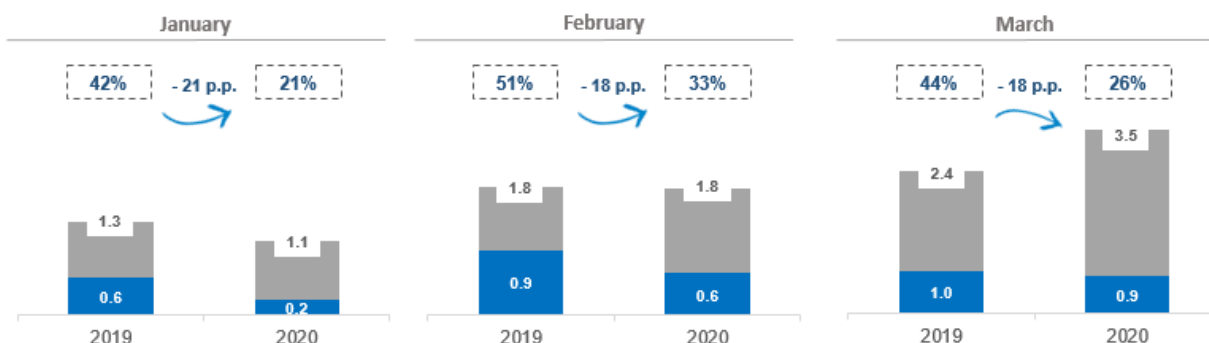
South Operation's market share of grain transportation to the Ports of Paranaguá (PR) and São Francisco do Sul (SC) fell 19 p.p. January and February results were due to the late start of the soybean harvest season that restricted exports to the volumes available in inventories, which came below in Rumo's area of activity. In March, when market volumes were up, a cyberattack prevented the Company from meeting additional volumes.

Quarterly evolution of volume and transport market share at the Ports of Paranaguá (PR) and São Francisco do Sul (SC)



Source: Marine Agency and Rumo System

Monthly evolution of volume and transport market share at the Ports of Paranaguá (PR) and São Francisco do Sul (SC)



Source: Marine Agency and Rumo System

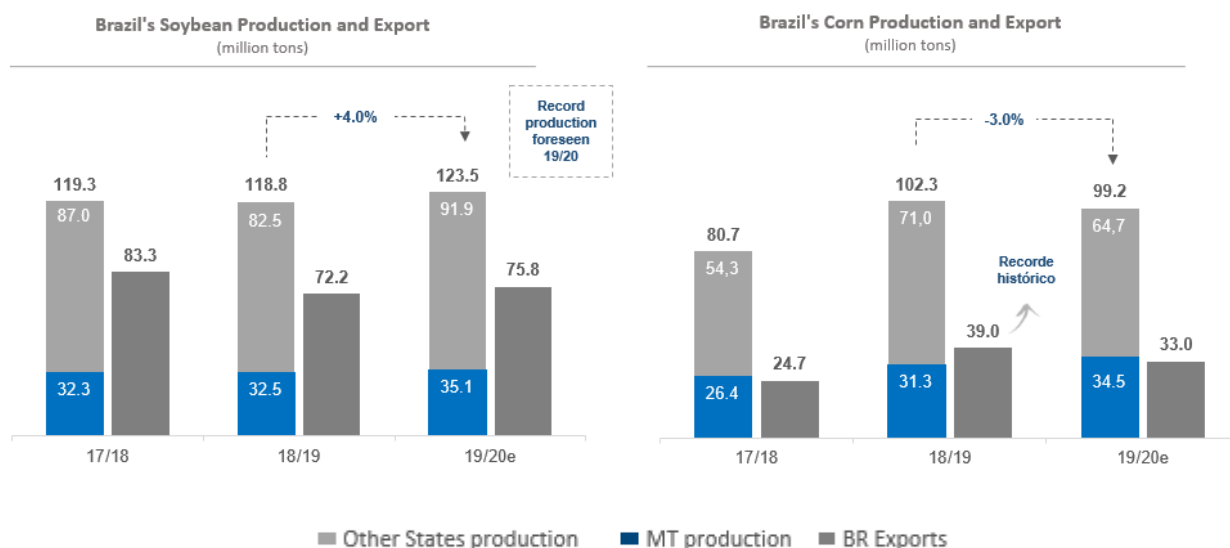
Rumo's net income dropped 13% to **R\$1,424 million**, impacted by a 7.6% volume decrease and a 4.6% yield decrease. **North Operation** saw a 7.0% yield drop due to (i) lower freight demand in the market in January and February; (ii) lower volume in March, a month which usually records higher yields; and (iii) closure of take-or-pay agreements during a period of lower truck freight prices. **South Operation's** yield rose 3.4%, while the **Container Operation**, yield dropped 3.8%.

Adjusted EBITDA fell 18.6% to R\$653 million in 1Q20, impacted by lower volume and yield drop in the quarter. Fixed costs and general and administrative expenses only increased 1%, excluding the Central Network, and variable costs decreased 12%, evidencing efficiency gains since volume dropped 7%. Despite a favorable cost performance, lower operating leverage decreased the margin by 3.2 p.p. to 45.9%.

Rumo recorded an adjusted net loss of R\$136 million versus a net income of R\$27 million in 1Q19 due to lower EBITDA and the non-recurring, non-cash impact of derivatives MtM. Rumo ended the quarter with leverage at 2.1x broad net debt/EBITDA.

Concerning the grains market, in early 2020, the soybean scenario raised uncertainties concerning exports, leading the Company to estimate Brazilian exports in a range between 72 and 75 million tons. Since then, significant changes were seen. According to Agroconsult⁶: (i) **soybean global trade**, despite the coronavirus, is likely to grow to 160 million tons versus 153 million in 2019; (ii) China should increase its soybean inventory by 6 million tons and; (iii) the Brazilian real depreciation accelerated this commodity commercialization in the State of Mato Grosso (89% for 2020 and 36% for 2021)⁷. Thus **exports** are expected to reach approximately 76 million tons, a more positive scenario than initially projected for the second quarter.

Regarding **corn** projections, we foresee **good availability** in the second half, as the State of Mato Grosso should record a greater performance than Brazil's average, and considering that most of **exports** shrinkage, from 39 to 33 million tons, should take place in the first half (roughly 5 million tons). An expected decline in corn **global trade**, from 175 to 167 million tons, will drive down exports from Brazil⁸. Concerning **supply**, the USA should see greater corn availability due to lower demand for corn ethanol, while Brazil should see a decrease in availability as the planting window was shorter and climate did not contribute to productivity in the Southern states. On regards to **competitiveness**, Brazil has a great **advantage**, as the strong depreciation of the real prompted the producer of Mato Grosso to anticipate the corn commercialization, which had already reached 80% in May 2020.



Source: USDA, CONAB, and Agroconsult

Note: (e) - Estimate

⁶ Source: USDA and Agroconsult projection

⁷ Source: Agroconsult, in May 2020.

⁸ Source: IMEA and Agroconsult.

4. Consolidated Operating and Financial Indicators

Summary of Financial Information (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
Total transported volume (million RTK)	12,297	13,306	-7.6%
Agricultural products	9,868	10,820	-8.8%
Industrial products	2,429	2,485	-2.3%
Average transportation yield (R\$/000 RTK ³)	99.1	103.9	-4.6%
Total volume loaded (TU '000)	2,545	2,820	-9.8%
Average loading yield (R\$/TU)	24.2	25.7	-5.8%
Net operating revenue	1,424	1,635	-12.9%
Transportation	1,219	1,383	-11.9%
Port loading	62	73	-15.0%
Other ⁴	143	179	-20.1%
EBITDA	577	802	-28.0%
EBITDA margin (%)	40.5%	49.1%	-8.5 p.p.
Adjusted EBITDA	653	802	-18.6%
Adjusted EBITDA margin (%)	45.9%	49.1%	-3.2 p.p.

Note 3: Average transportation yield including the final amount charged from customer (container), excluding take-or-pay and right-of-way.

Note 4: 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).

Rumo's Transported Volume and Yield by Operation

Operational Figures (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
Total transported volume (million RTK)	12,297	13,306	-7.6%
Agricultural products	9,868	10,820	-8.8%
Soybean	6,810	7,743	-12.0%
Soybean meal	1,523	1,530	-0.4%
Corn	149	504	-70.6%
Sugar	561	383	46.5%
Fertilizers	800	626	27.7%
Other	25	34	-25.1%
Industrial products	2,429	2,485	-2.3%
Fuels	992	1,117	-11.2%
Wood, pulp, and paper	560	572	-2.2%
Containers	687	591	16.2%
Other	190	205	-7.0%

Yield by Operation	1Q20	1Q19	Chg.%
North Operation			
Yield (R\$/000 RTK)	98.9	106.4	-7.0%
% Volume	73.8%	70.9%	2.9p.p.
South Operation			
Yield (R\$/000 RTK)	100.9	97.6	3.4%
% Volume	20.6%	24.6%	-4p.p.
Container Operation			
Yield (R\$/000 RTK)	95.2	99.0	-3.8%
% Volume	5.6%	4.4%	1.1p.p.
Consolidated			
Yield (R\$/000 RTK)	99.1	103.9	-4.6%

Results by Business Unit

Business Units

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

- **North Operation** North Network, Paulista Network, and Port Operation in Santos
- **South Operation** West Network and South Network
- **Container Operation** Container operations, including Brado Logística
- **Central Operation⁹** Central Operation, under the pre-operating phase

Results by Business Unit 1Q20	North Operation	South Operation	Container Operations	Subtotal	Central Operation	Consolidated
Transported volume (million RTK)	9,080	2,530	687	12,297	-	12,297
Net revenue	1,085	268	71	1,424	-	1,424
Cost of services	(695)	(303)	(73)	(1,071)	(0)	(1,071)
Gross profit (loss)	390	(36)	(2)	352	(0)	352
Gross margin (%)	36.0%	-13.3%	-3.1%	24.8%	n.a	24.8%
Sales. general and administrative expenses	(65)	(18)	(11)	(93)	(12)	(105)
Other operating revenues (expenses) ⁵	(57)	(8)	(1)	(65)	(24)	(90)
Depreciation and amortization ⁶	257	120	18	395	24	419
EBITDA	526	59	4	589	(12)	577
EBITDA margin (%)	48.5%	22.0%	6.2%	41.4%	n.a.	40.5%
Adjustment EBITDA	64	-	-	64	-	64
Adjusted EBITDA	590	59	4	653	-	653
Adjusted EBITDA margin (%)	54.4%	22.0%	6.2%	45.9%	n.a.	45.1%

Note 5: Includes D&A of Central Network, once it is a non-operational business.

Note 6: Depreciation and amortization are allocated in costs of services rendered, general and administrative expenses, besides Central Network, which is allocated in other revenues and expenses.

⁹ 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

Operational figures	1Q20	1Q19	Chg. %
Total transported volume (million RTK)	9,080	9,439	-3.8%
Agricultural products	8,091	8,522	-5.1%
Soybean	5,674	6,050	-6.2%
Soybean meal	1,377	1,404	-1.9%
Corn	2	311	-99.3%
Sugar	370	291	27.0%
Fertilizers	669	466	43.6%
Industrial products	989	918	7.8%
Fuels	584	592	-1.3%
Other	405	326	24.2%
<i>Average transportation yield</i>	<i>98.9</i>	<i>106.4</i>	<i>-7.0%</i>
Total volume loaded (TU '000)	2,545	2,820	-9.8%
<i>Average loading yield (R\$/TU)</i>	<i>24.2</i>	<i>25.7</i>	<i>-5.8%</i>

In 1Q20, total volume transported by North Operation came in 3.8% lower, totaling 9.1 billion RTK. Soybean transportation fell 6.2%, impacted by the late start of harvest season, and operational constraints in March due to heavy rainfall in São Paulo. **Corn** volumes were down due to lower inventories in January. **Fertilizers** volume rose 43.6% and **sugar** volume came in 27% higher than in 1Q19. **Industrial products** grew by 7.8%, mainly due to **pulp and paper** transportation. **Port loading** fell 9.8%, reflecting the late start of the soybean harvest season and lower inventories in January.

Financial Data (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
Net operating revenue	1,085	1,240	-12.5%
Transportation	898	1,005	-10.6%
Agricultural products	803	917	-12.4%
Industrial products	95	88	7.5%
Port loading	63	72	-13.9%
Other revenues ⁷	123	163	-23.3%
Cost of services	(695)	(714)	-2.7%
Variable costs	(267)	(304)	-12.1%
Fixed costs	(172)	(161)	6.5%
Depreciation and amortization	(256)	(249)	2.8%
Gross profit	390	526	-25.8%
<i>Gross margin (%)</i>	<i>36.0%</i>	<i>42.4%</i>	<i>-6.5 p.p.</i>
Sales, general and administrative expenses	(65)	(59)	9.9%
Other op. revenues (expenses) and equity pickup ⁸	(57)	(17)	>100%
Depreciation and amortization	257	251	2.7%
EBITDA	526	700	-24.8%
<i>EBITDA margin (%)</i>	<i>48.5%</i>	<i>56.4%</i>	<i>-8 p.p.</i>
Adjusted EBITDA	590	700	-15.7%
<i>Adjusted EBITDA margin (%)</i>	<i>54.4%</i>	<i>56.4%</i>	<i>-2 p.p.</i>

Note 7: Includes revenue for unrealized volumes under take-or-pay agreements.

Note 8: Includes non-recurring expenses relating to the Paulista Network renewal process.

Adjusted EBITDA totaled R\$590 million in 1Q20, down 15.7%, impacted by lower volumes that undermined **fixed cost dilution**, which increased 6.5%. **Variable costs** fell 12%, on the back of lower take-or-pay expenses (R\$20 million). The adjusted EBITDA margin reached 54.4%, down 2 p.p. **Fuel consumption** dropped 3.2% (Liters/GTK), reflecting improved locomotives efficiency.

South Operation

Operational Figures	1Q20	1Q19	Chg. %
Transported volume (million RTK)	2,530	3,275	-22.8%
Agricultural products	1,777	2,299	-22.7%
Soybean	1,137	1,694	-32.9%
Soybean meal	147	126	16.6%
Corn	146	193	-24.2%
Sugar	191	91	>100%
Fertilizers	131	147	-11.0%
Other	25	47	-46.4%
Industrial products	753	977	-22.9%
Fuel	408	526	-22.4%
Wood, pulp, and paper	155	246	-37.1%
Other	190	205	-7.0%
Average transportation yield	100.9	97.6	3.4%

South Operation's transported volume fell 22.8%, reaching 2.5 billion RTK. The result reflects a 22.7% drop in agricultural products, especially soybean, due to the late start of the harvest season in the State of Paraná, and the crop failure in the State of Rio Grande do Sul (RS). Industrial products were down 22.9%, impacted by lower pulp and paper volume, due to an accident, a decreased transportation of fuel and other industrial cargoes, reflecting lower domestic consumption, in light of the coronavirus pandemic.

Dados financeiros (Valores em R\$ MM)	1Q20	1Q19	Chg. %
Net operating revenue	268	328	-18.3%
Transportation	255	320	-20.3%
Agricultural products	164	215	-23.7%
Industrial products	91	105	-13.3%
Other revenues ⁹	13	9	44.4%
Cost of services	(303)	(358)	-15.4%
Variable costs	(68)	(82)	-17.1%
Fixed costs	(115)	(126)	-8.7%
Depreciation and amortization	(120)	(149)	-19.5%
Gross profit (loss)	(36)	(29)	24.1%
<i>Gross margin (%)</i>	<i>-13.4%</i>	<i>-8.8%</i>	<i>-4.6 p.p.</i>
Sales, general and administrative expenses	(18)	(17)	5.9%
Other op. revenues (expenses) and equity pickup	(8)	(0)	>100%
Depreciation and amortization	120	149	-19.5%
EBITDA	59	103	-42.7%
<i>EBITDA margin (%)</i>	<i>22.0%</i>	<i>31.4%</i>	<i>-9.4 p.p.</i>

Note 9: Includes revenue from volumes contracted, but not executed according to commercial agreements (take-or-pay).

EBITDA totaled R\$59 million in 1Q20, down 42.7%. Net operating revenue decreased less than volume, reflecting a 3% yield gain. Variable costs declined 17.1%, due to lower volume and improved energy efficiency of 5.5% (Liters/GTK). Fixed costs came in 8.7% lower. EBITDA margin reached 22% in 1Q20, 9.4 p.p. below 1Q19, due to lower operating leverage.

Container Operation

Operational figures	1Q20	1Q19	Chg. %
Total volume (containers)	19,691	17,963	9.6%
<i>Intermodal average yield (R\$/000 RTK)</i>	<i>95.2</i>	<i>99.0</i>	<i>-3.8%</i>
Total volume (million RTK)	687	591	16.2%

In 1Q20, Container Operation rose 16.2% to 687 million RTK. The implementation of the double-stack system, coupled with the business strategy of taking advantage of return freights to increase transportation volumes in the domestic market and import cargoes has been supporting higher diversification of cargo transportation and contributing to ramp up volume.

Financial Data (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
Net operating revenue¹⁰	71	67	4.9%
Transportation	65	59	10.2%
Other revenues	6	8	-25.0%
Cost of services	(73)	(82)	-10.7%
Variable costs	(33)	(32)	1.0%
Fixed costs	(23)	(27)	-14.6%
Depreciation and amortization	(17)	(22)	-23.2%
Gross income (loss)	(2)	(15)	-85.3%
<i>Gross margin (%)</i>	<i>-3.1%</i>	<i>-22.2%</i>	<i>19.1 p.p</i>
Sales, general and administrative expenses	(11)	(9)	12.5%
Other op. revenues (expenses) and equity pickup	(1)	1	>100%
Depreciation and amortization	18	23	-21.6%
EBITDA	4	(1)	>100%
<i>EBITDA margin (%)</i>	<i>6.2%</i>	<i>-1.5%</i>	<i>7.7 p.p</i>

Note 10: Includes revenue from service units.

EBITDA totaled R\$4 million in 1Q20, reversing a negative EBITDA in 1Q19. Although yield decreased 3.8%, due to a mix effect, as higher cargo volume was seen in the Paraná corridor, which has lower yield, a 16.2% higher volume contributed to 13.6% higher net revenue from transportation.

The phase out of Cubatão (SP), an unprofitable business unit, decreased Other revenues, with a greater reduction in fixed costs. A better negotiation with partners regarding truck freight and handling services also contributed to the good performance of variable cost. Thus, EBITDA margin reached 6.2% in 1Q20, up 7.7 p.p..

5. Other Results

Breakdown of Costs and Services Rendered and General and Administrative Expenses

Consolidated Costs (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
Consolidated costs and General and Administrative Expenses	(1,174)	(1,238)	-5.1%
Variable costs	(368)	(418)	-12.0%
Fuel and lubricants	(210)	(228)	-8.0%
Own logistics costs ¹¹	(67)	(67)	-0.5%
Third-party freight costs ¹²	(73)	(93)	-21.5%
Other variable costs ¹³	(18)	(30)	-39.0%
Fixed costs and General and Administrative Expenses	(413)	(399)	3.6%
Maintenance	(32)	(34)	-5.2%
Payroll expenses	(188)	(184)	2.1%
Third-party services	(17)	(20)	-14.3%
Security and facilities	(43)	(40)	
Other operational costs	(29)	(37)	9.0%
General and Administrative Expenses	(103)	(84)	23.1%
Depreciation and amortization	(393)	(422)	-6.7%

Note 11: Own logistics costs include sand, right-of-way, terminals, and other variable costs.

Note 12: Third-party freight costs include road and railroad carriers contracted from other concessionaires.

Note 13: Especially take-or-pay expenses.

Variable costs were down 12% to R\$368 million in 1Q20, evidencing a good performance, on the back of (i) reduced other variable costs, due to lower take-or-pay expenses and (ii) less freight costs with third parties, due to higher sugar volumes transported through railway. Fuel expenses fell 8.0%, in line with volume, recording efficiency gains in fuel consumption (Liters/GTK: -5.3%) which offset higher fuel prices year-over-year.

Fixed costs, general and administrative expenses totaled R\$413 million. Excluding R\$12 million of Central Network's costs and expenses, the increase was 0.7%. Selling, general and administrative expenses rose 8.3%, excluding additional expenses from Central Network. **Depreciation and amortization** costs dropped 6.7%.

Financial Results

Financial results (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
Cost of bank debt ¹⁴	(325)	(224)	44.7%
Charges over leasing	(12)	(15)	-22.1%
Financial income from investments	28	33	-16.2%
(=) Cost of broad net debt	(309)	(206)	49.5%
Monetary variation on liabilities of concessions	(35)	(49)	-28.4%
Concession Fee and operating lease ¹⁵	(122)	(32)	>100%
Rates on contingencies and contracts	(11)	(27)	-60.5%
Other financial expenses	(53)	(11)	>100%
(=) Financial result	(531)	(325)	63.4%

Note 14: Includes interest, monetary variation, net derivative income, and other debt charges.

Note 15: Considers IFRS 16 adjustments.

The financial result in 1Q20 was impacted by a non-recurring non-cash amount of R\$160 million, due to a review of estimate on measuring the fair value of financial instruments. This change results in lower volatility in MTM. Also, the following factors contributed to the financial result: (i) the addition of Central Network's financial expenses (R\$70 million), (ii) CDI reduction (positive effect of R\$42 million), and (iii) lower bank guarantee expenses (R\$13 million).

Lease charges increased due to interest rates over concession installments of Central Network. Financial investments yield fell 15.2% on the back of reduced CDI interest rates quarter-over-quarter. The monetary variation on leasing and concession agreements reflects the SELIC interest rate adjustment to the unpaid concession amounts of the West and Paulista Networks, which are under litigation. Other financial expenses include costs related to Paulista Network renewal process and costs relating to bank guarantees and other financial operations.

Income Tax and Social Contribution

Income Tax and Social Contribution (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
Income (loss) before IT / SC	(373)	55	>100%
<i>Theoretical rate IR / SC</i>	<i>34.0%</i>	<i>34.0%</i>	<i>0 p.p.</i>
Theoretical income (expense) with IT / SC	127	(19)	>100%
Adjustments to calculate the effective rate			
Tax losses and temporary differences not recognized ¹⁶	(34)	(37)	-8.0%
Tax incentives arising from the North network ¹⁷	-	28	-100.0%
Equity pickup	1	2	-49.1%
Other effects	5	(2)	>100%
Income (expense) with IT / SC	99	(28)	>100%
<i>Effective rate (%)</i>	<i>-26.5%</i>	<i>-50.8%</i>	<i>24.3 p.p.</i>
IT/SC current	(36)	(20)	80.5%
IT/SC deferred	134	(8)	>100%

Note 16: We did not record deferred income tax and social contribution on tax losses in certain companies due to the lack of prospects for future taxable income.

Note 17: North Network enjoys the Amazon Development Office (SUDAM) benefit that entitles it to a 75% reduction in corporate income tax (rate of 25%) until 2023.

6. Loans and Financing

Broad gross debt at the end of 1Q20 was R\$15.2 billion. Leverage reached 2.1x (broad net debt/EBITDA), considering adjusted EBITDA of R\$3,681 billion in the last 12 months. The balance of broad net debt came to R\$7.6 billion, up 14.3%.

Total Indebtedness (Amounts in R\$ MM)	1Q20	4Q19	Chg.%
Commercial banks	591	297	99.1%
NCE	1,232	512	>100%
BNDES	2,843	3,057	-7.0%
Debentures	2,328	2,353	-1.0%
Senior notes 2024 and 2025	7,842	5,501	42.6%
Total bank debt	14,836	11,720	26.6%
Leases ¹⁸	404	430	-5.9%
Total broad gross debt	15,240	12,149	25.4%
Cash and cash equivalents and securities ¹⁹	(3,582)	(3,802)	-5.8%
Net derivative instruments	(3,972)	(1,624)	>100%
Total broad net debt	7,686	6,724	14.3%
Adjusted EBITDA LTM ²⁰	3,681	3,829	-3.8%
Leverage (broad net debt / Adjusted EBITDA LTM)	2.1x	1.8x	16.7%

Note 18: Excludes operating lease IFRS 16.

Note 19: In 1Q20 includes restricted cash linked to bank debts totaling R\$68.6 million. 4Q19 includes restricted cash from bank debts totaling R\$86.7 million.

Note 20: The LTM EBITDA refers to the sum of the last 12 months of EBITDA calculated as follows: sum of the 3-month period ended in March 31, 2020, plus EBITDA of the last nine months of 2019.

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

Movement in gross debt (Amounts in R\$ MM)	1Q20
Opening balance of broad net debt	6,724
Cash and cash equivalents and marketable securities ²¹	(3,802)
Net derivative instruments	(1,624)
Opening balance of broad gross debt	12,149
Items with cash impact	394
New funding	930
Amortization of principal	(247)
Amortization of interest rates	(289)
Items without cash impact	2,697
Provision for interest rates (accrual)	190
Monetary variation, MTM adjustments of debt, and others	2,507
Closing balance of broad gross debt	15,240
Cash and cash equivalents and marketable securities ²¹	(3,582)
Net derivative instruments	(3,972)
Closing balance of broad net debt	7,686

Note 21: In 1Q20, it includes restricted cash from bank debts totaling R\$68.6 million. 4Q19 includes restricted cash from bank debts totaling R\$86.7 million.

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

8. Capex

Investment (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
Total investments²²	561	543	3,4%
Recurring	213	227	-6,5%
Expansion	348	316	10,3%

Note 22: Amounts in cash regime.

In 1Q20, Capex reached R\$561 million, up 3.4%, already including R\$14 million of Central Network. This amount, slightly below the pace for the year, is explained by the phasing of investments in Central Network, which should increase over the upcoming quarters.

Recurring Capex totaled R\$213 million in 1Q20, and expansion Capex came in 10.3% higher, reaching R\$348 million. Main investments in the capacity expansion were: (i) acquisition of rolling stock; (ii) expansion of Rondonópolis terminal; (iii) upgrading of permanent way, by replacing tracks and sleepers; (iv) sidings extension to support 120-railcar train and; (v) infrastructure improvements.

9. Cash Flow Statement

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

Indirect Cash Flow (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
Adjusted EBITDA	577	802	-28.0%
Working capital variations and non-cash effects	(527)	(288)	83.0%
Operating financial result	(17)	30	>100%
(a) (=) Operating cash flow (FCO)	34	544	-93.7%
Capex	(561)	(543)	3.4%
(b) Recurring	(213)	(227)	-6.5%
Expansion	(348)	(316)	10.3%
Dividends received	0	2	-84.6%
(c) (=) Cash flow from investing activities (FCI)	(561)	(541)	3.6%
(d) Funding	930	1,315	-29.3%
(e) Amortization of principal	(273)	(1,413)	-80.7%
Amortization of interest rates	(383)	(297)	29.0%
Paid dividends	-	(0)	-100.0%
Derivative financial instruments	25	(24)	>100%
Restricted cash	25	(11)	>100%
(=) Cash flow from financing activities (FCF)	324	(430)	>100%
(g) Forex variation impact on cash balances	1	0	>100%
(f) (=) Net cash generated (consumed)	(201)	(426)	-52.7%
(+) Total cash (includes cash + marketable securities) opening	3,715	2,985	24.5%
(=) Total cash (includes cash + marketable securities) closing	3,513	2,558	37.3%
Metrics			
(=) Cash generation after recurring capex (a+b)	(179)	317	>100%
(=) Cash generation after cash from investments (a+c)	(527)	3	>100%
(=) Cash generation (consumption) before funding and amortization (f-e-d)	(860)	(329)	>100%

10. Operating and Financial Performance Indicators

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

Operating and Financial Performance Index	1Q19	1Q20	Chg. %	2018	2019	Chg. %
Consolidated						
Operating ratio ²³	76%	83%	9.2%	73%	71%	-2.7%
Diesel consumption (liters/ '000 GTK)	4.15	3.93	-5.3%	4.16	3.93	-5.5%
Rail accidents (MM Train/Km)	16.1	16.3	0.9%	14.5	16.3	12.4%
Personal accidents (accidents /MM MHW)	0.22	0.11	-50.0%	0.25	0.13	-48.0%
North Operation						
Cycle of railcars (days)	11.1	12.7	14.4%	10.2	9.9	-2.9%
South Operation						
Cycle of railcars (days)	8.1	8.3	2.5%	7.6	7.9	3.9%

Note 23: Only considers the variable costs of railway operations.

Operating ratio: This index, which represents the portion of costs and expenses as a percentage of net revenue, improved 9.2% in 1Q20, reflecting lower dilution of costs due to lower transported volume.

Diesel consumption: The 5.3% improvement in 1Q20 versus 1Q19 reflects greater efficiency in locomotive diesel unit consumption, especially fleet renewal and investments in the permanent way.

Rail accidents: This index, which measures the number of accidents per million kilometers, increased 0.9% from 1Q19, reflecting a marginal increase in the number of accidents involving third parties, despite the Company's investments in improving railway safety.

Personal accidents: This index, which measures the number of accidents with leave, significantly improved quarter-on-quarter, by decreasing 50%, reflecting the Company's efforts to reduce personal accidents, with an index in line with international railways' benchmark.

Cycle time of railcars: This index worsened on account of lower assets utilization due to lower demand in January and operational constraints in March.

11. Guidance

This section contains the guidance ranges for the key parameters that will influence Rumo's consolidated results for 2020. Note that other sections of this earnings release may also contain projections. Such projections and guidance are estimates and indications and should not be taken as a guarantee of future results.

Short Term

Guidance 2020

Guidance (Inc. Central Network)	2020
EBITDA (R\$ MM)	$4,150 \leq \Delta \leq 4,650$
Capex (R\$ MM)	$2,600 \leq \Delta \leq 3,400$
Volume (RTK)	$64.0 \leq \Delta \leq 68.0$

12. Attachments

12.1 Financial Statements - Rumo

12.1.1 Balance Sheet

Balance sheet (Amounts in R\$ MM)	03/31/20	12/31/19
Current assets	4,846	4,950
Cash and cash equivalents	3,177	1,963
Marketable securities	336	1,752
Trade receivables	503	386
Financial and derivative instruments	264	248
Inventories	17	12
Peer company receivables	35	138
Income tax and social contribution	376	347
Other taxes recoverable	138	104
Non-current assets	30,528	27,883
Trade receivable	12	14
Restricted cash	130	148
Deferred income tax and social contribution	1,260	1,174
Recoverable income tax and social contribution	226	168
Other taxes recoverable	672	664
Judicial deposits	419	415
Financial and derivative instruments	3,972	1,624
Other assets	65	68
Investments in associates	49	52
Property and equipment	12,027	11,769
Intangible	7,340	7,375
Right of use	4,356	4,412
Total assets	35,374	32,833
Current liabilities	3,300	3,037
Loans, financing, and debentures	1,608	1,065
Leases	549	534
Suppliers	453	513
Labor and social security obligations	147	217
Income tax and social contribution taxes	1	8
Other payable taxes	27	34
Dividends payables	7	7
Leases and concessions	10	10
Payable to related parties	125	140
Deferred revenue	6	8
Other financial liabilities	290	411
Other payables	77	91
Non-current liabilities	23,725	21,181
Loans, financing, and debentures	13,228	10,655
Leases	3,960	3,995
Financial and derivative instruments	2	8
Other payables	480	481
Provision for lawsuits	3,508	3,445
Leases and concessions	2,442	2,491
Deferred income tax and social contribution	48	48
Deferred revenues	57	59
Shareholders' equity	8,349	8,614
Total liabilities	35,374	32,833

12.1.2 Income Statement

Income Statement (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
Net operating revenue	1,424	1,635	-12.9%
Cost of goods sold	(1,071)	(1,153)	-7.2%
Gross profit (loss)	353	481	-26.7%
Sales, general and administrative expenses	(105)	(86)	21.5%
Other net operating income (expenses)	(92)	(22)	>100%
Net financial result	(531)	(325)	63.6%
Equity pickup	2	5	-57.9%
Income tax and social contribution	99	(28)	>100%
Net profit (loss)	(274)	27	>100%
<i>Net margin (%)</i>	<i>-19.2%</i>	<i>1.6%</i>	<i>-20.9 p.p.</i>

12.1.3 Cash Flows

Accounting cash flow (Amounts in R\$ MM)	1Q20	1Q19
Profit before income tax and social contribution	(373)	55
Depreciation and amortization	419	422
Equity pickup	(2)	(5)
Provision for profit sharing and bonuses	23	33
Result of disposals of fixed assets and intangible assets	(1)	1
Provision for lawsuits	19	22
Provision (reversal) for losses on doubtful accounts	1	(1)
Stock option plan	3	2
Leases and concessions	505	332
Interest, monetary and exchange variation, Net	(12)	-
Extemporaneous tax credit	1	5
(=) Adjustments	583	866
Trade receivables	(113)	2
Related parties, Net	(29,0)	6
Taxes	(30)	(26)
Inventories	(16)	(4)
Labor and social security payable	(86)	(101)
Suppliers	(56)	(18)
Lawsuits	(29)	(36)
Other financial liabilities	(152)	(79)
Other assets and liabilities, Net	(47)	(86)
(=) Changes in assets and liabilities	(558)	(342)
(=) Cash Flow from Operating Activities	25	524
Marketable securities	1,424	1,265
Restricted cash	25	(11)
Dividends received from subsidiaries and associated companies	-	2
Additions to property, plant and equipment, software, and other intangibles	(561)	(543)
(=) Cash Flow from Investing Activities	888	713
Funding	930	1,315
Amortization of principal	(273)	(1,413)
Amortization of interest	(383)	(297)
Derivative financial instruments	25	(24)
(=) Cash generated by (used in) financing activities	299	(419)
Impact of exchange variation in cash balance	1	-
(=) Net increase in cash and cash equivalents	1,213	818
Beginning balance of cash and cash equivalents	1,963	142
Final balance of cash and cash equivalents	3,177	958