

FINANCIAL STATEMENTS AT DECEMBER 31, 2024 AND 2023  
INDEPENDENT AUDITOR'S REPORT

FERROLEASE COMÉRCIO E LOCAÇÃO DE EQUIPAMENTOS FERROVIÁRIOS S.A.

04/24/2025



## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Management of

**Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

### Opinion

We have audited the annual report of Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A. (Company), which comprise the balance sheet as of December 31, 2024 and its corresponding statements of income, changes in equity, cash flow and comprehensive income for the fiscal year ended on that date, as well as the corresponding Notes to the Financial Statements, including material accounting policies and other explanatory information.

In our opinion, the aforementioned annual report properly present, in all material respects, the financial position of Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A as of December 31, 2024, the performance of its operations and corresponding cash flows for the fiscal year ended on that date, in accordance with the accounting practices adopted in Brazil.

### Basis for the Opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibility, in accordance with such standards, are described in the following section, entitled "Auditor's responsibility regarding the auditing of the annual report". We are an independent party in relation to the Company, in accordance with the relevant ethical principles of the Code of Professional Ethics for Accountants and professional standards issued by the Brazilian Federal Accounting Council (CFC), and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is proper and sufficient to base our opinion.

### Management and Governance Responsibilities for the Annual Report

Management is responsible for properly preparing and presenting the annual report in accordance with accounting practices adopted in Brazil, and for the internal controls that it has determined necessary to ensure that the annual report is prepared without relevant misrepresentation, whether caused by fraud or error.

Upon preparing the annual report, management is responsible for assessing the Company's capacity to continue operating, disclosing, as applicable, the issues related to its operational continuity and the use of accounting basis to prepare the annual report, unless directors intend to liquidate the Company or terminate its operations, or has no realistic alternative to avoid closing its operations.

The parties responsible for corporate governance must oversee the process of preparing the annual report.

### **Auditor's Responsibilities Regarding the Auditing of the Annual Report**

Our goals are to obtain reasonable assurance that the annual report, taken as a whole, is free from relevant misrepresentation, whether caused by fraud or error, and issue the audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit, carried out in accordance with the Brazilian and international audit standards, always detect possible relevant misrepresentation. Misrepresentation can be caused by fraud or error, and are considered relevant when, individually or jointly, reasonably affect the users' economic decisions, taken on the basis of such annual report.

As part of an audit conducted in accordance with Brazilian and international auditing standards, we apply our professional judgment and maintain professional skepticism throughout the audit. In addition:

- We identify and evaluate the risks of relevant misrepresentation in annual report, whether caused by fraud or error, we plan and implement audit procedures in response to such risks, and we obtain proper and sufficient audit evidence on which to base our opinion. The risk of not detecting relevant misrepresentation resulting from fraud is greater than from error, since fraud may involve the act of circumventing internal controls, collusion, falsification, omission, or intentional false representations.
- We obtained knowledge of internal controls relevant to the audit to plan audit procedures suitable to the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We have assessed the suitability of accounting policies applied, and the reasonableness of accounting estimates and corresponding disclosures made by management.

- We have reached a conclusion whether the accounting basis of operational continuity used by Management is suitable and, based on the audit evidence obtained, whether there is any significant uncertainty concerning events or circumstances that may entail significant doubt regarding the Company's capacity to continue operating. If we conclude that there is significant uncertainty, we must draw attention in our audit report to the corresponding disclosures in the annual report or include changes in our opinion, if the disclosures are not suitable. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to no longer remain operational.
- We assess the overall presentation, structure, and content of the annual report, including the disclosures and whether the annual report represents the corresponding transactions and events in a manner compatible with the purpose of fair presentation.

We communicate with the parties responsible for governance regarding, among other aspects, the expected range, audit period and significant audit findings, including any significant deficiencies in internal controls identified during our work.

Campinas, April 24, 2025.

Sincerely,

A handwritten signature in black ink, appearing to read "Carlos Cristiano Poltronieri".

Carlos Cristiano Poltronieri

Accountant CRC 1SP240875/O-9

Consulcamp Auditoria e Assessoria Ltda

CRC SP-010626/O-4

**Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Balance sheet

At December 31, 2024 and 2023

(In Reais)

<b>Assets</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>	<b>Liabilities</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Current</b>				<b>Current</b>			
Cash and cash equivalents	4	19,350,149	13,435,911	Borrowings and financing	9	153,268	1,839,732
Accounts receivable	5	1,102,976	1,072,932	Labor and social contributions		170,799	122,255
Recoverable taxes	7	574,882	132,074	Advance to Customers	10	520,324	578,280
Other accounts receivable		271,105	107,668	Payable taxes	11	158,564	313,888
				Dividends	6	7,695,005	5,515,471
		<b>21,299,112</b>	<b>14,748,585</b>	Other accounts payable		31,675	31,141
						<b>8,729,635</b>	<b>8,400,767</b>
<b>Non-current</b>				<b>Non-current</b>			
Related parties	6	-	45,966	Borrowings and financing	9	-	152,991
Fixed Asset	8	60,671,928	63,066,716	Related parties	6	623,000	585,620
				Deferred income taxes	12	17,220,747	15,862,394
		<b>60,671,928</b>	<b>63,112,682</b>	Payable taxes	11	-	-
						<b>17,843,747</b>	<b>16,601,005</b>
				<b>Equity</b>	13		
				Capital		13,497,026	13,497,026
				Profit Reserve		41,900,632	39,362,469
						<b>55,397,658</b>	<b>52,859,495</b>
		<b>81,971,040</b>	<b>77,861,267</b>			<b>81,971,040</b>	<b>77,861,267</b>

The notes are an integral part of the financial statements.

**Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Statement of income

At December 31, 2024 and 2023

(In Reais)

	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Net operating revenue</b>	14	<b>17,539,470</b>	<b>17,874,470</b>
Lease Costs	16	(3,982)	-
Leasing	15	(37,380)	(37,380)
Depreciation of railway assets		(2,374,881)	(2,350,575)
<b>Gross income</b>		<b>15,123,227</b>	<b>15,486,515</b>
<b>Operating Expenses</b>	16		
Administrative		(572,572)	(480,916)
Depreciation and amortization		(10,186)	(7,177)
Services rendered by third parties		(291,616)	(300,017)
Labor expenses		(1,240,604)	(1,246,076)
Travel expenses		(32,637)	(54,718)
		<b>(2,147,615)</b>	<b>(2,088,904)</b>
Other Operating Income/Expenses	16	(60,799)	-
<b>Income (loss) before financial income and taxes</b>		<b>12,914,813</b>	<b>13,397,611</b>
Financial revenue	17	1,678,976	1,142,780
Financial expenses	17	(127,441)	(88,008)
<b>Financial income (loss)</b>		<b>1,551,535</b>	<b>1,054,772</b>
<b>Income (loss) before income taxes</b>		<b>14,466,348</b>	<b>14,452,383</b>
Current income tax and social contribution	18	(2,344,673)	(2,125,471)
Deferred income tax and social contribution	18	(1,358,353)	(1,608,117)
<b>Net income for the year</b>		<b>10,763,322</b>	<b>10,718,795</b>

The notes are an integral part of the financial statements.

**Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Statement of comprehensive income

At December 31, 2024 and 2023

(In Reais)

	<b>2024</b>	<b>2023</b>
<b>Net Income</b>	<u>10,763,322</u>	<u>10,718,795</u>
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>	<u><b>10,763,322</b></u>	<u><b>10,718,795</b></u>

The notes are an integral part of the financial statements.

**Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Statement of changes in equity

At December 31, 2024 and 2023

(In Reais)

	Note	Profit reserves				Retained earnings	Total
		Capital	Equity appraisal adjustments	Legal reserve	Profit retention reserve		
<b>Balance on December 31st, 2022</b>		<u>13,497,026</u>	-	<u>2,535,784</u>	<u>32,130,958</u>	-	<u>48,163,768</u>
Net income		-	-	-	-	10,718,795	10,718,795
<i>Distributions:</i>							
Legal reserve	13 b	-	-	163,621	-	(163,621)	-
Dividend	13 d	-	-	-	-	(6,023,068)	(6,023,068)
Earnings retained in the year	13 c	-	-	-	4,532,106	(4,532,106)	-
<b>Balance on December 31st, 2023</b>		<u>13,497,026</u>	-	<u>2,699,405</u>	<u>36,663,064</u>	-	<u>52,859,495</u>
Net income		-	-	-	-	10,763,322	10,763,322
<i>Distributions:</i>							
Dividend	13 d	-	-	-	-	(8,225,159)	(8,225,159)
Earnings retained in the year	13 c	-	-	-	2,538,163	(2,538,163)	-
<b>Balance on December 31st, 2024</b>		<u>13,497,026</u>	-	<u>2,699,405</u>	<u>39,201,227</u>	-	<u>55,397,658</u>

The notes are an integral part of the financial statements.



**Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

## Statement of Cash Flow

At December 31, 2024 and 2023

(In Reais)

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Net income for the year	10,763,322	10,718,795
<b>Adjustments for:</b>		
Depreciation	2,413,405	2,411,047
Interest and fines appropriated on loans and financing	47,333	(52,616)
Deferred income tax and social contribution	1,358,353	1,608,117
Current Income Tax and Social Contribution	2,344,673	2,125,471
<b>Changes in assets and liabilities</b>		
Trade accounts receivable	(30,044)	536,621
Recoverable taxes and other accounts receivable	(31,363)	292,539
Related parties	83,346	37,380
Labor and social contributions	48,544	3,736
Customer advances	(57,956)	(451,501)
Payable taxes	(444,968)	(674,067)
Other payable accounts	534	(11,924)
Taxes on profit paid	(2,629,911)	(2,036,130)
<b>Cash flows produced by operating activities</b>	<b>13,865,268</b>	<b>14,507,468</b>
<b>Cash flows from investment activities</b>		
Acquisition/Write-Off of fixed assets	(18,617)	(41,590)
<b>Net cash flow provided by (used in) investment activities</b>	<b>(18,617)</b>	<b>(41,590)</b>
<b>Cash flows from financing activities</b>		
Payment of dividends	(6,045,625)	(5,216,012)
Payment of loans and financings	(1,835,887)	(2,483,847)
Payment of loans and financings - Interest	(50,901)	(140,875)
<b>Net cash flows used in financing activities</b>	<b>(7,932,413)</b>	<b>(7,840,734)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,914,238</b>	<b>6,625,144</b>
<b>Increase (decrease) in cash and cash equivalents</b>		
At the beginning of year	13,435,911	6,810,767
At the end of year	19,350,149	13,435,911
<b>Net decrease in cash and cash equivalents</b>	<b>5,914,238</b>	<b>6,625,144</b>

The notes are an integral part of the financial statements.

## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### **1. Operations**

Ferrolease Participações S.A. ("Company") was founded on March 11, 2010 on October 31, 2019, the Company incorporated its wholly owned subsidiary Ferrolease Locação e Venda de Equipamentos Ferroviários SA, and its corporate name was changed to Ferrolease Comércio e Locação de Equipamentos Ferroviários SA.

The Company's headquarters are located at Av. Brigadeiro Faria Lima 1485, room 124, São Paulo - SP.

Its corporate purpose includes the leasing of railway equipment, with a primary focus on freight wagon leasing.

The Company has a fleet of 361 railcars, of which 89 are leased from the shareholder Global Railroad Leasing LLC ("GRL") and the remaining 272 are owned by the Company. Since the beginning of 2021, Ferrolease has 100% of its portfolio leased to customers.

The Company's revenue in 2024 was predominantly generated through railcar lease contracts, signed with the companies Rumo Logística ("RUMO"), Agrex do Brasil S / A ("Agrex") and ArcelorMittal do Brasil ("ArcelorMittal").

105 HFT hopper cars (150 m<sup>3</sup> of capacity) leased to Agrex on November 18, 2009 (30 units) and February 7, 2011 (75 units). The 1st contract (30 units) has a maturity date of October 30, 2034 (according to the 2nd contractual amendment dated December 1, 2017). As for the second contract (75 units) - which was originally set to expire on December 31, 2024 - it was renewed (via the 5th amendment dated June 22, 2023) for an additional 2 (two) years, and the new maturity date will be on December 31, 2025. These wagons transport grains on the broad gauge rail lines of the Carajás Railway ("EFC") and the North-South Railway ("FNS").

In December 2012 the Company signed a lease agreement for 33 HAE type railcars with ArcelorMittal do Brasil. The railcars are used to transport ore in an internal circuit. This fleet is for the exclusive use of the customer, responsible for loading and unloading raw ore between the mine and Arcelor's plant in the city of João Monlevade, in Minas Gerais. The contract - which would expire in August 2023 - was renewed through a new amendment signed on October 2023, and the new maturity will take place on August 1, 2033.

In addition, the Company holds four leasing contracts with the railway concessionaire Rumo:

## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

1. Lease of 89 HFT-type hopper wagons (135 m<sup>3</sup> volumetric capacity): These wagons are used for grain transport between Alto Araguaia/MT and Santos/SP, on Rumo's broad-gauge network. The contract matures in June 2027.
2. Lease of 88 TCT-type tank wagons: These wagons are employed in Rumo's rail operations along the Rondonópolis/MT to Paulínia/SP route. The contract matures in April 2025.
3. Lease of 13 HAS-type hopper wagons (55 m<sup>3</sup> volumetric capacity): These wagons are used for transporting gravel and ballast in railway construction works across the states of Goiás, Minas Gerais, and Tocantins. The agreement, initially signed on December 6, 2019, was renewed for seven more years through the second amendment in 2024, with a maturity date of July 2031.
4. Lease of 33 TCS-type tank wagons: These wagons are used for the transportation of petrochemicals, alcohol, vegetable oil, and other liquid materials on the railway network operated by Rumo in the states of São Paulo and Mato Grosso. The agreement was renewed for an additional five years in 2024, with a maturity date of July 2029.

## **2. Basis of preparation**

### ***2.1 Statement of compliance***

The individual and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil (full IFRS). The Directors authorized the issuance of the individual and consolidated financial statements on April 14, 2025. After their issuance, only the shareholders have the power to change the financial statements.

All the specific and relevant information to the financial statements, and only them, are being evidenced, and correspond to those used by the Administration in its management.

### ***2.2 Functional and reporting currency***

The financial statements are presented in Reais, which is the functional currency of the Company. The financial information has been rounded to the nearest decimal, except otherwise indicated.

## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### **2.3 Use of estimates and judgments**

In the preparation of these financial statements, management used judgments, estimates and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on a continuous basis. Reviews of estimates are recognized on a prospective basis.

Information about judgment referring to accounting policies adopted which presents effects on amounts recognized in the financial statements, as well as information on uncertainties related to assumptions and estimates that pose a significant risk of resulting in a material adjustment in the year ending on December 31, 202 are included in the following notes:

- **Note 08** – Fixed Asset (residual value and useful life of assets);
- **Note 19** – Financial instruments (measurement of fair value and classification of financial instruments)

### **3. Accounting Policies**

The Company applied the accounting policies described below consistently to all the years presented in these financial statements:

#### **3.1 Basis of measurement**

The financial statements have been prepared considering historical cost as a basis of value, with the expectation of financial instruments whose criteria for recognition, measurement and disclosure are mentioned in note 3.2 (g).

##### **(a) Determination of fair values**

Other accounting policies and disclosures of the Company require the fair value be determined for both financial assets and liabilities and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### **3.2 Main Accounting Policies**

#### **(a) Foreign currency transactions**

Transactions in foreign currency are translated into the respective functional currency of the Group at the exchange rates on the dates of the transactions.

#### **(b) Operating revenue**

Operating revenue from the lease of wagons in the normal course of business is measured at fair value of the consideration received or receivable, minus any estimated cancellations, commercial discounts and other bonuses awarded to the buyer and other such deductions. Revenue is recognized monthly, based on the wagon lease agreements, on the accrual basis. Revenue is not recognized if there are significant uncertainties as to its realization.

#### **(c) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

The liability is recognized at the expected amount to be paid if the Company and its subsidiary have a legal or constructive obligation to pay this amount because of the services provided by the employee, and the obligation can be reliably estimated.

#### **(d) Finance income and finance costs**

Finance income primarily comprises interest income on short-term investments. Finance costs primarily consist of interest expenses on loans.

Interest income and expense are recognized in the income statement using the effective interest method.

#### **(e) Income tax and social contribution**

Income tax and social contribution for the current year are calculated based on the rates of 15%, plus a surcharge of 10% on taxable income in excess of R\$ 240,000 for income tax and 9% on taxable income for social contribution on net income and consider the offsetting of tax loss carry forwards and negative basis of social contribution limited to 30% of the taxable income.

## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

Income tax and social contribution expenses comprise current and deferred income taxes. Current and deferred taxes are recognized in income, unless they are related to business combinations, or items directly recognized in equity or other comprehensive income.

### ***(i) Current income tax and social contribution expenses***

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is recognized in the balance sheet as an asset or tax liability for the best estimate of the expected amount of taxes to be paid or received reflecting the uncertainties related to its calculation, if any. It is measured based on the tax rates enacted at the reporting date.

Current tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

### ***(ii) Deferred income tax and social contribution expenses***

Deferred tax assets and liabilities are recognized in relation to the temporary differences between the book values of assets and liabilities for financial statement purpose and the related amounts used for taxation purposes. Changes in deferred tax assets and liabilities for the year are recognized as deferred income and social contribution tax expense.

A deferred tax asset is recognized in respect of tax losses and unused deductible temporary differences to the extent that it is probable that future taxable income will be available against which it will be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to fully recognize a deferred tax asset, the future taxable income adjusted for the reversals of the existing temporary differences will be considered, based on the business plans of the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that their realization is no longer probable.

Deferred tax assets and liabilities are measured based on the rates that are expected to be applied to temporary differences when they are reversed, based on the rates that were decreed up to the reporting date.

## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Company expects to recover or settle its assets and liabilities

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

### **(f) Property, plant, and equipment**

#### ***(i) Recognition and measurement***

Property, plant, and equipment items are stated at historical acquisition or construction cost, including loan cost capitalized, net of accumulated depreciation and impairment losses.

When significant parts of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Any gains and losses on disposal a property, plant and equipment item are recognized in income (loss).

#### ***(ii) Subsequent costs***

Subsequent costs are capitalized in accordance with the probability that associated future economic benefits may be earned by the Group.

#### ***(iii) Depreciation***

Depreciation is calculated to amortize the cost of items of property, plant and equipment, net of their estimated residual values, using the straight-line method based on estimated useful lives of such items. Depreciation is recognized in profit or loss. Leased assets are depreciated over the shorter of the estimated useful life of the asset and the contractual term, unless it is certain that the Group will become the owner of the asset at the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

Railway assets	33.33 years
Leasehold improvements	6 years
Computer and telephony equipment	5 years
Machines and equipment	10 years
Furniture and utensils	10 years
Software	5 years

## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted when necessary.

### **(g) Financial instruments**

The Group classifies non-derivative financial assets in the category loans receivables and financial liabilities in the category others financial liabilities.

#### ***(i) Non-derivative financial assets - recognition and derecognition***

The Group initially recognizes loans, receivables, and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date that the Group becomes a part to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are withdrawn, canceled, or expired.

Financial assets or liabilities are offset, and their net value recorded in the balance sheet only when the Group is legally entitled to offset the amounts and intends to settle on a net basis or realize the asset and settle the liabilities simultaneously.

#### ***(ii) Non-derivative financial assets - measurement***

##### ***Loans and receivables***

Assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial *recognition*, loans and receivables were measured at amortized cost using the effective interest method.



## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### ***(iii) Non-derivative financial liabilities - measurement***

Other non-derivative financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

### **(h) Impairment**

#### ***(i) Non-derivative financial assets***

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that the financial assets have incurred impairment can include nonpayment or late payment by the debtor, restructuring of the amount owed to the Company on terms that it would not normally accept in other transactions, signs that the debtor or issuer is going to enter bankruptcy proceedings or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

#### ***(ii) Non-financial assets***

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value minus costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. In the case of intangible assets with an indefinite useful life, the recoverable value is tested every year.

## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

Impairment losses are recognized when the book value of an asset or its cash operating unit exceeds its estimated recoverable value. Impairment losses are recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **(i) Provisions**

Provisions are determined by discounting the estimated future cash flows at a pre-tax rate which reflects the current market evaluations as to the value of the cash over time and the specific risks of the liability in question. The derecognition effects of discount for overtime are recognized in income (loss) as financial expense.

### **(j) Leases**

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

### **(k) Fair value Measurement**

Accounting policies and disclosures from the company require the determination of fair value, both for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods below. When applicable, additional information on the assumptions used in determining fair values is disclosed in the notes specific to that asset or liability.

#### ***(i) Accounts receivable and other receivables and suppliers***

The fair value of accounts receivable and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest calculated on the date of presentation. This fair value is determined for disclosure purposes.

#### ***(ii) Non-derivative financial liabilities***

The fair value, which is determined for disclosure purposes, is calculated based on the present value of the principal and future cash flows, discounted at the market rate of interest calculated on the date of presentation of the financial statements.

### **3.3 New Accounting Standards and Pronouncements (IFRS/CPC)**

#### **a) New or revised pronouncements applied for the first time in 2024**

For illustrative purposes, the Company has listed all disclosures related to new and revised pronouncements that became effective on or after January 1, 2024 (unless otherwise stated), regardless of whether they have any impact on the Company's financial statements. The following pronouncement is presented:

#### **Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7**

The amendments are not expected to have a material impact on the Company's financial statements.

#### **b) Standards issued but not yet effective**

New and amended standards and interpretations issued, but not yet effective as of the date of issuance of the Company's financial statements, are described below. The Company intends to adopt these new and amended standards and interpretations, where applicable, when they become effective.

#### **Presentation and Disclosure in Financial Statements**

The Company is currently assessing the full impact of these amendments on its primary financial statements and the accompanying notes.

#### **Subsidiaries without Public Accountability: Disclosures**

As the Company's equity instruments are publicly traded, it is not eligible for this standard.

#### **Investments in Associates, Subsidiaries, and Joint Ventures and ICPC 09 – Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements, and Application of the Equity Method**

The amendments are not expected to have a material impact on the Company's financial statements.

#### **Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements and CPC 37 (R1) – First-time Adoption of International Financial Reporting Standards**

The amendments are not expected to have a material impact on the Company's financial statements.

## Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### 4. Cash and Cash Equivalent

	<b>2024</b>	<b>2023</b>
Cash and bank deposits	2,086	1,827
Financial investments	19,348,063	13,434,084
	<b>19,350,149</b>	<b>13,435,911</b>

These securities are readily convertible into a known amount of cash and they are subject to an insignificant risk of impairment. These invested funds were accordingly classified as cash and cash equivalents in the cash flow statements.

As of December 31, 2024, the short-term investments refer substantially to fixed-income funds, remunerated at rates like the CDI - Interbank Deposit Certificate.

### 5. Accounts Receivable

The balance of accounts receivable is shown in the following table:

	<b>2024</b>	<b>2023</b>
Accounts Receivable	1,102,976	1,072,932
	<b>1,102,976</b>	<b>1,072,932</b>

The accounts receivable are related to wagon leasing contracts, as described in note 1. As of December 31, the total Accounts Receivable is still outstanding. Management evaluated the outstanding balances and did not identify any amount to be provisioned.

### 6. Related Parties

The balances with related companies were carried out according to the terms and conditions agreed between the parties, which could be different if they were carried out with third parties and are presented as follows:

	<b>2024</b>	<b>2023</b>
<b>Non-current asset</b>		
Loan to à GRL USA (i)	-	31,338
Other	-	14,628
	-	<b>45,966</b>
	<b>2024</b>	<b>2023</b>
<b>Current liabilities</b>		
Dividends (ii)	7,695,005	5,515,471

## Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

	<u>7,695,005</u>	<u>5,515,471</u>
<b>Non-current liabilities</b>		
Rent owed to GRL (iii)	623,000	585,620
	<u>623,000</u>	<u>585,620</u>

- (i) Refers to loans in the amounts of R \$ 290,000, R \$ 350,000, and R \$ 50,000, plus interest of 9.83% pa. and Libor + 3% p.a., respectively. On April 15, 2009, an Extraordinary Shareholders' Meeting resolved to offset the balances related to rents payable by Ferrolease S.A to GRL USA with amounts of loans granted by Ferrolease S.A to GRL USA. Whereas the Management has not yet set a deadline to offset these amounts, these assets were reclassified to noncurrent assets in 2009. The balance was substantially settled in 2021.
- (ii) The balance comprises dividends payable in the amount of R\$ 4,690,830 (R\$ 2,638,831 in 2023) and interest on equity in the amount of R\$ 3,004,175 (R\$ 2,876,640 in 2023), to be paid in full in the first quarter of 2025.
- (iii) Amounts related to rent payable arising from the agreement with GRL USA, owner of the 100 wagons leased by the subsidiary. Adjusted for 89 wagons in 2016 due to a total loss accident involving 11 units.

## 7. Recoverable taxes

The balance is comprised of the following amounts:

	<u>2024</u>	<u>2023</u>
IRPJ/CSLL (Current asset)	574,882	132,074
	<u>574,882</u>	<u>132,074</u>

## 8. Fixed Asset

	<u>2024</u>			<u>2023</u>
	Cost	Accumulated depreciation	Net	Net
Railway assets	98,323,530	(37,717,593)	60,605,937	63,009,806
Computers and peripherals	77,304	(65,147)	12,157	14,271
Machinery and Equipment	3,289	(3,289)	-	1
Furnitures and fixtures	48,058	(40,533)	7,525	8,410
Software	51,939	(5,630)	46,309	34,228
	<u>98,504,120</u>	<u>(37,832,192)</u>	<u>60,671,928</u>	<u>63,066,716</u>

## Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### Changes in costs

	<b>Balance in 12/31/2023</b>	<b>Amortization Provision</b>	<b>Additions</b>	<b>Balance in 12/31/2024</b>
Railway assets	98,323,530	-	-	98,323,530
Computers and peripherals	73,205	-	4,099	77,304
Machinery and equipment	3,289	-	-	3,289
Furniture and fixtures	48,058	-	-	48,058
Software	37,421	-	14,518	51,939
	<b>98,485,503</b>	<b>-</b>	<b>18,617</b>	<b>98,504,120</b>

### Changes in depreciation

	<b>Balance in 12/31/2023</b>	<b>Depreciation</b>	<b>Balance in 12/31/2024</b>
Railway assets	(35,313,724)	(2,403,869)	(37,717,593)
Computers and peripherals	(58,934)	(6,213)	(65,147)
Machinery and equipment	(3,288)	(1)	(3,289)
Furniture and fixtures	(39,648)	(885)	(40,533)
Software	(3,193)	(2,437)	(5,630)
	<b>(35,418,787)</b>	<b>(2,413,405)</b>	<b>(37,832,192)</b>

### Review of useful life

The depreciation rates of property, plant and equipment were reviewed during the year, as required by CPC 27 - Property, Plant and Equipment, and the Company did not identify the need to change the depreciation / useful lives used in the previous year.

### Warranties

The purchased cargo wagons were pledged as collateral in the operation contracted with the Special Agency for Industrial Financing – FINAME (see note 9).

## 9. Borrowings and financing

	<b>2024</b>	<b>2023</b>
<b>In local currency</b>		
FINAME (fixed interest + 4.5% p.a.) (ii)	153,268	1,992,723
FINAME (fixed interest + 7.0% p.a.) (iii)	<b>153,268</b>	<b>1,992,723</b>
	<b>153,268</b>	<b>1,839,732</b>
Current Liability	-	152,991
Non-current Liability	153,268	1,992,723

## Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

- (i) Between the dates of February 19, 2015 and August 25, 2015, the Company concludes the negotiation of financing through resources originating from on lending's of the Special Industrial Financing Agency - FINAME of the National Bank for Economic and Social Development - BNDES , which will be paid in 112 monthly and successive installments, the first maturing on April 15, 2015 and the last on January 15, 2025. This limit was approved for the acquisition of 44 tankers, type TCT, which were offered in fiduciary disposal as collateral for the debt. In addition to the 44 TCT tank wagons given as collateral to the financing agent, as described in note 9, the Company must comply with other obligations with the funder (financial covenants) for this agreement.

### **Changes in borrowings and financing**

	<b>2024</b>
Balance on December 31st, 2023	<b>1,992,723</b>
(+) Interest appropriation and exchange variations	47,333
(-) Settlement of loan	(1,835,887)
(-) Settlement of interests	(50,901)
Balance on December 31st, 2024	<b>153,268</b>

The purchased cargo wagons were pledged as collateral in the operation contracted with the Special Agency for Industrial Financing – FINAME.

As of December 31, 2024 the Company is in compliance with all the obligations required by the loan and financing agreements.

### **10. Advances to customers**

The balance refers to advances obtained on account of lease agreements for wagons, with the final maturity of the advanced amounts occurring in January 2025.

### **11. Payable taxes**

The balance of taxes and contributions payable is shown in the table below:

	<b>2024</b>	<b>2023</b>
<b>Current</b>		
PIS/COFINS	-	5,384
PIS/COFINS	156,365	144,385
Withholding taxes	2,199	579
Fiscal Installments (PIS / COFINS)	-	94,512
Fiscal Installments (IRPJ / CSLL)	-	69,028
	<b>158,564</b>	<b>313,888</b>

## Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

The installment taxes will expire in April 2024.

### 12. Deferred income taxes

The Company reviewed the estimated useful lives and the applicable depreciation rates for the main groups of property, plant and equipment. As a result of this change, a temporary difference was identified between the accounting base and the tax base of the affected assets, since, for tax purposes, depreciation rates continue to follow the percentages established by current tax legislation.

Accordingly, a deferred income tax and social contribution liability was recognized, related to the temporary differences arising from this adjustment.

In 2020, due to the history of profitability and the expectation of future profitability, the Company decided to recognize the tax credit resulting from its accumulated tax losses. Management expects that these losses will be consumed in up to 5 years. The values are shown in the table below.

	<u>2024</u>	<u>2023</u>
IR/CS (Useful Life of Fixed Assets)	18,562,570	18,214,772
IR/CS (Deferred tax losses)	(1,341,823)	(2,352,378)
	<u><b>17,220,747</b></u>	<u><b>15,862,394</b></u>

### 13. Equity (Parent Company)

#### a. Capital

The Company's capital stock, according to the Extraordinary General Meeting held on December 28, 2010, is R\$ 13,497,026, of which 3,788,740 common shares ("ON") with no par value, with the following rights:

<b>Shareholders</b>	<u><b>Common shares</b></u>
Global Railroad Leasing, LLC	1,453,551
Membeca, LLC	1,238,486
ATT Centro Oeste Ltda.	804,036
Sofimax Participações	93,237
Shareholders (private individuals)	199,426
Others	5
	<u><b>3,788,741</b></u>



## Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### b. Legal reserve

It is constituted at the rate of 5% of the net income determined in each fiscal year pursuant to art. 193 of Law 6,404 / 76, up to a limit of 20% of the capital stock.

### c. Profit reserve

The balances of retained earnings as of December 31, were allocated to the retained earnings reserve for investments in the expansion and strengthening of working capital.

### d. Dividends

The Company's bylaws determine the distribution of a mandatory minimum dividend of 25% of the result of the period adjusted according to the law. In 2024, Management decided on interest on equity, of which R\$ 3,534,328 (R\$3,384,275 in 2023) gross, and R\$ 3,004,179 (R\$2,876,634 in 2023) net of withholding income tax, to be paid in the first quarter of 2025. Minimum dividends were also provisioned in the amount of R\$ 2.690.831 (R\$2.638.794 in 2023). In April 2024, additional dividends of R\$2,000,000 were approved and paid in January 2025.

## 14. Net operating revenue

The net operating revenue is composed according to the table below:

	<b>2024</b>	<b>2023</b>
Railcar and locomotive rental revenue	19,327,240	19,696,386
Service taxes	(1,787,770)	(1,821,916)
<b>Net operating revenue</b>	<b>17,539,470</b>	<b>17,874,470</b>

## 15. Railcar rental agreements

On December 31, 2024, the Company has a lease agreement for 89 HFT wagons, in which the Company is a lessee. The agreement has a term of 5 years, with clauses of option of renewal, option to purchase and readjustment after that date.

As a lessee of such wagons, the Company recognized the following amounts of Costs with lease operations:

	<b>2024</b>	<b>2023</b>
Leasing costs	37,380	37,380

**Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

These assets, with a total value of R\$7,326,714 (cost value after improvements), were subleased. The sublease agreement has annual renewal.

**16. Operational expenses**

The expenses are comprised as follows:

	<b>2024</b>	<b>2023</b>
Payroll and benefits	1,240,603	1,246,076
Professional services expenses	291,615	300,017
Administrative expenses	205,353	199,334
Travel Expenses	32,637	54,718
Temporary admission expenses	367,221	281,582
Wagon maintenance	3,982	-
Leases	37,380	37,380
Tax contingencies	60,799	-
Others	10,186	7,177
	<b>2,249,776</b>	<b>2,126,284</b>
	<b>2024</b>	<b>2023</b>
Presented as:		
Cost of leases	37,380	37,380
Wagon maintenance	3,982	
Operational expenses	2,088,904	2,088,904
Other Operating Income/Expenses (a)	60,799	-
	<b>2,249,776</b>	<b>2,126,284</b>

*(a) The expense refers to taxes withheld from unconfirmed sources and the write-off of loans with GRL, as well as capital gains.*

## Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### 17. Financial results

The Company's financial result is presented in the table below:

	<u>2024</u>	<u>2023</u>
<b>Finance income</b>		
Financial investment earnings	1,670,257	1,107,137
Others	8,719	35,643
	<u>1,678,976</u>	<u>1,142,780</u>
<b>Finance expenses</b>		
Financial investment earnings	(49,246)	(34,699)
Others	(78,195)	(53,309)
	<u>(127,441)</u>	<u>(88,008)</u>
	<u>1,551,535</u>	<u>1,054,772</u>

### 18. Income tax and social contribution

Deferred income and social contribution taxes are recorded in order to reflect the future tax effects attributable to temporary differences between the taxable base of assets and liabilities and the respective carrying amounts.

On December 31, income, and social contribution taxes, recorded in non-current liabilities, are as follows:

	<u>2023</u>
Calculation basis	
Balance of tax loss	3,929,335
Temporary difference (provisions)	17,203
Difference tax and book depreciation	(54,595,793)
	<u>(50,649,255)</u>
Statutory rate	34%
Deferred income tax (25%)	(12,662,314)
Deferred social contributions (9%)	(4,558,433)
<b>Deferred tax liability</b>	<u>(17,220,747)</u>

The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense recognized in net income is presented below:

**Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

	<u>2024</u>	<u>2023</u>
Net income for the year before tax	<u>14,466,347</u>	<u>14,452,383</u>
Income tax and social contribution statutory rates (25% and 9%)	<u>(4,918,558)</u>	<u>(4,913,810)</u>
<b>Permanent additions and exclusions and other</b>		
Equity in net income of subsidiaries	(1,201,672)	1,150,654
Nondeductible expenses	2,946	11,286
Other	10,914	18,282
	<u>(3,703,026)</u>	<u>(3,733,588)</u>
<b>Income tax and social contribution</b>		
Current	(2,344,673)	(2,125,471)
Deferred charges	(1,358,353)	(1,608,117)
<b>Effective rate</b>	<u>26%</u>	<u>26%</u>

**19. Financial Instruments**

The Company and its subsidiary use operations with derivative financial instruments. The management of these instruments is done through operating strategies and internal controls, aimed at liquidity, profitability, and security.

**(i) Credit Risk**

Credit risk is the risk of the Group incurring financial losses if a customer or a counterparty in a financial instrument fails to comply with its contractual obligations. This risk is mainly due to the accounts receivable from customers and other financial instruments of the Group.

The book value of the financial assets represents the maximum credit exposure.

	<u>Book value</u>	
<b>Consolidated</b>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	19,348,063	13,434,084
Accounts receivable	1,102,976	1,072,932

## Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in complying with the obligations associated with its financial liabilities that are settled with payments in cash or with another financial asset.

The Group's approach to liquidity management is to ensure, to the extent possible, that it always has sufficient liquidity to meet its maturity obligations, under both normal and stress conditions, without causing unacceptable losses or risking damage to the Group.

<b>Consolidated</b>	<b>Book value</b>	
	<b>2024</b>	<b>2023</b>
Borrowings and Financing	153,268	1,992,723

### (iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group's earnings or the value of its holdings in financial instruments. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, while optimizing return. The Group's Management does not invest in financial assets that could generate significant fluctuations in its market prices.

#### **Exposure to interest rate risk**

The Group's interest rate profile of financial instruments, remunerated by interest, as reported to Management is shown below:

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Cash and cash equivalents	19,348,063	13,434,084
Accounts receivable	1,102,976	1,072,932
<b>Liabilities</b>		
Borrowings and Financing	153,268	1,992,723

For loans and financing, management has its contracts signed at fixed rates, which has no risk of material fluctuation.

## Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### Fair Value

The fair value of financial assets and liabilities, together with the carrying amounts presented in the financial statements, are as follows:

- **Parent Company**

	2024		2023	
	Loans and Receivables	Other Liabilities at amortized costs	Fair Value	Fair Value
<b>Assets</b>				
Cash and cash equivalents	19,350,149	-	19,350,149	13,434,084
Accounts receivable	1,102,976	-	1,102,976	1,072,932
<b>Liabilities</b>				
Loans and financing	-	153,268	153,268	1,992,723
Other accounts payable	-	-	-	31,141

The following methods and assumptions were adopted in determining fair value:

- **Cash and cash equivalents** - The book values in the balance sheet are the same as fair value because their yields are based on the Interbank Deposit Certificate - CDI rate.
- **Accounts receivable and other accounts receivable** - derive directly from the Company and its subsidiary's operations, measured at amortized cost, and stated at their original values, minus the provision for impairment and adjusted to present value, when applicable. The carrying amount is substantially equal to the fair value given the very short term in which these operations are settled (under 90 days).
- **Loans and financing** - Classified as financial liabilities not stated at fair value and recorded by the amortized cost method according to the contractual terms. This definition was adopted, because the amounts are not held for trading which management states reflect the most important accounting information. The fair values of this financing are the same as their book values, because they are financial instruments with rates equal to market rates and they have exclusive properties, deriving from specifically created sources of financing.

## **Ferrolease Comércio e Locação de Equipamentos Ferroviários S.A.**

Notes to the financial statements

At December 31, 2024 and 2023

(In Reais)

### **20. Contingences**

The Company is a party to lawsuits and administrative proceedings involving tax matters. Based on the opinion of its legal advisors, there are risks in the amount of R\$ 401,613 with a possibility of possible loss.

### **21. Insurance coverage**

The lease agreements between the Company and its clients RUMO - America Latina Logística S/A (RUMO ALL), Agrex do Brasil S/A (AGREX) and AcelorMittal do Brasil (Arcelor), provide insurance coverage for railcars subject to risk, at amounts deemed sufficient to cover any claims, considering the nature of the activity involved.

The Company also has insurance policies taken out with the main insurance companies in Brazil, which were determined in accordance with the orientation of experts and take into consideration the nature and the level of risk involved.

\*\*\*